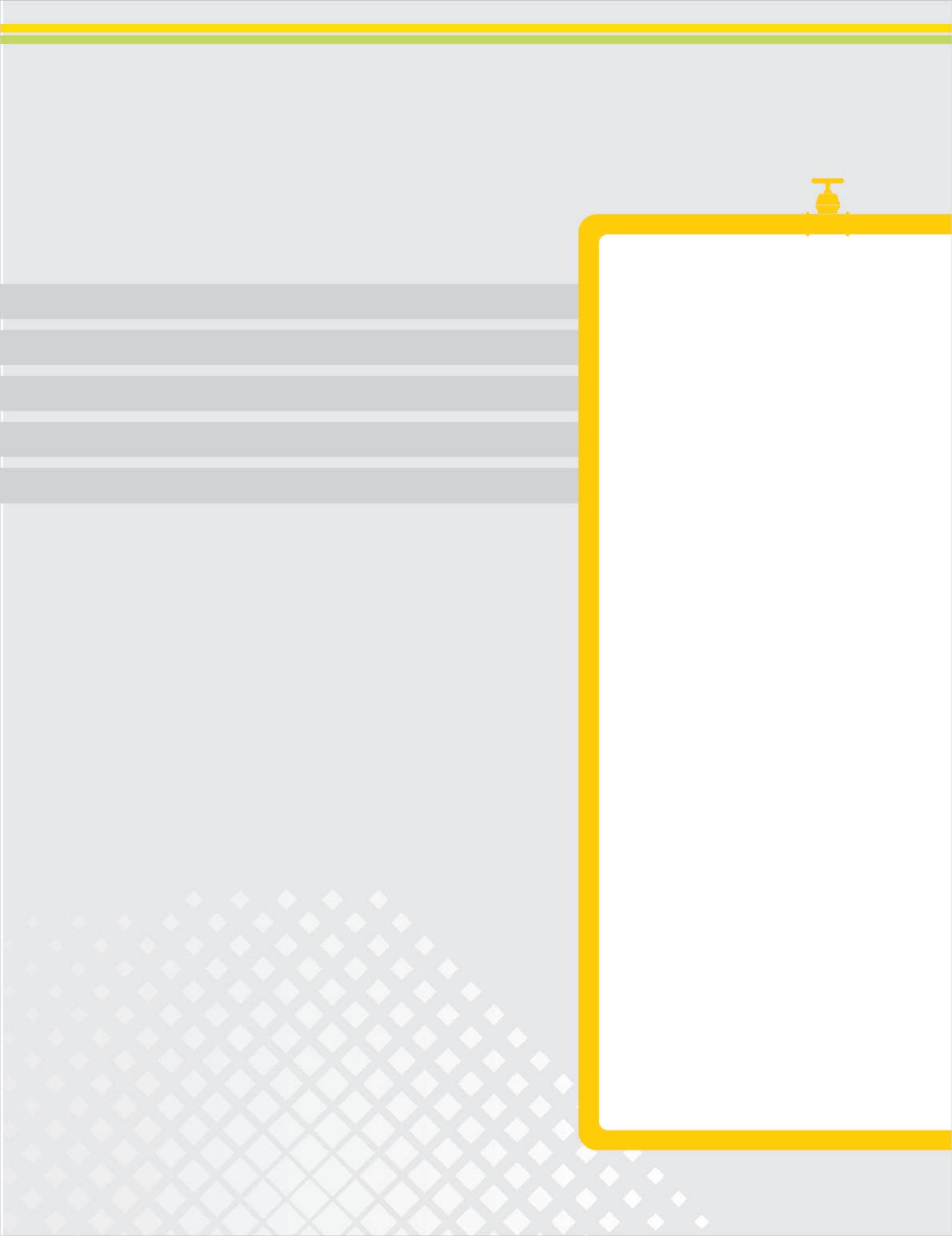


Annual Report 2017-2018



GAIL (India) Limited



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GAIL (INDIA) LIMITED

(A Government of India Undertaking)

Registered Office: 16, Bhikaiji Cama Place, R.K. Puram, New Delhi – 110066

CIN: L40200DL1984GOI018976 **Website:** www.gailonline.com

E-mail: shareholders@gail.co.in **Phone:** 011-26182955, **Fax:** 011-26185941

NOTICE

NOTICE is hereby given that the Thirty-Fourth Annual General Meeting of the members of GAIL (India) Limited will be held on Tuesday, the 11th day of September, 2018 at 10:30 a.m. at Manekshaw Centre, Parade Road, Delhi Cantonment, New Delhi-110010 to transact the following business(s):-

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Financial Statements and audited Consolidated Financial Statements for the financial year ended 31st March, 2018, Directors' Report, Independent Auditors' Report and the comments thereon of the Comptroller & Auditor General of India and to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT audited Financial Statements and audited Consolidated Financial Statement for the financial year ended 31st March, 2018, Directors' Report, Independent Auditors' Report and the comments thereon of the Comptroller & Auditor General of India be and are hereby received, considered and adopted"

2. To declare final dividend @ 14.40% (Rs.1.44/- per equity share) on paid-up equity share capital of the Company (Rs. 2,255.07 crores) for the financial year ended 31st March, 2018 as recommended by the Board and to confirm the payment of interim dividend @ 76.5% (Rs.7.65/- per equity share) on then paid-up equity share capital of the Company (Rs. 1,691.30 crores) already paid in the month of January, 2018 and to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT approval of the shareholders be and is hereby accorded for payment of final dividend @ 14.40% (Rs.1.44/- per equity share) on paid-up equity share capital of the Company (Rs. 2,255.07 crores) for the financial year ended 31st March, 2018 as recommended by the Board and to confirm the payment of Interim Dividend @ 76.5% (Rs.7.65/- per equity share) on then paid-up equity share capital of the Company (Rs. 1,691.30 crores) as approved by the Board and already paid in January 2018"

3. To appoint a Director in place of Shri Subir Purkayastha, who retires by rotation, and being eligible, offers himself for re-appointment and to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT Shri Subir Purkayastha (DIN- 06850526) be and is hereby re-appointed as Director of the Company liable to retire by rotation"

4. To appoint a Director in place of Shri Ashish Chatterjee, who retires by rotation, and being eligible, offers himself for re-appointment and to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT Shri Ashish Chatterjee (DIN- 07688473) be and is hereby re-appointed as Director of the Company liable to retire by rotation"

5. To authorize Board of Directors of the Company to fix remuneration of the Joint Statutory Auditor(s) of the Company in terms of the provisions of section 142 of the Companies Act, 2013 and to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT Board of Directors of the Company be and is hereby authorized to decide and fix the remuneration of the Joint Statutory Auditor(s) of the Company appointed by Comptroller and Auditor General of India for the Financial Year 2018-19"

SPECIAL BUSINESS

To consider, and if thought fit, to pass the following resolutions as an **Ordinary Resolution(s):**

6. To appoint Dr. Rahul Mukherjee (DIN-07940278) as Independent Director of the Company

"RESOLVED THAT pursuant to the provisions of Section 152 & 161 and other applicable provisions of the Companies Act, 2013, Dr. Rahul Mukherjee (DIN-07940278) who was nominated as Independent Director by the President of India vide MoPNG letter no. C-31034/2/2017-CA/FTS:49128 dated 08.09.2017 and appointed as an Additional Director w.e.f. 15.09.2017 by the Board of Directors, be and is hereby appointed as Independent Director of the Company as per terms and conditions mentioned in the said letter, not liable to retire by rotation."

7. To appoint Shri Jayanto Narayan Choudhury (DIN-07940286) as Independent Director of the Company

"RESOLVED THAT pursuant to the provisions of Section 152 & 161 and other applicable provisions of the Companies Act, 2013, Shri Jayanto Narayan Choudhury (DIN-07940286) who was nominated as Independent Director by the President of India vide MoPNG letter no.-C-31034/2/2017-CA/FTS: 49128 dated 08.09.2017 and appointed as an Additional Director w.e.f. 15.09.2017 by the Board of Directors, be and is hereby appointed as Independent Director of the Company as per terms and

conditions mentioned in the said letter, not liable to retire by rotation"

8. To appoint Ms. Banto Devi Kataria (DIN-08194036) as Independent Director of the Company

"RESOLVED THAT pursuant to the provisions of Section 152 & 161 and other applicable provisions of the Companies Act, 2013, Ms. Banto Devi Kataria (DIN-08194036) who was nominated as Independent Director by the President of India vide MoPNG letter no.- C-31033/2/2018-CA (22758) dated 24.07.2018 and appointed as an Additional Director w.e.f. 06.08.2018 by the Board of Directors, be and is hereby appointed as Independent Director of the Company as per terms and conditions mentioned in the said letter, not liable to retire by rotation."

9. To appoint Shri Manoj Jain (DIN- 07556033) as Director (Business Development) of the Company

"RESOLVED THAT in accordance with the provisions of section 161 and other applicable provisions, if any, of the Companies Act, 2013, Shri Manoj Jain (DIN-07556033) who was nominated as Director (Business Development) by the President of India vide MOPNG letter no. C-31022/5/2015-PNG dated 01.06.2018 and appointed as an Additional Director w.e.f. 05.06.2018 by the Board of Directors to hold the post of Director (Business Development) of the Company, be and is hereby appointed as Director (Business Development) of the Company, liable to retire by rotation on such terms and conditions, remuneration and tenure as may be determined by the President of India/Government of India from time to time."

10. Ratification of remuneration of cost auditors of the Company:

"RESOLVED THAT pursuant to the provisions of section 148, other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration payable to Cost Auditor(s) appointed by the Board of Directors of the Company to conduct the audit of cost records of the various units of the Company for the Financial Year 2017-18, amounting to Rs.21,26,000/- plus applicable taxes and out of pocket expenses etc. be and is hereby ratified and confirmed.

FURTHER RESOLVED THAT consent of the members be and is hereby given for authorizing the Board of Directors of the Company to decide and fix the remuneration of the Cost Auditor(s) appointed by the Board of Directors of the Company, to conduct the audit of cost records of the various units of the Company for the Financial Year 2018-19."

11. Material Related Party Transactions with Petronet LNG Limited

"RESOLVED THAT approval of the shareholders be and is hereby accorded for Material Related Party Transactions with Petronet LNG Limited for FY 2018-19 for Rs. 20,625 Crores approx. which is likely to exceed 10% of the consolidated turnover of the Company for FY 2017-18, as per the requirement of Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015"

To consider, and if thought fit, to pass the following resolutions as **Special Resolution(s):**

12. Amendment of Object clause of Memorandum of Association of the Company

"RESOLVED THAT pursuant to the provisions of Section 13 and other applicable provisions, if any, of the Companies Act, 2013 including any statutory modification or re-enactment thereof for the time being in force, the approval of members be and is hereby accorded for amendment in Main Objects Clause of the Memorandum of Association of the Company by addition of new clauses from 25 to 30 as under:

Clause 25: To make investment in Start-Ups in Core business areas (e.g. Natural Gas, Petrochemicals, Energy etc.) and Non-Core areas (e.g. Health, Social & Environment, Safety & Security etc.) either directly or indirectly through any other entity e.g. Special Purpose Vehicle (SPV) etc.

Clause 26: To carry on the business of collection, treatment, purification, desalination, transportation, distribution and marketing of water and slurry and business relating thereto. To establish, develop, construct, build, purchase, maintain, manage plant and equipment for such businesses. Acquire from any person/ body corporate whether in India and/or outside India, technical information, know-how, process engineering, manufacturing, plans layouts, blue prints etc. for such businesses.

Clause 27: To lease/ let/ sharing land & buildings, plant and machineries, movable and immovable properties and all other assets including providing consultancy



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services such as gas management, gas metering audits, pipeline integrity assessments, safety audits etc. to any person, organization/companies. To construct for its own use or otherwise, breakwater, port facilities, terminals, plant and machinery including maintenance, working management, carrying out, superintendence or control thereof and also including import/export of utilities such as steam, power, hot flue gases, CO₂ emitted from its processes and its management thereof.

Clause 28: To carry on the business of manufacture, import, distribution and marketing of appliances relating to gas marketing and distribution, such as gas meter, CNG kits etc.

Clause 29: To carry on the business of establishment of battery charging stations and providing charging services, manufacture, import of machines and equipments, batteries etc. and its assembling for electric vehicles and businesses relating thereto.

Clause 30: To carry on the business as a Contractor and provide various services such as Engineering, Procurement and Construction; Engineering, Procurement, Construction Management; Project Management Consultancy; etc. in the areas of its businesses.

FURTHER RESOLVED THAT pursuant to the provisions of Section 4, Section 13 and other applicable provisions, if any, of the Companies Act, 2013 including any statutory modification or re-enactment thereof for the time being in force, the approval of members be and is hereby accorded for merging and renumbering of clause(s) wherever applicable including change of heading as per the requirements of the Companies Act 2013;

FURTHER RESOLVED THAT the Chairman & Managing Director and/or Director and/or Company Secretary be and are hereby authorized to do all such acts, deeds, matters, things and take such steps as may be considered necessary, or expedient for giving effect to the above resolutions."

13. Private Placement of Securities

"RESOLVED THAT pursuant to provisions of section 42 of the Companies Act, 2013 read with the Companies (Prospectus & Allotment of Securities) Rules, 2014 and other applicable provisions of Companies Act, 2013, if any, the consent of the shareholders of the Company be and is hereby accorded for borrowing of INR Debt through secured / unsecured, redeemable, taxable Non-Convertible Bond(s) / Offshore INR Bonds upto Rs.1,500 crore till the conclusion of next AGM, in one or more tranches on private placement basis.

FURTHER RESOLVED THAT for the purpose of giving effect to Private Placement of unsecured/secured non-convertible bonds/ debentures/ Offshore INR Bonds, the Board of Directors of the Company (the "Board") or any duly constituted Committee of the Board or such other authority as approved by the Board be and is hereby authorized to do all such acts and decide all such related matters as may be required including execution of necessary documents, deeds etc."

By order of the Board

Sd/
(A.K. Jha)
Company Secretary

Place : New Delhi
Date : 07.08.2018

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT ANNUAL GENERAL MEETING (THE MEETING) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORM DULY COMPLETED SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE MEETING (PROXY FORM IS ANNEXED HERewith).

Pursuant to the provisions of section 105 of the Companies Act, 2013, a person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or member. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxy(ies) lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing of the intention to inspect is given to the Company.

2. The following is annexed with the Notice:

- i) Explanatory Statement pursuant to section 102 of the Companies Act, 2013 read with Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India and approved as such by Government of India in respect of the Special Business.
- ii) A brief resume of the Director(s) proposed for appointment/re-appointment as mandated in Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI LODR Regulations, 2015]. For the purpose of determination of the Committee positions, Membership/ Chairmanship is reckoned considering Audit Committee and Stakeholders Relationship Committee only. As per provisions of the Companies Act, 2013, Additional Director(s) and Independent Director(s) are not liable to retire by rotation. As per Articles of Association of the Company, Chairman and Managing Director is not liable to retire by rotation.
- iii) The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means (instructions for remote e-voting are annexed).

3. Documents referred in the accompanying Notice and Explanatory Statement thereto, are open for inspection by members, at the Registered Office of the Company during office hours i.e. between 11:00 a.m. to 1:00 p.m., on all working days, except Saturday(s)/Sunday(s)/Holiday(s).

4. The Register of Members and Share Transfer Books of the Company shall remain closed from **Saturday, the 1st September, 2018 to Tuesday, the 11th September, 2018 (both days inclusive) to determine the entitlement of the final dividend @ 14.40% (Rs.1.44/- per share), if so, approved by the members of the Company at the aforesaid AGM. The Company had already paid interim dividend @ 76.5% (Rs.7.65/- per share) in the month of January, 2018. Final dividend after declaration at the AGM, will be paid within 30 days of the AGM, to those eligible members whose name(s) appear:-**

- a. as member(s) holding shares in **physical mode**, in the Register of Members of the Company after giving effect to all valid and complete transfers, lodged with R&TA/Company on or **before 1st September, 2018**; or
 - b. as Beneficial Owner(s) holding shares in **electronic mode**, details as furnished by the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), for said purpose.
5. Corporate members intending to send their authorized representative(s) to attend the meeting are required to send a duly certified copy of the Board Resolution/Power of Attorney authorizing their representative to attend and vote on their behalf at the meeting.
 6. Members may kindly note that their Bank Account number and MICR Code, as noted in the records of their Depository Participant (DP), shall be used for the purpose of remittance of dividend through National Automated Clearing House (NACH), wherever applicable. Members should ensure that their correct bank details are noted in the records of the DP, so that no NACH rejection takes place.
 7. Members who have not encashed their Dividend Warrant(s) may approach the R&TA/Company for issuance of demand draft(s) upon completion of necessary formalities in this behalf in lieu of such warrant(s), at least 3 weeks before they are due for transfer to Investor Education and Protection Fund (IEPF). After the transfer of unpaid/unclaimed amount to IEPF, no claim shall lie against Company/R&TA. Regarding modalities of dividend and other related information, members are requested to refer "Dividend" section of Report on Corporate Governance and may also visit Investor Zone" section at Company's website for further reference. R&TA also has designated an exclusive e-mail ID viz. admin@mcsregistrars.com to facilitate investors to register their request/complaints, if any.
 8. Pursuant to the requirement of section 124(6) of the Companies Act, 2013 read with Rule 6(3)(a) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 all shares in respect of which dividend have not been paid or claimed for seven consecutive years or more shall be transferred by the Company in the name of IEPF. However, shareholders whose unpaid/unclaimed dividend has been transferred to IEPF shall be entitled to get refund in respect of such claims in accordance with provisions of the Companies Act, 2013 and rules framed in this regard by Government of India. More details are available at http://www.gailonline.com/final_site/IZ-InvestorInformation.html.
 9. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to R&TA/Company. As per latest amendment in SEBI LODR Regulations, 2015 except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository w.e.f. December 5, 2018.
 10. Members/Proxy holders are requested to:-



GAIL (INDIA) LIMITED

- i. bring their copy of Annual Report and Attendance Slip at the venue of the meeting.
 - ii. please **carry photo ID** card for identification/verification purposes.
 - iii. note that entry to the hall will be strictly on the basis of admission card which will be provided at the counters of R&TA at the venue, in exchange of duly completed and signed Attendance Slip.
 - iv. note that briefcases, mobile phones, bags, helmets, eatables and other belongings **will not be allowed** to be taken inside the venue of the meeting for security purposes and members/proxy holders will be required to take care of their belongings.
 - v. note that **no gifts** will be distributed at the Annual General Meeting.
 - vi. note that **members present in person or through registered proxy** shall only be entertained.
 - vii. note that the Attendance Slip/Proxy Form should be **signed** as per the specimen signature registered with the R&TA/DP.
 - viii. quote their Folio/DP & Client Id No. in all correspondences with the R&TA/Company.
11. Notice of the meeting along with the Route map of the venue is also available at Company's website www.gailonline.com.

IMPORTANT COMMUNICATION TO MEMBERS

As per the provisions of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, Company may give notice etc. through electronic mode i.e. by e-mail as a text or as an attachment to e-mail or as a notification providing electronic link. Your Company has sent the notification providing electronic link of notice of AGM to entitled members and the same is also hosted on the website of the Company along with Annual Report at http://www.gailonline.com/final_site/IZ-AnnualReports.html.

Members who have not yet registered their e-mail id or who want to change their e-mail id are requested to approach their respective DP (for electronic holding) or with R&TA/Company (for physical holding), so as to receive all communications electronically including annual report, notices, circulars, NACH intimation etc. sent by the Company from time to time.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 READ WITH SECRETARIAL STANDARD ON GENERAL MEETINGS

ITEM NO. 6: Dr. Rahul Mukherjee was nominated as non-official (Independent) Director by the President of India vide letter No. C-31034/2/2017-CA/FTS:49128 dated 08.09.2017. He was appointed as an Additional Director w.e.f. 15.09.2017 (from the date of obtaining DIN) as per provisions of Section 161(1) and other applicable provisions of the Companies Act, 2013 on the Board of Directors of your Company upto the date of this Annual General Meeting. The Board recommends that Dr. Rahul Mukherjee may be appointed as an Independent Director, not liable to retire by rotation. Details of remuneration last drawn from GAIL i.e. during FY 2017-18 and meetings of the Board attended during the financial year 2017-18 are forming part of Report on Corporate Governance section of Directors' Report.

The Company has received a notice from member under section 160 of the Companies Act, 2013, proposing his candidature as Director of the Company.

Dr. Rahul Mukherjee informed that he meets the criteria of independence as provided in SEBI LODR Regulations, 2015 and the Companies Act, 2013.

Dr. Rahul Mukherjee is interested in this resolution to the extent of his appointment as a Director. The relatives of Shri Rahul Mukherjee may be deemed to be interested in the resolution set out at Item No. 6 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Qualifications & Experience, date of first appointment on the Board, relationship with other KMPs and Directors, Shareholding in the Company, Membership/Chairmanship of Committees of other Boards form part of the Notice. Independent Directors are being paid sitting fee for attending each meeting of the Board and Committee respectively within the limit prescribed under the Companies Act, 2013, in addition to expenses incidental thereto as detailed in the Corporate Governance section of Directors' Report.

No Directors, Key Managerial Personnel and/or their relatives, is/are interested or concerned, financially or otherwise in the resolution except may be deemed to be concerned or interested in the proposed resolution to the extent of their shareholding in the Company.

The Board of Directors of the Company recommends the Resolution(s) as set out in the accompanied Notice for approval of the shareholders.

ITEM NO. 7: Shri Jayanto Narayan Choudhury was nominated as non-official (Independent) Director by the President of India vide letter No C-31034/2/2017-CA/FTS:49128 dated 08.09.2017. He was appointed as an Additional Director w.e.f. 15.09.2017 (from the date of obtaining DIN) as per provisions of Section 161(1) and other applicable provisions of the Companies Act, 2013 on the Board of Directors of your Company upto the date of this Annual General Meeting. The Board recommends that Shri Jayanto Narayan Choudhury may be appointed as a Director, not liable to retire by rotation. Details of remuneration last drawn from GAIL i.e. during FY 2017-18 and meetings of the Board attended during the financial year 2017-18 are forming part of Report on Corporate Governance section of Directors' Report.

The Company has received a notice from member under section 160 of the Companies Act, 2013, proposing his candidature as Director of the Company.

Shri Jayanto Narayan Choudhury informed that he meets the criteria of independence as provided in SEBI LODR Regulations, 2015 and the Companies Act, 2013.

Shri Jayanto Narayan Choudhury is interested in this resolution to the extent of his appointment as a Director. The relatives of Shri Jayanto Narayan Choudhury may be deemed to be interested in the resolution set out at Item No. 7 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Qualifications & Experience, date of first appointment on the Board, relationship with other KMPs and Directors, Shareholding in the Company, Membership/ Chairmanship of Committees of other Boards form part of the Notice. Independent Directors are being paid sitting fee for attending each meeting of the Board and Committee respectively within the limit prescribed under the Companies Act, 2013, in addition to expenses incidental thereto as detailed in the Corporate Governance section of Directors' Report.

No Directors, Key Managerial Personnel and/or their relatives, is/are interested or concerned, financially or otherwise in the resolution except may be deemed to be concerned or interested in the proposed resolution to the extent of their shareholding in the Company.

The Board of Directors of the Company recommends the Resolution(s) as set out in the accompanied Notice for approval of the shareholders.

ITEM NO. 8: Ms. Banto Devi Kataria was nominated as non-official (Independent) Director by the President of India vide letter No. C-31033/2/2018-CA (22758) dated 24.07.2018. She was appointed as an Additional Director w.e.f. 06.08.2018 (from the date of obtaining DIN) as per provisions of Section 161(1) and other applicable provisions of the Companies Act, 2013 on the Board of Directors of your Company upto the date of this Annual General Meeting. The Board recommends that Ms. Banto Devi Kataria may be appointed as an Independent Director, not liable to retire by rotation.

The Company has received a notice from member under section 160 of the Companies Act, 2013, proposing her candidature as Director of the Company.

Ms. Banto Devi Kataria informed that she meets the criteria of independence as provided in SEBI LODR Regulations, 2015 and the Companies Act, 2013.

Ms. Banto Devi Kataria is interested in this resolution to the extent of her appointment as a Director. The relatives of Ms. Banto Devi Kataria may be deemed to be interested in the resolution set out at Item No. 8 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Qualifications & Experience, date of first appointment on the Board, relationship with other KMPs and Directors, Shareholding in the Company, Membership/Chairmanship of Committees of other Boards form part of the Notice. Independent Directors are being paid sitting fee for attending each meeting of the Board and Committee respectively within the limit prescribed under the Companies Act, 2013, in addition to expenses incidental thereto as detailed in the Corporate Governance section of Directors' Report.

No Directors, Key Managerial Personnel and/or their relatives, is/are interested or concerned, financially or otherwise in the resolution except may be deemed to be concerned or interested in the proposed resolution to the extent of their shareholding in the Company.

The Board of Directors of the Company recommends the Resolution(s) as set out in the accompanied Notice for approval of the shareholders.

ITEM NO. 9: Shri Manoj Jain was nominated as Director (Business Development) on whole-time basis by the President of India vide letter no. C-31022/5/2015-PNG dated 01.06.2018. He was appointed as an Additional Director w.e.f. 05.06.2018 as per provisions of Section 161(1) and other applicable provisions of the Companies Act, 2013 on the Board of Directors of your Company upto the date of this Annual General Meeting. The Board recommends that Shri Manoj Jain may be appointed as Director (Business Development) of the Company, liable to retire by rotation on such terms and conditions, remuneration and tenure as may be determined by the President of India/Government of India from time to time.

The Company has received a notice along with requisite fee from him under section 160 of the Companies Act, 2013, proposing his candidature as Director of the Company.

Qualifications & Experience, date of first appointment on the Board, relationship with other KMPs and Directors, Shareholding in the Company, Membership/ Chairmanship of Committees of other Boards form part of the Notice.

Shri Manoj Jain is interested in this resolution to the extent of his appointment as a Director. The relatives of Shri Manoj Jain may be deemed to be interested in the resolution set out at Item No. 8 of the Notice, to the extent of their shareholding interest, if any, in the Company.

No Directors, Key Managerial Personnel and/or their relatives, is/are interested or concerned, financially or otherwise in the resolution except may be deemed to be concerned or interested in the proposed resolution to the extent of their shareholding in the Company.

The Board of Directors of the Company recommends the Resolution(s) as set out in the accompanied Notice for approval of the shareholders.

ITEM NO. 10: The Board of Directors of the Company on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s Ramanath Iyer & Co., New Delhi for Northern Region, M/s Bandyopadhyaya Bhaumik & Co., Kolkata for



GAIL (INDIA) LIMITED

Northern and Eastern Region, M/s A C Dutta & Co., Kolkata for Southern Region, M/s Musib & Company, Mumbai for Western Region Part-I, M/s N.D Birla & Co., Ahmedabad for Western Region Part-II, M/s Sanjay Gupta & Associates, New Delhi for Central Region as a Cost Auditors to conduct the audit of the cost records of the Company for the financial year 2017-18.

In accordance with the provisions of section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be ratified by the members of the Company. Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditors during the financial year 2017-18 for the services rendered by them. Consent of the members is also sought for authorizing the Board to approve remuneration payable to the Cost Auditors for the financial year 2018-19.

No Directors, Key Managerial Personnel and/or their relatives, is/are interested or concerned, financially or otherwise in the resolution except may be deemed to be concerned or interested in the proposed resolution to the extent of their shareholding in the Company.

The Board of Directors of the Company recommends the Resolution(s) as set out in the accompanied Notice for approval of the shareholders.

ITEM NO. 11: As per Regulation 23(4) of SEBI LODR Regulations, 2015, approval of the shareholders through ordinary resolution is required, if the transaction(s) to be entered into individually or taken together with previous transaction(s) during a financial year with a related party, exceeds 10% of the annual consolidated turnover of the Company as per last audited financial statements of the Company.

Petronet LNG Limited (PLL) is a joint venture of GAIL and is related party of the Company as per provision of the Companies Act, 2013 and SEBI LODR Regulations, 2015. 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, 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.

The consolidated turnover of the Company as per the audited financial statements for FY 2017-18 is Rs. 53,825 crores and the expected value of transactions with PLL for FY 2018-19 will be approx. Rs. 20,625 crores, which likely to exceed 10% of consolidated turnover of the Company for FY 2017-18, therefore, approval of shareholders is required.

No Directors, Key Managerial Personnel and/or their relatives, is/are interested or concerned, financially or otherwise in the resolution except may be deemed to be concerned or interested in the proposed resolution to the extent of their shareholding in the Company.

The Board of Directors of the Company recommends the Resolution(s) as set out in the accompanied Notice for approval of the shareholders.

ITEM NO. 12:

Explanatory Statement for new clause 25: In order to support the Government of India (GoI) Start-Up initiative and to generate long term commercial benefits, your Company has developed a Start-Up Policy for taking up this initiative and making investment in Start-ups in Core business areas (e.g. Natural Gas, Petrochemicals, Energy etc.) and Non-Core areas (e.g. Health, Social & Environment etc.) which is covered in other objects of the Company. The investment can be made through e.g. Special Purpose Vehicle (SPV) Alternative Investment fund (AIF), Fund of Funds (FoF), Trust etc.

Explanatory Statement for new clause 26: Given the population growth coupled with urbanization and industrial development the demand for water is increasing day by day in India. Public water supply is characterized by intermittent water availability often for few hours in a week. This is leading to more use of underground water, which is resulting in depletion of groundwater levels. Indian monsoons are becoming less predictable and unreliable, and thus availability and utilization of water are becoming key issues in modern India. Many cities are sourcing the fresh water through long distance transport ranging from 50-200 kms. Further, with growing population and industrialization the effluent water discharged has increased significantly, thereby polluting both the land and water reserves. The treatment of the effluent water and maintaining of fresh water table is a big challenge and a business opportunity. Both the Centre and State Governments have realized the magnitude of the water problem and the urgency to address the same. Hence to expand its business, your Company is planning to pursue opportunities in water sector.

Your Company is actively looking at diversifying its business portfolio beyond Gas and Petrochemicals space to obviate volatility and risks from disruptive technologies, and pursue other growth opportunities. Your Company is already a key player in the gas pipeline and process plant business and desires to explore business opportunity e.g. in wastewater treatment plants, water distribution, large water pipeline laying as an early mover.

Explanatory Statement for new clause 27: Your Company has developed facilities such as Meter Proving Facilities at Hazira & Dibiyapur and procured machineries such as Hot tapping & Stopping Machines, Hydraulic Cranes, hydras, fork lifts for its own use. There is a potential of commercial utilization of these assets by providing services to industry members, meter manufacturers, pipeline construction companies, contractors, etc. This will not only ensure their full utilization but will also help keeping them in good working conditions due to being in regular use as GAIL's requirement is often intermittent for

some of the machineries such as hot tapping & stopping machine. Further, GAIL may require to get other pipeline operators/companies ROU/ROW & lands and may need to reciprocate sharing of its ROU/ROW & Land with them in furtherance to business for spreading pipeline network and reach to customers. This may require for allowing other operators equipment to be installed at GAIL's land or vice versa e.g. receipt terminals, dispatch terminals, hookup/tap off stations etc. Waste heat is available from Gas turbine exhausts at Compressor Stations which can be converted to steam for further commercial use as power generation or HVAC systems or heating purposes or other mechanical usage etc. either by self or through ESCO (Energy Services Companies) Model for own use or commercial purpose. GAIL is also looking to harness solar power potential available at its various sites & installations which can be connected to Grid for sale or for own use at other installations through wheeling of power.

Explanatory Statement for new clause 28: In line with your Company strategy to promote use of green fuel, it is contemplating to promote gas appliances in households to increase gas usage and minimise electric usage in housing equipment and appliances such as Gas Boiler (Condensing), Gas based Air Conditioner, Bathroom Heater etc.

Explanatory Statement for new clause 29: With rapidly growing disruptive technologies and business models, there is necessity to adopt new and different pathways to provide clean, cost-effective, and efficient mobility services that are safe, reduce dependence on oil imports, and achieve more efficient land-use in cities with the least environmental footprints and impacts on human health. India unveiled 'National Electric Mobility Mission Plan (NEMMP) 2020' in 2013 to address the issues of National energy security, vehicular pollution and growth of domestic manufacturing capabilities. Reiterating its commitment to the Paris Agreement, the Government of India has plans to make a major shift to electric vehicles by 2030. Your Company has an opportune time to diversify its business portfolio. Charging infrastructure for electric vehicles in India has not been fully developed yet, GAIL can explore the business possibilities in this area. Your Company having pan India presence through NG network is deep pocketed and has capability of setting up charging infrastructure at a faster pace.

Explanatory Statement for new clause 30: Your Company has 34 years of rich experience in the area of engineering, planning, design, procurement, project execution and commissioning activities for hydrocarbon Gas pipelines. Presently GAIL owns and operates more than 11500 km of natural gas pipeline and about 2300 Km LPG pipeline across the country. Further, GAIL is also currently executing more than 4500 Km of natural gas pipelines. Based on the vast experience and historical data available during the execution of various pipeline projects, GAIL can provide services such as Engineering, Procurement and Construction (EPC), Engineering, Procurement, Construction Management (EPCM), Project Management Consultancy (PMC) in the field of hydrocarbon Pipelines. GAIL also have adequate experienced manpower and infrastructure for providing these services.

Further, Section 4 (1) (c) of Companies Act 2013 states that the Memorandum of Association of Company shall state the objects for which the company is proposed to be incorporated and any matter considered necessary in furtherance thereof. Accordingly, Object clause of Memorandum of Association is rearranged

Section 13 of the Companies Act, 2013 stipulates that the Main Objects Clause of the Memorandum of Association of a company can be amended by a Special Resolution passed by the members of the Company.

No Directors, Key Managerial Personnel and/or their relatives, is/are interested or concerned, financially or otherwise in the resolution except may be deemed to be concerned or interested in the proposed resolution to the extent of their shareholding in the Company.

The Board of Directors of the Company recommends the Resolution(s) as set out in the accompanied Notice for approval of the shareholders.

ITEM NO. 13: In line with SEBI Rules/ Regulations/ Guidelines, your Company has been issuing secured, redeemable, non-convertible INR Bonds in the nature of non-convertible Debentures on private placement basis for meeting its long term Capex requirement as per Board approved procedure, after obtaining approval from Board of Directors.

Your Company's Board approved to borrow Rs.1,500 crores through Secured/ Unsecured/ Taxable / Redeemable / Non-Convertible Bond(s) in the nature of debentures/ Offshore INR Bonds in one or more tranches on private placement basis.

As per section 180 of the Companies Act, 2013, the Board of the Company can borrow funds to the extent of aggregate paid-up capital and free reserve of the Company without seeking the approval of members. As on 31.03.2018, net worth of your Company stood at Rs. 35,142.38 crore and the total Borrowed Funds were Rs. 2,079.60 crore. Therefore, your Company has sufficient leverage to raise the funds from the market without seeking the approval of members as per provisions of Section 180 of the Companies Act, 2013.

As per section 42 of the Companies Act, 2013 read with Rule 14 (2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, a Company shall not make a private placement of its securities unless the proposed offer of securities or invitation to subscribe to securities has been previously approved by the members of the Company by a special resolution for each of the offers or invitations. However, in case of offer or invitation for "non-convertible debentures", it shall be sufficient, if the company passes a special resolution once in a year for all the offers or invitations for such debentures during the year.

In view of above, approval of the Shareholders of the Company is sought, to authorize the



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Board of Directors to make offer(s) or invitation(s) for raising funds upto Rs.2,500 crores through Secured/ Unsecured/ Redeemable / Taxable / Non-Convertible, Bond(s)/ Offshore INRBonds in one or more tranches on private placement basis.

No Directors, Key Managerial Personnel and/or their relatives, is/are interested or concerned, financially or otherwise in the resolution except may be deemed to be concerned or interested in the proposed resolution to the extent of their shareholding in the Company.

The Board of Directors of the Company recommends the Resolution(s) as set out in the accompanied Notice for approval of the shareholders.

BRIEF RESUME OF THE DIRECTORS, PROPOSED FOR APPOINTMENT/RE-APPOINTMENT PURSUANT TO REGULATION 36(3) OF SEBI LODR REGULATIONS, 2015

ITEM NO. 3: Shri Subir Purkayastha (59 years) is Director (Finance) and Chief Financial Officer (CFO) w.e.f. 01.05.2015. He is a Chartered Accountant and Company Secretary by profession. Shri Subir Purkayastha has rich experience of nearly 30 years' in the areas of Corporate Finance and Treasury including Forex Risk Management, Capital Budgeting, Corporate Budgets, Corporate Accounts, Finalization of Long Term LNG and Gas Agreements, Liquefaction and Regasification Terminal Service Agreement., Shareholders Agreements and Joint Ventures Agreement etc.

Prior to his appointment as Director (Finance), he held the position of Executive Director (Finance & Accounts) in GAIL. As Executive Director (Finance), besides heading Corporate Finance and Treasury section at large, he led the treasury functions for mobilisation of funds including refinancing of Foreign Currency loans from domestic and international markets and taking investment decisions in large infrastructure projects. He has been instrumental in framing policies and procedures on risk management of foreign exchange exposures on loan etc. and commodities (LNG/Gas). He was also actively involved in investor relations and interactions with Analysts fraternity. Besides serving a long tenure at the GAIL corporate office, he was on secondment to Petronet LNG Ltd., during its formative years from 1998 to 2002. Thereafter, he was posted at GAIL's largest manufacturing unit viz petrochemical plant at Pata, U.P. for 4 years. It was during his stint in Petrochemicals unit at GAIL, Pata he introduced e-budget for preparation and control of capital and revenue budget of the Unit. He joined GAIL in 1985 as a finance officer and rose to the position of Director (Finance). Having joined in the early stages of the company he was part and parcel of the growth trajectory of the company.

Shri Purkayastha holds Nil equity shares of the Company.

Shri Subir Purkayastha does not have any relation inter-se with other Director(s) of the Company.

Shri Purkayastha holds the Directorship and Chairmanship/Membership of Committee(s) of the following other Listed Companies:

S. No.	Directorship	Chairmanship/Membership of Committee(s)
1	Petronet LNG Limited	Nil

ITEM NO. 4: Shri Ashish Chatterjee (45 Years) was appointed as a Government Nominee Director w.e.f. 23.12.2016. Shri Ashish Chatterjee is an IAS officer from Tamil Nadu cadre (1999). Before joining the MoP&NG, he was working as Private Secretary to Minister of State, Ministry of Commerce & Industry. During his career spanning more than 16 years, he has held various positions in the State of Tamil Nadu at the District and State Level.

Presently, he is Joint Secretary (GP), Ministry of Petroleum & Natural Gas, Government of India

Shri Chatterjee holds Nil equity shares of the Company.

Shri Chatterjee does not have any relation inter-se with other Director(s) of the Company.

Shri Chatterjee holds the Directorship and Chairmanship/Membership of Committee(s) of the following other Listed Companies.

S. No.	Directorship	Chairmanship/Membership of Committee(s)
1	Engineers India Limited	Nil

ITEM NO. 6: Dr. Rahul Mukherjee (62 years) was appointed as an Independent Director w.e.f. 15.09.2017. Dr. Rahul Mukherjee is a professor of statistics, in the higher academic grade, at the Indian Institute of Management Calcutta. He was a member of the National Statistical Commission, Government of India during 2013-2016. Earlier, he taught at the Indian Statistical Institute where he was awarded a full professorship at the age of thirty three. He is a regular visitor to institutions abroad.

Dr. Mukherjee received his B.Sc. and M.Sc. degrees in statistics in 1975 and 1977 from the Presidency College, Calcutta, and the University of Calcutta, securing first rank in first class in both examinations. He received his Ph.D. in statistics in 1982 from the University of Calcutta. With a research interest covering diverse areas of statistics and discrete mathematics, Mukherjee is the author/co-author of five books from publishers such as John Wiley, New York, and Springer-Verlag, New York, and over 250 research papers.

A fellow of the Institute of Mathematical Statistics, USA, and all the three national level science academies of India, Dr. Mukherjee is a recipient of the Mahalanobis International Award, S.S. Bhatnagar Award, J.C. Bose National Fellowship and National Award in Statistics in honor of Professor C.R. Rao. He is or has been on the editorial boards of such top journals in his field as the Annals of Statistics (USA), Biometrika (UK) and Journal of the Royal Statistical Society (UK).

Dr. Mukherjee holds Nil equity shares of the Company.

Dr. Mukherjee does not have any relation inter-se with other Director(s) of the Company.

Dr. Mukherjee does not hold the Directorship and Chairmanship/Membership of Committee(s) of the other Listed Companies.

ITEM NO. 7 : Shri Jayanto Narayan Choudhury (63 Years) was appointed as an Independent Director w.e.f. 15.09.2017. Shri Jayanto Narayan Choudhury is a 1978 batch of IPS in Assam-Meghalaya cadre. He is an alumnus of the Delhi School of Economics, retired as Director General National Security Guard in May '15 after 37 years in the Indian Police Service.

Earlier he was Director General of Police of Assam, and in the Intelligence Bureau for over quarter a century during which he served in NE states, Bengal, and at the Embassy of India, Washington DC. His interests are in improving Internal Security systems in conflict areas, application in Indian conditions of global policing best practices, and leadership in the Indian police. He has written extensively on these subjects.

Shri Jayanto Narayan Choudhury holds Nil equity shares of the Company.

Shri Jayanto Narayan Choudhury does not have any relation inter-se with other Director(s) of the Company.

Shri Jayanto Narayan Choudhury does not hold the Directorship and Chairmanship/ Membership of Committee(s) of the other Listed Companies.

ITEM NO. 8: Ms. Banto Devi Kataria (54 Years) was appointed as an Independent Director w.e.f. 06.08.2018.

Ms. Banto Devi Kataria is an Advocate at Punjab and Haryana High Court. She has done her L.L.B and M.A. in Public Administration. She's also a Social Activist & Women Rights Activist. She was born in 1964 at Gharaunda (District Karnal) in a well cultured and nationalist family. In 1984, she got married to Shri Rattan Lal Kataria who is a renowned social worker. She has spent around 30 years of her life in social service and welfare of woman and children. Ms. Banto Devi Kataria has diverse knowledge of legal, social as well as political fields. She has visited USA accompanying the Indian delegation participating in UN General Assembly Session. She has worked as Coordinator of several state wide programs for social welfare in Haryana. She has successfully administered several initiatives in public domain and continuously striving towards social, economic and political empowerment of the society.

Ms. Banto Devi Kataria holds Nil equity shares of the Company.

Ms. Banto Devi Kataria does not have any relation inter-se with other Director(s) of the Company.

Ms. Banto Devi Kataria does not hold the Directorship and Chairmanship/Membership of Committee(s) of the other Listed Companies.

ITEM NO. 9: Shri Manoj Jain (56 Years) was appointed as a Director (Business Development) w.e.f. 05.06.2018. Mr. Manoj Jain, a Mechanical Engineering Graduate and MBA in Operations Management possesses rich and diverse experience encompassing more than 32 years with GAIL (India) Ltd. in the areas of Projects, O&M, Pipeline Integrity Management and Marketing which has allowed him to gain insight and knowledge across multiple business units and functional areas.

Before being appointed as Director (Business Development), Mr. Manoj Jain was responsible for Gas Marketing activities in his role as Executive Director (Marketing-Gas).

Mr. Jain also spearheaded the installation and commissioning of over Rs. 10,000 Crore grassroots Petrochemical complex at Lepetkata Assam, as Chief Operating Officer of Brahmputra Cracker and Polymer Ltd. (BCPL) which has been one of the fastest projects ever implemented in the North East of its size and magnitude.

Earlier, Mr. Jain also worked in Operation & Maintenance at the Corporate Level for a number of years and his experience includes managing logistics of Gas Business with a perspective of Operation and Management of all pipelines of company and in the process played a significant role in establishing the National Gas Management Centre (NGMC) and systems and procedures for transmission and marketing of comingled gases.

Shri Manoj Jain holds 648 equity shares of the Company.

Shri Manoj Jain does not have any relation inter-se with other Director(s) of the Company.

Shri Manoj Jain does not hold the Directorship and Chairmanship/Membership of Committee(s) of the other Listed Companies.

INSTRUCTIONS FOR REMOTE E-VOTING

Pursuant to the regulation 44 of the SEBI LODR Regulations, 2015; Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide to its members facility to exercise their right to vote on all resolutions set forth in the Notice convening the 34th Annual General Meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the meeting ('remote e-voting'). The Company has engaged the services of Depository viz. Central Depository Services (India) Limited (CDSL) to provide the e-voting facility.

The remote e-voting facility is available at the link www.evotingindia.com. Please read the instructions printed below before exercising your vote.

The remote e-voting period commences on **Friday, 7th September, 2018 (9:00 am) (IST)**



GAIL (INDIA) LIMITED

and ends on Monday, 10th September, 2018 (5:00 pm) (IST). The remote e-voting module shall be disabled by CDSL for voting thereafter. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date **Tuesday, 4th September, 2018**, only shall be entitled to avail the facility of remote e-voting/polling slips.

Members can opt only one mode for voting i.e. either by remote e-voting or vote at AGM. The members who have cast their vote by remote e-voting may also attend the meeting but shall not be entitled to cast their vote again.

The facility for voting through polling slip shall be made available at the Meeting for the members attending the Meeting who have not cast their vote by remote e-voting. If member opts for remote e-voting, then member/proxy holder are not entitled to vote at AGM. However, in case member(s) cast their vote both via remote e-voting and at AGM also, then voting done through remote e-voting shall prevail. Once the vote on a resolution is cast by the member electronically, the member shall not be allowed to change it subsequently.

STEPS FOR REMOTE E-VOTING

A) The instructions for shareholders voting electronically are as under:

- (i) The shareholders should log on to the e-voting website www.evotingindia.com
- (ii) Click on Shareholders/Members
- (iii) Now enter your User ID:
 - a. For CDSL: 16 digits beneficiary ID
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and have voted earlier on www.evotingindia.com for any Company, then your existing login ID and password to be used.
- (vi) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form & Physical Form

PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat members as well as physical members).</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth	<p>Enter the Dividend Bank Details or Date of Birth (dd/mm/yyyy format) as recorded in your demat account or in the company records for the said demat account or folio.</p> <p>If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii) above.</p>

- After entering these details appropriately, click on "SUBMIT" tab.
 - Members holding shares **in physical form** will then reach directly to the Company selection screen. For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 - However, members holding shares **in electronic form** will reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password can also be used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. Please take utmost care to keep your password confidential.
- (vii) Members holding multiple demat accounts / folios shall choose the voting process separately for each demat account / folio.
 - (viii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
 - (ix) On the voting page, you will see resolution description and against the same the option "Yes/No" for voting. Select the option Yes or No as desired. The option Yes implies that you assent to the Resolution and option No implies that you dissent to the Resolution.

- (x) Click on the "Resolutions File Link" if you wish to view the entire Resolution(s).
- (xi) After selecting the resolution which you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xiv) If demat account holder has forgotten the changed login password then enter the user ID and image verification code click on Forgot Password & enter the details as prompted by the system.
- (xv) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xvi) Note for non-individual shareholders (i.e. other than individuals, HUF, NRI etc.) and custodians:
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xvii) In case of any queries or issues regarding remote e-voting, members may also refer '**Frequently Asked Questions (FAQs)**' and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact CDSL at 1800225533.
- (xviii) Members who could not cast their vote electronically, can cast their vote at the Annual General Meeting.
- (xix) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the notice and holding shares as on the cut-off date may follow the same instructions as mentioned above for e-voting.

B) General Instructions:

- a. The voting rights of members shall be in proportion to their shares to the paid up equity share capital of the Company as on the cut-off date i.e. **Tuesday, 4th September, 2018**. Members may cast their votes separately for each business to be transacted in the Annual General Meeting and may also elect not to vote on some resolution.
- b. Based on the consent received from Shri Sachin Agarwal, Practicing Company Secretary (Membership No. 5774), Board has appointed him as the Scrutinizer to scrutinize the voting process in a fair and transparent manner. The Board of Directors has appointed Company Secretary as the person responsible for remote e-voting process.
- c. After conclusion of the Poll at AGM, the Chairperson will declare the AGM as closed. Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and will prepare a consolidated scrutinizer's report of the total votes cast in favour or against, if any, not later than two days of the conclusion of the AGM. The said report will be countersigned by the Chairman or a person authorized by him in writing and declare the result of the voting forthwith.
- d. The results declared along with the Scrutinizer's Report will be hosted on the Company's website www.gailonline.com and on the website of CDSL e-voting. The results shall simultaneously be communicated to the Stock Exchanges.
- e. The results will also be displayed on the Notice Board of the company at its Registered Office.

Message from CMD

“ In this exciting phase of journey of your Company, I express my gratitude for your unshaken support and the decision of continuing an enduring relationship with the Company, Management and Employees. ”



Shri B. C. Tripathi
Chairman & Managing Director

Dear Shareholders,

It gives me immense pleasure to share with you that your Company is continuing to pursue a strategy of investment and growth along the natural gas value chain at a pace and scale unlike in the earlier years. Our charted path has led to delivery of highest ever profits grossing over USD 1.07 billion in the fiscal year 2017-18 accompanied by strong cash flows on secular contributions of all business segments. During the year, we reaffirmed our course of action towards consolidating leadership position in natural gas business by committing to expand transmission and distribution infrastructure, as also the gas trading portfolio of the Company. We set out at the beginning of the last fiscal year with a positive resolve on five major areas - de-risking of long term LNG portfolio, charter hiring of LNG vessels, acceleration of transmission pipeline and city gas distribution projects, intermixing of renewables into operations and stronger delivery of downstream segments. I am happy to share with you that the fiscal year 2017-18 has ended on a highly satisfying note, for our accomplishments have surpassed growth metrics on all fronts as envisaged.

Your Company as an industry pioneer undertook innovative measures of destination and time swap of term contracts with global players to optimize value under long-term LNG contracted from USA. In addition, the Company also ventured into commodity hedging for mitigating price volatilities in LNG trade. You would be glad to know that these steps, although a first for your Company, are paying off in multiple ways. In addition to this, the LNG carrier 'Meridian Spirit' which has been charter hired at extremely competitive rates is pressed into service for voyaging scheduled cargoes from US east coast. As a significant development, long term LNG contract with Gazprom has been re-worked to suit transformations in the consuming markets. In all, with commencement of all the three long term contracts, your Company now has a LNG/RLNG portfolio of over 15 MMTPA and is recognised as a significant player by all major global operators in the industry. GAIL has also tied up new volumes of gas to the tune of 2.8 mmscmd from domestic sources, both from public and private entities, apart from being nominated by Gol for marketing additional volumes from western on-shore fields from a private operator. Modalities under the same are being worked out. You would be upbeat to learn that from the diversified portfolio structure, your Company has commenced marketing of LNG cargoes in the international market to established and reputed counter parties. On the efforts of your Company in tying-up with domestic consumers, GAIL has been preferred as a partner for supplying RLNG to upcoming capacities under the fertilizer sector and supply contracts aggregating to about 2.5 MMTPA have been successfully concluded.

Your Company is working concurrently on multiple pipeline projects, aggregating over 5400 kms, and the scale of action on this front far surpasses any of the other transmission projects in the history of GAIL. Your Company has been additionally entrusted to lay a 750 kms trunk pipeline network from Barauni to Guwahati as an integral limb of Jagadishpur-Haldia-Bokaro-Dhamra pipeline project. Execution of the natural gas transmission pipeline project in Eastern India is progressing as per schedule and the city of Varanasi is now connected to the main grid network, leading to the commissioning of City Gas Distribution at the Holy City in record time. Hon'ble Prime Minister of India Shri Narendra Modi dedicated the CGD project at Varanasi to the nation on 16th July 2018. Your Company has also commissioned the City Gas Distribution services at Bhubaneswar and the daily sales are an enviable record for any new entity to emulate in such a short span. For the first time in the CGD history of India, LNG based feedstock for supporting CGD application shall soon be tested at Bhubaneswar.

In our journey towards low carbon footprints, GAIL has commissioned India's 2nd largest rooftop solar PV installation of 5.76 MW at Pata Petrochemicals Complex which offsets over 9000 tonnes per annum of

Green House Gases (GHGs). GAIL is now a part of 'FTSE4 Good Emerging Market Index' which reflects its eminent position in Environmental, Social and Governance (ESG) performance in Oil & Gas sector. Your Company will continue to evaluate and pursue forward integration opportunities under Reasonable Endeavour (RE) chain in the evolving future.

Aided by steady production and a gentle help from price recovery, the downstream segments of our business witnessed high growth in sales and margins during the year. In addition, on the downstream diversification end, your Company has finalized technology selection for the coal gasification at Talcher through JV mode to support a coal to urea /fertilizer producing unit. Work on major tenders have been initiated and are under finalization. Project site is geared up for ground breaking anytime soon.

Your Company is working very hard to serve the green energy needs of the society in India and has delivered on strategic plans and commitments envisioned in the last fiscal year.

Market Environment

Energy, Economy and Geopolitics have continued over the past years to spring surprises. Even in the midst of differing policy priorities and trade actions across countries, multilateral institutions have maintained the stance of global economic growth rate at about 4% for 2018 and 2019. Economic activity of India is on an expansionary path and expectation of growth range 7.3-7.5% on last year's base of 6.7%.

LNG markets tested newer frontiers and positively surprised the energy industry with the additional increase of 35 MTPA being completely absorbed, largely in Asia and North East Asian markets. The 12-13% increase in LNG trade in 2017 also witnessed a steady climb in price, from USD 5.5 to near USD 10 per mmbtu between August to December 2017, partly because of rise in crude oil base price as also a rise in consumption in new and existing markets. India too witnessed 9-10% growth in LNG imports and continues to expand demand through 2018.

During the year 2017, global trend of primary energy consumption grew over 2%, signifying a sharp uptick above the 10 year moving averages. Although renewables grew by 17% over that in 2016 by adding an equivalent of 69 MTOE, carbon emissions too witnessed an increase by over 1.5%. During the same period, LNG trade growth was up by 13% following renewables as the next fastest growing segment.

India mirrored global trends with natural gas consumption registering nearly 7% growth, led by renewable energy segmental growth at over 19%, contributing to India's primary energy consumption growth of 4.3% over the previous year, 2016. India consumed over 52 BCM of natural gas whereas LNG imports recorded throughput at 72 million cubic metres a day and contributed in equal measure to domestic consumption. Going forward, expansion of infrastructure in the midstream, along with rapid expansion in consumption across downstream segments such as fertilizer and city gas retailing, along with additional flows from LNG contracts and domestic sources, is poised to boost gas markets significantly in the medium term and beyond.

GAIL Performance – A Reassuring Present and Reaffirming Future

Amidst the underpinning cyclicity in the energy commodity markets and other prevalent uncertainties, your Company has shown strong performance across all segments. The Company's turnover was up by 10% at INR 53,690 crore while Profit After Tax rose by 32% to INR 4,618 crore, surpassing the peak gross profit of over USD 1 billion for the first time after 2013.

Your Company's Board and Management have consistently followed a policy path of creating wealth and value for the share owners' investments. Keeping with the ethos, your Company issued Bonus shares in ratio of 1:3 for equity shares owned. The Board has also recommended Company's highest ever total dividend payout of INR 1,619 crore leading

to a historic dividend distribution at 35% of profit after tax. Your Company's EPS also increased by 32% at INR 20.48 per share on enhanced paid-up equity.

The combined turnover of your Company's overseas subsidiaries has grown by over 67% to register USD 851 million. The Singapore subsidiary traded 31 cargoes during the year signifying nearly 35% incremental growth over previous year and supporting underlying demand strength in LNG markets.

The Transmission segment recorded a modest 5% physical growth over previous fiscal year and your Company aims to expand throughput by another 0.7 BCM in the current year. GAIL also witnessed over 12% growth under common and contract carrier capacity bookings by having serviced 138 third party requests during the year. Your Company has been steadily servicing more and more consumer requests under open access and has accomplished processing of 100% requests during the last fiscal year. The experience your Company has gathered over the years in the transmission segment shall equip it to become a significant participant in the upcoming gas hub based trading system, which is a widely anticipated policy shift in the making. Prudent financial management of the pipeline projects by your Company has been a constant strength for supporting Government of India's vision of expanding gas grid in the country. GAIL has added over 5,000 kms in gas pipelines since 2008 and within a span of next three years, your Company endeavours to add about 5,500 kms to the gas grid network. Today it has the reputation of being the leading Indian company to work on gas infrastructure projects steadfastly and consistently. In line with the Cabinet approval of September 2016, your Company has also initiated the process of engaging with the regulator, PNGRB on tariff unification modality, in close coordination with the nodal Ministry.

The petrochemicals and LHC segments gained traction and showcased impressive performance. During the FY 2017-18, portfolio sales from Pata unit grew by 15% and from BCPL, Assam grew by 136% over the preceding fiscal year. Your Company now has a strong brand acceptance amongst the polymer processors across the country and GAIL has been a significant facilitator for the Indian agriculture segment through applications of Raffia packaging, drip irrigation and pipe extrusion profiles over the years and has established a name for itself in the sector. During the year, high flow value added LLDPE grade was introduced and established in the processing market for master batch applications, contributing 8-10% into the LLDPE portfolio. Your Company has been at the forefront to work in close coordination with the consumers to enhance their experience and delivery of value through the long trusted brands G-Lex and G-Lene along with the emerging stars Bhrama-Pol and Bhrama-Lene, now part of GAIL's umbrella portfolio of petrochemical marketed products. The year witnessed significant improvements for various grades especially under the HDPE Blow-Moulding and PP Raffia categories to suit consumer end processing requirements in addition to extending value added services to the processors under 'Productivity Enhancement Program'.

Your Company holds a significant experience of over two decades and formidable market share in the city gas distribution landscape on its own as well as through its subsidiary GAIL Gas and other Joint Ventures. The segment is expanding at over 15% year on year, with Gol's thrust to accelerate and promote a gas based economy at retail consumption level. Your Company has recently concluded the JV agreement with Greater Calcutta Gas Corporation Limited (GCGCL), for city gas distribution at Kolkata and project related activities are targeted to commence during the current year. At the mega-city Bengaluru, GAIL Gas has been on track with the network expansion targets and for the first time has joined hands with Uber to switch over its Uber cab fleet to run on CNG. Your Company now has presence directly and through affiliates in most of the major metropolitan cities and state capital cities under CGD and is also

participating in the 9th round of bidding presently under progress. So far affiliates of GAIL have cornered over a dozen new geographic locations and are hopeful of bagging a few more as the round comes to a close. Having commissioned city gas networks at Varanasi, Bhubaneswar and Cuttack in record time, your Company has started work on project activities for laying the CGD networks at Patna, Ranchi and Jamshedpur.

The demerger of RGPPL is now complete with NCLAT approving the scheme and GAIL is now operationally in control of the LNG terminal company- Konkan LNG (P) Limited. The terminal is working towards becoming an all-weather port by early 2022 to facilitate Dabhol regas unit's performance at rated capacity levels at 5 MMTPA and beyond. During FY 2017-18, 17 cargoes were unloaded at Dabhol port including the discharge of the first LNG vessel from USA under GAIL's contract.

GAIL achieved another milestone by signing Tolling Agreement with Dhamra LNG Terminal Pvt. Ltd. for booking 1.5 MMTPA regasification capacity at Odisha as an additional measure of securing RLNG/LNG supplies in eastern region.

Being Responsible

Shareholders shall be happy to know that the Comptroller & Auditor General of India has conveyed 'NIL' report for ninth successive year which is a reflection of the accounting standards devoutly complied by your Company.

I would like to place on record my indebtedness to the various communities that we engage with across the country for their overwhelming response to your Company's acclaimed and award winning digital media awareness campaign-'Hawa Badlo' which has drawn attention of more than 50 million Indians. Recognising the impact, SCOPE has awarded 'Gold Medal' for the sustained and popular themes under the campaign to combat air pollution, followed by a prestigious SAMMIE Silver award by competing with top notch multinational brands on effectiveness and reach of digital campaigns. GAIL's outreach under Corporate Social Responsibility initiatives has been a definitive source of sunshine cover for the marginalized lives of over 1.5 million citizens, by equipping and supporting them through various intervening steps towards a better tomorrow. Your Company's grass root involvement through various programmes for empowering the underprivileged has been recognized and awarded recently for excellence in CSR practices under 'Hindustan PSU Award 2018'.

In this exciting phase of journey of your Company, I express my gratitude for your unshaken support and the decision of continuing an enduring relationship with the Company, Management and Employees for growing your investments and trust.

Your Company appreciates the unwavering faith of our consumers in continuing their relationship with GAIL and for their trusted conviction of subscribing to our diverse range of natural gas, petrochemicals, liquid hydrocarbon products and transmission services towards co-creating value to end consumers across multiple platforms of application.

As the Board conscientiously strives to create value for the enterprise and share owners, on behalf of the entire Board, I take the opportunity to acknowledge the support of the central and state governments, regulators, vendors, partners and other stakeholders for supporting our devout aspiration to expand clean and green energy solutions towards creating 'Nav Bharat'.

On behalf of the Board, I also record my profound appreciation to all the employees for their untiring and exceptional contribution constantly in shaping together the future of your Company.



B. C. Tripathi

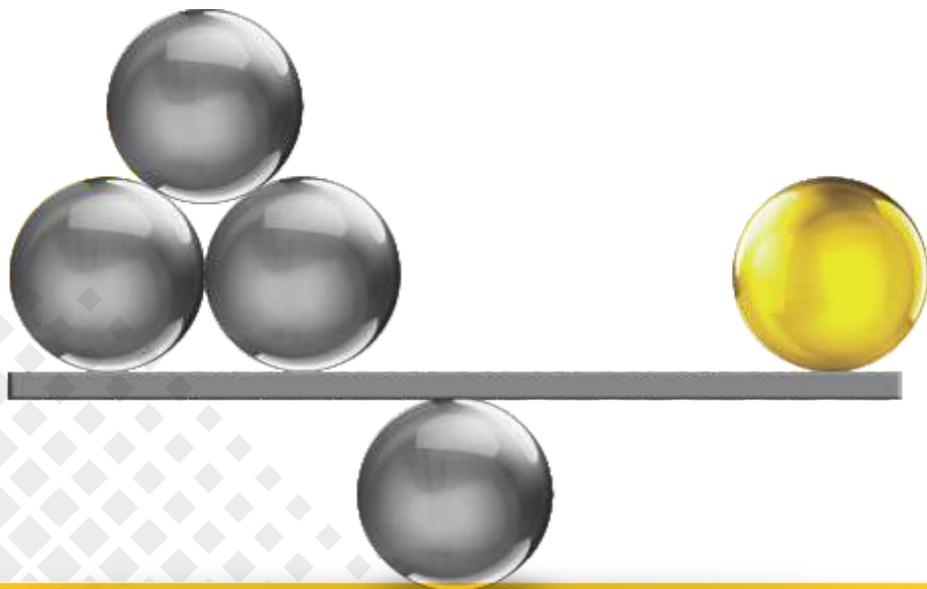
Chairman & Managing Director

Vision

Be the Leading Company in Natural Gas and Beyond, with Global Focus, Committed to Customer Care, Value Creation for all Stakeholders and Environmental Responsibility

Mission

To accelerate and optimise the effective and economic use of Natural Gas and its fractions to the benefit of national economy



Energising the Indian Gas Value Chain

GAIL's commitment to a healthy energy mix



Natural Gas

- Over 11,000 Km of network (206 MMSCMD)
- Pursuing for expansion to over 16,000 Km
- Participation in 5 MMTPA LNG Regasification Facility at Dabhol
- Long-term Import Portfolio: 14 MMTPA



Petrochemicals

- Domestic market share ~ 15%
- Petrochemical Plant in Pata (UP) with capacity of 0.81 MMTPA and 0.28 MMTPA in BCPL



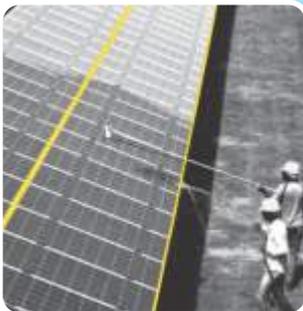
City Gas Distribution

- Serving over 21 lakh vehicles & 25 lakh households
- Presence across 38 cities/ Geographical Areas directly or through Subsidiary and Joint Ventures



Liquid hydrocarbons

- 6 Gas Processing Plants producing LPG, Propane, Pentane, Naphtha, etc. (1308 TMT)
- LPG Transport Capacity 3.8 MMTPA (2038 Km)



Power & Renewables

- 118 MW Wind Power Plant
- 11 MW Solar Power Plant



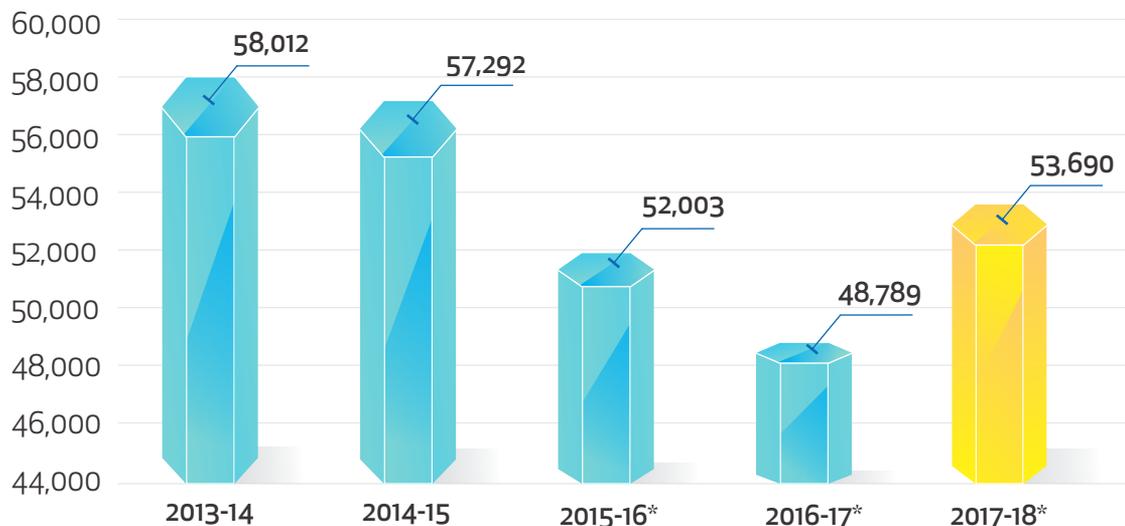
Exploration & Production

- Participation in 8 blocks in India (operator-1 block)
- Presence in Myanmar & US

Key Financial Highlights

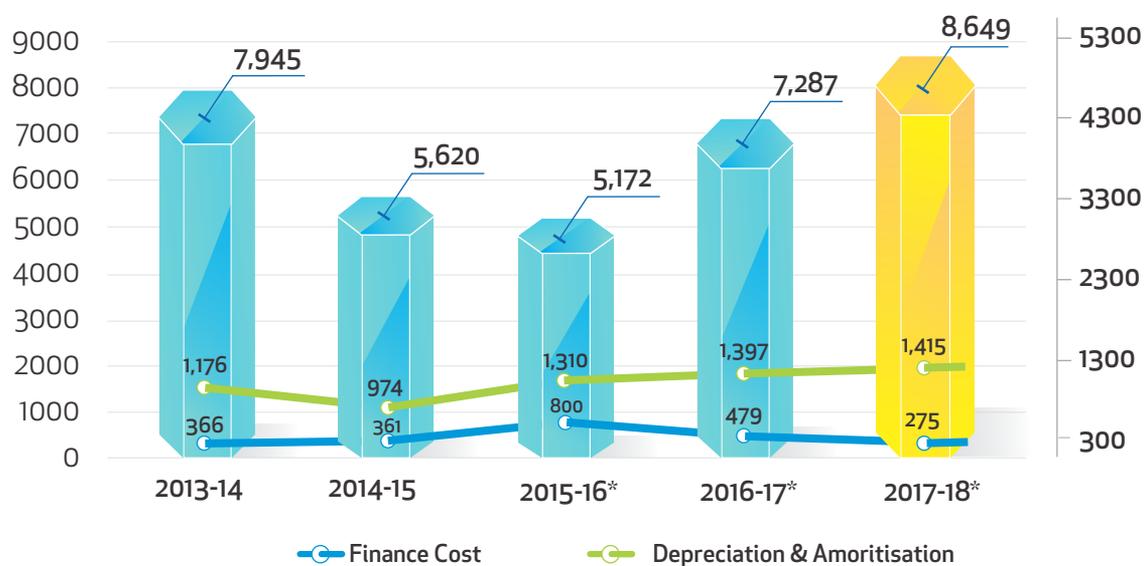
GROSS SALES

(In ₹ Crore)



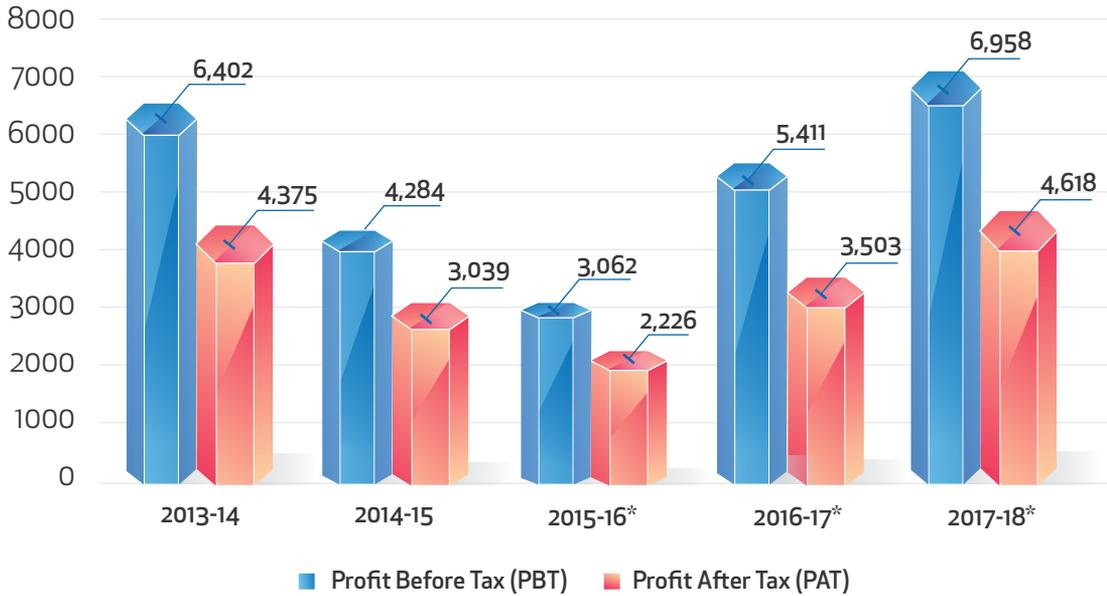
GROSS MARGIN (EBIDTA)

(In ₹ Crore)



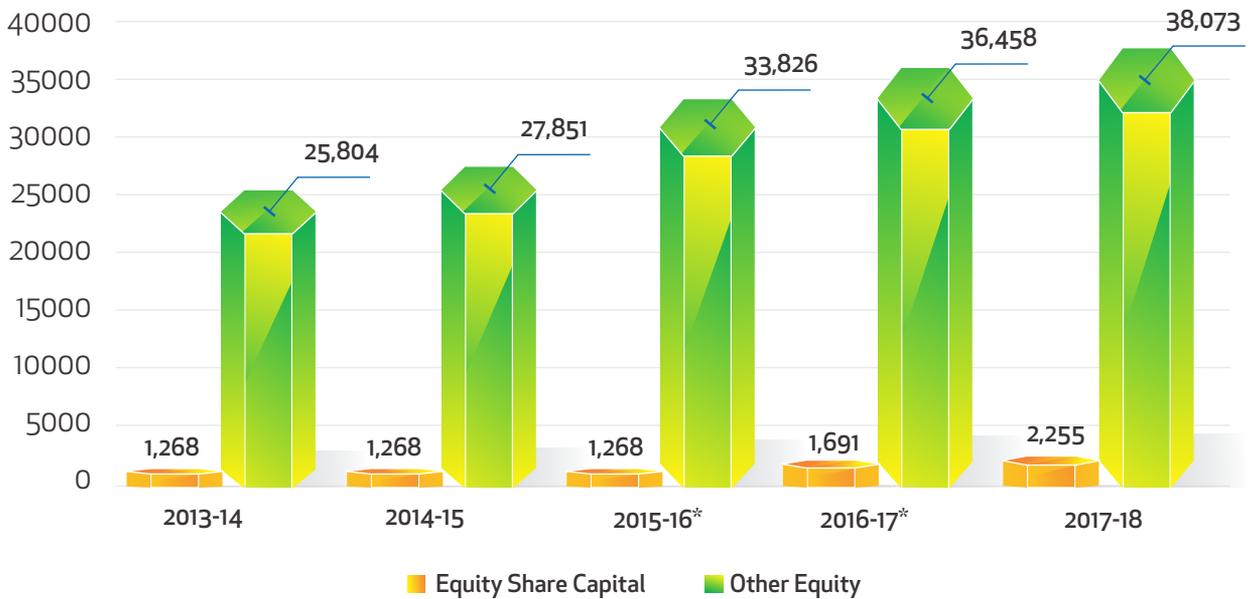
PROFITABILITY

(In ₹ Crore)



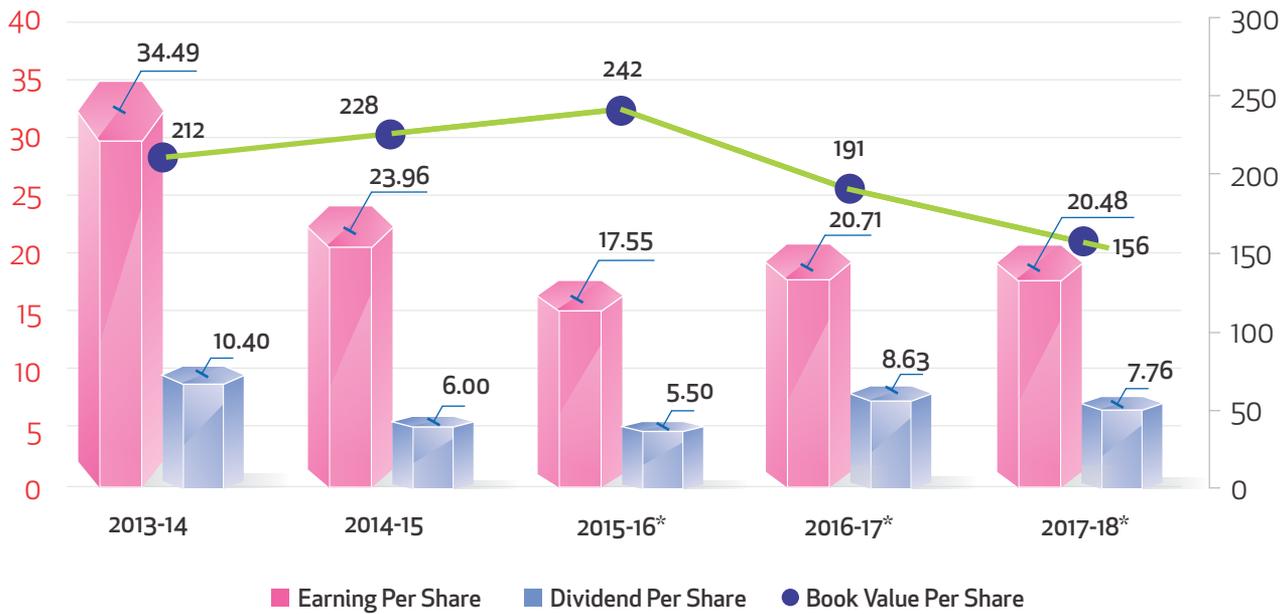
SHAREHOLDER'S FUND

(In ₹ Crore)



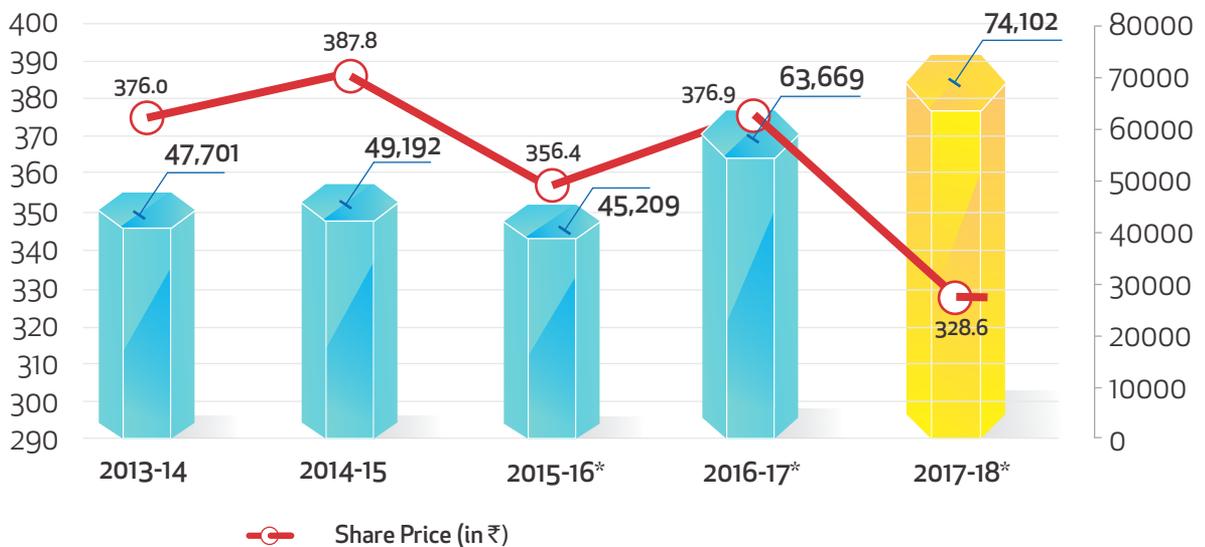
EPS, DPS & Book Value Per Share

(₹)



Above figures are without the effect of bonus issues in FY 2016-17 & 2017-18

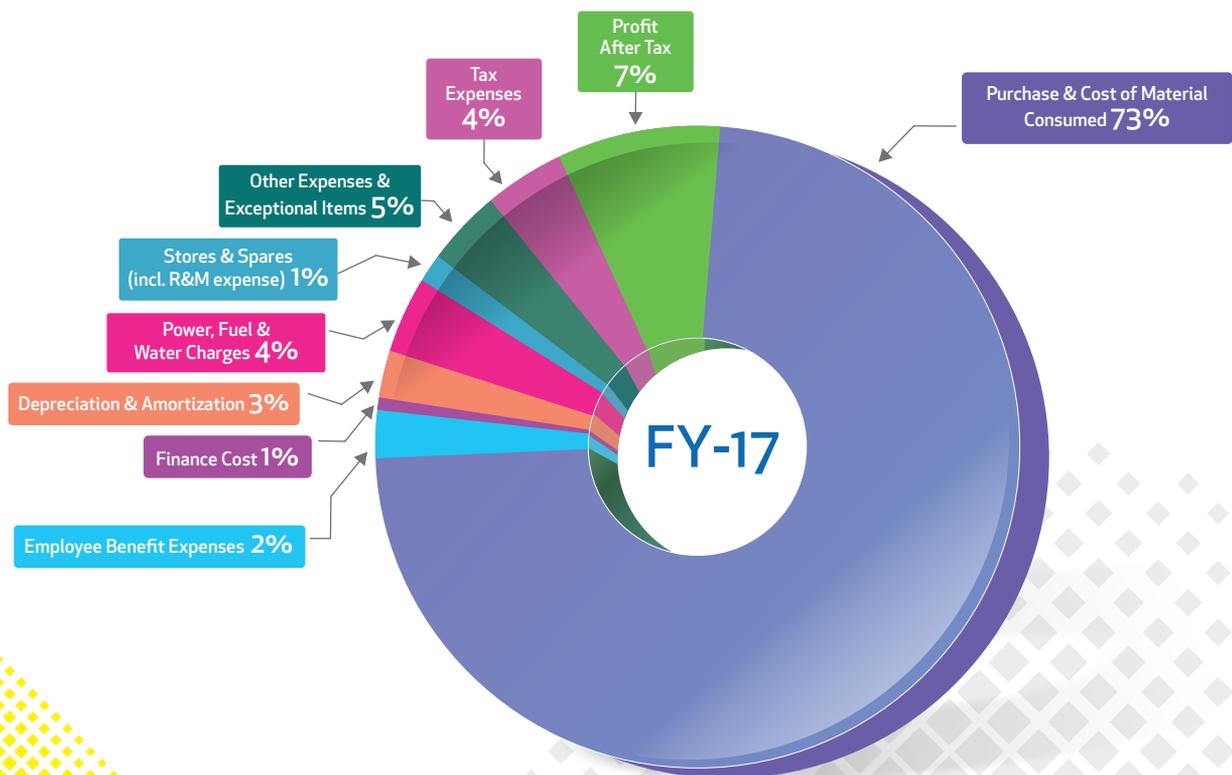
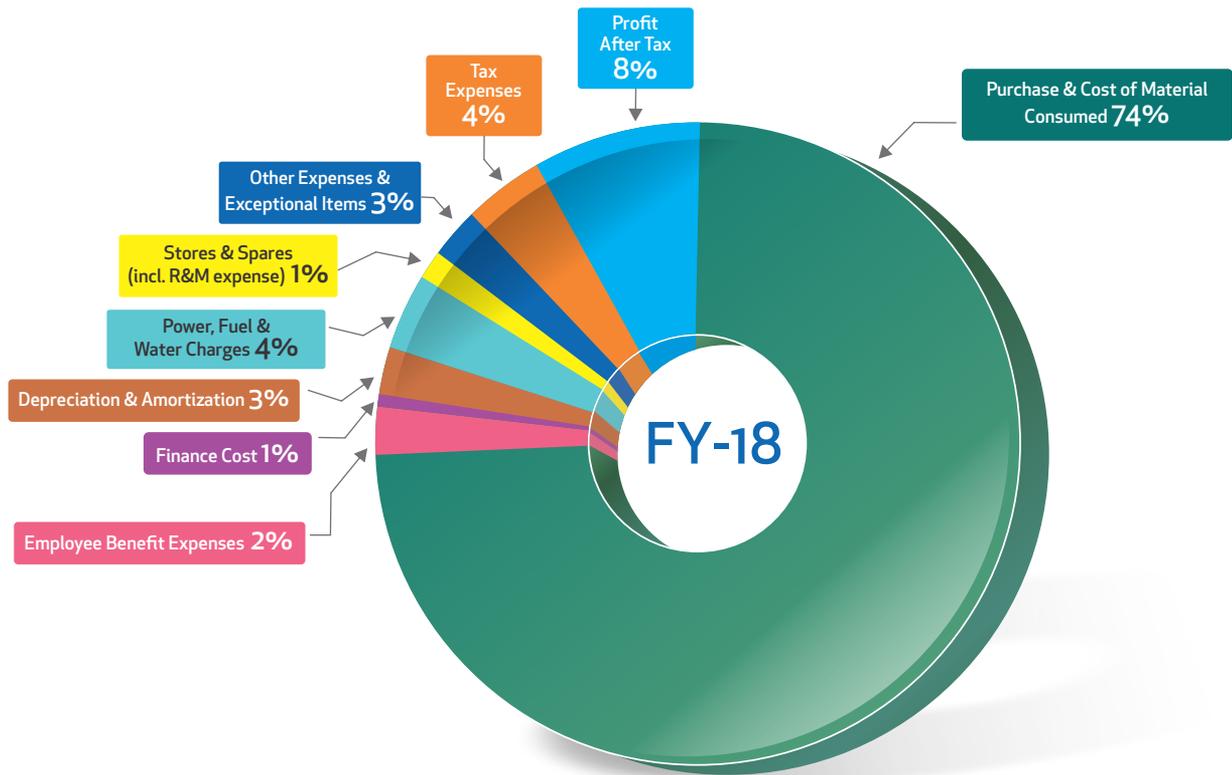
MARKET CAPITALISATION - BSE



Market price per shares is after incorporating effect of bonus issues in 2016-17 & 2017-18

* Figures for these years are as per new Accounting Standards (IND AS) and Schedule III of the Companies Act, 2013. All the Ratios for these years are computed on the basis of figures as per IND AS. Hence these numbers are not fully comparable with previous years.

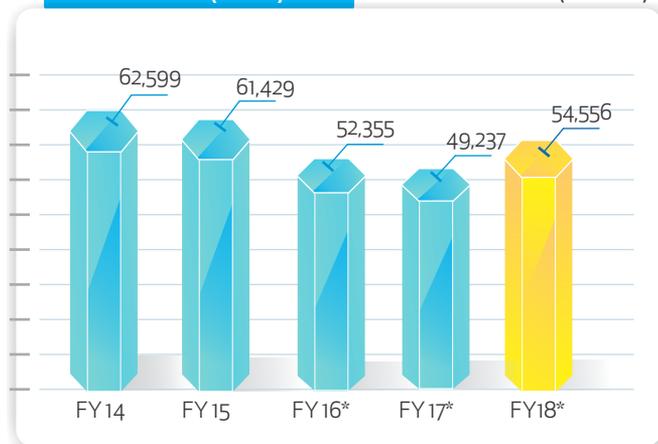
Cost & Profit as a Percentage of Total Revenue



Consolidated Financial Performance

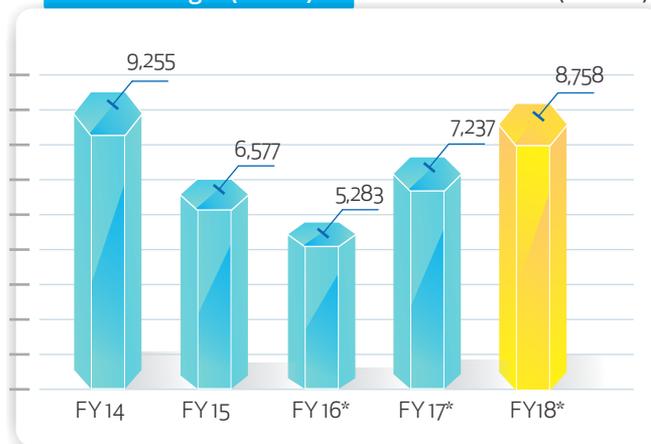
Turnover (Gross)

(in ₹ Crores)



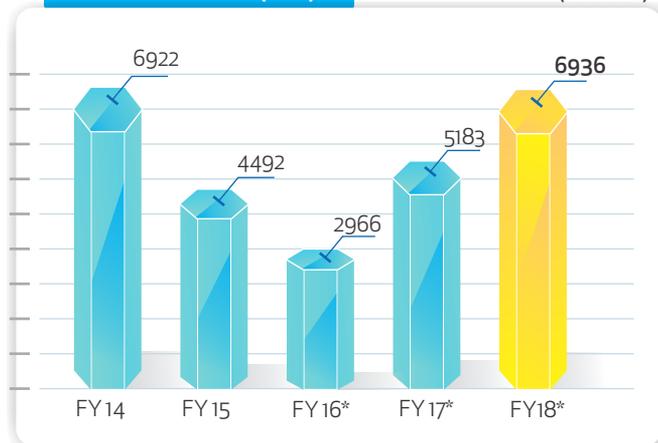
Gross Margin (PBDIT)

(in ₹ Crores)



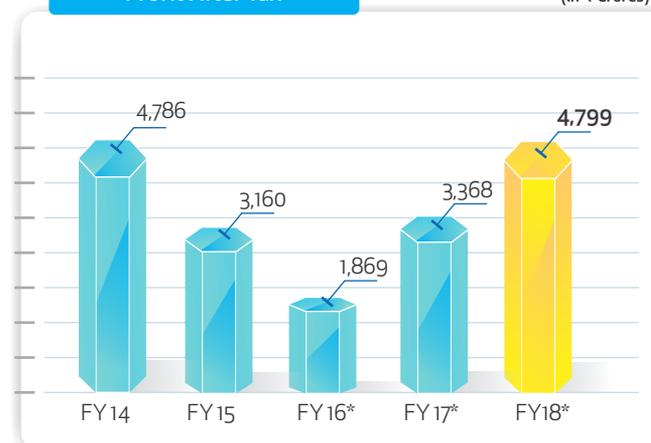
Profit Before Tax (PBT)

(in ₹ Crores)



Profit After Tax

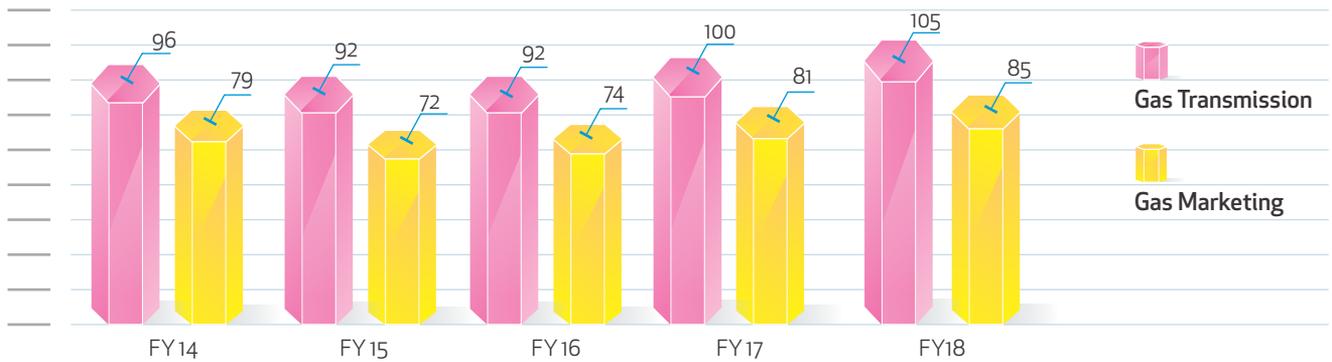
(in ₹ Crores)



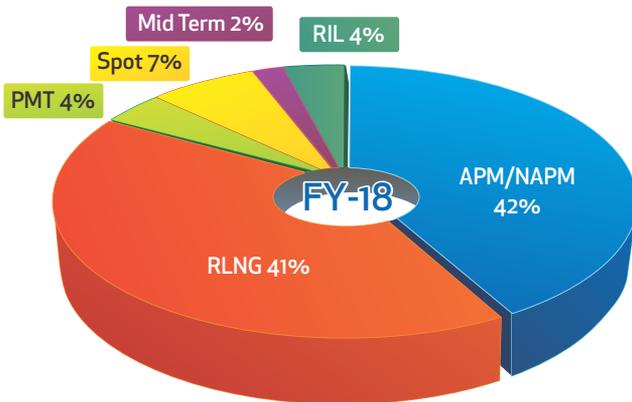
* Figures for these years are as per new accounting standard (Ind AS) and Schedule III of the Companies Act, 2013.

Operational Performance Highlights

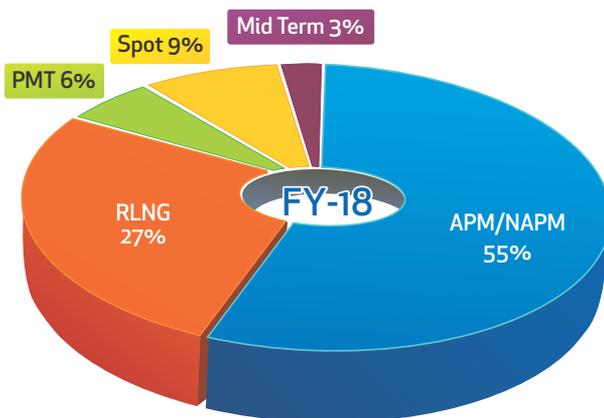
Gas Volume Trend



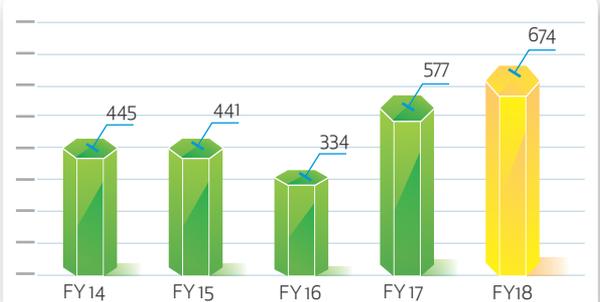
Gas Transmission Mix



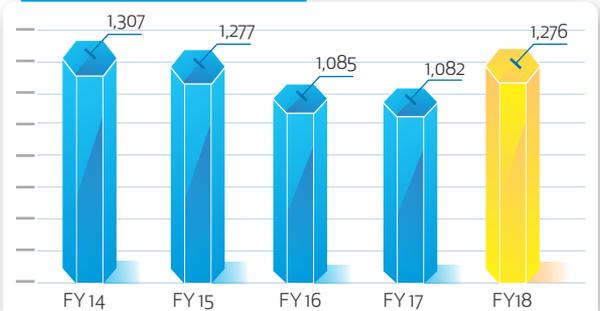
Gas Marketing Mix



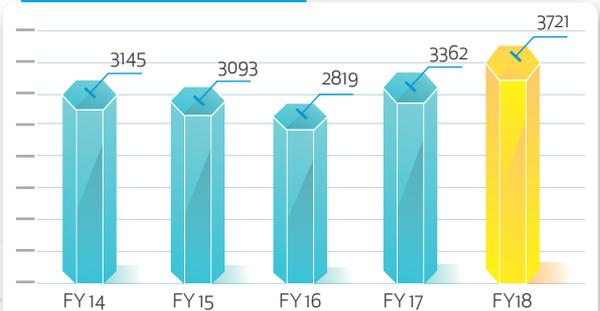
Petrochemical Sales



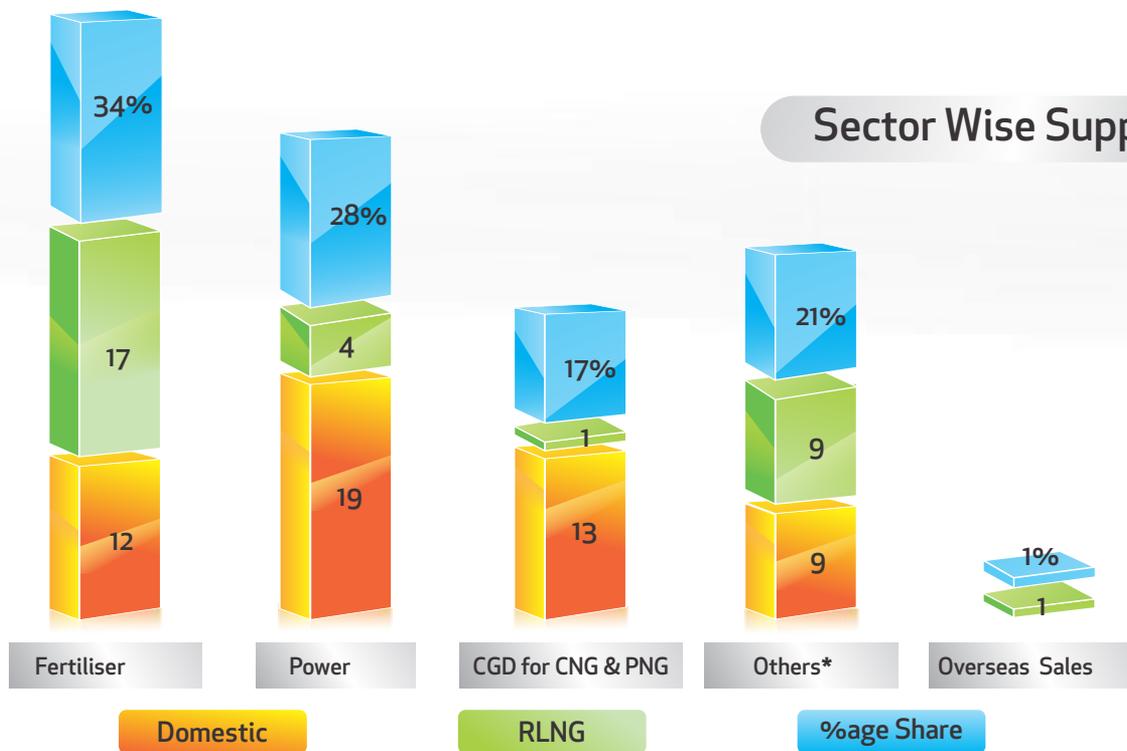
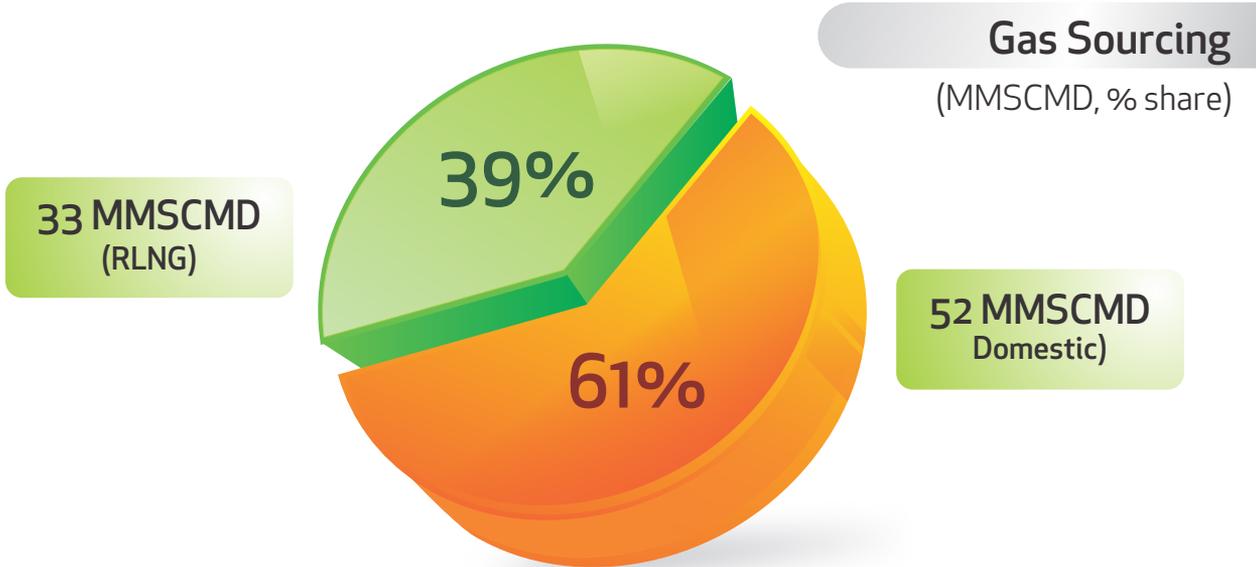
Liquid Hydrocarbon Sales



LPG Transmission



Gas Sourcing & Sector Wise Supply (FY 2018)



- Imported Gas primarily consists of Long Term RLNG, Mid Term RLNG and Spot
- Major sources for domestic gas are ONGC (APM & Non APM), PMT at APM & PSC prices, Ravva, Ravva satellite, etc.
- Highest demand of Natural Gas from Power & Fertilizer companies

* Others include Steel, Refineries, Sponge Iron, Petrochemicals, GAIL Internal consumption, etc.

Foundations of a Greener Energy mix



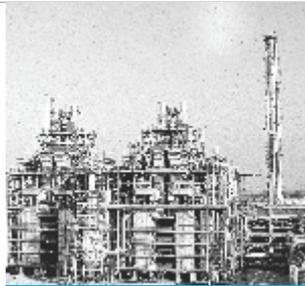
1984

Birth of GAIL :
Natural Gas
Transmission &
Marketing Company



1987

India's first
Natural Gas Pipeline-HVJ
commissioned



1999

First Petrochemical
Plant at Pata



2001

JLPL, World's Longest
LPG transmission
Pipeline, commissioned



2011

- First PSU to acquire shale gas acreage in US
- Subsidiary in US



2012

2200 Km Dahej- Vijaipur-
Bhatinda pipeline
dedicated to the Nation



2013

- Achieved Maharatna Status
- Commissioned Dabhol Terminal & Dabhol -Bengaluru Natural Gas Pipeline
- Capacity Booking in Cove Point LNG Terminal in US





2016

- Brahma Putra Cracker & Polymer Ltd. Petrochemical Complex dedicated to the Nation



2017

- Bengaluru CGD project inaugurated
- CNG stations inaugurated in Cuttack
- PNG supply launched in Bhubaneswar



2018

- Varanasi CGD project inaugurated
- India's first LNG cargo from USA received in GAIL's first charter hired vessel
- First LNG cargo under long term contract with Russia received



2015

- Construction work of Jagdishpur - Haldia & Bokaro-Dhamra Pipeline project launched
- Doubled petrochemical production capacity at Pata

Leading India's Natural Gas Sector

Operates 3/4th of India's Natural Gas transmission pipelines

Operates more than 2/3rd of India's total CNG stations through alliances

Contributes 3/5th of Natural Gas sold in India

Produces 1/6th of the polyethylene produced in India

Supplies gas for about 3/4th of India's fertilizer produced

Responsible for 1/6th of India's total LPG transmission

Supplies gas for about 3/4th of India's gas based power

Produces LPG for every 21st LPG Cylinder in India

Our Network

GAIL's Subsidiaries

GAIL Gas Limited

Brahmaputra Cracker and Polymer Limited

GAIL Global (Singapore) Pte. Limited

GAIL Global (USA) Inc.

GAIL Global (USA) LNG LLC

GAIL's Joint Ventures

Aavantika Gas Limited

Bhagyanagar Gas Limited

Central U.P. Gas Limited

GAIL China Gas Global Energy Holdings Limited

Green Gas Limited

Indraprastha Gas Limited

Konkan LNG Pvt. Limited

Mahanagar Gas Limited

Maharashtra Natural Gas Limited

ONGC Petro-additions Limited

Petronet LNG Limited

Ratnagiri Gas and Power Pvt. Limited

Talcher Fertilizers Limited

TAPI Pipeline Company Limited

Tripura Natural Gas Company Limited

Vadodara Gas Limited

Major Sustainability initiatives in FY 2017-18



Installation of roof-top solar plant at Pata



Replacement of 9,700 nos. conventional lights with LED lighting system at Pata



Installation of light piping arrangement during daytime to reduce lighting requirements at Vijaipur



Organic Waste Compositing (OWC) Unit for manure conversion of food and horticulture waste at Vijaipur



Installation of LED at Dibiyapur



Tree plantation/green belt enhancement at Bengaluru

Board of



Functional Management :

Shri B. C. Tripathi, Chairman & Managing Director (sitting);

Shri P. K. Gupta, Director (Human Resources), **Shri Subir Purkayastha**, Director (Finance),

Dr. Ashutosh Karnatak, Director (Projects), **Shri Manoj Jain**, Director (Business Development),

Shri Gajendra Singh, Director (Marketing) (From left to right)

Directors



Shri Ashish Chatterjee
Director (Government Nominee)



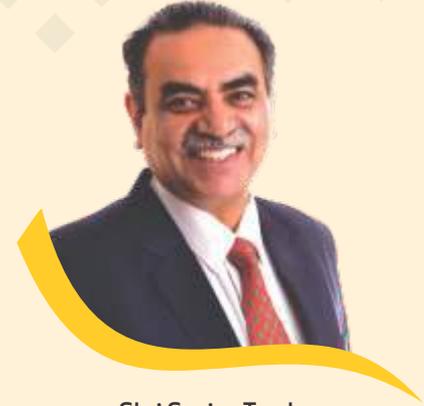
Smt. Indrani Kaushal
Director (Government Nominee)



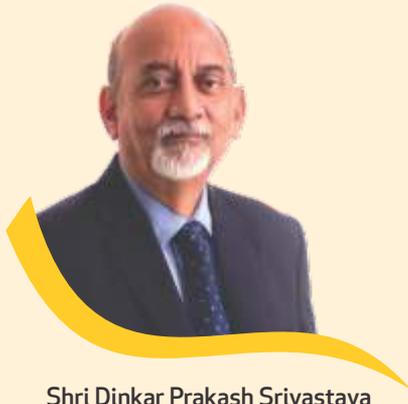
Shri S. K. Srivastava
Independent Director



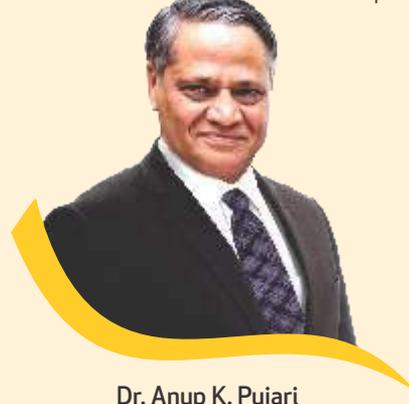
Shri Anupam Kulshreshtha
Independent Director



Shri Sanjay Tandon
Independent Director



Shri Dinkar Prakash Srivastava
Independent Director



Dr. Anup K. Pujari
Independent Director



Dr. Rahul Mukherjee
Independent Director



Shri Jayanto Narayan Choudhury
Independent Director



Smt. Banto Devi Kataria
Independent Director

Board Structure

Functional Directors

Shri B.C. Tripathi
Chairman &
Managing Director
DIN 01657366

Shri Subir Purkayastha
Director (Finance)
DIN 06850526

Shri Gajendra Singh
Director (Marketing)
DIN 03290248

Dr. Ashutosh Karnatak
Director (Projects)
DIN 03267102

Shri P.K. Gupta
Director (Human Resources)
DIN 01237706

Shri Manoj Jain
Director (Business Development)
DIN 07556033

Government Nominee Directors

Shri Ashish Chatterjee
DIN 07688473

Smt. Indrani Kaushal
DIN 02091078

Independent Directors

Shri S.K. Srivastava
DIN 02163658

Shri Sanjay Tandon
DIN 00484699

Shri Anupam Kulshreshtha
DIN 07352288

Dr. Anup K. Pujari
DIN 02556335

Shri Dinkar Prakash Srivastava
DIN 07418753

Dr. Rahul Mukherjee
DIN 07940278

Shri Jayanto Narayan Choudhury
DIN 07940286

Smt. Banto Devi Kataria,
DIN 08194036

Details of the sub-committees of Board

Audit Committee

- Shri Anupam Kulshreshtha – **Chairperson**
- Director (Marketing)
- Shri S.K. Srivastava
- Shri Sanjay Tandon

Permanent Invitee:

- Director (Finance)
- Director (HR)
- Head of IA

Business Development & Marketing Committee

- Shri S.K. Srivastava – **Chairperson**
- Director (Finance)
- Director (Marketing)
- Director (BD)
- Shri Dinkar Prakash Srivastava

Corporate Social Responsibility Committee (CSR)

- CMD-**Chairperson**
- Director (HR)
- Shri Sanjay Tandon
- Shri Anupam Kulshreshtha

Empowered Contracts & Procurement Committee (ECPC)

CMD and all the Functional Directors. CMD is the Chairperson of the Committee.

Empowered Committee (Natural Gas, LNG & Polymers)

- CMD – **Chairperson**
- Director (Finance)
- Director (Marketing)
- Director (BD)

Finance Committee

- Shri Sanjay Tandon – **Chairperson**
- Director (Finance)
- Dr. Anup K Pujari
- Shri Anupam Kulshreshtha

H.R. Committee

- CMD-**Chairperson**
- All the Functional Directors
- Shri Jayanto Narayan Choudhury
- Dr. Anup K Pujari

Nomination and Remuneration Committee

- Dr. Rahul Mukherjee – **Chairperson**
- Shri Dinkar Prakash Srivastava
- Shri Jayanto Narayan Choudhury

Permanent Invitee:

- Director (Finance)
- Director (HR)

Project Appraisal Committee

- CMD-**Chairperson**
- Director (Finance)
- Concerned Functional Director
- Shri S.K. Srivastava
- Dr. Rahul Mukherjee

Stakeholders' Grievance Redressal Committee

- Shri Jayanto Narayan Choudhury – **Chairperson**
- Director (Finance)
- Concerned Functional Director not involved w.r.t. subject disputes, such as:
 - For Projects related dispute – Director (HR)
 - For Marketing related dispute – Director (Projects)
 - For HR related dispute – Director (Finance) and
 - For BD related disputes – Director (Marketing)

Stakeholders Relationship Committee

- Shri Dinkar Prakash Srivastava – **Chairperson**
- Director (Projects)
- Director (HR)
- Dr. Rahul Mukherjee

Sustainable Development Committee

- Dr. Anup K Pujari – **Chairperson**
- Director (Projects)
- Director (BD)
- Shri Dinkar Prakash Srivastava

Directors' Report



DIRECTORS' REPORT

Dear Shareholders,

On behalf of the Board of Directors of your Company, I am delighted to present the 34th Directors' Report of your Maharatna Company, along with Audited Financial Statements for the financial year 2017-18.

Financial Highlights

The important financial highlights on standalone basis for the year 2017-18 are as under:

Particulars	2017-18		2016-17	
	US \$ Million	(₹ in Crore)	US \$ Million	(₹ in Crore)
Gross sales	8,181	53,690	7,457	48,789
Other income (including other operating income)	171	1,122	194	1,271
Cost of sales (excluding interest and depreciation including extraordinary items)	7,038	46,192	6,491	42,474
Net Exceptional Items (Profit on Sale of Investments & Impairment of Assets)	4	28	(46)	(299)
Gross margin	1,318	8,649	1,114	7,287
Finance Cost	42	275	73	479
Depreciation	216	1,415	213	1,397
Profit Before Tax (PBT)	1,060	6,958	827	5,411
Provision for tax	357	2,340	292	1,908
Profit After Tax (PAT)	704	4,618	535	3,503
Appropriations				
Final Dividend for previous year	70	457	58	381
Interim Dividend for current year	197	1,294	165	1,078
Corporate Dividend Tax	54	353	45	295
Net transfer to/from Bond Redemption Reserve	(42)	(277)	15	98
Transfer to CSR Reserve	-	-	-	-
Transfer to General Reserve	70	462	54	350
Net surplus after Appropriations	355	2,329	199	1,301
1 US \$ in INR converted at the exchange rate as on 31st March of the respective financial year	65.63		65.43	

Financial Performance

➤ Gross Sales

Gross sales increased by 10% from ₹48,789 crore during 2016-17 to ₹53,690 crore in 2017-18.

➤ Profit Before Tax (PBT)

PBT registered a jump of 29% to ₹6,958 crore during 2017-18 from ₹5,411 crore in 2016-17.

➤ Profit After Tax (PAT)

Profit after Tax increased by 32% from ₹3,503 crore during 2016-17 to a record high of ₹4,618 crore in 2017-18.

➤ Earnings Per Share (EPS)

In view of the increase in PAT, EPS (adjusted after Bonus issue in FY 17-18)

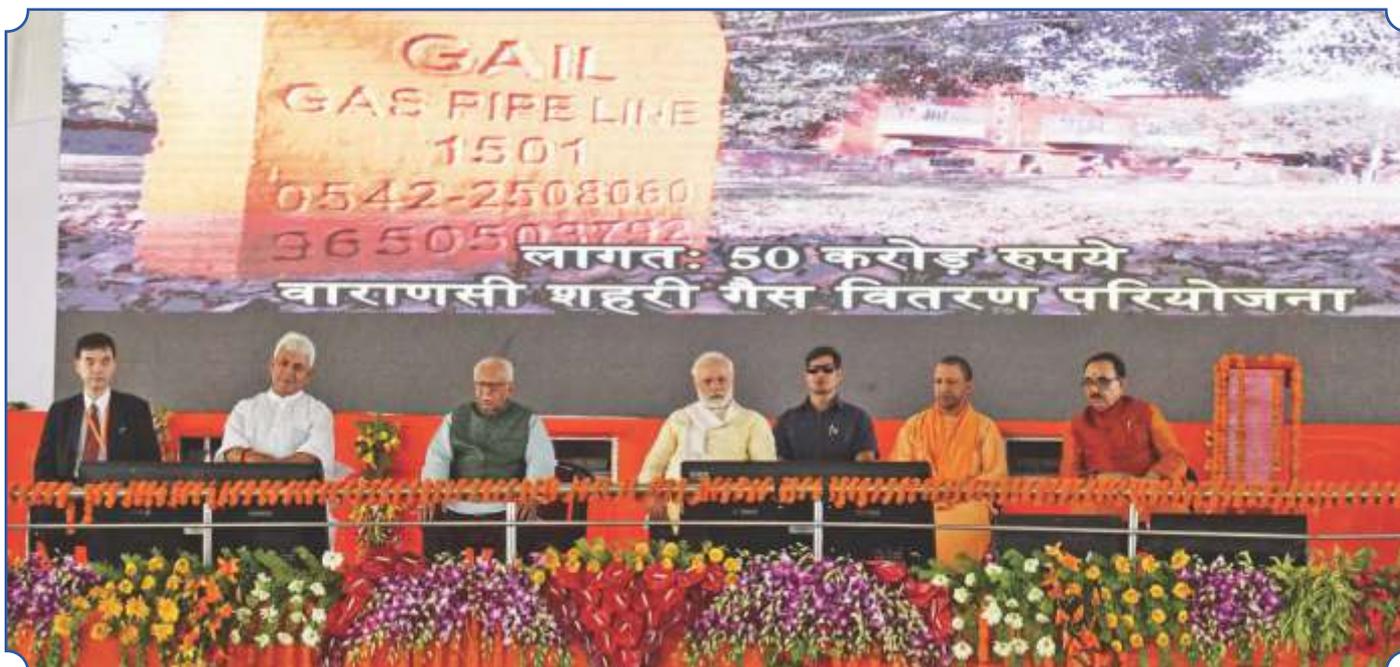
has gone up from ₹15.53 per share as on March 31, 2017 to ₹20.48 per share as on March 31, 2018.

➤ Consolidated Financial Statements

Your Company has prepared the Consolidated Financial Statements in accordance with the Ind AS consolidating its subsidiaries, associates and joint venture entities. The highlights of the Consolidated Financial Results are as follows:

(₹ in Crore)

Particulars	2017-18	2016-17
Turnover	54,694	49,334
Profit Before Tax	6,936	5,183
Profit After Tax	4,799	3,368
Other comprehensive income	(321)	1,300



Hon'ble Prime Minister Shri Narendra Modi dedicated to the Nation the Varanasi City Gas Distribution (CGD) network, which is connected to the 'Pradhan Mantri Urja Ganga', in the presence of Hon'ble Governor of Uttar Pradesh Shri Ram Naik, Hon'ble Chief Minister of Uttar Pradesh Shri Yogi Adityanath and a host of other dignitaries

Business Performance

During the year under review, the segment wise business performance of your Company is as under:

➤ Natural Gas Marketing

Natural gas trading continues to constitute your Company's core business. During FY 2017-18, gas sales volume increased 5% to 85.0 MMSCMD from 81.21 MMSCMD in the previous financial year. Gross revenue of your Company due to gas marketing in FY 17-18 was ₹38,021 Crore registering a jump of 10% mainly on account of the increase in sale price and volume contributing 71% to the topline of the Company.

➤ Transmission

• Natural gas transmission

Your Company owns and operates a network of around 11,400 km of natural gas high pressure trunk pipeline with a pan-India capacity to handle volumes of around 206.03 MMSCMD. The average gas transmission during the year 2017-18 was 105.23 MMSCMD, compared to 100.4 MMSCMD in the previous financial year. The EBIDTA of Natural Gas transmission increased by 15% to ₹3,633 crore from ₹3,170 crore in the previous year.

• LPG transmission

Your Company operates 2,038 kms of pipeline for LPG transmission. Jamnager-Loni and the Vizag-Secunderabad pipeline networks achieved a throughput of 3.72 MMTPA during the year against 3.36 MMTPA in the previous fiscal year. Gross revenue of your Company from LPG transmission in FY 17-18 was ₹558 crore as against ₹514 crore in FY 2016-17.

➤ Petrochemicals

During 2017-18, your Company's production increased by 11% to 671 TMTs of polymers and sales increased by 15% to 674 TMTs of polymers from the Pata plant. Additionally, more than 205.56 TMTs of polymer produced by BCPL was sold by GAIL. Gross revenue of your Company from Petrochemicals in FY 17-18 was ₹5,788 crore as against ₹5,626 crore in FY 2016-17.

➤ LPG and Other Liquid Hydrocarbon Production

Your Company has six LPG plants at five locations in the country having a production capacity of 1.5 million MT. In 2017-18, total liquid hydrocarbon production was about 1.28 Million MT, of which over 80% constitutes LPG and Propane. This segment showed a significant jump of 83% at the EBIDTA level, which increased to ₹2,372 crore from ₹1,293 crore in the previous year. The improvement was largely due to buoyant prices and 15% increase in sale volumes.

➤ Exploration and Production (E&P)

Your Company now has participating interest in 10 E&P blocks of which 8 blocks are in India and 2 blocks in Myanmar. Out of these, your Company is Operator in one onland block viz. CB-ONN-2010/11 in the Cambay basin, awarded during the NELP-IX bidding round. Revenue of approx. ₹631 crore has been generated from sale of hydrocarbons from these blocks during the year 2017-18.

GAIL Global (USA) Inc. (GGUI), a wholly owned subsidiary of GAIL (India) Limited, executed a Purchase and Participation Agreement with Carrizo Oil & Gas Inc. in September 2011, in order to enter into an unincorporated Joint Venture for acquiring 20% working interest in Carrizo's certain Eagle Ford Shale acreage position in Texas, USA. Carrizo is the Operator of the JV. The JV's lease holding is primarily located in the wet gas / condensate window in Eagle Ford shale in South Texas having significant liquids content.

Disinvestment by President of India

The Government of India disinvested 1,30,26,898 shares in June 2018 through CPSE Bharat 22 ETF. After disinvestment, the President of India's shareholding is 1,19,55,21,226 equity shares, representing 53.01% of paid-up share capital of GAIL.

Dividend

Your Company has a consistent track-record of dividend payment. The Board of Directors of your Company had earlier approved payment of an interim dividend @ 76.50% on equity share of ₹10 each (₹ 7.65 per equity share) amounting to ₹1,293.85 crore on then paid-up equity share capital of the



Hon'ble Prime Minister Shri Narendra Modi laid the foundation stone of the Ranchi City Gas Distribution (CGD) project in the presence of Hon'ble Chief Minister of Jharkhand Shri Raghubar Das and a host of other dignitaries

Company (₹ 1,691.30 crores), which was paid in January, 2018. Further, the Board has recommended payment of final dividend @14.40% on an equity share of ₹10 each (₹1.44 per equity share) on expanded equity post issue of Bonus shares, i.e., ₹2,255.07 crores for FY 2017-18 amounting to ₹324.72 crore.

With this, the total dividend payment for the fiscal year 2017-18 will be 71.80% on an equity share of ₹10 each (₹ 7.18 /- per equity share) amounting to ₹1618.57 crore on its paid-up equity capital of ₹2,255.07 crore, which is 35.05% of PAT and equals 5% of opening net worth of ₹32,349.69 crore as per the Companies Act, 2013 and in compliance of Department of Investment & Public Asset Management (DIPAM) guidelines. In addition to the payment of dividend to the shareholders, your Company paid dividend distribution tax of ₹352.53 crore.

Contribution to Exchequer

Your Company has contributed ₹6,782 crore in 2017-18 to the exchequer through dividend, duties, taxes and others, as compared to ₹5,909 crore in 2016-17.

Credit Rating

• Domestic rating

Your Company has been reaffirmed the highest domestic credit rating of AAA from ICRA, CARE, CRISIL and India Rating. This signifies the highest credit rating in India, hence, carries lower credit risk of the Company.

• International Rating

The International rating agency, Moody's International, Singapore, has upgraded the corporate issuer rating from Baa3 with a positive outlook to Baa2 with stable outlook which is equal to the sovereign rating of India. Further, Fitch Ratings has also assigned a long-term foreign currency issuer default rating of BBB- with a stable outlook, which is also equal to the sovereign rating of India. The international rating agencies, Moody's and Fitch have rated your Company at par with India's international rating. The agencies have indicated that your Company's rating may be upgraded once the sovereign rating of India improves.

Particulars of Loans, Investments and Corporate Guarantees

Details of investments, loan and guarantee covered under Section 186 of The Companies Act, 2013 forms part of the financial statement, as a separate section in the Annual Report FY 2017-18.

Related Parties - Subsidiaries/ Associates/ Joint Ventures

Your Company has formed subsidiaries/ associates/ joint venture companies for City Gas Distribution, such as GAIL Gas Limited, Indraprastha Limited, Mahanagar Gas Limited etc.; petrochemicals such as Brahmputra Cracker and Polymer Limited, ONGC Petro-addition Limited; LNG/ Re-gasification, such as GAIL Global (USA) LNG LLC, Petronet LNG Limited etc.; gas trading, power generation and shale gas. Contracts or arrangements/ transactions with related parties were on an arm's length basis and in the ordinary course of business.

In order to facilitate the transfer of LNG undertaking pursuant to the Demerger Scheme of RGPPL, RGPPL incorporated Konkarn LNG Private Limited (KLPL) as its wholly-owned subsidiary in December, 2015. The Demerger Scheme of RGPPL was approved by National Company Law Appellate Tribunal (NCLAT) vide order dated February 28, 2018 with appointed date as January 01, 2016 thereby transferring LNG business and all its associated assets and liabilities to KLPL, with mirror shareholding to RGPPL.

No subsidiary / joint venture company ceased to exist during the year. The subsidiaries/ associates/ joint venture companies of your Company have contributed significantly to its business expansion activities. A statement containing the salient features of the financial statements of your Company's Subsidiaries, Associate Companies and Joint Ventures as per first proviso of section 129(3) of The Companies Act, 2013 including details of Individual contribution of all subsidiaries, associates and joint venture companies towards the overall performance of Company during the period is given under Consolidated Financial Statements.



GAIL's first charter hired LNG vessel - MV Meridian Spirit (right), arrived in India with the country's first LNG Cargo sourced from USA. It docked for unloading at Dabhol (Maharashtra) in the august presence of Shri Dharmendra Pradhan, Hon'ble Minister for Petroleum & Natural Gas and Skill Development & Entrepreneurship, Mr Patrick Santillo, Minister Counselor for Commercial Affairs, US Embassy, Shri B C Tripathi, CMD, GAIL and other dignitaries

Vigilance

Corporate Vigilance department of your Company is ISO-9001:2008 certified for having adopted Quality Management System (QMS) in compliance with the requirements of ISO. Further, efforts are being made for the transition of existing QMS of Corporate Vigilance Department to ISO 9001:2015. To bring transparency in its systems and processes for the benefit of vendors and suppliers, status of e-tendering, e-payments & receipts is monitored and reported to MoP&NG. In addition to this, a number of system improvements were affected in your Company during the year for effective utilization of its resources, which in turn would help to prevent corruption and ensure all round good governance. Some of these improvements are:

- Online vigilance clearance status of senior executives is in place.
- List of vendors put on Holiday/Banned is available on GAIL Intranet.
- To regulate the release of man-days based payment to contract employees, Bio-metric card based Access Control system for entry/exit of contract employees is under implementation.

The Vigilance Awareness Week-2017 was observed on the theme "My Vision – Corruption Free India" at the corporate office and at all the work centers from 30th October to 4th November, 2017. An interactive session was organized at the GAIL Corporate Office on October 30, 2017 where in Sh. K V Chowdary, Central Vigilance Commissioner of India interacted with all the work centers of GAIL through Video Conferencing. GAIL Vigilance Magazine "JAGROOK" was also released on the occasion.

Group	Employees on Roll	SC	ST	OBC	PWD
A	3,247	514	207	606	48
B	507	90	55	110	10
C	669	123	22	222	37
D	57	14	06	16	-
CMD, DIRECTORS & CVO	6	-	1	-	-
Total	4,486	741	291	954	95

A total of 222 new employees (including CVO) joined your Company during the FY 2017-18. Total manpower of the Company as on March 31, 2018 stood at 4,486 (including Whole-time Directors & CVO) with 16.5 % of its employees belonging to the SC category, 6.5% to the ST category, 21.3% to the OBC category, 7.9% to the Minorities and 2.1% to the Persons with Disabilities (PWDs) category. Your Company's workforce comprised of 273 women employees as on March 31, 2018.

Official Language

The Official Language Implementation Committees at the Corporate and Work Centre level meets on a quarterly basis to monitor and review the progress made for achieving the targets fixed in the Annual Program issued by the Government of India.

Hindi workshops/trainings are organized on regular basis at Corporate Office and all work centres. Hindi computer training sessions are also integral part of these programs. 127 Hindi workshops were conducted during 2017-18 in which 2,260 employees were provided training.

Hindi Fortnight was observed across GAIL from September 14 to 28, 2017 to propagate linguistic harmony and to motivate the employees for the progressive usage of Hindi in their day-to-day work.

Your Company also publishes its half-yearly Hindi magazine "Rajbhasha Sahyog" to promote Hindi language and to provide a platform for creative writing in Hindi. During the year, 'Suvicharon ka Sankalan', a compendium of

Essay writing, slogan writing and poster making competition for employees including contract employees were organized wherein a total number of 2,657 employees & their wards participated across 31 GAIL work centers. To create awareness among the youth towards the ill-effects of corruption, debate/allocation competitions were organized wherein a total number of 2,106 students participated from over 27 schools/colleges. Further, Online Vigilance Quiz was conducted covering all work centers of GAIL on November 01, 2017.

Customer/Vendor Interaction Meets were organized at 4 locations. The concluding function was held on November 04, 2017 at Corporate Office in which Sh. Pratyush Sinha, Ex-CVC, was the the Chief Guest. A Knowledge Sharing Session was also organized during the event.

Representation of Priority Section

Your Company has been complying with the Presidential Directives and other instructions/guidelines issued from time to time pertaining to Policies and Procedures of Government of India in regard to reservation, relaxations, concessions etc. for Scheduled Castes (SCs), Scheduled Tribes (STs), Other Backward Classes (OBCs) and Persons with Disabilities (PWDs) in Direct Recruitment.

Details with regard to group-wise total number of employees and the representation of Scheduled Castes, Scheduled Tribes, and Other Backward Classes amongst them in your Company as on March 31, 2018 are given in the table below:

365 select inspirational and motivational quotes was published and distributed among the employees.

The 18th 'GAIL Rajbhasha Sammelan' was organized on March 10, 2018 at Amritsar (Punjab) to spread and propagate the essence of Hindi and simultaneously review the progress made on the implementation of the official language in the Company.

The First Sub-Committee of Committee of Parliament on Official Language inspected the Ahemadabad Zonal and GAIL Corporate offices to review the steps undertaken to promote the official language and it was appreciative of the efforts we had undertaken.

Sexual Harassment of Women at Workplace

Your Company has in place a Policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. The Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment.

During the year 2017-18, no complaints of sexual harassment were received.

Procurement from Micro and Small Enterprises (MSEs)

The Government of India has notified a Public Procurement Policy for Micro and Small Enterprises (MSEs) Order, 2012.

In terms of the said policy, out of the total eligible value of annual procurement



Hon'ble Minister for Petroleum & Natural Gas and Skill Development & Entrepreneurship Shri Dharmendra Pradhan launched the commencement of Piped Natural Gas (PNG) supply to residents of Bhubaneswar in the presence of Shri B C Tripathi, CMD, GAIL, Dr. TK Chand, CMD, NALCO and other dignitaries

of approx. ₹ 4,901 crore towards goods produced and services rendered by MSEs (including MSEs owned by SC/ST Entrepreneur) during the FY 2017-18, the value of total procurement made from MSEs is ₹ 1,362 crore, which is approx. 27.79%.

MoU Performance

A Memorandum of Understanding (MoU) is signed every year between your Company and its administrative ministry i.e. MoP&NG, through which performance targets for the year are set.

Your Company achieved 'Excellent' MoU rating for the financial year 2016-17.

MoU for the year 2017-18 was signed between Chairman & Managing Director, GAIL and Secretary (P&NG), Government of India on July 03, 2017.

MoU 2017-18 was majorly aligned towards achieving GoI's vision of India being a gas-based economy. The thrust while fixing MoU targets was on increasing the number of PNG connections, CNG stations, implementation of green corridor, and other critical aspects of the Company including key financial parameters, gas marketing, gas transmission, project implementation, capital expenditure etc.

The evaluation of MoU 2017-18 is under progress and the final evaluated MoU score and rating is expected to be announced during December, 2018.

Right to Information (RTI)

In order to promote transparency and accountability, an appropriate mechanism has been set up across the Company in line with the Right to Information Act, 2005. Your Company has nominated CPIO/ACPIOs/ Appellate Authorities at its units/offices across the Company to provide information to citizens under the provisions of the RTI Act.

Your Company has hosted RTI Guidelines and related information on its site and these may be accessed at http://www.gailonline.com/final_site/RTI.html. Besides, MIS Report on RTI Applications, Record Retention Schedule and latest RTI Audit Report had also been hosted under the same link.

Section 4(1)(b) of the RTI Act, 2005 lays down the information which should be disclosed by any Public Authorities on a suo-motu or proactive basis. Section 4(2) and Section 4(3) prescribe the method of dissemination of this information. Accordingly, keeping in view the purpose of suo-motu

disclosures under Section-4, GAIL's Corporate RTI Cell has hosted a dedicated page on GAIL's website, through which large amount of information in the public domain on proactive basis is placed. This is being done to make the functioning of your Company more transparent and reduce the need for filing individual RTI applications.

Further, your Company has been made 'LIVE' on the GoI's-DoPT Online RTI Portal from July, 2016 and ever since, we are providing information Online, apart from providing the requested information offline.

For the Financial Year 2017-18, GAIL's Corporate RTI Cell has 100% disposal rate in respect of RTI Applications received & disposed off. As on 31st March, 2018, we had a pendency of 17 RTI Applications, which were disposed-off subsequently within time schedule/as per the provisions of the RTI Statute. Further, your Company has received 'NIL' penalty/adverse remarks from Central Information Commission for the year 2017-18 in respect of second Appeal filed by Appellants.

Management Discussion and Analysis

In terms of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 7.5 of DPE Guidelines on Corporate Governance, the detailed Management Discussion and Analysis forms part of this report at **Annexure- A**.

Corporate Governance

Your Company believes that good corporate governance plays a critical role in establishing a positive organizational culture. It is evident by responsibility, accountability, consistency, fairness and transparency towards our stakeholders. Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE guidelines on Corporate Governance, a report on Corporate Governance forms part of this Report at **Annexure- B**.

The details of the meetings of the Board, Company's policy on Directors' appointment and their remuneration, details of establishment of whistle blower mechanism and other matters, etc. forms part of report on Corporate Governance.

There is no significant and material order passed by the regulators or Courts or tribunals impacting the going concern status and the Company's operations in future.



Hon'ble Minister for Petroleum & Natural Gas and Skill Development & Entrepreneurship, Shri Dharmendra Pradhan inaugurated two Compressed Natural Gas (CNG) stations in Cuttack in the presence of Shri B C Tripathi, CMD and other dignitaries

The statutory auditors of the Company have examined and certified your Company's compliance with respect to conditions enumerated in SEBI (LODR) Regulations, 2015 and DPE guidelines on Corporate Governance. The certificate forms a part of this Report at **Annexure- C**.

Auditors

• Statutory Auditors

The statutory auditor of your Company is appointed by Comptroller & Auditor General of India (CAG). M/s O P Bagla & Co. LLP (Formerly O P Bagla & Co), Chartered Accountants, New Delhi and M/s ASA Associates LLP, Chartered Accountants, New Delhi were appointed as Joint Statutory Auditors of your Company for the FY 2017-18.

Review and Comments of CAG, if any, on the Company's Financial Statements for the financial year ending March 31, 2018, form part of Financial Statement. Notes on Financial Statement referred to in the Auditors' Report are self-explanatory and, therefore, do not call for any further comment.

There are no qualifications by the statutory auditors on the financial statements for FY 2017-18.

• Cost Auditors

Your Company has appointed M/s Ramanath Iyer & Co., New Delhi for Northern Region, M/s Bandyopadhyaya Bhaumik & Co., Kolkata for Northern and Eastern Region, M/s A C Dutta & Co., Kolkata for Southern Region, M/s Musib & Company, Mumbai for Western Region Part-I, M/s N.D Birla & Co., Ahmedabad for Western Region Part-II and M/s Sanjay Gupta & Associates, New Delhi for Central Region as cost auditors for FY 2017-18. M/s Ramanath Iyer & Co. is the lead cost auditor.

Your Company is maintaining cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

Cost audit reports for the financial year ended March 31, 2017 were filed to Registrar of Companies on September 07, 2017.

• Internal Auditor

Your Company has an in-house Internal Audit Department, which is headed by Executive Director.

• Secretarial Auditor

Your Company has appointed M/s Agarwal S. & Associates as secretarial auditors for FY 2017-18. Secretarial Audit Report confirming compliance by Practicing Company Secretary to the applicable provisions of the Companies Act, 2013, SEBI (LODR) Regulations, 2015 and other applicable laws, forms part of this Report at **Annexure- D**.

The observation made by Secretarial Auditor in his Audit report is as under:

Non-compliance of Regulation 17 (10) & 25 (4) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company has not carried out the performance evaluation of the directors.

Explanation on observation made by Secretarial Auditor in his Audit report is as under:

GAIL is a Government Company, appointment/ nomination of all the Directors including Independent Directors are being done through by the President of India, through the MoP&NG, therefore, performance evaluation of individual Directors including Independent Directors is to be done by Government of India being the appointing authority. As per requirement of SEBI (LODR) Regulations, 2015, a policy on performance evaluation including an evaluation criterion for the Board and its directors has been formulated.

In this regard, MCA vide notification dated June 5, 2015 & July 5, 2017 has exempted Government Companies from applicability of the following provisions:

- Section 134(3)(p) and 178(2) of The Companies Act, 2013 &
- Sub-Para (2) and (7) of Para II, Para IV, Para V, clauses (a) and (b) of sub-Para (3) of Para VII and Para VIII of Schedule IV (Code for Independent Directors) respectively.

In this regard, SEBI has also been requested for grant of exemption from the provisions of SEBI (LODR) Regulations 2015 relating to Performance Evaluation of Board and its directors in line with exemptions granted to Government Companies in The Companies Act, 2013. The reply from SEBI is awaited. The matter was deliberated in Nomination and Remuneration Committee and it was decided that the draft policy will be considered for Board's approval on receipt of any specific directives from SEBI in this regard. The same was informed to the Board also.

Performance Evaluation

As per provisions of section 134(3)(p) of The Companies Act, 2013 for every listed company, a statement indicating the manner in which formal annual evaluation of the performance of the Board, its Committees and of individual directors should form part of the Directors' Report.

However, as per notification dated June 5, 2015 and July 5, 2017 issued by the Ministry of Corporate Affairs, Government of India, government companies are exempted from provisions pertaining to performance evaluation of the Board, its committees and individual directors under the Companies Act, 2013.



Hon'ble Minister for Petroleum & Natural Gas and Skill Development & Entrepreneurship Shri Dharmendra Pradhan (2nd from right) launched the supply of Compressed Natural Gas (CNG) and CNG-run scooters in Bhubaneswar in the presence of Dr. Ashutosh Karnatak (right), Director (Projects) and other dignitaries



Shri B C Tripathi, CMD (centre) announced the Annual Financial Results 2017-18 of the Company at a press conference in the presence of (from left to right) Shri Gajendra Singh, Director (Marketing), Dr. Ashutosh Karnatak, Director (Projects), Shri Subir Purkayastha, Director (Finance) and Shri PK Gupta, Director (Human Resources)

Your Company is a government company and the appointment, tenure, performance evaluation etc. of Directors is done by the Government of India, therefore, such particulars have not been included as part of the Directors' Report.

Corporate Social Responsibility

Your Company firmly believes that Corporate Social Responsibility (CSR) plays a major role in the development of any country and therefore, it has made CSR an integral part of its ethos and culture. Your Company goes beyond the statutory compliances and makes efforts contribute to the economic development while improving the quality of life of the local community around the company's work centers, and the society at large. To amplify its outreach efforts, your Company has incurred an expenditure of 2.63% of the average net profit of the preceding three years on CSR projects/activities in FY 2017-18 (₹91.65 Crore) against the stipulated 2% spend (₹69.67 crores).

Annual Report on CSR activities as required under Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 read with section 134(3) and 135(2) of the Companies Act, 2013 is placed at **Annexure E**.

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

As per requirement of 134 (3)(m) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, details of conservation of energy and technology absorption and Foreign Exchange Earnings and Outgo forms part of this report at **Annexure-F**

Particulars of contracts or arrangements with related parties

As per requirement of 134 (3) (h) of The Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 particulars of contracts or arrangements with related parties as referred in section 188(1) of The Companies Act, 2013 in the prescribed form AOC-2 is placed at **Annexure-G**.

Your Company has formulated the policy on dealing with Related Party Transactions and the same is hosted on your Company's website at http://www.gailonline.com/final_site/pdf/GAIL_Related_Party_Transaction_Policy.pdf.

Particulars of Employees

As per provisions of section 197(12) of The Companies Act, 2013 read with the Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every listed Company is required to disclose the ratio of the remuneration of each director to the median employee's remuneration

etc., in the Directors' Report. In terms of the provisions of section 197(12) of The Companies Act, 2013, read with the Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every Company is required to give a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules in the Annual Report.

However, as per notification dated June 5, 2015 issued by the Ministry of Corporate Affairs, Government of India, Government Companies are exempted from complying with provisions of section 197 of The Companies Act, 2013. Your Company is a Government Company, therefore, such particulars have not been included as part of the Directors' Report.

Extract of Annual Return

Extract of Annual Return forms part of this Report at **Annexure-H**.

Dividend Distribution Policy

As per Regulation 43A of the SEBI (LODR) Regulations 2015, your Company has formulated a Dividend Distribution Policy. The dividend pay-out is in accordance with the Company's Dividend Distribution Policy.

The Dividend Distribution Policy of the Company is available on the Company's website, at http://www.gailonline.com/final_site/pdf/InvestorsZone/GAIL%20Dividend%20Distribution%20Policy.pdf.

Issue of Shares and Fixed Deposits

In March, 2018, your Company issued and allotted Bonus Shares to the shareholders in ratio of one equity share of ₹10 each for every three equity shares of ₹10 each held as on 29.03.2018. As a result, the Paid-up Equity Capital has increased from ₹1,691.30 crores to ₹2,255.07 crores by capitalizing the General Reserves for ₹563.77 crores.

Your Company has not accepted any fixed deposits during the financial year 2017-18 and, as such, no amount of principal or interest was outstanding as of the balance sheet date.

Fund Raising

During FY 2017-18, your Company has not raised funds through preferential allotment or qualified institutions placement.

Foreign Exchange Earnings and Outgo

During FY 2017-18, Foreign exchange earnings were ₹ 1,797.92 crore and foreign currency outgo was ₹11,116.05 crore.



Shri B C Tripathi, CMD (second from right) with (from left to right) Shri Subir Purkayastha, Director (Finance), GAIL, Ms Kamal Kapoor, DGM, State Bank of India, Shri S K Pradhan, General Manager, SBI and Shri A K Tiwari, Executive Director (Finance), GAIL after the signing of a Rupee Term Loan Agreement of ₹2,000 crore between GAIL and SBI having a door-to-door tenure of 15 years

Key Managerial Personnel and Directors

The following Key Managerial Personnel (KMP) were appointed on the Board of your Company:

- Shri Gajendra Singh, Director (Marketing) w.e.f April 05, 2017.
- Shri Manoj Jain, Director (Business Development) w.e.f June 05, 2018.

The following were appointed on the Board of your Company as a Non-official Part-Time Director(s):

- Dr. Rahul Mukherjee, Independent Director w.e.f. September 15, 2017 (from the date of obtaining DIN)
- Shri Jayanto Narayan Chaudhury, Independent Director w.e.f. September 15, 2017 (from the date of obtaining DIN)
- Ms. Indrani Kaushal, Government Nominee w.e.f. September 22, 2017
- Ms. Banto Devi Kataria, Independent Director w.e.f. August 6, 2018 (from the date of obtaining DIN)

Shri Anant Kumar Singh ceased to be Director on the Board of your Company w.e.f. May 11, 2017.

The Board placed on record its deep appreciation for the valuable services rendered by outgoing Directors/KMPs during their association with your Company.

Code of Conduct

Pursuant to the requirements of SEBI (LODR) Regulations, 2015 and DPE Guidelines on Corporate Governance, the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the financial year ending 31st March, 2018.

Directors Responsibility Statement

Your Directors confirm that they have:

- i) followed applicable accounting standards, along with proper explanation relating to material departures, in the preparation of the annual accounts for the financial year ending March 31, 2018;

- ii) selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- iii) taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of The Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) prepared the annual accounts for the financial year ending March 31, 2018 on a going concern basis;
- v) devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively; and
- vi) laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.

Acknowledgment

Your Directors express their appreciation for help, guidance and support received from the Government of India, especially the Ministry of Petroleum and Natural Gas, various state governments, regulatory and statutory authorities.

Your Directors acknowledge wise counsel received from Statutory Auditors and CAG and are grateful for their consistent support and cooperation.

Your Directors also wish to thank all the shareowners, business partners and members of the GAIL family for reposing their faith, trust and confidence in your Company.

On behalf of your Directors, I would like to place on record our deep appreciation for the hard work, dedication, commitment and solidarity of your Company's employees.

Your Directors and employees look forward to the future with confidence and stand committed to creating a bright future for all stakeholders.

For and on behalf of the Board



B.C. Tripathi
Chairman & Managing Director
(DIN: 01657366)

Place : New Delhi
Dated : 10.08.2018

Management Discussion & Analysis



MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ENERGY SECTOR: AN OVERVIEW

Primary energy consumption (13511 MToE) showed growth in comparison to 2017 and it was the fastest since 2013. The growth of 2.2% was mainly contributed by OECD, particularly the European Union. Natural gas contributed maximum in growth, followed by renewables and oil. For the 17th consecutive year, China was the largest growth market with growth of energy consumption of 3.1% YoY (3132 MToE)

Due to growth in global GDP in 2017, energy demand was higher than previous year. In the global energy mix, share of coal fell to 27.6% (3731 MToE). Coal consumption growth center were mainly India & China with 424 MToE & 1893 MToE consumption respectively.

In Natural Gas, production (3680 bcm) & consumption (3670 bcm) both shown growth of 4% & 3% respectively. Consumption growth was fastest since 2010. The growth in production was mainly from Iran and Russia while consumption was mainly due to China, Middle East & Europe.

Natural Gas contributed maximum in energy growth due to coal to gas switching program in industrial and residential sector in China. LNG consumption showed a growth of over 10% (290 MT) in 2017 driven by China's increasing demand (39 MT) which has displaced Korea (38 MT) to become second largest importer of LNG after Japan.

The average crude prices increased for the first time since 2012 by 24%. It was around \$54.19 \$/bbl in 2017. However, due to higher demand in China and USA consumption grew by 1.8% from the previous years. Global Oil production grew by 0.6 million b/d, main contributor in growth were USA & Libya, however Saudi Arabia & Venezuela decreased their production in 2017.

Renewable energy sector showed strong growth due to addition of 400GW in solar PV and 515GW in wind generation capacity. Renewable was the second largest contributor in primary energy growth and recorded the largest increment of 307 tWh (17%).

(Source: BP Statistical Review of World Energy)

LNG Industry Outlook

International trade in LNG continues to be one of the most vibrant segments of the world's natural gas value chain, growing in 2017 by 35.2 MT to 293.1 MT in global trade. That represents growth of 12% and comes as projects in Australia and the United States bring new capacity on line and Asian markets continue to grow. China and South Korea led Asian growth with additional demand of 12.7 MT and 4.9 MT respectively. China has focused on aggregate energy demand toward natural gas and away from coal in its fight against air pollution. Further, FSRUs will make up for a significant part of the total global import capacity in the coming years.

Non-long-term trade (which includes "spot market" activity) increased yet again, reaching over 88 MT in 2017 and accounted for 30% of total gross LNG trade. U.S. shale gas continues to moderate North American natural gas prices through technology and efficiency improvements, which translates into lower U.S. feedstock costs. Global LNG prices have seen a considerable rebound. After falling to \$5.28/MMBTU in August 2017, landed Northeast Asian spot prices reached an average \$9.88/MMBTU by January 2018 owing to the effects of a cold winter and strong demand from China due to environmental regulations.

The prices continue to hold strong in mid-2018 as well with JKM rising to \$ 10/MMBTU levels. However, there are 92 MTPA of liquefaction capacity under construction world-wide, and it is expected about one-third to come online during 2018 this year. FID activity globally remains low in comparison to previous years with only one project reaching FID. The higher seasonal demand indicates that the global LNG market can remain balanced – or even tight – in the winters as new LNG export capacity ramps up.

Thus far, the global market is absorbing new supply with minimal distortion, as new buyers and existing markets alike demonstrate a high need for natural gas

to meet growing energy demand. The need for cleaner fuels is a key part of this trend. Rising penetration of renewable energy will expand LNG's role in providing flexible power generation to balance the electricity grid in many major economies. The use of LNG in the industrial and transport sectors will push up gas demand, particularly in Asia where environmental concerns are on the rise.

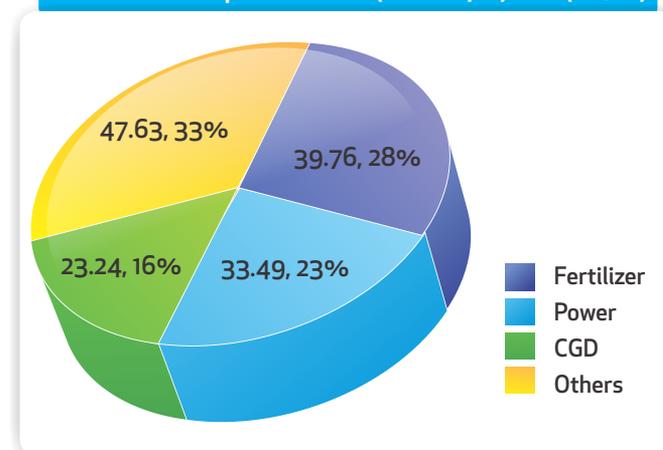
Indian LNG demand is up by 20% and Chinese LNG demand is up 50% during 1st half of 2018. In South and Southeast Asia, LNG demand will be primarily driven by power demand growth and a reduction in local gas production. However the incremental supply during 2018 and following years may impact the demand- supply balance going and moderate the LNG prices. With the successful commencement of supplies from three long-term LNG contracts in 2018, GAIL is well positioned to cater to India's LNG demand in the future years. The onset of GAIL's US LNG contracts have presented an opportunity to have an LNG portfolio with Henry Hub (HH) indexed as well as Crude Oil indexed LNG for supply to Indian customers.

Natural Gas in India

India's primary energy consumption rose by 4.6% (753 MToE) in 2017 taking its share of global primary energy to 5.6%. Natural Gas share in the Indian energy mix for year 2017 is 6.18% (54.2 bcm).

Around 143 MMSCMD of natural gas was consumed during 2017-18 while net LNG and domestic gas sales stood nearly equal. India has imported a record 72 MMSCMD of gas i.e. 20 MTPA of LNG during the period. Natural gas imports in the country rose by 9% y-o-y. These volumes will further grow as delivery of cargoes from new contracts has already commenced. Natural gas is seen to dominate the mainstay sectors of fertilizer and power. It is also a preferred fuel in households and industries.

Natural Gas Consumption Sectorwise (MMSCMD/%) - India (2017-18)



(Source: PPAC)

The Indian gas market structure has greatly benefitted from low crude price scenario and has gradually built up an optimum LNG portfolio mix with LNG indexed to Henry Hub and crude oil. This portfolio approach will help India obtain best bargains in any price scenarios and enhance security of supply.

The Government of India (GoI) is focusing on increasing the share of natural gas in Indian Primary Energy mix from the present level. For this, the government has launched various projects like the 'Urja Ganga project', and has also set a target to connect 1 crore households through Piped Natural Gas (PNG) connections by FY 2019-20. The Urja Ganga project is a 2,655 km long project, also known as Jagdishpur-Haldia & Bokaro-Dhamra Pipeline project, and will connect eastern parts of the country to the National Gas Grid. This pipeline has been further extended by adding 727 kms from Barauni to Guwahati. The current capacity of RLNG terminals in India is 30 MTPA and is

likely to increase 2-3 times by 2029-30, assuming all the planned terminals in India would materialize.

Energy-intensive industries in Indian cities have adopted natural gas as their primary source of energy. This share of industrial use is set to further increase after the Supreme Court order of banning use of Petcoke in and around New Delhi in October 2017.

The Natural Gas (NG) consumption in the CGD sector has shown a 15% CAGR in the last three years consuming 23.24 MMSCMD in FY 2017-18. With the thrust of the government on increasing the presence of PNG and CNG in the cities and towns of India, including the use of LNG /LCNG for transportation on the Highways, the retail sector is poised to contribute significantly to the growth of Natural Gas consumption in the country.

To ensure a continued advantage for gas-based growth, the inclusion of natural gas /LNG under the Goods & Services Tax (GST) system is essential. Competing solid and liquid fuels have gradually transitioned into the GST structure while natural gas, being an environment-friendly fuel, still awaits its complete inclusion in the GST system.

➤ NG Marketing

Natural gas trading continues to be the focus area of your Company. During FY 2017-18, gas sales clocked 84.05 MMSCMD in India (out of total sale of 85 mmscmd), compared to 81.21 MMSCMD in the previous financial year. Domestic gas available to the Company for marketing increased to 51.94 MMSCMD in FY 2017-18 as against 48.8 MMSCMD in the previous financial year while contributing 61% to the marketing volume. The balance volume of 39% was serviced through imported long term and spot volumes. Major supplies of natural gas include fuel to power plants, feedstock for gas-based fertilizer plants, City Gas Distribution (CGD), LPG extraction and consumption in other industrial sectors. Your Company holds around 60% market share in India's gas marketing business.

Fertilizer Sector

Your company markets gas for 75% of the fertilizers produced in the country. During FY 2017-18, your Company firmed up Gas Supply Agreement with upcoming fertilizer plants for about ~12 MMSCMD and supply of gas shall commence progressively from early 2019.

Power Sector

Consequent to the expiry of the PSDF Scheme of Ministry of Power for the gas based power sector w.e.f. 01.04.2017, GAIL continues to explore opportunities for supply of natural gas to gas based power generation units at affordable prices.

City Gas Distribution

The total sale volume to CGD sector continues to show positive growth. Your Company caters to around 26 number of CGD companies supplying gas (CNG, PNG & Industrial Gas) to 70 cities

➤ Transmission

Natural Gas

Your Company owns and operates a network of around 11,400 kms of natural gas high pressure trunk pipeline with a pan-India capacity. The average gas transmission during the year 2017-18 was 105.23 MMSCMD, compared to 100.4 MMSCMD in the previous financial year.

LPG

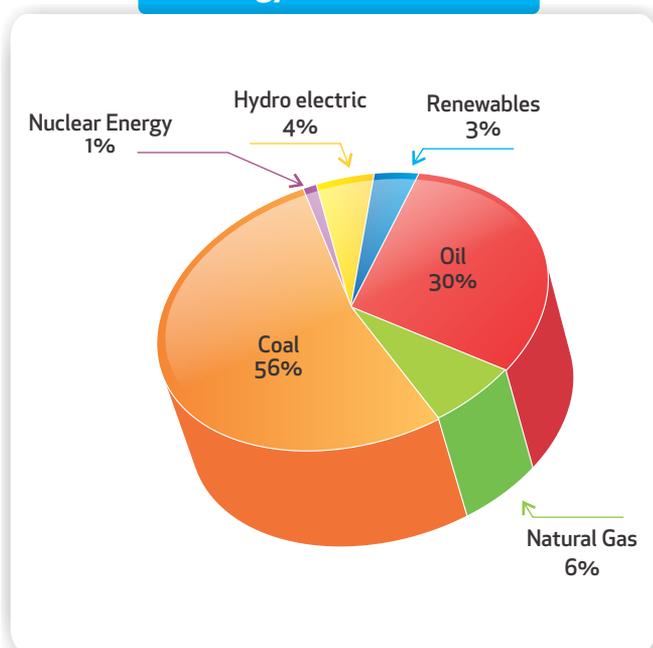
Your Company is unique in India to own and operate 2038 kms of exclusive pipelines for LPG transmission for third-party usage across two major networks. Jamnager-Loni Pipeline (JLPL) and the Vizag-Secunderabad Pipeline (VSPL) networks both of which together achieved a throughput of 3.72 MMTPA during the year against 3.36 MMTPA in the previous fiscal year. The design capacity of JLPL is being augmented from 2.5 to 3.25 MMTPA and is expected to be commissioned in 2018.

➤ Petrochemicals

Your Company has doubled the polymer production capacity from 410 Kilo Tons per annum (KTA) to 810 KTA at Pata. Your Company's petrochemical subsidiary (70% equity holding) Brahmputra Cracker & Polymer Limited (BCPL) has a capacity of 280 KTA. The marketing right of the BCPL plant is with your Company taking the total marketing portfolio to 1090 KTA. Further, your Company has a joint venture with ONGC and GSPC i.e. ONGC Petro- Additions Limited (OPAL) with a 1,400KTA capacity plant at Dahej.

Overall production from the Petrochemicals complex in 2017-18 was 671 KTA during the year. Your Company exported 56,345 MT of polymers to Asian markets. Your Company's market share in the domestic polyethylene market has been maintained and is the second largest player in the Indian market with a portfolio of over 1,000 KTA of polyethylene. Your Company and BCPL together have a combined production share of 21.4% of the High Density and Liner Low Density

Energy Mix-India 2017



PRESENCE IN THE INDIAN MARKET

Operational Performance

Your Company registered an all round physical growth in the FY 2017-18 as compared to FY 2016-17 adding significantly to the top-line and bottom-line of the Company:

Particulars	2017-18	2016-17
Natural Gas Throughput (MMSCMD)	105	100
Natural Gas Trading (MMSCMD)	85	81
Liquid Hydrocarbon Sales (TMT)	1,276	1,110
Polymers Sales (TMT)	674	577
LPG Transported (TMT)	3,721	3,362



Shri Subir Purkayastha, Director (Finance) (centre), Shri Gajendra Singh, Director (Marketing) (2nd from right), Shri A K Tiwari, Executive Director (Finance) (2nd from left) and Shri Kamal Tandon, Executive Director (Marketing) (right) addressed the Investors and Analysts Meet 2018

Polyethylene market in the country. A combined volume of 880 KTA of polymers including that of BCPL was marketed by GAIL during the year.

Polymer prices were mostly suppressed during the year and made a recovery in the last quarter of the fiscal year. However overall prices registered a decline by about 2% on year on year basis.

BCPL has achieved 78% capacity utilization in FY 2017-18 registering a positive EBIDTA of ₹ 332 crore and cash profit of ₹ 83 crore despite negative PAT of ₹ 80.38 crore in its second year of operation.

➤ **LPG and Other Liquid Hydrocarbons**

Your Company has six LPG plants at five locations in the country having a production capacity of 1.5 million MT. In 2017-18, total liquid hydrocarbon production was about 1.28 Million MT, of which over 80% constitutes LPG and Propane. Your Company's LPG sales increased by about 15% during the year.

➤ **Exploration & Production**

Your Company now has participating interest in ten E&P blocks of which eight blocks are in India and two blocks in Myanmar. Out of these, your Company is Operator in one onland block viz. CB-ONN-2010/11 in the Cambay basin. Exploratory wells have been drilled in this block and oil discoveries have been notified in 2 wells.

Pursuant to optimization of E&P portfolio, production is in progress from 4 blocks and balance 6 blocks are in various stages of Exploration (1 block), Appraisal (3 blocks) and Development (2 blocks). Further, your Company has participated in blocks on offer under Open Acreage Licensing Policy (OALP) - I bid round in the Cambay, Rajasthan and Assambasins.

➤ **Non-Conventional Energy**

Your Company is committed to reduce carbon emission and implement renewable energy projects. Your Company has a total installed capacity of 128.71 MW of alternative energy; out of which 117.95 MW is wind and 10.76 MWp is solar energy. Your Company has commissioned a 5.76 MWp grid connected roof-top captive solar power plant at the Pata Petrochemical Complex, Uttar Pradesh which is the country's second largest industrial PV roof top solar plant and also first Roof Top Solar Plant in Hydrocarbon Industry in India. The power generated is being consumed within the Petrochemical complex and substitute power is being drawn from the grid. This arrangement is significant in cost reduction and also reducing the carbon footprint of GAIL.

Further, rooftop solar units are being installed at your Company's offices/work centers for captive use.

➤ **City Gas Distribution**

Your Company is currently operating in 38 number of cities through-out

India directly and through its eight Joint ventures/ subsidiaries in the major cities of Delhi, Mumbai, Hyderabad, Bangalore, Pune, Varanasi, Patna etc. These CGD's together caters to 24 lakh households out of the 43 lakh total PNG household connections in the country. Out of total 1,424 CNG stations in the country, your Company's group operates 915 CNG stations. The current fiscal year registered record addition of 5 lakh households and 120 CNG stations.

Your Company's 100% subsidiary GAIL Gas Ltd. and its JVCs are operating in 11 geographical areas including the IT capital of the country, Bengaluru. The Bengaluru CGD project is making significant progress in its initial years. Around ₹ 600 crore has been incurred towards laying of the 2,684 Inch-km pipeline network, providing connection to over 50,000 households, and commissioning of five CNG stations. Around 5,000 households are already drawing PNG along with 70 Nos. of industrial and commercial connections. GAIL Gas has registered an impressive financial performance with its turnover increase from ₹ 2,798 crore to ₹ 4,586 crore and PAT from ₹ 65 crore to ₹ 81 crore in FY 2017-18.

Your Company has been awarded six cities as part of Urja Ganga project namely, Varanasi, Bhubaneswar, Cuttack, Patna, Ranchi and Jamshedpur. In addition, your Company will execute a CGD project in Kolkata through a JV between GAIL and a Govt of West Bengal Company. Gas supply through pipeline and cascades has commenced in Varanasi, Bhubaneswar and Cuttack in the first quarter of current financial year 2018-19. Ground work for laying the CGD network in Patna, Ranchi and Jamshedpur has also started.

Further, your Company has succeeded in setting up more than 1,200 kms of Green corridor, namely, Delhi-Mathura-Agra, Mumbai-Pune Expressway, Kanpur-Lucknow, Udaipur-Agartala-Khowai.

PRESENCE IN THE GLOBAL MARKET

Your Company is constantly expanding its global presence through its participation in projects / ventures along the natural gas value chain. Your Company is evaluating various global opportunities with the prime objective of securing gas supplies for energy security of the country and acquiring technical know-how for the upstream sector.

Your Company is a part of a consortium in two offshore E&P blocks (A-1 & A-3) in Myanmar. Around 14 MMSCMD of gas is being produced from these blocks, and supplied to China through the South East Asia Gas Pipeline Company Limited (SEAGP), in which your Company is also an equity partner. Your Company has achieved a major milestone of becoming a gas producer as well as supplier outside India.

Your Company owns a wholly owned subsidiary namely, GAIL Global (Singapore) Pte Ltd (GG SPL) in Singapore. GG SPL is actively involved in business activities in the area of LNG Trading. GG SPL has traded 31 LNG cargoes in 2017-18 as against 23 cargoes in 2016-17 and has registered an increase in turnover to USD 834 million in 2017-18 as against USD 493 million in the previous year.

Your Company has also established its wholly owned subsidiary namely, GAIL Global (USA) Inc. during FY 2011-12 to monitor investments made in the Eagle Ford Shale acreage of Carrizo Oil & Gas Inc in the State of Texas, and to explore other business opportunities related to the natural gas sector in North America.

Further, GAIL Global (USA) LNG LLC, a step-down subsidiary under GAIL Global (USA) Inc., entered into a Terminal Service Agreement (TSA) with Dominion Cove Point LNG LP for booking 2.3 MMTPA liquefaction capacity in the Cove Point LNG liquefaction terminal project located at Lusby in the state of Maryland in the US.

Your Company is also playing a lead role in the Turkmenistan-Afghanistan-Pakistan-India (TAPI) natural gas project for import of gas to India from Turkmenistan. Various agreements related to gas supply and transportation

have already been concluded. Further, TAPI Pipeline Company Limited (TPCL), the Pipeline Consortium, has been incorporated in Isle of Man to build, own, and operate the TAPI Pipeline, and State Concern Turkmenogas has been appointed as the Consortium Leader. The Shareholders Agreement and Investment Agreement of TPCL have been signed and the pre-FID activities are in progress. The Front End Engineering Design (FEED) for the project has been completed.

The major outstanding issues are (i) Economic Viability, (ii) Security of Supply and (iii) Tie-up of Debt and Equity for the Project. TPCL is in the process of engaging a Financial Advisor to carry out detailed Financial Due Diligence and achieve Financial Closure. Further, taking into cognizance of current gas market, India has proposed for re-negotiation of Gas Sale Purchase Agreement, the discussions for which are ongoing between GAIL and Turkmenogas. Further, three Business Principles governing the conduct and basis of business of TPCL have been proposed by India covering the security aspects of gas supplies.

Your Company holds equity interest in two companies in Egypt, namely Fayum Gas Company (FGC) and National Gas Company (Natgas), the city gas distribution companies involved in the supply of natural gas to residential, commercial and small industrial customers in Egypt. The investment in Natgas was made through GGSPL. Political uncertainty in Egypt during 2011-12 affected all foreign investors in Egypt including GAIL. However, over the last few years, the situation in Egypt has improved and these companies are making profits.

Your Company is also an equity partner in China Gas Holdings Limited (China Gas), a retail gas company involved in city gas and CNG business in China.

FINANCIAL PERFORMANCE

➤ Capex

Your Company's capex plan, especially in the pipeline segment is progressing smoothly. As against a target of ₹ 3,851 crore (including equity contribution to subsidiary and JV), your Company made a Capex of ₹ 4,080 crore during the FY 2017-18.

➤ Profitability

The turnover in FY 2017-18 increased by 10% to ₹ 53,690 crore against ₹ 48,789 crore in the previous year. The PAT increased to ₹ 4,618 crore in 2017-18 against ₹ 3,503 crore in the previous year, an increase of 32%. This is the highest ever PAT reported by your Company.

➤ Shareholders' Funds

The Reserves and Surplus (excluding Transition Reserve & Other Comprehensive Income) at the end of the FY 2017-18 stood at ₹ 32,947 crore as compared to ₹ 30,996 crore in the corresponding previous year. As on March 31, 2018, net worth of the Company stood at ₹ 35,142 crore, as compared to ₹ 32,350 crore as on March 31, 2017.

➤ Debt and Interest

Debt-Equity ratio as on March 31, 2018 improved to 0.06:1 as compared to 0.16:1 as on March 31, 2017. The Debt Service Coverage Ratio was 3 times as on March 31, 2018 as against 2 times on March 31, 2017. This reflects the strong financial position of your Company and ability to take up new projects.

As against the total Foreign Currency Loans of ₹ 1,580 crore outstanding as on March 31, 2018, around 84% (i.e. ₹ 1,321 crore) is hedged with full currency swaps, 13% (i.e. ₹ 215) is naturally hedged and only 3% (₹ 44 crore) remains un-hedged.

Your Company has repaid loans of around US\$ 33 million each to Bank of Tokyo, SMBC and Mizuho during FY 2017-18. Further, your Company has also repaid US\$ 150 million from the syndicate of SMBC, DBS and Mizuho during FY 2017-18. Your Company also exercised call option (pre-payment) of ₹ 937.50 crore in respect of two INR Bond series aggregating to ₹ 1,250 crore.



Shri A K Tiwari, Executive Director (Finance) (centre) and senior officials at the Investors Conference at Singapore (Nomura Investment Forum Asia 2018)

➤ Ratio Analysis

Return to Net Worth (PAT/Net Worth) for the Company as on March 31, 2018 improved to 13.14% as compared to 10.83% as on March 31, 2017.

Return on Capital Employed (PBIT/Capital Employed) increased to 15.38% in FY 2017-18 as compared to 12.55% in FY 2016-17.

Debtors Turnover (Net Credit Sales (i.e. Gross Turnover)/Average Trade Receivables) for the Company as on March 31, 2018 stood at 13.63 times as compared to 12.78 times as on March 31, 2017.

Inventory Turnover (Cost of Goods Sold/ Average Inventory) was 52.11 times as on March 31, 2018 as compared to 48.37 times as on March 31, 2017.

Current Ratio (Current Assets/ Current Liabilities) for the Company as on March 31, 2018 stood at 1.02:1 as compared to 1.09:1 as on March 31, 2017.

Operating Profit Margin (%) (Operating Income (Operating EBIT) / Revenue from Operations (Net) X 100) for the Company as on March 31, 2018 stood at 13.39% as compared to 12.66% as on March 31, 2017.

Net Profit Margin (%) (Profit after Tax (PAT) / Revenue from Operations (Net) X 100) for the Company as on March 31, 2018 stood at 8.58% as compared to 7.17% as on March 31, 2017.

➤ Market Capitalization

Market capitalization of the Company increased from ₹ 63,669 crore on March 31, 2017 to ₹ 74,090 crore on March 31, 2018, indicating investors' sustained confidence in the long-term growth of your Company.

INITIATIVES AND STRATEGY FOR FUTURE GROWTH

Strategy

In line with the strategy formulated during the year 2011, your Company has been treading on the path of moving from being a natural gas Company to an integrated energy Company with global footprints, which is reflected from the strategic moves taken in the past particularly in the area of international LNG sourcing, expansion of gas infrastructure, expansion of polymer portfolio etc. In the period 2014 to 2016, GAIL faced temporary setbacks in gas marketing and polymer segments due to drastic slump in global crude prices and reduced domestic gas consumption. However, your Company showed strong resilience in the 2017-18 and achieved highest ever profitability with enhanced gas sales and liquid hydrocarbons production.

With changed business environment in India as well globally, your Company has taken up fresh Strategy exercise to define the next phase of growth. In this exercise, your Company shall be chartering strategic initiatives under each business area of gas marketing, gas transmission, petrochemicals, liquid hydrocarbons, city gas distribution and other businesses including imperatives on the skill and talent development.

This strategy exercise shall lay high stress on new business opportunities within or outside energy sector which have the potential to turn into long term growth engine for GAIL. This strategy shall include short, medium and long term strategic moves spanning up to year 2030 to shape your Company of future.

Initiatives

➤ Natural Gas Transmission

Your Company is committed to increase natural gas penetration in the country and as a twin approach, increase the physical network and customer focus in the existing network to both large and small customers. Accordingly, your Company has provisions in the gas transmission contracts to accommodate the requirement of small volume shippers. Your Company has also introduced an Imbalance Management Services for shippers to manage the imbalances efficiently. An online portal for open access request processing is under construction and shall be launched shortly.

To ensure higher utilization of the commissioned trunk pipelines, 26 new Last Mile Connectivity were rolled out to supply/transport gas during FY 2017-18.

Your Company is currently executing 5,165 kms of pipeline (including JLPL augmentation project) with a capex of ₹ 23,903 crore, which will bring natural gas to the Eastern, North Eastern and Southern part of the country.

➤ Adding capacity to the National Gas Grid

Your Company is implementing the following major Natural Gas pipelines (approx. 4,927 Kms) as part of the cross-country National Gas Grid:

1. Kochi-Koottanad-Bengaluru/Mangalore Pipeline (Phase-II, 879 kms): Construction work of Kochi to Mangalore pipeline (434 Km section) is in full swing and is expected to be completed by February 2019.
2. Vijapur-Auraiya-Phulpur Pipeline: In order to de-bottleneck the upstream network of the JHBDPL project, a parallel pipeline from Vijapur to Auraiya and upto Phulpur (672 kms) is under execution in phases. Phase-1 from Auraiya to Phulpur is expected to be completed by December, 2018. Your Company has also awarded orders to execute phase-2 of the pipeline, from Vijapur to Auraiya.
3. Jagdishpur- Haldia & Bokaro-Dhamra Pipeline (JHBDPL) (2,655 Kms): The construction of the pipeline system is under progress in phases. The pipeline will be further extended from Barauni, Guwahati. Out of this, 110 km of Phulpur to Varanasi pipeline has been successfully completed and commissioned.
4. Barauni- Guwahati Pipeline section as an integral part of JHBDPL (727 Kms): Procurement and construction activity started in FY 2018-19.

Your Company shall connect the existing natural gas grid with Eastern India under "Pradhanmantri Urja Ganga Pipeline Project". The pipeline shall pass through the Eastern part of U.P., Bihar, Jharkhand, Odisha, West Bengal and Assam. This pipeline shall supply gas to fertilizer plants at Gorakhpur, Barauni and Sindri. The pipeline shall have two gas sources, one at Phulpur (Allahabad, U.P.) and the other at Dhamra RLNG Terminal (Odisha). The capacity of the pipeline network is 16 MMSCMD. Physical progress is in line with the envisaged schedule.

This trunk pipeline investment could trigger cascading investments through infrastructure creation in City Gas Distribution, LNG terminal, fertilizer plant revival etc. amounting to over ₹50,000 crore in near future by various investors.

To develop the Gas Pipeline Grid in the North East connecting Guwahati to major cities in the North East like Itanagar, Numaligarh, Dimapur, Imphal, Aizwal, Agartala, Shillong, Silchar, Gangtok, etc., a Joint Venture Company

(JVC) will be formed with the five Oil & Gas PSUs viz. IndianOil, ONGC, GAIL, OIL and NRL.

➤ City Gas Distribution

The Pradhanmantri Urja Ganga Pipeline Project endeavors to provide clean fuel to various cities along the pipeline. City Gas Distribution networks along the pipeline at Varanasi, Patna, Ranchi, Jamshedpur, Cuttack and Bhubaneswar are being concurrently developed. Gas supply has been commenced in Varanasi and Bhubaneswar and is ready for supply in Cuttack. Ground work for laying the CGD network in cities namely, Patna, Ranchi and Jamshedpur, has also started. Kolkata CGD is being developed through a JV of GAIL and Greater Calcutta Gas Supply Corporation Ltd (Government of West Bengal Enterprise).

GAIL Gas Limited, your Company's wholly owned subsidiary, is implementing CGD projects in the cities of Dewas, Meerut, Sonapat, Bengaluru & Taj Trapezium and, through its JVs, in Kota, Haridwar, North Goa and Vadodara.

Your Company's subsidiaries and joint venture companies engaged in CGD are participating in the 9th round of CGD Bidding through GAIL Gas Limited, as announced by PNGRB, in which 86 new Geographical Areas (GAs) have been identified.

Your Company has also conducted various efficiency enhancement projects, such as the Rich-Lean Gas corridor and the waste heat recovery projects at Hazira & Vijapur, respectively. Pipeline replacement projects in the KG Basin, Gujarat and Cauvery basin are also progressing in full swing. 242 Km network in the KG basin, 91 Km network in the Gujarat region, and 92 Km network in the Cauvery Basin are commissioned, and balance job is under progress.

➤ Sourcing & Trading of Gas

India has set an ambitious target for share of natural gas in the country's energy mix. In order to ensure that availability of gas supplies are not an impediment in the development of gas sector in India, your Company with a long term vision, during the early part of this decade, had taken proactive steps for contracting gas. GAIL had contracted LNG from USA (5.8 MMTPA) and Russia (2.5 MMTPA). That vision materialized in 2018 with commencement of supplies from Sabine Pass, Cove Point and Gazprom, thereby catapulting GAIL amongst the league of top 10 LNG portfolio holders (~ 14MTPA). The supplies from Sabine Pass commenced in March 2018, from Cove Point in April 2018 and Gazprom in June 2018.

Further, your Company imported LNG cargoes during the financial year from various international sources on short-term and spot basis to cater to the requirement of the domestic market. Your Company has also sold LNG cargoes in the International market during the last financial year, marking an important milestone for the Company.

Further, GAIL continues to source and market LNG from Qatar and Australia apart from cargoes through spot purchase and medium term contracts. Through long term contracts, your Company has created geographical and indexation diversification of LNG supplies. Linkage to different indices in its LNG portfolio has mitigated risk and has allowed GAIL to offer stable and competitive pricing to its consumers.

Owing to slump in crude prices and gas demand in the country, last couple of years have been challenging for GAIL. However through various measures, it has been able to successfully manage the volume exposure owing to new supplies. GAIL is now actively trading LNG in the international market & chartering ships which is in line with the globalization strategy and allows GAIL to channelize supplies as per the demand in the Indian market. Your Company has concluded various deals towards de-risking the portfolio significantly including time swap & destination swap transactions to ensure delivery of competitively

priced LNG in the Indian market. Further, your Company is actively undertaking hedging to manage commodity price risk. All the above has resulted in substantial savings & GAIL has been able to make available natural gas for the Indian market at a reasonable price.

Demerger of RGPPL resulting in separation of LNG terminal into Konkan LNG Private Limited (KLPL) has further strengthened GAIL's position in the Indian gas market. The access to the Dabhol LNG terminal would provide greater operational flexibility to your Company in the LNG business.

With significant uptick in crude prices and strong growth in gas demand in India and abroad, the LNG trading business of the company is on a strong ground.

➤ **LNG Shipping**

Currently, your Company has hired its first LNG vessel 'Meridian Spirit' on time charter basis in September 2017. The vessel did its first loading at Sabine Pass terminal in Louisiana, USA and discharged at Dabhol terminal, India in March 2018. Your Company also has plans to hire more number of ship(s) in future based on the requirement of transporting volume to India/ elsewhere subsequent to international sales and swap transactions.

➤ **LNG Regasification Terminals**

Your Company is evaluating various opportunities for setting-up/booking LNG Regasification capacity in the country. GAIL achieved another milestone by signing Tolling Agreement with Dhamra LNG Terminal Pvt. Ltd. for 1.5 MMTPA Regas Capacity at Dhamra LNG Terminal, Odisha as a step forward for securing RLNG/LNG supply in Eastern Region. This is over and above the capacity already booked at Dahej, Kochi and Dabhol.

Consequent upon demerger of RGPPL and formation of Konkan LNG Private Limited to run the LNG terminal at Dabhol, the terminal has been successfully revived and is today capable of importing 1.9 MT of LNG. Further, the terminal's ability to run 5 MT capacity would be possible once the construction of breakwater is undertaken which is scheduled to be completed by March 2022.

➤ **Petrochemicals**

In order to place your Company as a significant petrochemical producer and marketer, especially in Asia, focus was given to develop export capability by increasing the capacity utilization as well as by improving the number and quality of grades produced. Your Company exported 56TMT of polymers as a step in this direction. Your Company has successfully captured the petrochemical market of neighboring countries, SEA countries and China.

➤ **Coal Gasification**

Your Company is also entering into coal gasification by setting up of surface coal gasification based urea project at Talcher. The project, with an estimated cost of ₹ 11,611 crore is envisaged for the production of 2,200 MTPD ammonia and 3,850 MTPD urea. A joint venture company, Talcher Fertilizers Limited was formed with consortium partners namely GAIL India Limited (GAIL), Coal India Limited (CIL), Rashtriya Chemicals and Fertilizers (RCF) each having 29.67% stake and Fertilizer Corporation of India Limited (FCIL) having 10.99% equity. Captive Coal Mine allocation & Environment Clearance for the project has been obtained. The pre-project activities are underway.

➤ **Start-up Initiative**

Your Company has launched its Start-Up initiative 'Pankh' to nurture the spirit of entrepreneurship. A corpus of ₹ 50 crore has been created to help start-up entrepreneurs realize their potential. Your Company will also provide mentoring to them in core areas of the organization. A separate web portal has been launched on the corporate website of the

Company where start-ups can submit their investment proposal. Investment Agreements were signed with 4 start-ups during the year for a total commitment of ₹ 5.12 crore.

RISKS, CHALLENGES AND MITIGATION

➤ **Regulatory Framework**

The Petroleum & Natural Gas Regulatory Board (PNGRB) was established by the Central Government on October 1, 2007 for carrying out the various provisions of the PNGRB Act, 2006. The PNGRB Act provides a legal framework for regulating the refining, processing, storage, transportation, distribution, marketing and sale of petroleum, petroleum products and natural gas, but excluding the activities of production of crude oil and natural gas, so as to protect the interests of consumers and entities engaged in these activities. The main functions of PNGRB include, inter-alia, (a) granting authorizations for laying, building, operating or expanding new pipelines as common carriers or contract carriers and for laying, building, operating or expanding new city gas distribution networks (CGD networks), (b) declaring existing natural gas pipelines, petroleum & petroleum product pipelines and CGD networks as common carriers or contract carriers, (c) regulating access to common carriers or contract carriers (d) regulating transportation rates of common carriers or contract carriers and (e) to perform such other functions as may be entrusted to it by the Central Government to carry out the provisions of this Act.

During the financial year 2017-18, PNGRB has notified various Amendments to Regulations in respect of Natural Gas Pipelines, CGD networks and Petroleum Product Pipelines and has also issued various authorizations, orders, decisions in respect of Natural Gas Pipelines, Petroleum Product Pipelines and CGD networks. The details of the said regulations, amendments, authorizations, orders, and decisions are available on the official web-site of PNGRB (www.pngrb.gov.in) and have varying implications on respective entities business activities. These regulations, amendments, authorizations, orders, decisions of PNGRB are appealable before the PNGRB Bench, Appellate Tribunal and Courts and accordingly, some of them pertaining to your Company are also under various stages of appeals. The timing and content of any final changes in regulations made by the Regulator is not in your Company's control. However, regular anticipation in public consultation exercises conducted by the Regulatory Board and making submissions to the Regulator in writing helps it to anticipate or to minimize its risks associated with any sudden or unforeseen changes in regulations.

➤ **Natural Gas Prices**

Your Company is currently marketing natural gas purchased from domestic and international sources.

The Government of India, vide its order dated October 25, 2014, had notified the New Domestic Natural Gas Pricing Guidelines, 2014. As per the notification w.e.f. November 01, 2014, the gas price is determined bi-annually as per a specific formula, which in essence, is a twelve month average price (minus transportation and treatment charges) of natural gas traded in the major hubs worldwide.

The New Domestic Natural Gas Pricing Guidelines, 2014 are applicable uniformly to all nominated fields to ONGC & OIL, NELP blocks and Pre-NELP blocks that require Government Approval as per PSC, whereas the same are not applicable in case of small and isolated fields of nominated blocks that are covered under the pricing guidelines of 2013.

Further, the Government of India, vide its order dated March 21, 2016, has notified guidelines on marketing including pricing freedom for the gas produced from discoveries in deep water, ultra-deep water and high pressure-high temperature areas. As per the guidelines, the government has decided to ensure freedom of pricing for gas produced in these fields

up to a ceiling price level calculated by taking lower of twelve month average of landed price of imported fuel oil, substitute fuels and LNG.

Your Company earns the marketing margin on the sale of domestic natural gas. Further, the Government of India, in its notification dated December 24, 2015, applicable from November 18, 2015, has put a ceiling on marketing margin for the supply of domestic gas to fertilizer (Urea) and LPG producers to ₹200 per 1000 SCM.

In addition to the above, your Company purchases imported natural gas mainly from Petronet LNG Limited (PLL) at Dahej, Gujarat. The purchase and selling prices of such Natural Gas (RLNG) is based on international crude price indices. Further, your Company also directly imports LNG through carriers from various suppliers worldwide and gets it regasified either at PLL's regasification terminal at Dahej, Gujarat or at Ratnagiri Gas and Power Private Limited (RGPP) regasification terminal at Dabhol, Maharashtra.

Such LNG import is either under a medium-term agreement ranging up to three years or under spot cargo purchases. Under medium-term import, the selling price is largely based on the purchase price. However, under spot cargo imports, the selling price is dependent upon the demand and supply scenario and customer affordability. Import of LNG spot cargo is based on a thorough assessment of the affordability & requirement of the end consumers and the availability of LNG in the international markets.

Your Company has been constantly endeavoring to meet the supply-demand gap of natural gas in the country through long-term/medium-term and spot imports of LNG. While current supply deficit is primarily met through medium and spot deals, your Company and its subsidiaries/joint ventures / affiliates till date have executed two long-term LNG contracts in the USA and one long-term LNG contract from Russia to meet the supply-demand gap and enhance capacity utilization of pipeline infrastructure:

- LNG Sale and Purchase Agreement with Sabine Pass Liquefaction LLC for sourcing of 3.50 MMTPA of LNG from Sabine Pass Liquefaction terminal, USA with supplies commenced in end February, 2018.
- Terminal service agreement for booking of 2.30 MMTPA liquefaction capacity in the Cove Point LNG liquefaction terminal, USA with supplies commenced from April, 2018 and Gas sale and Purchase Agreement with WGL Midstream for the commensurate gas quantities.
- LNG Sale and Purchase Agreement with Gazprom for sourcing upto 2.85 MMTPA, i.e. around 10.26 MMSCMD of LNG (primarily from Yamal Liquefaction terminal) with supplies to commence from 2018-19. Your Company has successfully renegotiated LNG contracts with Russia's GMTS (Gazprom) and Australia's MARC (Exxon Mobil) in view of the changing market scenario, as spot/short-term LNG prices had declined substantially amid a supply glut. Through these renegotiations, your Company has managed to renegotiate the timeline, volume, LNG Price and price indexation of these long-term LNG contracts, resulting in significant price advantage.

The aforesaid LNG contracts were entered by your Company with the primary objective of meeting the demand of a growing Indian economy and at the time of finalization of the Sale Purchase Agreement (SPA), the power sector was considered as one of the major long term buyer of LNG in the Indian market. However, power produced from LNG is not being scheduled by Distribution Companies (DISCOMs) due to cheaper alternatives including renewables thereby leading to stranding of significant capacity out of 25,000 MW of the installed gas based power plants.

To mitigate the above risks, your Company is exploring opportunities to market LNG volumes in the international markets either directly

and/or through its Singapore based subsidiary, GGSPL. Further, your Company has already concluded three time swap deals, where-in LNG volumes were purchased from international parties during financial year 2017-18 with an agreement to sell equivalent volumes of HH during FY 2018-19.

In parallel, your Company has also optimized LNG sourced from the US through destination swap transactions which significantly reduces cost of shipping HH LNG to the Indian ports resulting in improved affordability for the Indian customers.

As a result of these transactions, your Company has already tied up / optimized substantial volumes of HH LNG in domestic and international markets for the year 2018. Your Company has also executed agreements for LNG supply to the upcoming/revived Fertilizer units in the domestic market. Efforts are also on to market RLNG to anchor customers like refineries and steel plants along upcoming and existing pipelines.

Since FY 2016-17, your Company undertook hedging transactions for a part of LNG volume used for your Company's internal consumption and sale to domestic and international customers, to mitigate the price risk and fix the margins. Such mitigating measures of commodity hedging are underway based on the regular assessment of managing cash flows from trading transactions.

➤ **Unified/Pooled Tariff for the integrated Natural Gas Pipeline system**

Present methodology of PNGRB requires tariff to be levied separately for each pipeline. However, based on market condition it is seen that consumers across far-flung regions along the pipeline demand tariff prevailing near to the sourcing region so as to manage input costs, or in other words, maintaining competitiveness of their end-products/service. Integration of natural gas pipelines and determination of pooled tariff for such an integrated pipeline system provides an optimal solution to tide over wide variation in tariff structure across regions and the emergence of equitable gas based economic development. Unified/Pooled tariff removes the distortion in the tariffs applicable to the existing and new customers as the pipeline network expands.

To facilitate equitable growth of natural gas markets, the Cabinet Committee of Economic Affairs (CCEA) while according 40% capital grant for the Jagdishpur-Haldia and Bokaro-Dhamra pipeline project, also inter-alia directed MoP&NG to examine your Company's request of devising Unified/Pooled tariff for all its inter-connected cross-country pipelines which shall be applicable uniformly to all customers along the integrated network of GAIL for ensuring financial viability and sustainability of such infrastructure projects. It also empowered MoP&NG to either vest the responsibility of fixing such a tariff by the nodal Ministry itself or by PNGRB through suitable directions based on the parameters of phase-wise actual/anticipated capacity utilization, operating expenses (including unaccounted gas, line loss), future capital costs for last mile connectivity etc. to ensure 12% post-tax return on GAIL's investment.

➤ **Renewables**

Domestic electricity market is undergoing a churn in the manner in which the DISCOMs are purchasing power. Given aggressive bids by solar power developers owing to several influencing factors, there is a growing tilt towards such sources for managing consumer expectations. Plant Load Factor (PLF) for conventional fuels is on a decline and natural gas based power plants continue to run with structural issues requiring resolution through policy intervention. Your Company has been working on case to case basis and in close co-ordination with MoP&NG and Ministry of Power to increase/revive off take of natural gas by the power sector.

➤ **Polymer, LPG and other LHC**

Your Company is also marketing petrochemicals, LPG and other LHC

products. The prices of these products are influenced and determined by global and domestic factors influencing demand, supply and price. Your Company has developed a range of market acceptable products to ensure steady consumption of the petrochemical products and optimizes strength of the portfolio from Pata and Assam facilities. LPG marketing is decided in close co-ordination with the PSU Oil Marketing Companies. Continuous measures are taken towards managing margins across your Company's range of products.

➤ Foreign Exchange Fluctuation Risk

Your Company largely imports capital goods and stores & spares for various new projects, and operation & maintenance. It has also taken loans in foreign currency for meeting the capex requirement and making overseas investments. The majority of loan portfolio is hedged by way of derivative products (currency swap and interest rate swap) and through natural hedge. Your Company has an approved Foreign Currency & Interest Rate Risk Management Policy to manage foreign exchange exposure which has been reviewed during the year. The short-term and long-term exposure of foreign currency of your Company is being monitored as per the approved policy. Your Company has implemented standard functionality of Treasury & Risk Management Module integrated in the SAP platform for efficiently managing forex exposures.

➤ Commodity Price Risk

Your Company also has approved Natural Gas Price Risk Management Policy to manage the price risk of natural gas. The price risk of natural gas used for internal consumptions and as well as for customers is being monitored as per approved Policy. Your Company has undertaken various derivative contracts to hedge the price risk arising out of import of natural gas viz plain vanilla swaps, basis swap etc. Your Company has also undertaken other measures like time swap, destination swap etc to optimize margins in the transactions.

➤ Natural or Man-made Calamity Risk

Various risks are associated with gas transmission and distribution like blowout of pipelines, earthquake, tsunami, terrorist activities, etc.

These risks are being mitigated right from the designing stage of these projects. However, such natural or man-made risks are emergent events and cannot be totally eliminated. If such an event occurs, it will incur significant liabilities for the Company.

➤ Risk Management Framework

Your Company has an approved Risk Management Policy & Procedure to protect and add value to the organization and its stakeholders with the objective to establish a risk intelligence framework for managing objectively expected risk exposures by the decision makers in compliance to prevailing statutory regulations so as to maintain financial stability of your Company.

A robust Risk Management Framework supports your Company's business strategy and operations. Risk Management Framework is constantly updated for new and emerging risks emanating from business expansion and interests. The risks are evaluated, quantified & prioritized and mitigation plans are reviewed & monitored at various stages. Corporate Level Risk Steering Committee oversees the implementation of the Risk Management Policy and Procedures which are periodically reviewed and monitored by the Risk Management Committee and by the Audit Committee before presenting them to the Board.

In the changing business scenario and the expansion of your Company into various other activities, business risk and their mitigation plans are re-assessed on regular basis. Currently, the top key Corporate Level Risks are as under:

- Take or Pay Risk on long term internationally sourced LNG.
- Risk of Reduction in Profitability of Petrochemicals.
- Risk of delay in Project Execution due to delay in obtaining Right of Use (RoU)/Land.
- Risk of Underutilization of pipeline due to low downstream draw and low pipe line capacity trade.
- Risk of Regulatory framework
- Encashment of Corporate guarantee provided to PNGRB on behalf of GAIL Gas Ltd. in connection with the Bengaluru CGD project.

As covered in the preceding paras, identified risks have been deeply examined and reasonable mitigating measures and safeguards have been initiated so as to eliminate or minimize the impact of the identified risks. Your Company endeavors to pro-actively initiate measures towards maintaining financial stability from its business operations.

INVESTOR RELATIONS AND ENGAGEMENT

The objectives of your Company's investor relations activities are to develop a long-term relationship of trust with stakeholders by fulfilling responsibilities not only towards shareholders but also other stakeholders, investors and analysts, through fair process of information disclosure. Your Company maintains open channels of communication as it engages with various stakeholders. In order to pursue these objectives at all times, your Company continuously discloses the necessary information and conducts various investor relations activities.

During FY 2017-18, to pursue the objective of effective communication with investors, your Company has taken following measures:

- i) Organized Investors' & Analysts' Meet 2017
- ii) Organized Conference Call immediately after announcement of the financial results for Q1 2017-18, H1 2017-18 and Q3 2017-18.
- iii) Company participated in 11 domestic investor conferences organized by top brokerage houses of the country.

All these meetings/ conferences were attended by Top Management/Senior Executives from Finance, Marketing, Business Development and Projects in addition to executives from site offices.

As per requirement of SEBI (Prohibition of Insider Trading) Regulations, 2015, Company's Board has approved:

- Code of Conduct to Regulate, Monitor and Report Trading by Insiders (Insider Trading Code) and
- Code of Fair Disclosure and Conduct- Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (Principles of fair Disclosure)

The investor presentation(s) and mentioned guidelines are hosted on the website of your Company and are also informed to Stock Exchanges.

Your Company will continue with its endeavor to provide world-class investor relations services in disseminating information to its investors & analysts at the right time and from the right people. In view of the above, the Investor Zone section of the corporate website has been reviewed and updated for ensuring informative and investor-friendly engagement as your Company adheres to the ethos disseminating accurate information to stakeholders and capital market participants (including shareholders, investors, and securities analysts).

CAPABILITY BUILDING

Your Company realizes the criticality of aligning human resource development initiatives with strategic objectives to achieve organizational goals. Significant steps towards skill development and capability build-up, talent acquisition, development and retention strategies are continuously undertaken for being an employer of choice.

➤ **Human Capital**

Your Company invests dedicated resources in order to be the preferred employer to attract and retain requisite talent. The Company's Intellectual Capital is carefully nurtured and channelized to cater to its business plans for maximizing value. Value Added per Employee reflects its emphasis to make the optimal & productive use of the available resources and business opportunities. For the year under review, Value Added per Employee was ₹ 239.07 lakh.

➤ **Leadership Development Program**

GAIL has undertaken structured Leadership Development Interventions for its senior / middle management levels with a broad focus on developing and enhancing the quality of talent pool of people who are in the wings to take leadership roles and thus build a strong leadership pipeline. Your Company believes that capability building and enhancing competency of employees is the key to successful execution of its strategic plans.

Your Company has adopted an Integrated Leadership Development Approach synchronizing it with other talent processes. The Development strategy comprises Dual Focused Talent Development Interventions viz. (i) 360 Degree Feedback Exercise and (ii) Senior Management Development Centre Exercise. 360 Degree Feedback is aimed to provide an effective feedback to concerned executive (s) (in E5 and above grades) via his/her peers, subordinates, and seniors.

Your Company has also designed a 'Succession Planning Framework' for ensuring smooth transition to identified leadership roles/positions. It is aimed to put in place a structured framework to ensure adequacy of Leadership Pipeline/ talent pool/ skill set availability, both in terms of quantity and quality of potential successors, in line with your Company's business plans. The Successor Development Framework will be used to facilitate development of pool of successors through Individual Development Plans (IDPs) and other developmental interventions.

➤ **Capability Development**

The GAIL Training Institute (GTI) organizes systematic and structured training programs for capability building across all levels within the organization on a continuous basis.

Your Company is also playing a proactive role to support the National Skill Development Mission through active participation in the activities of Hydrocarbon Sector Skill Council (HSSC), establishment of Skill Development Institute at Raibareli and providing Training and Recognition of Prior Learning (RPL) in Pradhanmantri Urja Ganga Pipeline and City Gas Distribution Projects to create a pool of skilled manpower.

➤ **Industrial Relations**

Your Company's Industrial Relations climate remained congenial and constructive. There were no Man Days or Man Hours lost on account of any sort of industrial conflict/unrest. In the Company's endeavor to meet the ever-changing business requirements and to maintain a sustainable competitive advantage, review of HR strategies and policies is undertaken on a continuous basis to align with the Organizational Strategy.

During the year, review of various HR Policies on Employee Compensation, Welfare, Social Security, Career Progression, etc., was undertaken to position your Company as an Employer of Choice.

HEALTH, SAFETY AND ENVIRONMENT (HSE) MANAGEMENT

➤ **Corporate HSE Policy**

The HSE Best Practices in your Company are primarily driven through a Corporate HSE Policy which is a statement of commitment of the management of your Company. Your Company is committed to giving the highest priority to Occupational Health, Safety of Plants and Pipelines & Personnel in a serene environment. Uniform, well-designed

HSE Management System is in place to support its commitment. Your Company conducts its business in harmony with nature and promotes sustainable development. Employees and contract workers are encouraged to adopt safe working habits and behavior to ensure an effective implementation of the HSE Policy and are empowered to notify and stop any unsafe work/act, as may so arise.

➤ **Safety Performance**

Safety performance is measured in your Company through the "HSE Score", which is evaluated on the basis of the important HSE Management System elements. Your Company achieved an "HSE Score" of 93.45% as against the MoU target of 90%.

➤ **Safety Training**

Training is a key to the safety of people and premises. Your Company imparts regular and structured HSE training including Behavior Based Safety and Environment, Health & Safety Module (EHSM) software/SAP training to its employees to upgrade their skills, knowledge and competence, in order to perform their HSE functions effectively and develop an effective safety culture. Regular training is also imparted to contract workers, tanker drivers and other personnel to create awareness of the probable hazards in their work area so as to avoid and safeguard against unsafe actions.

➤ **Safety Audits**

Safety audits are regularly conducted to ensure the implementation of the HSE Management System Guidelines and Emergency Preparedness. These audits are performed by both External safety auditors and experienced in-house auditors. Audit recommendations are being complied in a time bound manner.



GAIL organised several events to commemorate the International Day of Yoga. Shri B C Tripathi, CMD (centre) led the Company's employees who participated in the events in large numbers

➤ **Occupational Health**

Your Company has implemented occupational hygiene measures and medical surveillance programs to monitor and control the occupational health of its employees, based on defined guidelines. All employees at various work centers undertake periodic medical examination as per these guidelines. The Corporate Occupational Health Committee meets on a quarterly basis to monitor the occupational health program in your Company and the effectiveness is evaluated based on the outcome of the Health Audit undertaken through in-house multi-disciplinary teams.

➤ **HSE Initiative and Achievements**

Your Company has taken various initiatives to further improve the HSE Management System. Some of the important HSE initiatives and achievements are:

- Taking lead, your Company organized a two-day HSE Conference and Exhibition. The theme was "Shaping HSE Culture Amidst Global Challenges". Diverse range of topics related to HSE Management were covered during the Conference. The event included participation of 46 eminent National and International speakers and Panelists.
- Improved new In-House Incident reporting System developed and implemented across the Company.
- Your Company has also initiated the practice of sharing Process-related initiatives and lessons learnt with all employees, through GAIL Intranet.
- Your Company officials presented various technical papers on HSE subjects at various National and International forums.
- Various installations of your Company got safety awards from M/s National Safety Council, Mumbai and M/s British Safety Council, U.K

SUSTAINABILITY INITIATIVES

This year your Company will be publishing its eighth Sustainability Report – 'Execution, Efficiency, Excellence' for FY 17-18 based on the Global Reporting Initiative (GRI) G4 Standards. Sustainability reporting has helped in measuring and monitoring your Company's performance and moving beyond the mandatory requirements to ingrain a sustainability culture within the organization. The initiative has served as an important management tool, helping the Company to revisit its systems, policies and procedures.

Your Company's Sustainable Development Committee, comprising of Functional Directors and Independent Directors, regularly monitors performance under sustainability initiatives. This year, all sites took up Annual Sustainability Work Plan to undertake sustainability projects in a phased manner. Petrochemical plants are also working on energy efficiency benchmarks in collaboration with Bureau of Energy Efficiency to set standards of carbon emissions and specific energy consumption with the Petrochemical sector becoming part of the PAT scheme (Perform, Achieve & Trade). Further, Your Company is also in the process of revisiting its long-term Sustainability goals to better align with its change in business and Global & National priorities.

Taking a step forward in its Sustainability journey, GAIL has also developed its Sustainability Charter with aim which will serve as the guiding force to your Company's future objectives, actions and aspirations. The Charter follows an integrated approach for embedding environmental and social concerns into the corporate DNA while establishing a leadership platform towards sustainability and climate action.

Your Company believes that it is important to collaborate with industry leaders, associations and peers to address national and global sustainability challenges and work towards a common goal. Your Company has collaborated in the study on "Climate Change Risks: Preparedness for Oil and Gas Sector" undertaken by the Federation of Indian Petroleum Industry (FIPI) and The Energy and Resources Institute (TERI).

In line with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Business Responsibility Report (BRR) 2017-18 is contained in a separate section of the Annual Report.

INNOVATION, RESEARCH AND DEVELOPMENT (R&D)

Innovation and R&D are vital to leveraging the new business opportunities for providing sustainable business proposition for GAIL. In this direction, your Company is pursuing various R&D projects in collaboration with renowned scientists across various IITs and CSIR labs to improve the efficiency and safety of its process operations, develop new application for its products, and to develop technologies for low-carbon energy future. Various developmental works are carried out at its operational facilities for process optimization, hazard reduction, mitigating environmental impact and productivity

improvement etc. Your Company is consistently allocating a budget of 1% of PAT towards R&D. The R&D efforts have led to various novel developments and 8 Patent applications were filed during the year. The important Research themes pursued in FY 2017-18 include work on Bio-based fuels & clean energy development, Pipeline Integrity Management and CO₂ utilization.

Under the bio-based fuels, an eco-friendly and energy-efficient process for bio-ethanol production from agricultural residues is being developed. Under clean energy research, a low emission natural gas combustor as a hybrid heating source for supercritical CO₂ Brayton cycle is being developed. Lab-scale studies on methane production from marine gas hydrates are being carried out to augment the availability of natural gas. Your Company has participated in gas hydrate scientific drilling investigation under the National Gas Hydrate Program (NGHP). Your Company is also setting up a 1 TPD demonstration Pilot plant for conversion of waste plastic to diesel to validate the successful work carried out earlier at bench-scale.

In Pipeline Integrity Management, remote monitoring of Pipeline RoU through high resolution satellite images was continued through the GAIL Bhuvan portal which was launched last year. In addition, the pilot testing of Wireless Sensor Network based Data transfer is being continued at select terminals.

CO₂ is a Green House Gas and GAIL R&D is continuously focusing on initiatives for its conversion /utilization. The efforts include Microbial fixation of CO₂ for biomass production, and the development of novel catalysts for tri-reforming of CO₂ and Methane to syngas.

Your Company has a long-established Suggestion Scheme to elicit innovative ideas from employees to improve business processes. This scheme promotes innovation and creativity in the organization. The proposals are evaluated by a technical committee for feasibility and implementation. The best proposal is awarded with the CMD trophy. In addition, lot of innovations are also carried out through Quality Circles.

TOTAL QUALITY MANAGEMENT

Your Company is committed to enhance customer satisfaction and standardizing business processes through the implementation of a Quality Management System. Your Company endeavors for continual and sustainable improvement through the implementation of effective quality practices, innovation and standardization. Quality Management System and Energy Management System, along various pipelines & process units, at corporate and marketing offices have been implemented. Your Company undertakes Quality Circle projects with engagement of its employees, resulting in high employee morale and increased productivity

ENVIRONMENT PROTECTION AND CONSERVATION/ RENEWABLE ENERGY DEVELOPMENTS/FOREIGN EXCHANGE CONSERVATION

Your Company, since inception, is in the core business of Natural Gas, an environmentally benign fuel. It has helped the Power sector, the fertilizer sector and many others to produce clean power and clean fertilizers amongst other products. Your Company has kept environment sustainability at the core of all diversification and expansion projects during its growth journey. The Liquid hydrocarbon business, the City Gas Distribution in many important cities of the country has been instrumental in changing the air quality in homes and cities. At our own installations, ecological paradises have been created at most locations with wide biodiversity and water bodies. The Natural Gas and LPG pipelines that your Company operates have contributed to the cause of environment to a considerable extent by reducing tanker traffic on roads, thus creating a better environment and promoting higher standards of safety.

In line with the Company's Vision to create value for all stakeholders and fulfill its environmental responsibility, your Company has taken various initiatives and business decisions over the years to ensure its businesses and operations have maximum impact on the economy and its stakeholders. Due to its environmental advantages and greater efficiency, gas is expected to play a larger role in the Indian energy mix.

India's move to promote gas usage is in line with the commitment made at the Paris meeting on climate change at COP 21, which aims to reduce the country's carbon emission intensity by up to 35% from 2005 levels by 2030 and producing 40% of the power from non-fossil fuel sources by 2030. Natural gas is a good fit for decarbonizing India's energy system, as it plays a dual role in both replacing carbon-intensive fuels and facilitating the development of renewable power.

The increasing use of gas in non-power sectors will allow to reduce CO₂ emissions and improve air quality as gas will replace (or complement) higher-emitting oil products: fuel oil/naphtha and pet coke in the industrial sector, diesel in transportation and traditional biomass, and LPG and kerosene in the residential/commercial sectors.

Considering the life cycle impact on environment and health, natural gas is much more benign fossil fuel when compared to coal and liquid fuel. Being a clean fuel, it does not require huge amount of water for its purification and it does not contaminate the ground water. Further, it is either transported through pipeline as gas or closed cryogenic vessel as liquid and therefore does not contaminate air during transportation. Difference between the emission level of pollutant & greenhouse gas from entire life cycle of Coal & Gas based power plant is huge and also gas based power plant has significant advantage over coal based plant.

Substituting road transportation of LPG - With laying of exclusive pipelines for LPG transmission in various parts of the country, GAIL has contributed to replace the mode of transportation by road required to deliver LPG from production facilities to various customers, which is less emission intensive.

Reducing GHG emissions from flaring - India's exploration and production activities involved flaring of natural gas that could not be utilized until the 1980s due to technological and economic feasibility. With commencement of GAIL's operations and growth over the years, GAIL has significantly contributed towards reducing flaring of gas from exploration and production activities.

Your Company considers water as a precious natural resource and hence its consumption is closely monitored and controlled. State-of-the-art technologies have been adopted to reduce and treat the wastewater generation. Your Company maximizes the concept of reuse and recycle of water. Discharge at all locations is compliant to the norms of the respective State Pollution Control Boards.

Your Company's operations at all locations are state-of-the-art and involve clean technologies. Adequate treatment and reuse of treated waste waters is adopted across the Company. Treated effluent water is recycled and used in-house for horticulture purposes within plant and township premises.

Your Company uses one of the cleanest fuels available, i.e., Sulphur-free natural gas at the process plants. Since your Company uses natural gas for its feedstock as well as fuel requirements, the level of pollutants is consistently maintained much below the national stipulated norms. Adequate stack height has been provided for effective dispersion of pollutants. Low NO_x burners are used in all the furnaces. Loading facilities are provided with vapor-return circuits. Gas detectors have been installed to ensure quick detection of any gas leak.

Your petrochemical complex at Pata has the facility of monitoring stack air and ambient air on continuous basis. State-of-the-art permanent Ambient Air monitoring stations measure sulphur dioxide, oxides of nitrogen, hydrocarbons, carbon monoxide and noise levels on real time basis.

Your Company manages its waste by efficiently segregating, treating and disposing based on the type of waste generated i.e. hazardous and non-hazardous.

All installations of your Company carry out extensive afforestation in their respective sites and maintain at least one-third of the area as green belt. Your Company has been continuously taking initiatives to safeguard the environment and biodiversity along with its diverse business segment. Your

Company understands the value of the green spaces present within its premises, and desires to feature the unique aspects of the flora and fauna to the general audience. A coffee table book on Biodiversity is being published on the Company's Biodiversity assessment, having details of rich flora and fauna at your Company's installations.

Your Company monitors environmental parameters to assess the environmental quality on regular basis through an in-house team and as well as by independent third-party agencies. Updated and sophisticated instruments are used for monitoring environmental quality. The monitoring is done regularly and reports are sent to the respective State Pollution Control Boards. The water and waste water samples are also analyzed at the in-house laboratory as well as external laboratories on a regular basis. Audit is also conducted for the process plants and pipelines to ensure proper functioning of the environment management.

In addition to our 118 MW of Wind Energy Generation Projects (WEG) and 5 MW of Solar Energy Projects, as part of our commitment towards sustainable development, your Company has installed India's second largest solar PV rooftop of 5.76 MWp at its petrochemical complex at Pata, U.P. The power generated is being consumed within the petrochemical complex and substitute power is being drawn from the grid. This arrangement is significant in cost reduction and also reducing the carbon footprint of GAIL.

CORPORATE SOCIAL RESPONSIBILITY

In alignment with the vision of your Company, the CSR initiatives strive to enhance value creation in the society/community in which it operates, through its services, conduct and initiatives, and to promote sustained growth in social well-being. In the year 2017-18, your Company has proactively incurred an enhanced expenditure of 2.63% of the average net profit of the preceding three financial years on CSR projects/activities. The Annual Report on CSR activities as per requirement of the Companies Act, 2013, forms part of the Directors' Report.

Your Company has adopted Taj Mahal, Agra under the "Swachh Iconic Place" (SIP) initiative of the Government of India which is inspired by the vision of Hon'ble Prime Minister to promote and enhance cleanliness across the top 10 heritage and iconic sites in the country. 'Swachh Iconic Places' which is a special initiative under Swachh Bharat Abhiyan, focuses on select iconic heritage, spiritual and cultural places in India. Your Company, in partnership with the district administration and Agra Nagar Nigam, is supporting various initiatives like municipal solid waste management, street sweeping, Horticulture, landscape pruning, maintenance & removal of horticulture waste, fountains in parks, operation and maintenance of Water Vending machine for improving cleanliness around the Taj Mahal. Your Company has also adopted Yamunotri Dham, Uttarkashi, under its CSR initiatives. At Yamunotri, your Company has supported establishment of Local Wireless Internet Network including IP-based Electronic Surveillance system with PTZ camera and monitoring Hardware/Software etc. with components focusing on safety and security of pilgrims during yatra. Besides, other components are underway for the overall development of the Yamunotri shrine.

INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

Your Company has a well-established and efficient Internal Control System in place. It has a clearly defined organizational structure, manuals and operating procedures for its business units and service entities to ensure orderly, ethical and efficient conduct of its business.

The Company's internal control system ensures efficiency, reliability, completeness of accounting records and timely preparation of reliable financial and management information. Internal financial controls framework and Risk Control Matrix (RCM) for various business processes is in place and reviewed continuously. In addition, it also ensures compliances of all applicable laws and regulations, optimum utilization and protection of the Company's assets.



GAIL participated in the Swachh Bharat Fortnight through cleanliness and awareness drives near the Company's work centres across the country. Directors, senior executives and employees of the Company took a cleanliness pledge at one of the events organised in New Delhi (above)

Your Company has an independent, in-house Internal Audit department, consisting of professionally qualified persons from the accounting, engineering and IT domains. The Internal Audit department functionally reports to the Audit Committee and administratively reports to the Chairman & Managing Director. This reporting is considered as the best global practice. Internal Audit, through risk-focused audits, audit the organization's risk management, the business processes and internal controls. The audit assignments are conducted as per the annual audit program approved by the Audit Committee. The Audit Committee of the Board regularly reviews significant findings of the Internal Audit department and the CAG audit.

LAURELS

➤ Corporate

- GAIL was amongst the finalists of S&P Global Platts-Global Energy Award in the "Industry Leadership Award – Midstream" Category.
- GAIL reached the final stage of "BML Munjal Awards-Business Excellence through Learning and Development".

➤ CSR

- "CSR Project of the Year Award" for Srijan-by India CSR Network
- "Social Footprints CSR Award 2018"- by CIM Global & CMAI Association of India

- "The Golden Globe Tigers Award 2018 For Excellence & Leadership"-Fun&JoyatWork
- "2nd ICSI CSR Excellence Award – 2017 for Best Corporate (in Large Companies Category)"-by ICSI
- "FICCI CSR Awards 2016-17 for Category 2: Education, Skill Development and Livelihood under Public Sector Companies (PSUs)"for Project Avant-by FICCI
- "Economic Times 2Good CSR Rating"- the only PSU to be feted in 'All Round Excellence' category-by Economic Times.

➤ HSE

- GAIL was conferred with two National Safety Council of India Awards for the year 2016 for two different categories
- GAIL HVJ compressor station, Vijapur declared winner of the second level award - SHRESHTHA SURAKSHA PURUSKAR (Silver Trophy) in the "manufacturing sector category"
- GAIL GPU & Compressor Station, Vaghodia declared winner of the fourth level award (PRASHANSA PATRA) in the same above category.
- GPU Vaghodia & Gandhar won the British Safety Council "International Safety Award-2018".
- GAIL was conferred the Award for "Best Implementation of BBS in Indian Industry" by the Forum of Behavioral Safety, Mumbai.

➤ TQM

- GAIL was conferred with "Best Overall Performance Award for Upstream Sector Company" by PCRA/MoP&NG for Saksham activities.

CAUTIONARY STATEMENT

Statements in the Directors' Report and Management Discussion & Analysis, describing the Company's objectives, strategies, projections and estimates, expectations, etc. may be "forward looking statements" and progressive within the meaning of the applicable laws and regulations. Forward looking statements contained herein are subject to certain risks and uncertainties and accordingly actual results may differ materially from the expectations. Critical factors that could influence the Company's operations include global and domestic demand and supply conditions, changes in Government regulations/tax laws, economic developments within the country and factors such as litigation and industrial relations. Readers are cautioned not to place undue conviction on the forward looking statements.

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance oversees business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large. Strong leadership and effective corporate governance practices have been the Company's hallmark inherited from the Company's culture and ethos. The Company has a strong legacy of fair, transparent and ethical governance practices.

Our Corporate Governance is reflection of our value system encompassing our culture, policies and relationships with our stakeholders. Integrity and transparency are key to our corporate governance practices to ensure that we gain and retain the trust of our stakeholders at all times.

The Company endeavours to uphold the principles and practices of Corporate Governance to ensure transparency, integrity and accountability in its functioning which are vital to achieve its vision of being "Be the Leading Company in Natural Gas and Beyond, with Global Focus, Committed to Customer Care, Value Creation for all Stakeholders and Environmental Responsibility".

2. BOARD OF DIRECTORS

i. Terms of Reference

In line with sound Corporate Governance framework all the statutory,

significant and material information including as enlisted in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI (LODR) Regulations, 2015), The Companies Act, 2013, Guidelines on Corporate Governance for CPSEs, 2010 issued by the Department of Public Enterprises (DPE Guidelines on Corporate Governance) etc., is periodically placed before the Board.

ii. Composition

The Company is a Government Company under the administrative control of the Ministry of Petroleum and Natural Gas, Government of India. The Directors are, therefore, nominated/ appointed by the Government of India. The Articles of Association of the Company stipulates that the number of Directors shall not be less than 3 and not more than 20.

The Board of Directors has a combination of Executive (Functional) and Non-Executive Directors. As on 31st March, 2018, there were 14 Directors on the Board comprising of 5 Functional Directors including the Chairman & Managing Director, 9 Non-Executive Directors (comprising of 2 Government Nominee Directors and 7 Independent Directors).

Further the details of attendance, number of Directorships and chairmanship/Memberships of Committees of each Director in other companies as on 31st March, 2018 are as under:

Name and Designation of the Director	No. of Board Meetings attended	Attendance at last Annual General Meeting	Directorships held in Other Companies	Committee Membership in other Companies	Chairperson of Committees of other Companies
I. Functional Directors (Whole-time)					
Shri B. C. Tripathi Chairman and Managing Director	10	Yes	Public-02 Private - Nil	Nil	Nil
Dr. Ashutosh Karnatak Director (Projects)	15	Yes	Public - Nil Private - Nil	Nil	Nil
Shri Subir Purkayastha Director (Finance) & CFO	14	Yes	Public - 04 Private -00	01	01
Shri P.K. Gupta Director(HR)	14	Yes	Public - 01 Private -02	Nil	Nil
Shri Gajendra Singh Director (Marketing) (w.e.f. 05.04.2017)	13	Yes	Public - 01 Private -01	Nil	Nil
II. Non-Executive Directors (Government Nominee)					
Shri Anant Kumar Singh (upto 11.05.2017)	NA	NA	Public-02 Private-01	Nil	Nil
Sh. Ashish Chatterjee	12	No	Public - 01 Private-Nil	Nil	Nil
Ms. Indrani Kaushal (w.e.f. 22.09.2017)	7	No	Public-Nil Private-Nil	Nil	Nil
II. Non-Executive Directors (Independent)					
Shri S.K. Srivastava	15	No	Public -01 Private -Nil	01	Nil
Shri Anupam Kulshreshtha	15	Yes	Public -Nil Private -Nil	Nil	Nil
Shri Sanjay Tandon	12	No	Public - 01 Private -02	02	Nil

Name and Designation of the Director	No. of Board Meetings attended during the Tenure	Attendance at last Annual General Meeting	Directorships held in Other Companies	Committee Membership in other Companies	Chairperson of Committees of other Companies
Shri Dinkar Prakash Srivastava	14	Yes	Public - 01 Private - Nil	Nil	Nil
Dr. Anup K Pujari	10	Yes	Public - Nil Private - Nil	Nil	Nil
Shri Jayanto Narayan Choudhury (w.e.f. 15.09.2017)	09	NA	Public - Nil Private - 01	Nil	Nil
Dr. Rahul Mukherjee (w.e.f. 15.09.2017)	05	NA	Public - Nil Private - Nil	Nil	Nil

Notes:

- 33rd Annual General Meeting was held on 12.09.2017.
- Based on disclosures received from concerned Director(s):
 - Directors inter-se are not related to each other and also to other Key Managerial Personnel. Independent Directors have declared that they meet the criteria of independence as provided in SEBI (LODR) Regulations, 2015 and The Companies Act, 2013.
 - None of the Director(s) on the Board is a Member of more than 10 (Ten) Committees or Chairman of more than 5 (Five) Committees across all the companies in which he/she is a Director. Membership/Chairmanship is reckoned considering Audit Committee and Stakeholders Relationship Committee.
 - None of non-executive Directors hold any Equity Shares of the Company.
 - None of the non-executive Directors had any pecuniary relationship or transactions with the Company during the FY ending on 31st March, 2018.
- Brief resume of directors appointed/reappointed at the forthcoming AGM is given in the Notice of AGM

iii. Meeting Details

During 2017-18, 15 (Fifteen) meetings of the Board were held - 06th April, 26th April, 22nd May, 18th July, 10th August, 15th September, 27th September, 11th October, 14th November, 12th December, 21st December in 2017 and 12th January, 12th February, 12th March and 21st March in 2018.

iv. Independent Directors Meeting

A separate meeting of Independent Directors was held on 12th January, 2018 as per requirement of The Companies Act 2013 and SEBI (LODR) Regulations, 2015.

v. Board induction and training

Upon appointment, the newly appointed Directors are provided a welcome kit detailing their roles and responsibilities and necessary information on their legal and regulatory obligations. Newly appointed Independent Directors were given orientation presentation on the Company's business and its activities.

In addition, the Company has formulated a Training Policy for Board Members of the Company. The Company's Directors are nominated from time to time to attend conferences on corporate governance, roles & responsibilities of Directors and other industry related matters conducted by DPE, SCOPE and other reputed Institutes.

The details of Independent Directors' training/familiarization programmes are available on the Company's website at http://www.gailonline.com/final_site/pdf/Familiarization_Training_ID.pdf.

3. COMMITTEES OF THE BOARD

The Board Committees play a crucial role in the governance structure of

the Company and have been constituted to deal with specific areas/activities which concern the Company and need a closer view. The Board constitutes, assigns, co-opts and fixes the terms of reference of various Committees. All decisions and recommendations of the Committees are placed before the Board for information or for approval. The approved minutes are circulated to the members of the Committee and also to concerned department/group for implementation of the decision. The minutes of Committee are further placed in the next Committee meeting for confirmation of the members and in Board meeting for information. Action Taken Report requiring action taken to be reported back to the Committee(s) is also put up to the Committee on regular basis. Further all the information placed before the Board of Directors is in compliance with Regulation 17 of the SEBI (LODR) Regulations, 2015.

Presently, there are 12 Committees of the Board including statutory committees viz. Audit Committee, Corporate Social Responsibility Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee. Details of statutory committees of the Board are as under and information about other Committees of the Board are forming part of Annual Report separately.

A. AUDIT COMMITTEE

i. Terms of Reference

The terms of reference of the Audit Committee is in accordance with provision of The Companies Act, 2013, SEBI (LODR) Regulations, 2015 and the DPE Guidelines on Corporate Governance, as amended from time to time. It, inter-alia, includes, oversight of financial reporting process, recommending fixation of fees for auditors, approval of payment to auditors for payment of any other services rendered, reviewing annual and quarterly financial statements, reviewing performance of statutory / internal auditors and adequacy of internal control system, reviewing adequacy of internal audit function, discussion with internal auditors, reviewing findings of internal investigations, discussion with statutory auditors, reviewing whistle blower mechanism, approval or any subsequent modification of transactions with related parties; scrutiny of inter-corporate loans and investments; valuation of undertakings or assets of the Company, wherever it is necessary; evaluation of internal financial controls and risk management systems. Further, it deals with all the aspects of ethics in the Company and also review the budgeted capex on quarterly basis.

ii. Composition

As on 31st March, 2018, the Audit Committee comprised of Shri Anupam Kulshreshtha as the Chairman, Shri Gajendra Singh, Shri S.K. Srivastava and Shri Sanjay Tandon as the members. All members of the Committee have requisite experience in financial and management matters.

Director (Finance), Director (HR), Statutory Auditors and Head of Internal Audit are the permanent invitees to the meetings of Audit Committee. Other Functional Directors and senior functional executives are also invited, as and when required, to provide necessary

information/clarification to the Committee. The representatives of the Statutory Auditors attend the Committee meetings considering the quarterly financial result / annual financial statements. The representatives of the Cost Auditors are also invited to meetings of the Audit Committee whenever matters relating to cost audit report are considered. The Company Secretary acts as the Secretary to the Committee.

During the year, there was no instance, where the Board had not accepted the recommendation(s) of the Audit Committee.

iii. Meeting Details

During 2017-18, 13 (Thirteen) meetings of Audit Committee were held: 26th April, 8th May, 22nd May, 17th July, 28th July, 10th August, 11th October, 9th November, 14th November, 15th December in 2017 and 30th January, 12th February, 21st March, in 2018. The attendance of the Members at the meetings was as under:

S. No.	Members	No. of Meetings	
		Held during the tenure	Attended
1.	Shri Anupam Kulshreshtha	13	13
2.	Shri P.K. Gupta (upto 22.05.2017)	03	02
3.	Shri S.K.Srivastava	13	13
4.	Shri Sanjay Tandon	13	12
5.	Shri Gajendra Singh (w.e.f. 23.05.2017)	10	09

iv. Risk Management

A robust Risk Management Framework supports the Company's business strategy and operations. Risk Management Framework is constantly updated for new and emerging risks emanating from business expansion and interests.

The risks are evaluated, quantified & prioritized and mitigation plans are reviewed & monitored at various stages. The Risk Management policy & procedures are periodically reviewed & monitored by Risk Management Committee, Audit Committee & Board. The Risk Management Framework has been detailed in the Management and Discussions Analysis section of Directors' Report. All the functional Directors excluding CMD, Head of Treasury and Chief Risk Officer are the members of Risk Management Committee. Director (Marketing) is the Chairperson of Risk Management Committee.

v. Vigil Mechanism - Policy on Whistle Blower and Fraud Prevention

The Company has implemented 'Whistle Blower Policy' wherein employees are free to report any improper activity resulting in violations of laws, rules, regulations or code of conduct by any of the employees, to the competent authority. Central Vigilance Commission is authorized to inquire into the complaints from "Whistle Blowers" and take requisite action.

The policy allows direct access to the Chairperson of the Audit Committee in exceptional cases. Further, while enquiry of any complaint, under the whistle blower policy, the identity of the complainant/informant is not disclosed by designated agency entrusted for investigation even to the Chairperson of the Audit Committee except the contents of the complaint.

Further, the Company has framed the Fraud Prevention Policy to prevent, detect and allow for speedy disposal of fraud or suspected fraud. Mechanism followed is appropriately communicated within organization across all levels and has been displayed on Company's website at http://www.gailonline.com/final_site/pdf/others/

[Drfat Policy2012.pdf](#)

Audit Committee reviews the complaints received under whistle blower mechanism and fraud prevention policy if and only if there is any complaint received under the said policies. During the year under review, no complaints were received under Whistle Blower Mechanism and Fraud Prevention Policy.

B. STAKEHOLDER'S RELATIONSHIP COMMITTEE

i. Terms of Reference

The terms of reference of the Committee is to, inter-alia, look into the redressal of security holders of the Company and matters relating to Registrar & Share Transfer Agent (R&TA). Further, the Committee approves issuance of duplicate share certificate.

The role of Stakeholders Relationship Committee is as per SEBI (LODR) Regulations, 2015 and The Companies Act, 2013 as amended from time to time.

ii. Composition

As on 31st March, 2018, the Stakeholders Relationship Committee comprised of Shri Dinkar Prakash Srivastava, as the Chairman, Dr. Ashutosh Karnatak, Shri P.K. Gupta and Dr. Rahul Mukherjee (w.e.f. 12.01.2018) as the member(s). The Company Secretary acts as the Compliance Officer of the Company.

iii. Meeting & Other Details

During 2017-18, one meeting of the Committee was held on 27th November 2017 which was attended by all members i.e. Shri Dinkar Prakash Srivastava, Dr. Ashutosh Karnatak and Shri P.K. Gupta.

Letters of shareholders received through SEBI/Stock Exchanges/MCA/ Depositories/other statutory authorities are considered as 'Complaints'. The day to day requests received from the shareholders are taken up by MCS Share Transfer Agent Limited (R&TA) directly and are not included in the complaints. Status of the Complaints received and redressed during the respective quarters is placed to the Audit Committee and Board.

During the year 2017-18, 12 complaints were received from the shareholders/investors through SEBI/Stock Exchanges and other statutory bodies, which pertained to matters like non-receipt of dividend, annual report, etc. and all the 12 complaints were resolved.

Company has taken various steps to ensure that the shareholder related matters/issues are given due priority and are resolved within a reasonable period of time by R&TA.

To facilitate the member(s) to register their requests, if any, designated e-mail ID of the R&TA and Company are admin@mcsregistrars.com and shareholders@gail.co.in. Further, there is a separate dedicated section on the Company's website www.gailonline.com captioned 'Investor Zone' for awareness of the shareholders about latest developments and updated information viz. annual reports, financial information, shareholding pattern, dividend declaration, Investor Education & Protection Fund (IEPF) transfer, unpaid dividend etc.

C. NOMINATION AND REMUNERATION COMMITTEE

GAIL being a Government Company, the remuneration of its Whole-time Directors is determined by the Government of India. The Part-time Director(s) (Government Nominee) do not receive any remuneration from the Company. Further, the Part-time non-official (Independent) Directors are being paid sitting fee of Rs. 40,000/- and Rs. 30,000/- for attending each meeting of the Board and Committee respectively in addition to expenses incidental thereto.

i. Terms of Reference

The terms of reference of this Committee is to

- Deliberate and decide on Performance Related Pay (PRP) pool and policy of distribution of PRP to employees.
- Examination of issues relating to pay and perks other than PRP prior to consideration by the Board.
- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees; Formulation of criteria for evaluation of Independent Directors and the Board; Devising a Policy on Board Diversity; Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

The role of Nomination and Remuneration Committee is as per SEBI (LODR) Regulations, 2015; The Companies Act, 2013 and DPE guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 as amended from time to time.

ii. Performance Evaluation of Board

GAIL being a Government Company, the performance evaluation is to be done by Government of India being the appointing authority. Further, as per notification dated 5th June, 2015 issued by the Ministry of Corporate Affairs, Government of India, Government Companies are exempted from complying with provisions of section 134(3)(p) of The Companies Act, 2013 with respect to performance evaluation of Board and its Committees. Accordingly, the Company has requested SEBI to grant exemption from the provision of SEBI (LODR) Regulations, 2015 relating to Performance Evaluation in line with the exemption granted under the

Companies Act, 2013. Further, a draft policy has been formulated which will be considered for Board's approval on receipt of any specific directives from regulatory body in this regard.

iii. Composition

As on 31st March 2018, the Nomination and Remuneration Committee of the Company comprised of Dr. Rahul Mukherjee as the Chairman, Shri Dinkar Prakash Srivastava and Shri Jayanto Narayan Choudhury, as the member(s). Director (Finance) and Director (HR) are the permanent invitees to the meetings of Nomination and Remuneration Committee.

iv. Meeting & Other Details

During 2017-18, 4 (Four) meetings of Nomination and Remuneration Committee were held: 22nd September, 10th October and 21st December in 2017 & 26th February in 2018. The attendance of the Members at the meetings was as under:

S. No.	Members	No. of Meetings	
		Held during the tenure	Attended
1.	Dr. Rahul Mukherjee (w.e.f. 12.01.2018)	1	0
2.	Shri Dinkar Prakash Srivastava (w.e.f. 23.05.2017)	4	4
3.	Shri Jayanto Narayan Choudhury (w.e.f. 12.01.2018)	1	1
4.	Dr. Anup K. Pujari (23.05.2017-12.01.2018)	3	3
5	Shri Sanjay Tandon (upto 12.01.2018)	3	3

v. Remuneration of Directors

The details of remuneration paid to Whole-time Directors of the Company for 2017-18 are as below:

(₹ in Lakhs)

S. No.	Name of the Director	Salary & Allowances	Contribution to PF	Other Benefits and Perquisites	Performance Related Payment	Total*
1.	Shri B. C. Tripathi Chairman and Managing Director	54.51	7.62	10.73	18.99	91.85
2	Dr. Ashutosh Karnatak Director (Projects)	50.06	6.51	16.72	12.15	85.44
3	Shri Subir Purkayastha Director (Finance)	43.42	6.45	6.65	12.02	68.54
4	Shri P.K. Gupta Director (HR)	48.29	6.51	7.42	13.16	75.38
5	Shri Gajendra Singh Director (Marketing) (w.e.f. 05.04.2017)	49.89	6.48	9.19	9.64	75.20

*includes self-lease amount paid during the period

The payment made to Whole-time Directors did not include provision for leave, gratuity and post retirement benefits as per Ind AS-19 since the same were not ascertained for individual employee (Refer note no. 47 to the accounts in Annual Report). During the year under review, the Company had not introduced any stock-option scheme.

The service contract of Whole-time Directors is for five years or till superannuation, whichever is earlier. The notice period of three months or salary in lieu thereof is required in case of severance of service. Part-time non-official (Independent) Directors are usually appointed for three year period by Government of India. Part-time Director (Government Nominee) representing Administrative Ministry of the Government of India are appointed for a period of three years from the

date of their induction on the Board on co-terminus basis or until further orders, whichever is earlier.

The Company has issued formal appointment letters to the Independent Directors. Further, as required by Regulation 46 of the Listing Regulations - 2015, the terms and conditions of appointment of the Independent Directors is available on the Company's website at page <http://www.gailonline.com/IZ-IndependentDirector.html>

During the year 2017-18, the details of sitting fees paid to the Independent Directors, excluding Goods and Services Tax paid under reverse charge mechanism by the Company, for attending the meetings of the Board of Directors and Committee(s) thereof are as under:

S. No.	Name of the Independent Director(s)	No. of Meetings of the Board attended	No. of Meetings of the Committee(s) attended	Amount (₹ in lacs)
1.	Shri S.K. Srivastava	15	24	13.20
2.	Shri Anupam Kulshreshtha	15	23	12.90
3.	Shri Sanjay Tandon	12	18	10.20
4.	Shri Dinkar P Srivastava	14	14	9.80
5.	Dr. Anup K Pujari	10	10	7.00
6.	Shri Jayanto Narayan Choudhury	09	03	4.50
7.	Dr. Rahul Mukherjee	05	00	2.00

vi. Equity Shares held by Director

Except as stated hereunder, none of the Directors hold any Equity Shares in the Company as per the declarations made by them to the Company in their own names:

S. No.	Name of the Director(s)	No. of Shares held (as on 31st March, 2018)
1.	Shri P.K. Gupta	533

D. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

i. Terms of Reference

The terms of reference of CSR Committee is to, inter-alia, formulate and recommend to the Board, a CSR Policy, recommend the amount of

expenditure to be incurred and monitor the CSR Policy of the Company from time to time and to do any other activity delegated by the Board.

The role of CSR Committee is as per The Companies Act, 2013 and DPE Guidelines as amended from time to time.

ii. Composition

As on 31st March, 2018 the CSR Committee of the Company comprised of Shri B.C.Tripathi as the Chairman, Shri P.K. Gupta, Shri Anupam Kulshreshtha and Shri Sanjay Tandon as the member(s).

iii. Meeting & Other Details

During 2017-18, 03 (Three) meetings of CSR Committee were held: 19th May, 6th July and 27th September in 2017. The attendance of the Members at the meetings was as follows:

S. No.	Members	No. of Meetings	
		Held during the tenure	Attended
1.	Shri B. C. Tripathi	3	2
2.	Shri P.K. Gupta	3	3
3.	Shri Anupam Kulshreshtha	3	3
4.	Shri Sanjay Tandon	3	1
5.	Shri Ashish Chatterjee	1	0

The details of the CSR activities and the expenditure incurred on the same have been detailed in a separate section in the Directors' Report/ Management Discussion & Analysis.

4. GENERAL BODY MEETINGS

i. Location and Time - Last Three AGMs

The location, time and details of special resolutions passed during last three AGMs are as follows:

Financial Year	2014-15	2015-16	2016-17
AGM	31st	32nd	33rd
Date & Time	16.09.2015 at 10:30 am	23.09.2016 at 10:30 am	12.09.2017 at 10:30 am
Venue	Manekshaw Centre, Parade Road Delhi Cantonment, New Delhi-110010	Manekshaw Centre, Parade Road Delhi Cantonment, New Delhi-110010	Manekshaw Centre, Parade Road Delhi Cantonment, New Delhi-110010
Special Resolution passed	Borrowing of INR Debt through secured/ unsecured, redeemable, taxable Non-convertible Bond(s) upto ₹ 2500 crore till the conclusion of next AGM, in one or more tranches on private placement basis.	Borrowing of INR Debt through secured/ unsecured, redeemable, taxable Non-convertible Bond(s) upto ₹ 2500 crore till the conclusion of next AGM, in one or more tranches on private placement basis.	(1) Increase in the authorized share capital to ₹ 5,000 crore (Rupees Five Thousand Crore) divided into 500 crore (Five Hundred Crore) shares of ₹10 each (2) To amend the Articles to induct the enabling provision to carry out consolidation and re-issuance of debt securities, subject to the approval of Board of Directors pursuant to SEBI Circular No.: CIR/IMD/DF-1/67/2017, dated 30 June, 2017 (3) Borrowing of INR Debt through secured/ unsecured, redeemable, taxable Non-convertible Bond(s) upto ₹ 2500 crore till the conclusion of next AGM, in one or more tranches on private placement basis.
Details	Approval of shareholders of the Company was sought to authorize the Board of Directors to make offer(s) or invitation(s) for raising funds through Secured, Taxable, Redeemable, Non-convertible INR Bonds in the nature of Non-Convertible Debenture upto ₹ 2500 crore and upto USD 750 million through Foreign Currency Bonds (Reg S Bonds)	Approval of shareholders of the Company was sought to authorize the Board of Directors to make offer(s) or invitation(s) for raising funds through Secured, Taxable, Redeemable, Non-Convertible INR Bonds in the nature of Non-Convertible Debenture upto ₹ 2500 crore.	1) Approval of shareholders of the Company was sought for amendment in Articles of Association of the Company for: (i) Increase in the authorized share capital to ₹ 5,000 crore (Rupees Five Thousand Crore) divided into 500 crore (Five Hundred Crore) shares of ₹10 each (ii) to authorize the Board of Directors including its Committee from time to time to issue, consolidate, re-issue etc. the debt securities of the Company including structured/ market linked in such manner and upon such terms and conditions as may deem fit. (2) Approval of shareholders of the Company was sought to authorize the Board of Directors to make offer(s) or invitation(s) for raising funds through Secured, Taxable, Redeemable, Non-convertible INR Bonds in the nature of Non-Convertible Debenture upto ₹ 2500 crore

No Extraordinary General Meeting of the Members was held during the year 2017-18.

There is no immediate proposal for passing any resolution through Postal Ballot. None of the businesses proposed to be transacted at the ensuing Annual General Meeting require passing the resolution through Postal Ballot.

ii. Postal Ballot

During the year, shareholders approved the proposal by way of ordinary resolution for issue of bonus shares in the ratio of 1:3 i.e. issuance of 1 (one) bonus share of Rs. 10/- for existing 3 (three) equity shares of Rs. 10/- each fully paid up.

Accordingly, bonus shares were allotted to eligible shareholders based on shareholders data as on Record date i.e. 29.03.2018. Bonus shares were allotted by the Company on 31.03.2018. Since bonus shares were issued in the ratio of 1:3, there were certain shareholders whose entitlement came in fractional lot and such fractional shares were consolidated and sold in open market. The sale proceeds after adjusting the cost and expenses thereof were distributed among the respective shareholders.

5. MEANS OF COMMUNICATION

Timely disclosure of relevant and reliable information on financial performance is at the core of good governance. Towards this end, major steps taken were as under:

- **Quarterly/ Annual Financial Results:** The quarterly unaudited financial results and audited yearly results of the Company are announced within stipulated period from the end of respective quarter/year. In order to attain maximum shareholder reach, the financial results of the Company during the year 2017-18 were published in leading English dailies having wide circulation across the country as per details mentioned below:

Date of publication of quarterly results for the quarter ended	Newspapers		
	Economic Times (English)	Business Standard (Hindi)	Economic Times (Hindi)
30.06.2017	10.08.2017	-	10.08.2017
30.09.2017	16.11.2017	16.11.2017	-
31.12.2017	14.02.2018	-	14.02.2018
31.03.2018	25.05.2018	25.05.2018	-

Further, these were also hosted on the website of the Company at http://www.gailonline.com/final_site/financial_result.html.

- **NEAPS (NSE Electronic Application Processing System) and BSE Corporate Compliance & Listing Center-** NSE and BSE have developed web based applications for corporates. Periodical compliances like

financial results, shareholding pattern etc. are filed electronically on NEAPS and BSE Listing Center.

- **News Release, Presentation etc.:** Official news/press releases and presentations made to investors/analysts are hosted on the Company's website from time to time and also informed to Stock Exchanges.
- **Website:** The Company's website www.gailonline.com contains dedicated section 'Investor Zone' having updated relevant information for shareholders.
- **Annual Report:** Annual Report containing inter-alia, Standalone Audited Financial Statements, Audited Consolidated Financial Statements, Directors' Report, Management Discussion and Analysis, Auditors' Report, Corporate Governance Report is circulated to the members and others entitled thereto. The same is also uploaded on the website of the Company.
- **Chairman's Speech** at AGM is distributed to all the members present. Same is also hosted at Company's website for information of shareholders.
- **SCORES (SEBI Complaints Redressal System)** – SEBI processes investors complaints in a centralized web based complaints redressal system i.e. SCORES. Through this system, a shareholder can lodge complaint against a Company for his grievance, Company/RTA uploads the action taken on the complaint which can be viewed by shareholder. The Company and shareholder can seek clarifications online through SEBI.
- Regular reminders are being sent to Shareholders for claiming unpaid/unclaimed dividend/shares every year.
- **Green initiative – reaching important communication to shareholders through email.** In terms of the Green initiative launched by the Ministry of Corporate Affairs, to allow service of documents to the members through electronic mode, the Company from the last few years has been sending various communications/documents like Annual Report, Notice of AGM, NACH intimation etc. through e-mail to those shareholders who have registered their email id with the DP/R&TA.

6. GENERAL SHAREHOLDER INFORMATION

- **Forthcoming Annual General Meeting (AGM): Date, Time and Venue**

34th Annual General Meeting of the Company is scheduled for **Tuesday, the 11th day of September, 2018 at 10.30 a.m. at Manekshaw Centre, Parade Road, Delhi Cantonment, New Delhi - 110010.**

- **Dividend details:**

During 2017-18, the Board of Directors approved the payment of dividend, for which the Record Date / Book Closure and dividend payment dates were fixed, as per the following details:

S. No.	Dividend Declared	Date of approval of dividend	Dividend (%)	Record Date / Book Closure	Dividend Payment Date
1.	Interim Dividend	Board-12.01.2018	76.5 (₹ 7.65/- per share)	20.01.2018	23.01.2018
2.	Final Dividend (Proposed)	Shareholders, if approved in ensuing AGM – 11.09.2018	14.44 (₹ 1.44/- per share)	01.09.2018 to 11.09.2018	-

Investor Education and Protection Fund (IEPF)

Pursuant to Section 125 of The Companies Act, 2013, dividend amount(s) remaining unclaimed and unpaid for a period of seven years, from the date they became due for payment, is required to be transferred to IEPF established by the Central Government in this behalf.

During the year, the Company has transferred an amount of ₹ 20.49 lacs and ₹ 9.24 lacs in the IEPF for unclaimed/unpaid final dividend for FY 2009-10 and interim dividend for FY 2010-11 respectively. Till date ₹ 2.92 crores has been transferred to IEPF. Pursuant to the requirement of section 124(6) and Rule 6(5) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all shares in respect of which dividend have not been paid or claimed for seven consecutive years or more to be transferred to IEPF Authority Account. In this regard, during the year 2016-17, 25,763 shares have been transferred to IEPF Authority account.

The subsequent due dates of transfer of unpaid/unclaimed dividend and shares to IEPF Authority Account for the imminent financial years are as under:

FY	Type of Dividend	Dividend (%)	Last date for claiming Unpaid Dividend	Due date for transfer to IEPF
2010-11	FINAL	55	06.10.2018	06.11.2018
2011-12	INTERIM	30	22.02.2019	22.03.2019

After the transfer of unpaid/unclaimed amount to IEPF, no claim shall lie against Company/R&TA. Members who have not yet encashed their Dividend Warrant(s) may approach the R&TA/ for issuance of demand draft(s) upon completion of necessary formalities in the said behalf in lieu of such warrant. However, shareholders whose unpaid/unclaimed dividend has been transferred to IEPF shall be entitled to get refund in respect of such claims in accordance with provisions of The Companies Act, 2013 and rules framed in this regard by Government of India. More details are available at www.gailonline.com/InvestorZone.

The Company has uploaded the information in respect of the Unclaimed Dividend till the date of the 33rd AGM on the website of the Company as per IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012.

Other Details

For change of address/bank details/dividend mandate/ email Id, if any, members can approach-

- if shares are held in physical mode, to the R&TA/Company.
- if shares are held in electronic mode, to their Depository Participant (DP). The R&TA/Company will not entertain such requests, if any.

Bank Account details and MICR Code of their Bankers, as noted in the records of their DP are used for the purpose of overprinting on Dividend Warrants or remittance of dividend through National Automated Clearing House, wherever applicable. A detailed reference note on dividend related activities is also available at Company's website under 'Investor Zone'.

Listing of Securities on Stock Exchanges

Stock Exchange & Address	Security Code	Type of Security
BSE Limited (BSE) Floor 1, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001	532155	Equity Shares
National Stock Exchange of India Limited (NSE) Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400051	GAIL-EQ	Equity Shares
London Stock Exchange Regulatory News Service Department (RNS) 10, Paternoster Square, London EC4M 7LS	GAIL LIGAILY US	GDRs

Further, the Non-Convertible Redeemable Bonds - Bond Series - I, 2015 (8.30%) of the Company are listed at the Wholesale Debt Market (WDM) segment of NSE. IDBI Trusteeship Services Limited, Asian Building, Ground Floor - 17, R Kamani Marg, Mumbai - 400001 (Tel No.: 022-40807000) is the Bond Trustee for the above mentioned Bond Series.

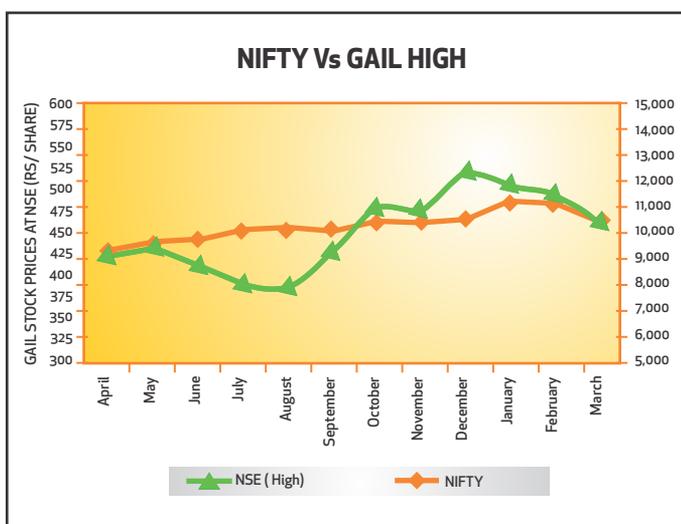
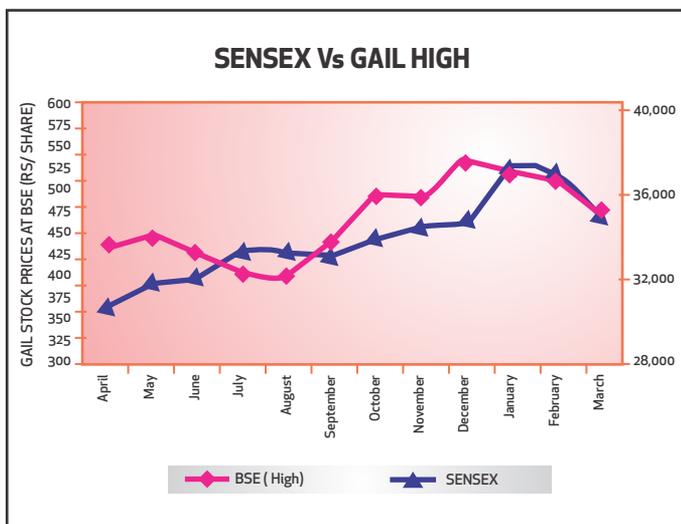
The annual listing fees for the listed equity shares and Bonds of the Company, pertaining to the year 2017-18 has been paid to the concerned stock exchanges on demand. The Company has also made the payment of the Annual Custody Fees to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), for the FY 2017-18.

During 2017-18, the securities of the Company were not suspended from trading.

Market Price Data

MONTH	BSE			NSE			MARKET CAPITALISATION (₹ IN CRORES)		MARKET INDEX	
	HIGH (in ₹)	LOW (in ₹)	VOLUME (No. of Shares)	HIGH (in ₹)	LOW (in ₹)	VOLUME (No. of Shares)	BSE	NSE	SENSEX	NIFTY
April	425	377	4662345	425	377	3778812	71669	71703	30184	9367
May	434	365	3013871	434	366	7712717	70299	70020	31255	9650
June	415	347	4443638	415	347	1359544	61056	61640	31523	9709
July	392	356	5024415	393	356	1916744	63711	63720	32673	10115
August	390	356	6731030	391	356	4316561	63982	63982	32686	10138
September	428	376	12571600	429	375	15174614	70883	70874	32524	10179
October	480	423	12964925	479	422	2770041	78637	78679	33340	10385
November	480	442	6162375	479	441	5701317	79271	79221	33866	10490
December	518	449	5507821	520	449	3904128	84092	84506	34138	10552
January	506	447	3316427	507	447	2470120	80895	80946	36444	11172
February	496	440	3143949	496	439	3198891	77301	77377	36257	11117
March	464	311	3034416	464	309	9038392	74102	74090	34279	10526

Note : Bonus shares were allotted to eligible shareholders based on shareholders data as on Record date i.e. 29th March, 2018.



Share Transfer System

The shares of the Company are being compulsorily traded in dematerialized form and are available for trading under both the depositories in India viz. NSDL and CDSL. MCS Share Transfer Agent Limited is the depository interface and Share Transfer Agent of the Company.

In order to expedite the process of share transfer and in line with Regulation 40 (2) of the SEBI (LODR) Regulations, 2015 the Company has delegated the power of share transfer to a Share Transfer Committee which considers the requests for transfer/transmission of shares, re-materialization etc. All the transfer/ remat/ transmission request(s) are attended by R&TA after complying with KYC norms. Shares received in physical form are transferred within the stipulated period from the date of lodgement subject to documents being valid and complete in all respects.

Distribution of Shareholding

The distribution of shareholding of the Company as on 31st March, 2018 is detailed below:

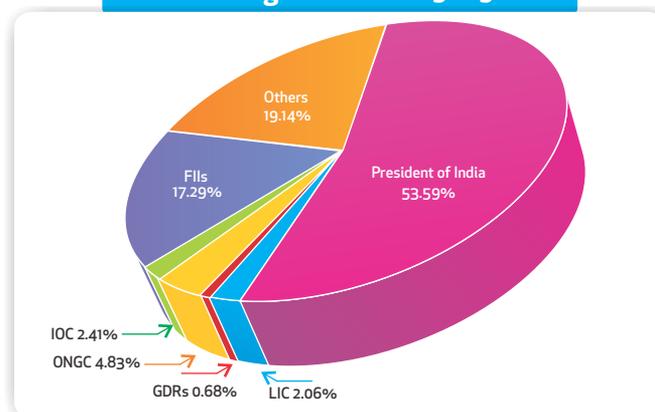
No. of Equity shares held	No. of Shares	% to Total	No. of Shareholders	% to Total
1	6384	0.00	6384	3.44
2-10	86286	0.00	14783	7.96
11-50	1564605	0.07	53040	28.57
51-100	2613073	0.12	34776	18.73
101-200	4982217	0.22	33922	18.27
201-750	12169045	0.54	33526	18.06
751-5000	11752320	0.52	7602	4.09
5001-10000	3178190	0.14	456	0.25
10001-15000	33942761	1.51	728	0.39
15001 and above*	2184776052	96.88	455	0.25
TOTAL	2255070933	100.00	185672	100.00

* includes 1208548124 equity shares held by President of India

Top 10 Shareholders as on 31st March, 2018

S. No.	Name of Shareholder(s)	Share(s)	%
1	PRESIDENT OF INDIA	1208548124	53.59
2	OIL AND NATURAL GAS CORPORATION LIMITED	108905462	4.83
3	INDIAN OIL CORPORATION LIMITED	54452730	2.41
4	LIFE INSURANCE CORPORATION OF INDIA	46414408	2.06
5	MATTHEWS PACIFIC TIGER FUND	29612492	1.31
6	HDFC TRUSTEE COMPANY LIMITED - HDFC PRUDENCE FUND	27030286	1.20
7	GOVERNMENT PENSION FUND GLOBAL	26024224	1.15
8	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED	24389313	1.08
9	CPSE ETF	19407108	0.86
10	HDFC TRUSTEE COMPANY LIMITED-HDFC EQUITY FUND	16043778	0.71

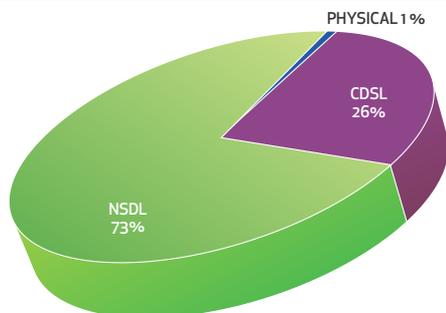
Shareholding Profile as on 31.03.2018



Dematerialization of Shares and Liquidity

As on 31st March, 2018, the Company had 1,85,672 shareholders, out of which 1,84,899 shareholders were holding equity shares in demat mode and 773 shareholders were holding equity shares in physical mode. The demat ISIN at NSDL/CDSL of the Company's equity shares is INE129A01019 and Corporate Identification Number allotted to the Company by the Ministry of Corporate Affairs (MCA) is L40200DL1984G01018976.

Shareholders in Demat/Physical Mode as on 31.03.2018



Reconciliation of Share Capital Audit Report

Practicing Company Secretary carried out a reconciliation of share capital audit on quarterly basis to reconcile the total share capital with National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and in physical mode with the total issued/paid-up capital. The audit confirms that the total issued/paid up capital is in agreement with total number of shares in physical mode and total number of dematerialized shares held with NSDL & CDSL.

Commodity price risk or foreign exchange risk and hedging activities

The Company has an approved Natural Gas Price Risk Management Policy to manage the price risk on the import of natural gas procured for customers and internal consumption of Gas. The company has undertaken various hedge transactions during the year to mitigate the price risk arising from the volatility of various indices linked to the purchase and sales of imported LNG.

Further, the Company has approved Foreign Currency and Interest Rate Risk Management Policy to manage interest and currency risk in respect of Forex Exposure. The Company has managed interest and currency risk related to Foreign currency loan taken during the year.

Outstanding GDRs/ADRs/Warrants or Convertible Instruments

As on 31st March, 2018, a total number of 2547258 GDRs representing 15283549 (0.68%) number of equity shares were outstanding. One GDR represents six underlying equity shares. The conversion of GDRs into equity shares has no impact on total equity capital.

The performance of GDRs indicating the closing price of GDRs listed at London Stock Exchange is given as under:



Major Plant Locations

The following are the major plant locations of the Company:-

U.P. Petrochemical Complex, PATA P.O. Pata - 206241 Distt. Auraiya (U.P.)	LPG Recovery Plant, Vijaipur GAIL Complex Vijaipur - 473112 Distt. Guna (M.P.)
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LPG Recovery Plant, Vaghodia GIDC Industrial Estate Vaghodia - 391760 Distt. Baroda (Gujarat)	LPG Recovery Project, Gandhar Village Rozantankaria Tal. AMOD Distt. Bharuch - 392140 (Gujarat)
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Address for correspondence

GAIL (India) Limited
16, Bhikaiji Cama Place
R.K. Puram
New Delhi - 110066
Phone: 91-11-26172580/26182955
Fax No.: 91-11-26185941
Website: www.gailonline.com
E-mail: shareholders@gail.co.in

Shareholders may approach to R&TA of the Company at:

MCS Share Transfer Agent Limited

Unit: GAIL (India) Limited
F-65, Okhla Industrial Area
Phase-I, New Delhi - 110020
Phone: 91-11-41406149/50/51/52
Fax: 91-11-41709881
Website: www.mcsregistrars.com
E-mail: admin@mcsregistrars.com

7. DISCLOSURES

A. POLICIES

- The Company has formulated a Related Party Transaction Policy in terms of Regulation 23 of SEBI (LODR) Regulations, 2015. This policy is available at website of the Company at http://www.gailonline.com/final_site/LZ-Policies.html.
- In pursuance of the Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Board has laid down "Code of Conduct for Prevention of Insider Trading" and "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information" with an objective of preventing purchase and/or sale of shares of the Company by Directors/Officers/ Designated Employees on the basis of unpublished price sensitive information, available to them by virtue of their position in the Company. The objective of this Code is to protect the interest of the shareholders at large, to prevent misuse of any price sensitive information and to prevent any insider trading activity by dealing in shares of the Company. The Code of Insider Trading is available at website of the Company at http://www.gailonline.com/final_site/LZ-Policies.html.
- The Company has formulated a Policy for Determination of Materiality and Disclosure to ascertain the requirement of disclosure of events or information to stock exchange(s) and defining criteria for determining materiality of events and information as specified under clause (ii) of sub-regulation (4) of Regulation 30 of SEBI (LODR) Regulations, 2015. The policy is available at website of the Company at http://www.gailonline.com/final_site/LZ-Policies.html.
- As per the requirement of Regulation 43A of SEBI (LODR) Regulations, 2015, Dividend Distribution policy is in place and

hosted at Company's website at <http://www.gailonline.com/IZ-Policies.html>.

B. AFFIRMATIONS & COMPLIANCES

- a. For periods up to and including the year ended 31st March 2018, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read with The Companies (Indian Accounting Standards) Rules, 2015, as amended. Accordingly, the Company has prepared financial statements which comply with Ind-AS applicable for periods ending on 31st March 2018, together with the comparative period data as at and for the year ended 31st March 2017, as described in the summary of significant accounting policies. During the year, there have been no material significant related party transactions that may have potential conflict with the interest of the Company at large. The details of "Related Party Disclosures" are being disclosed in Note no. 50 (Annexure-B) of the Financial Statement in the Annual Report. Being a State Enterprise, no disclosure has been made in respect of the transactions with state enterprises, including subsidiary companies in line with IndAS-24 on related party transactions.
- b. The Board of Directors of the Company has adopted the Code of Conduct for Directors and Senior Management Personnel. The Code is applicable to Executive and Non-Executive Directors as well as Senior Management Personnel. As per the SEBI Regulations, the duties of Independent Directors have been suitably incorporated in the said Code as laid down in the Act. A copy of the code is available on Company's website http://www.gailonline.com/pdf/InvestorsZone/Code of Conduct_2014.pdf. Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the financial year ending on 31st March, 2018.
- c. The Company has filed report on Corporate Governance in specified format(s) within stipulated time to Stock Exchanges/ MoPNG/DPE.
- d. CEO and CFO of the Company, inter-alia, confirmed the correctness of the financial statements, adequacy of the internal control and certified other matters to the Board and Audit Committee, as required under Regulation 17(8) of SEBI (LODR) Regulations, 2015.
- e. The Company has implemented online legal compliance management system covering the compliance of the applicable laws to the Company. A compliance Report is generated and the same is put up bi-annually for review of the Board.
- f. During the year under review, Presidential Directives on pay revision have been implemented. Except this, no other Presidential Directives have been received by the Company.
- g. No item of expenditure has been debited in the books of account, which are not for the purposes of the business or expenses and are personal in nature. Further, the administrative & office expenses and financial expenses constitute 4.60% and 0.6% respectively of total expenses for 2017-18 as against 4.24% and 1.08% in 2016-17.
- h. All applicable Secretarial Standards on Board Meeting and General Meeting are duly complied.

C. DISCLOSURE OF PENDING CASES/ INSTANCES OF NON-COMPLIANCE

- a. The Company is complying with the mandatory requirements of SEBI (LODR) Regulations, 2015 and The Companies Act, 2013 except the requirement pertaining to composition of Board of Directors with respect to requisite number of Independent Directors and Woman Director. The details regarding Independent Directors on the Board of the Company during the financial year 2017-18 are as under:

Period	Requirement as per the SEBI (LODR) Regulations and DPE Guidelines on Corporate Governance	Requirement As per The Companies Act, 2013	Actual
01.04.2016-21.09.2017	7	4	5
22.09.2017-31.03.2018	7	4	7

Ms. Indrani Kaushal, Woman Director joined the Board of the Company w.e.f. 22.09.2017.

Besides the mandatory requirement of Part C of Schedule V of SEBI (LODR) Regulations 2015, the following discretionary/non-mandatory requirements as specified in Part E of Schedule II have been implemented to the extent as under:

- The Company is headed by Chairman and Managing Director who is the Chief Executive Officer of the Company, appointed by the President of India in terms of Articles of Association of the Company.
- The financial results are being published widely and also hosted on the Company's website.
- The Company has not received any qualification from statutory auditors on its financial statements for FY 2017-18.
- The Company has an in-house Internal Audit Department functionally reporting to Audit Committee & administratively reporting to CMD.
- There have been no penalties, strictures paid by the Company to stock exchange(s) or SEBI or any statutory authority, on any matter related to capital markets, during the last three years;
- b. Department of Public Enterprise has formulated Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010. The Company is complying with these guidelines.

8. SUBSIDIARY COMPANIES-MONITORING FRAMEWORK

The Company nominates its representatives on the Board of subsidiary companies. Further, the minutes of the meetings of the Board of Directors of subsidiary companies are put up to the Company's Board, from time to time. In terms of Regulation 24 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and DPE guidelines on Corporate Governance, performance of the subsidiary companies is, inter-alia, reviewed by the Audit Committee and the Board as under:

- (i) investments made by unlisted subsidiary companies;
- (ii) consolidated financial statements comprising of financial statements of subsidiary companies etc.,
- (iii) periodical statement of significant transactions and arrangements entered into by the Company's subsidiary companies

In terms of Regulation 46 of SEBI (LODR) Regulations, 2015, the Company has formulated a 'Policy for Material Subsidiary(s)'. The same is available at the website of the Company at http://www.gailonline.com/final_site/IZ-Policies.html. The Company does not have any material unlisted subsidiary company in terms of the SEBI (LODR) Regulations, 2015 and DPE guidelines on Corporate Governance for Central Public Sector Enterprises, 2010.

9. COMPLIANCE CERTIFICATE

The Certificate from the Auditors of the Company, confirming compliance with the conditions of Corporate Governance as stipulated under Schedule V(E) of the SEBI (LODR) Regulations, 2015, is annexed to this Report.

Secretarial Audit Report confirming compliance by Practicing Company Secretary of the applicable provisions of The Companies Act, 2013, SEBI (LODR) Regulations, 2015, DPE Guidelines on Corporate Governance, other related rules & regulations relating to capital market and other applicable laws forms part of the Directors' Report.

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the members of GAIL (India) Limited

We have examined the compliance of conditions of Corporate Governance by GAIL (India) Limited ("the Company") for the year ended March 31, 2018, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (Listing Regulations 2015) and Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 issued by Department of Public Enterprise (DPE).

Management Responsibility

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations- 2015 and DPE Guidelines.

Auditors Responsibility

1. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
2. We have examined the books of accounts and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance of the conditions of the Corporate Governance requirements by the Company.
3. We conducted our examination of the relevant records of the Company in accordance with the Guidance Note on Reports or Certificates for special purposes (Revised 2016) issued by the Institute of Chartered Accountants of India (ICAI). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI. We have complied with the relevant applicable requirements of the Standard on Quality (SQC) 1, Quality Control for firms that perform audits and reviews of historical financial information, and other assurance and related service engagements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the

conditions of Corporate Governance as stipulated in the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and in DPE Guidelines, except:

- a) As stated in Para No. 2(ii) of the Corporate Governance Report, the Company has not complied with requirements of regulation 17(1) of Listing Regulations - 2015, with regard to composition of the Board of Directors comprising of at least 50% non-executive directors and at least one woman director during the period 1st April 2017 till 21st September 2017 in the financial year 2017-18.
- b) As stated in Para No. 2(ii) of the Corporate Governance Report, the Company has not complied with the requirement of regulation 25(6) of the Listing Regulations-2015, with regard to filling up the vacancies caused due to the resignation or retirement of the independent directors within the time period as specified in the Listing Regulations-2015.
- c) As stated in Para No. 3C(ii) of the Corporate Governance Report, the Company has not complied with regulation 17 (10) of the Listing Regulations- 2015, which requires performance evaluation of independent directors by the entire board of directors and the Company has not complied with regulation 25 (4) of the Listing Regulations - 2015, which requires review of performance of non-independent directors, the chairperson and the board of directors as a whole.

We further state that such compliance is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restrictions on use

The certificate is addressed and provided to the members of the Company solely for the purpose of complying with the requirement of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and DPE Guidelines, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For O P Bagla & Co LLP
(Formerly O P Bagla & Co.)
Chartered Accountants
Firm No.000018N/N500091

Sd/-
Rakesh Kumar
(Partner)
Membership No.087537

For ASA & Associates LLP
Chartered Accountants
Firm No.009571N/N500006

Sd/-
Parveen Kumar
(Partner)
Membership No.088810

Place: **New Delhi**
Dated: **02.07.2018**

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2018

{Pursuant to Section 204(1) of The Companies Act, 2013 and Rule 9 of The Companies
(Appointment and Remuneration of Managerial Personnel) Rule, 2014}

**To,
The Members,
GAIL (India) Limited.**

We have conducted the Secretarial Audit of compliance of applicable statutory provisions and adherence to good corporate practices by **GAIL (India) Limited** (here in after called GAIL/the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the GAIL's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and Compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by GAIL for the financial year ended on 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) Compliances/processes/systems under other specific applicable Laws (as applicable to the industry) as listed below, to the Company are being verified on the basis of periodic certificate under internal Compliance system submitted to the Board of Directors of the Company:
- 1) The Petroleum Act, 1934
 - 2) The Petroleum Rules, 2002
 - 3) The Oilfields (Regulation and Development) Act, 1948
 - 4) The Petroleum and Natural Gas Rules, 1959
 - 5) The Petroleum and Minerals Pipelines (Acquisition of Right of User in Land) Act, 1962
 - 6) The Explosives Act 1884 and Indian Explosives Rules 1983
 - 7) The Gas Cylinders Rules 2004
 - 8) Oil Industry Development Act, 1974
 - 9) The Petroleum and Natural Gas Regulatory Board Act, 2006
 - 10) The Solvent, Raffinate and Slop (Acquisition, Sale, Storage and Prevention of Use in Automobiles) Order, 2000
 - 11) The Petroleum and Natural Gas Regulatory Board (Exclusivity for City or Local Natural Gas Distribution Network) Regulations, 2008
 - 12) The Petroleum Products (Maintenance of Production, Storage and Supply) Order, 1999
 - 13) Environment Protection Act, 1986 and Environment (Protection) Rules, 1986
 - 14) Hazardous Wastes (Management and Handling) Rules, 1989
 - 15) The Noise Pollution (Regulation and Control) Rules, 2000
 - 16) Water (Prevention and Control of Pollution) Cess Act, 1977 and Water (Prevention and Control of Pollution) Cess Rules, 1978
 - 17) Batteries (Management and Handling) Rules, 2001
 - 18) The Central Motor Vehicles Rules, 1989

- 19) The Water (Prevention and Control of Pollution) Act, 1974
- 20) The Air (Prevention and Control of Pollution) Act, 1974
- 21) Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989
- 22) Static and Mobile Pressure Vessels (Unfired) Rules, 1981 as amended by the SMPV (U) Rules, 1999
- 23) Indian Forest Act, 1927
- 24) The Ozone Depleting Substances (Regulation and Control) Rules, 2000
- 25) The Information Technology Act, 2000
- 26) The Indian Telegraph Act, 1885 and the Indian Telegraph Rules, 1951
- 27) The Indian Wireless Telegraphy (Commercial Radio Operators Certificate Proficiency and License to Operate Global Maritime Distress and Safety System) Rules, 1994
- 28) The Indian Wireless Telegraphy Act, 1933
- 29) The Mines Act, 1952.
- 30) The Arms Act, 1959.

We have also examined compliance with the applicable clauses of the following:

- (a) Secretarial Standards issued by the Institute of Company Secretaries of India - Generally complied with.
- (b) The Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, Equity Listing Agreement with National Stock Exchange of India Limited & BSE Limited, Debt Listing Agreement with NSE and GDR Listing Agreement with London Stock Exchange.
- (c) DPE Guidelines on Corporate Governance for CPSE (DPE Guidelines).

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, subject to the following observation:

Observation No. 1 Non-compliance of Regulation 17 (10) & 25 (4) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company has not carried out the performance evaluation of the directors.

We further report that the Company has complied with the requirements pertaining to the composition of the Board of Directors, which is to be constituted as per The Companies Act, 2013, DPE Guidelines and SEBI (Listing Obligations & Disclosure Requirements) Regulations except for the period 01.04.2017 till 21.09.2017 due to absence of requisite number of Independent Directors and woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Generally, adequate notice was given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system existed for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. In case of convening of meeting including sending of agenda at shorter notice, consent of members present in the meeting was taken.

All the decisions made in the Board/Committee meeting(s) were carried out with unanimous consent of all the Directors/Members present during the meeting.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company has issued Bonus Equity Shares to its members in the ratio of One Equity Share each for Three Equity Shares held by them in compliance of applicable rules and regulations.

For Agarwal S. & Associates,
Company Secretaries,

Sd/-
CS Sachin Agarwal
Partner
FCS No.: 5774
C.P No.: 5910

Date: **June 08, 2018**
Place: **New Delhi**

This report is to be read with our letter of even date which is annexed as "Annexure 1" and forms an integral part of this report.

**To,
The Members,
GAIL (India) Limited.**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Agarwal S. & Associates,
Company Secretaries,

Sd/-
CS Sachin Agarwal
Partner
FCS No.: 5774
C.P.No.: 5910

Date: **June 08, 2018**
Place: **New Delhi**

1. BRIEF OUTLINE OF CSR POLICY AND PROJECTS OR PROPOSED PROGRAMMES TO BE UNDERTAKEN

Your Company remains committed to the principles of Corporate Social Responsibility (CSR) and strongly believes that CSR plays a defining role in the development of the country. Your company is driven with strong passion, vigour and enthusiasm based upon the axioms of a responsible business i.e. people, planet & profit and goes beyond mere duty. Your company was one of the few companies in India to have a structured CSR programme from as early as 2001-02. This received a further impetus with the issuance of DPE CSR Guidelines in 2009-10 and the adoption of the Companies Act, 2013. The company spends 2% of the average net profit made during the three immediately preceding financial years (approx. ₹ 1 billion) annually, on judiciously chosen and meaningful welfare projects for the benefit of the stakeholder communities. Your Company's vision of "value creation" for all stakeholders remains the guiding force behind the social interventions.

the major work centres/installations of your Company. As identified under Schedule VII of the Companies Act, 2013, your Company has identified seven broad areas of CSR intervention, each of which is titled by the objective they seek to achieve viz. Arogya (Wellness) - Nutrition, Health and Sanitation and Drinking Water projects, Ujjwal (Towards a Bright future) - Education initiatives, Kaushal (Skill) - Livelihood Generation and Skill development initiatives, Unnati (Progress)- Rural Development, Sashakt (Empowerment)- Women Empowerment initiatives, Saksham (Capable)- Care of the elderly and differently abled, and Harit (Green)- Environment centric initiatives.

Your Company believes that, it is in responding to the needs of the people, benefitting communities and protecting the environment which will ultimately lead to the goal of sustainable progress of the larger community. CSR Policy of your Company is hosted on Company's website www.gailonline.com. As enshrined in the CSR Policy, your Company adopts a multi-stakeholder approach, collaborating with communities, governmental and nongovernmental organisations, academic institutions and others, in an effort to identify emerging issues, develop projects and effectively respond to challenges. Your Company endeavours to follow best practices in identifying, implementing, sustaining and monitoring its CSR interventions to maximize sustainability, scalability and transparency

➤ Key CSR Interventions

With a view to make your Company's CSR efforts more effective and tangible for the targeted beneficiaries, a long term commitment and measures for self-sustainability are interwoven in the design of major projects. Some of the key initiatives undertaken under the CSR umbrella during the year are captured below:

GAIL Raftaar - Athletic Talent Hunt

The GAIL Indian Speed Star talent scouting continued in its Season-III in 2017-18, and around 1,29,462 participants from 120 districts participated. The course of this journey of 3 years, covered 278 Nodal Districts across India with a total participation of 2,69,039 participants. In Season III, a National Camp of 6 days was organized from 16th Feb to 21st Feb 2018 at International Youth Hostel, Chanakyapuri, New Delhi for the selected 246 athletes from 24 States wherein they were provided



Following a Project-based Approach towards all CSR interventions, as detailed in the CSR Policy, your Company has implemented CSR programmes primarily in the rural areas which are in close proximity to



Hon'ble President of India Shri Ram Nath Kovind (centre), Hon'ble Governor of Uttar Pradesh Shri Ram Naik (on his left) and other dignitaries along with students from underprivileged sections of society who were felicitated on clearing the JEE IIT Advance 2018 examination after undergoing intensive coaching under GAIL (India) Limited's Corporate Social Responsibility initiative GAIL Utkarsh

with best facilities to stay under the guidance of good Coaches. An International training camp of 25 days was conducted at Racer's Track Club, Kingston, Jamaica in February 2018 for 12 extremely talented athletes shortlisted from first two seasons of the project.

Season I of the programme launched in 2015-16 saw over 25,000 students participating in trials held at 53 districts across the country. At the National Trials for the event, a total of 09 athletes were selected for further training. This initiative, in its Season II, started with trials conducted at 107 districts across India wherein 1,13,478 participants participated. Six athletes were shortlisted in Season II.

The bigger goal is to promote sports culture amongst the youth of the country, which is the clarion call of Hon'ble Prime Minister Shri Narendra Modi. Hon'ble Prime Minister has been encouraging the youth to come forth and make sports a part of their life.



Hon'ble Minister of State (Independent Charge), Youth Affairs and Sports & Minister of State, Information and Broadcasting Shri Rajyavardhan Singh Rathore (2nd from right), Shri B C Tripathi, CMD, GAIL (2nd from left), former athletes Ms P T Usha (left) and Shri Shriram Singh (right) at the Grand Finale of GAIL Indian Speedstar Season-III

The National Finale for Season-III was held on 22nd February 2018. The Finale was witnessed by Hon'ble Minister of Youth Affairs and Sports Shri. Rajyavardhan Singh Rathore, Chairman and Managing Director of GAIL (India) Ltd. Shri B.C. Tripathi, and other eminent guests along with the National Selection committee members. 36 Athletes from 12 events were shortlisted and finally, 9 athletes are being selected to be further trained and nurtured along with 14 already selected athletes of Season I and II, to bring laurels for the Nation in Olympics 2020.

GAIL Shrijan

In 2013, a catastrophic flashflood occurred in Uttarakhand, which wreaked havoc and destroyed the valley completely. GAIL (India) Limited conceived Project Shrijan (Creation) to extend long term support to the affected community in an integrated manner adopting a multi-sectoral and multi-hazard approach. The project aimed at rehabilitation of 10 villages of Rudraprayag district of Uttarakhand and to facilitate their return to normalcy with an overall objective to minimize loss in case of future disaster situations.

The project addressed key issues of rehabilitation of communities,

encouraging disaster proof construction technologies, livelihood sustenance and enterprise, increasing awareness about emergency response and facilitating other mitigating services for disasters. Since inception, the project has covered over 23,000 people directly and indirectly. Skills training has been extended to over 7000 individuals in 28 skills. Three Community Resource Training Centres (CRTC) have been established wherein various income generation units such as spice making, juice making, bakery etc. have been set up. Activities like training in usage of disaster resistant construction technology, construction of disaster resistant households and emergency shelters, mock drills, distribution of disaster relief kits, provision of toll free helpline, fully equipped disaster response vehicle and development of Evacuation Plans for villages, duly approved by District Disaster Management Authority, have been undertaken. Rain Water Harvesting structures have been constructed and training in construction of water powered grinding units (Gharaat) undertaken to decrease dependence on conventional sources. Training programmes have been conducted on environment conservation, climate change, etc. Audio visual aids such as radio shows, wall paintings, banners and other IEC material are being used on a regular basis.

A Community Radio Station is being set up, which shall cater to over 1 million people in 04 disaster prone districts of Uttarakhand. As an immediate relief measure, psychological counseling was provided to those in trauma through a trained counselor and psychologist through nearly two hundred counseling sessions.

Major components of the project in the current year include: Operation of Radio Station in Agastyamuni Block, Rudraprayag, Workshops at village level and block level on awareness against domestic violence and against alcoholism, auto woollen garment machine in CRTC Lawni for skill generation, organic roof top café at CRTC Ukhimath for generating revenue for CRTC and make the project sustainable, establishing sanitary napkin unit to address women hygiene issue, providing packaging and wrapping training to beneficiaries for marketing the products manufactured at CRTCs, installation of Solar Street lights in villages and establishment of sale outlets in Dehradun and Noida (GAIL's residential colony).

The project has garnered many awards and accolades, wherein the most recent includes India CSR Award 2018. It was also selected as a Finalist for UPS International Disaster Relief and Resilience Award, given by Business In The Community (BITC) Network, UK.

Project Arogya – Mobile Medical Units (MMUs)

Recognizing lack of primary healthcare services in the country, project Arogya was conceived to provide free primary healthcare services at doorstep of remote & rural population. In the current year your company supported 31 Mobile Medical Units, spread out in 11 States across India, namely, Uttar Pradesh, Madhya Pradesh, Bihar, Jharkhand, Punjab, Delhi/NCR, Uttarakhand, Gujarat, Andhra Pradesh, Odisha and West Bengal.

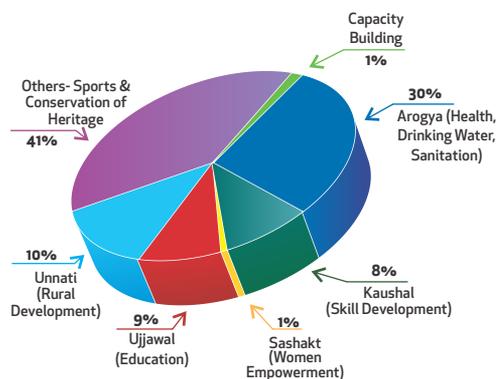
Each Arogya MMU includes: Qualified MBBS Doctor, Nurse (ANM), Lab Technician/Pharmacist, Essential medicines, diagnostic kit (Swashtya Janch Machine), Information and awareness material on health and hygiene. A single MMU covers 5-8 Villages per week, and extends primary health services to approx. 25,000 patients annually. All the MMUs are GPS enabled and Geo-fenced, for remote monitoring and supervision.

MMU vans also carry out awareness activities on health and hygiene in order to achieve health-seeking behavior among the villagers and community where they live. The Project Arogya MMU healthcare

services include: free doctor's consultation, free distribution of medicines, basic diagnostic tests, and referral to other healthcare facilities. Information and awareness material on rights and entitlements, government social security schemes and health program is also provided. Quarterly eye-screening and medical health check-up camps are also conducted under project Arogya.

➤ Major projects under Identified Focus Areas:

Thrust Area-wise CSR Expenditure in 2017-18



UJJAWAL – Education centric initiatives

Education remains one of the major areas of intervention through CSR for your company. Your Company has facilitated infrastructure development and renovation programmes including setting up of smart classes at various Govt. schools, in Karnataka.

A flagship programme of your Company Utkarsh, aimed at meritorious children from marginalized communities; provides them with all-expense paid, specialize residential coaching/intensive mentoring so that they can compete for engineering entrance examinations such as IIT/JEE, AIEEE and UPTU. For the year 2017-18, 100 students were identified for this programme through a meticulous selection process. Of these, 99 students qualified IIT-JEE, as per the result declared on 30.04.2018.

Your company is also supporting construction of hostel for children from tribal families at Bhubaneswar, Odisha; Junior Colleges at Kodangal and Kosgi, Telengana; and support for an Incubation Centre at NIT-Rourkela etc.

Apart from education centric interventions carried out under the Ujjawal thrust area, your Company has also set up the GAIL Charitable and Education Trust to take up initiatives focussed in the domain of Education. In the last Financial Year, your Company extended scholarships to 174 Utkarsh beneficiaries studying in various IITs and NITs. Scholarship is also being provided to 600 violence affected children in Assam, J&K and Odisha in partnership with National Foundation for Communal Harmony. Other than these, support was extended to various infrastructure development initiatives in Government schools at Telangana and Madhya Pradesh.

AROGYA - Overall wellness, covering Health & Sanitation, Drinking Water and Nutrition related Initiatives

Supplementing Government's efforts in Health, Sanitation, Water and Nutrition, your Company is making proactive efforts to address the issues as above through its various initiatives. In the current year your company supported 31 Mobile Medical Units, spread out in 11 States across India, namely, Uttar Pradesh, Madhya Pradesh, Bihar, Jharkhand, Punjab, Delhi/NCR, Uttarakhand, Gujarat, Andhra Pradesh, Odisha & West Bengal.

Understanding the role and significance of Transporters/Drivers/

Truckers in furthering the business operation and to address the problem of HIV/AIDS associated with this segment, your Company has been promoting HIV Prevention through Mass Awareness, STI Treatment & HIV Testing through STI Clinic for Truckers visiting GAIL installations in Pata (Auraiya, UP) and Vijapur (Guna, MP).

United Nations has declared that clean drinking water and sanitation are essential to the realization of all human rights. In an effort to uphold the right to water of thousands residing in remote rural pockets of the nation, your Company has facilitated installation of RO Plants and hand pumps in various villages across the country. In 2017-18, 353 hand pumps were installed in various districts of Uttar Pradesh and Bihar to improve access to potable water for thousands of families.

Activities undertaken in the domain of sanitation have been included separately under the focus area Swachh Bharat.

KAUSHAL- Livelihood Generation and Skill development initiatives

Enabling and empowering the marginalized, so that they become agents of change lies at the very heart of your Company's Skill development centric initiatives. Your Company is operating 02 Skill Schools at Guna (MP) and Mamidikuduru (East Godavari, Andhra Pradesh) with over 1200 candidates trained in skills ranging from general engineering programs including Welder, Fitter, Electrician, Solar Technician, CMC Operator, Instrument Technician, Assistant Surveyor, Assistant Mason, Welding Assistant, Auto CAD etc.



Beneficiaries of GAIL's Skill Development initiatives under GAIL Kaushal

Training in plastic products manufacturing, injection molding and raffia plant processing was extended to 126 candidates in 4 Centers of Central Institute of Plastics Engineering and Technology (CIPET) i.e. Guwahati, Imphal, Chennai and Aurangabad. Your company is supporting the setting up of Hydrocarbon Sector Skill Council (HSSC) and Skill Development Institutes (SDI) at Vizag, Kochi, Raebareilly and Bhubaneswar.

Other short term skill development initiatives such establishment of sanitary napkin unit at Guna (MP) have also been taken up during the course of the year.

SASHAKT - Women Empowerment initiatives

Your Company firmly believes that a woman's position is a true reflection of a society's progress. Even as women are given focus in all CSR initiatives of your company, special focus is also given for women-centric initiatives under this thrust area. In 2017-18, 180 adolescent girls & women from urban slums of Delhi were given Gender Sensitization, Legal Awareness and Employability Skill Training. Various skill training imparted to women include apparel design, food processing, bee

keeping, organic farming, product design, financial literacy etc.

UNNATI - Rural Development & Infrastructure Initiatives

Your Company is guided by the triple bottom line i.e. People, Profit, Planet and takes cognizance of the fact that society's economic competitiveness is interlinked to its social, economic and environmental health. Your Company's interventions under this thrust area have therefore been designed to schematically meet all three goals.

Your Company made investments in asset creation through construction of bridge, drainage systems, roads, community resource halls and compound walls, development work in various villages, infrastructure development, etc. at Anantapur (Andhra Pradesh), East Godavari (Andhra Pradesh), Vadodra (Gujarat), and various districts of Madhya Pradesh etc. 1392 Solar Street Lights Units have been installed in identified villages of Uttar Pradesh, Bihar and Andhra Pradesh. 675 Solar Lanterns were distributed among rural underprivileged in Allahabad, U.P.

Swachh Bharat Initiatives

As a part of Hon'ble Prime Minister's call for a movement towards a cleaner India, your company supported construction/renovation of 4305 toilets in Govt. schools and other public places, spread over ten districts in Odisha, three districts each in Andhra Pradesh & Uttar Pradesh, four districts in Bihar, two districts in Uttarakhand and one district each in Madhya Pradesh, Karnataka and Telangana since 2014 till current year. Your company also supported for the maintenance of sanitation infrastructure created in these schools in order to ensure continuous usage of the assets created.



Swachh Bharat drive at GAIL's adopted monument Purana Qila, New Delhi

Your company received Social Footprints CSR Award 2018 for its support towards Swachh Bharat Abhiyan.

In the current year 93 Community toilets were constructed by your Company in Bhadohi and Allahabad in Uttar Pradesh. Your company also provided 114,000 household and 2,600 nos. 100L capacity public dustbins at Agra, Gandhar, Nasirabad, Delhi NCR, Chandigarh & Kanpur as part of Swachh Bharat Abhiyan.

Swachh Bharat Pakhwada

Swachhta Pakhwada were observed all across GAIL from 16th to 31st July, 2017 and 16th to 31st December, 2017. During the Pakhwada, various activities were undertaken to meaningfully contribute towards cleanliness drive and also to spread the Swachhta message. The observance of Swachhta Pakhwada began with the administering of Swachhta Pledge by CMD and Directors to the GAIL employees on 16.07.2017 at Safdarjung Tomb, New Delhi, adopted by your company for upkeep and maintenance. Inauguration and pledge taking ceremonies were also held across various work centers of your company.

Being important stakeholders in the Swachh Bharat Mission, more than 600 Safai Sathis at various work centers e.g. Vizag, Lucknow, Gandhar, Bharuch, Vijaipur, Chandigarh, Abu Road, Hyderabad, Noida, Corporate Office, among others, were covered under health checkup camps during the Swachhta Pakhwada. Special Health Camps were organized for Truck Drivers also at few work centers during the Pakhwada.

Special Health Camps were organized for Free Health Check-ups and medicines were distributed for occupational, life-style and other diseases. This has been done through the integration of another flagship project of GAIL CSR project: Arogya with the mission of Swachh Bharat.

Further, in the current year, your company has taken up a number of initiatives focusing on sanitation and cleanliness. Cleanliness activities were also carried out through Shram Daan by employees at the Swachh Iconic Places/adopted monuments of GAIL- Safdarjung Tomb and Purana Quila on 16th July, 2017 and 22nd July, 2017 respectively to spread the message of the Swachhta.

GAIL observed 'Swachhta Hi Sewa' Campaign from 15.09.2017 to 02.10.2017 in line with Hon'ble PM's 'Maan Ki Baat' addressed dated 27.08.2017. 'Swachhta Hi Sewa' Campaign, as per the directives, comprised of three components namely Jagrukta Abhiyan, Shramdaan and Swachh Gandhi Jayanti.

Swachh Iconic Places

Your company has adopted and committed for cleanliness and upkeep of Taj Mahal, Agra and Yamunotri, Uttarkashi, under its CSR initiatives. 'Swachh Iconic Places' (SIP) which is a special initiative under Swachh Bharat Abhiyan, focused on select iconic heritage, spiritual and cultural places in India.

The project focuses on overall upkeep and cleanliness of both the identified places. At Taj Mahal, Agra activities like municipal solid waste management, street sweeping, horticulture, landscape pruning, maintenance and removal of horticulture waste, fountains in parks, operation and maintenance of water vending machine, etc. are being taken up. Your company is supporting establishment of Local Wireless Internet Network including IP based Electronic Surveillance System with PTZ camera and monitoring Hardware/Software etc. with components focusing overall development of Yamunotri Shrine.

Contribution towards Statue of Unity

Your Company is proud to have associated with the Statue of Unity project as a part of its CSR initiatives and has contributed ₹ 25.00 Crores for this noble cause. The Statue of Unity is being constructed in the area surrounding the Sardar Sarovar Dam in the Narmada district of Gujarat. This statue is an iconic 182 meter tall landmark dedicated to Sardar Vallabhbhai Patel, a visionary leader and statesman, hailed as the Iron Man of India. The bronze plated statue of Sardar Patel symbolizes a unified India.

➤ Employee Engagement

GAIL CSR organized Spread the Warmth from 11th to 22nd Dec, 2017, wherein GAIL employees donated clothes, woolens, winter essentials and other useable items for the underprivileged, homeless and needy people in and around Delhi. The employees participated with enthusiasm and donated woolens, blankets, clothes for men, women and children, shoes etc. for the lesser privileged and homeless people.

➤ Awards & Accolades

Your company's CSR initiatives were appreciated and rewarded at multiple forums with big wins at the 16th FICCI CSR Awards 2017 (under Category 2: Education, Skill Development and Livelihood under Public Sector Companies for Project Avant), awarded as the Best Corporate (in Large Companies Category) at 2nd ICSI CSR Excellence Awards 2017 for CSR initiatives, Social Footprints CSR Awards 2018 for CSR

initiatives under Swachh Bharat Abhiyan, the Golden Globe Tigers Awards 2018 (for Excellence & Leadership in CSR) and India CSR Award 2018 for Project Shrijan under Project of the Year [Large Impact] category. Your Company has been conferred with the "Economic Times 2 Good CSR Rating", the only PSU to be feted in 'All Round Excellence' category.



GAIL was conferred with the prestigious 'Hindustan PSU Award 2018' for excellence in CSR practices. The award was given by (from left to right) Hon'ble Minister for Railways and Coal Shri Piyush Goyal and Hon'ble Minister for Petroleum and Natural Gas & Skill Development and Entrepreneurship Shri Dharmendra Pradhan and received by Shri P K Gupta, Director (HR), GAIL and Smt. Vandana Chanana, Executive Director (CC&CSR)

2. COMPOSITION OF THE CSR COMMITTEE OF BOARD

In compliance with the provisions of Section 135(1) of the Companies Act, 2013, as on 31.03.2018, the CSR Committee of the Board comprises of

- i. Sh. B.C. Tripathi, Chairman of the Committee – CMD
- ii. Sh. P.K. Gupta – Director (HR)

- iii. Sh. Sanjay Tandon – Independent Director
- iv. Sh. Anupam Kulshreshtha – Independent Director

3. AVERAGE NET PROFIT FOR LAST THREE FINANCIAL YEARS

Financial Year	Net profit (₹ in Crore)*
2014-15	3652.98
2015-16	2553.82
2016-17	4243.70
Total (A)	10450.50
Average of 03 FY's (A)/3	3483.50

*Net profit for CSR is as per provisions of the Companies Act, 2013

4. PRESCRIBED CSR EXPENDITURE (TWO PERCENT OF THE AMOUNT AS IN ITEM 3 ABOVE)

The prescribed CSR expenditure for FY 2017-18 as per provisions of Companies Act, 2013 was ₹69.67 Cr.

5. DETAILS OF CSR SPENDS DURING THE FINANCIAL YEAR

- (a) Total amount to be spent for the financial year – As per provisions of Companies Act, 2013, GAIL was mandated to spend ₹69.67 Cr in FY 2017-18 (the company spends 2% of the average net profit made during the three immediately preceding financial years) on its CSR activities. GAIL made allocation of ₹104.51 Cr on CSR activities of 2017-18, which is approx. 3% of the avg. net profit of the preceding three financial years. Against this mandated spends, GAIL has incurred a total expenditure of ₹91.65 Cr. This amounts to 2.63% of the avg. net profit of the preceding three financial years.
- (b) Amount unspent, if any – Nil.
- (c) Manner in which the amount spent during the financial year is detailed below:

SN	CSR PROJECT OR ACTIVITY IDENTIFIED	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and the district where projects or programs was undertaken	Amount outlay (Budget) project (₹ in Lakhs) or Programs wise	Amount Spent on the Projects or Programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative Expenditure upto the reporting period (₹ in Lakhs)	Amount Spent: Directly or through Implementing Agency
1	AROGYA (DRINKING WATER, HEALTHCARE, SANITATION)						
	Support to Cleanliness & Maintenance of Iconic Places - Taj Mahal, Agra, UP	(i) Sanitation	Local Area (i) Agra (UP)	472.50	472.50	472.50	
	Project Arogya-Healthcare facilities through operation of 31 Mobile Medical Units at various locations	(i) Promoting Preventive Health Care	Local Area (i) East Godavari (Andhra Pradesh) (ii) Guna, Jhabua, Ujjain, Morena (Madhya Pradesh) (iii) Ludhiana (Punjab) (iv) Gandhar (Gujarat) (v) Haridwar (Uttarakhand) (vi) Auraiya (Uttar Pradesh)	461.00	461.00	461.00	
	Project Arogya-Healthcare facilities through operation of Mobile Medical Units at Odhisha and Bihar	(i) Promoting Preventive Health Care	Local Area (i) Bhadrak, Jajpur, Dhenkenal & Angul (Odisha) (ii) Aurangabad & Rohtas (Bihar)	174.82	174.82	174.82	Through NGOs/ Govt. Agencies
	Construction fo Co-educational Toilets in Schools of Andhra Pradesh under SwachBhartSwach VidyalayaAbhiyan	(i) Sanitation	Local Area Various districts of Andhra Pradesh	118.69	118.69	118.69	
	Support for Supply Household Dustbins at Agra	(i) Sanitation	Local Area (i) Agra (UP)	113.58	113.58	113.58	
	Projects less than ₹1 Cr	(i) Sanitation/ Promoting preventive health care/ making available safe drinking water	Various Local Area	1,372.31	1,372.31	1,372.31	
	Sub-Total			2,712.90	2,712.90	2,712.90	
2	KAUSHAL (SKILL DEVELOPMENT)						
	Contribution to Initial corpus of Hydrocarbon Sector Skill Council (HSSC)	(ii) Skill Development	Others Various Districts PAN India	200.00	200.00	200.00	HSSC
	Contribution to Skill Development Institute, Raibareilly, UP	(ii) Skill Development	Others Raebareilly (Uttar Pradesh)	150.00	150.00	150.00	SDI, Raebareilly
	Support for skill development training to 964 candidates at GAIL -IL&FS Institute of Skills, Guna (MP) in various trades	(ii) Skill Development	Local Area (i) Guna (Madhya Pradesh)	134.99	134.99	134.99	Through NGOs/ Govt. Agencies

SN	CSR PROJECT OR ACTIVITY IDENTIFIED	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and the district where projects or programs was undertaken	Amount outlay (Budget) project (₹ in Lakhs) or Programs wise	Amount Spent on the Projects or Programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative Expenditure upto the reporting period (₹ in Lakhs)	Amount Spent: Directly or through Implementing Agency
	Support for training in plastic products manufacturing to 129 nos. of youth at 04 centres of CIPET	(ii) Skill Development	Local Area (i) Guwahati (Assam) (ii) Imphal (Manipur) (iii) Chennai (Tamil Nadu) (iv) Aurangabad (Maharashtra)	110.39	110.39	110.39	Through NGOs/ Govt. Agencies
	Support for skill development training at GAIL-IL&FS Institute of Skills, Nagarm, East Godavari District, Andhra Pradesh	(ii) Skill Development	Local Area (i) East Godavari (Andhra Pradesh)	100.66	100.66	100.66	
	Projects less than ₹1 Cr	(ii) Skill Development	Various Local Area	74.52	74.52	74.52	
	Sub-Total			770.56	770.56	770.56	
3	SASHAKT (EMPOWERING WOMEN)						
	Projects less than ₹1 Cr	(iii) Empowering Women	Various Local Area	75.64	75.64	75.64	Through NGOs/ Govt. Agencies
	Sub-Total			75.64	75.64	75.64	
4	UJJAWAL (PROMOTING EDUCATION)						
	Project Utkarsh-Provision of specialised residential IITJEE coaching at District Kanpur, Uttar Pradesh	(ii) Promoting Education	Local Area (i) Kanpur (Uttar Pradesh)	199.61	199.61	199.61	Through NGOs/ Govt. Agencies
	Support for Construction of Jr. College and Degree College at Bhainsa, District Janagaon, Telangana	(ii) Promoting Education	Local Area (i) Janagaon (Telangana)	195.00	195.00	195.00	
	Projects less than ₹1 Cr	(ii) Promoting Education	Various Local Area	416.16	416.16	416.16	
	Sub-Total			810.77	810.77	810.77	
5	UNNATI (RURAL DEVELOPMENT)						
	Providing Infrastructure facilities in Schools and Solar Street Light at District East Godavari, Andhra Pradesh	(x) Rural Development	Local Area (i) East Godavari (Andhra Pradesh)	150.01	150.01	150.01	Through NGOs/ Govt. Agencies
	Support for Construction of New Bridge in Goranthla Village, Hindupur, District Anantapur, Andhra Pradesh	(x) Rural Development	Local Area (i) Anantapur (Andhra Pradesh)	118.75	118.75	118.75	
	Projects less than ₹1 Cr	(x) Rural Development	Various Local Area	701.87	701.87	701.87	
	Sub-Total			970.63	970.63	970.63	

SN	CSR PROJECT OR ACTIVITY IDENTIFIED	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and the district where projects or programs was undertaken	Amount outlay (Budget) project (₹ in Lakhs) or Programs wise	Amount Spent on the Projects or Programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative Expenditure upto the reporting period (₹ in Lakhs)	Amount Spent: Directly or through Implementing Agency
6 OTHERS(PROMOTION OF SPORTS AND HERITAGE)							
	Support towards Statue of Unity Project, District Narmada, Gujarat	(v) protection of national heritage	Others (i) Narmada (Gujarat)	2,500.00	2,500.00	2,500.00	Through Co-operative Societies/ Trusts
	GAIL Indian Speed star (Season III) -Support towards scouting grass root level athletic talent across India and training of selected athletes for national/international events	(vii) Training to promote rural sports, nationally recognized sports and Olympic sports	Local Area Various Districts PAN India	1,133.90	1,133.90	1,133.90	
	GAIL Indian Speed Star- Athletic Talent Hunt Season-II in various states (TRAINING)	(vii) Training to promote rural sports, nationally recognized sports and Olympic sports	Local Area Various Districts PAN India	129.43	129.43	129.43	
	Sub-Total			3,763.33	3,763.33	3,763.33	
	TOTAL (A)			9,103.84	9,103.84	9,103.84	
	CAPACITY BUILDING (B) :	Training, Impact Assessment, Publications and Branding		60.84	60.84	60.84	
	GRAND TOTAL (A+B)			9,164.68	9,164.68	9,164.68	

6. REASONS FOR LESS THAN STIPULATED EXPENDITURE

Requisite amount as per provisions of the Companies Act, 2013 has been spent during the year 2017-18, hence Not Applicable.

RESPONSIBILITY STATEMENT OF THE CSR COMMITTEE OF THE BOARD

This is to certify that the implementation and monitoring of CSR Policy is in compliance with the CSR objectives and Policy of the Company.

(P.K.Gupta)

Director (HR)
(DIN: 01237706)

(B.C. Tripathi)

Chairman, CSR Committee
(DIN: 01657366)

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO AS PER SECTION 134(3) OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (ACCOUNTS) RULES, 2014

A. CONSERVATION OF ENERGY

(i) The steps taken or impact on conservation of energy:

Your company has been striving in taking various energy conservation measures and has also included the same in its maintenance policy.

- 1 Replacement of Air conditioners with rating 5 star BEE air conditioners:** Your Company has undertaken energy efficiency measures by replacement of old air conditioners with 5 Star BEE certified air conditioners across its sites and offices resulting in significant energy saving. Apart from this the Company has also taken the job of replacement of Old HVAC split units with new energy efficient HVAC split units in Compressor station, Dibiyapur.
- 2 Replacement of conventional lights with more efficient LED lights (LEDs):** Your Company has undertaken pan India drive for replacement of conventional lightning systems with energy efficient LED lighting. Your Company has also undertaken the installation of APFC (Automatic Power Factor Correction) Panel across various sites resulting in significant power saving.
- 3 Use of Grid Power at Pipeline installations in place of TEGs:** Your Company has also undertaken replacement of inefficient TEGs (Thermos Electric Generation) for power requirement by replacing it with Grid power or solar power at various locations.
- 4 E-HYDROCOM system for Automation of Loading-Unloading system in RG Compressor with use of electronic actuators:** Your company has also undertaken the automation of the loading system of Residue Gas Compressor at Vaghodia resulting in significant power saving.
- 5 Gland packing replacement with mechanical seal & Installation of Seal Gas Recovery System:** Your Company has also undertaken replacement of Mechanical seals in cooling tower pumps to save water and has installed Seal Gas Recovery System in Compressor Units at Vijaipur for the recovery of the gas which was vented earlier. This has resulted in considerable amount of saving by preventing the venting of gas and protecting the environment.
- 6 GAIL Pata has installed 5.76 MWp Grid connected Roof Top Solar Power Plant and commissioned on 29th December 2017 at its Polymer Product Warehouse.** It is the second largest Roof Top Solar and also first Roof Top Solar Plant in Hydrocarbon Industry in India.

This project would help in:-

- Reduction of approx. 6,300 metric tonnes of CO₂ emission per year.
- The solar energy levelised cost of generation for 25 years, as estimated at ₹2.3/Kwh by M/s SECI against the grid tariff of about ₹6.85/Kwh with a PR (Performance Ratio) of 75% & CUF (Capacity Utilization Factor) as 15%.
- The project is also in conformity with GAIL's Sustainability Development Policy for adopting eco-friendly & cleaner technology for business operations & in pursuance of GOI

mandate for Solar mission for generating 40 GW power from roof top solar energy by 2022.

(ii) The steps taken by the company for utilizing alternate sources of energy:

The Company has taken various steps for utilizing alternate sources of energy:

- Your Company has installed Solar Power systems at various locations by installing roof top solar power generation systems and also solar street lighting across various installations pan India.
- Your Company has also installed 2 numbers of wind power projects of rating 4.5 MW & 14.7 MW in Gujarat. GPU, Gandhar is utilizing the wind energy through wheeling of wind power through GETCO transmission network.

(iii) The capital investment on energy conservation equipments:

- ₹ 182.0 lakhs for installation of E-HYDROCOM system for Automation of Loading-Unloading system in RG Compressor at Vaghodia.
- ₹ 1.16 Cr for replacement of conventional lights with LEDs.
- ₹ 1.56 Cr for supply, installation and commissioning of solar power systems.
- ₹ 69.7 lakhs for replacement of old AC with BEE 5 star AC rating at various locations.
- ₹ 6.6 Cr for installation of Seal Gas Recovery System in Mainline Dresser Rand make Compressor Units at Vijaipur.
- ₹ 1.05 Lakhs for the installation of Automatic Power Factor Correction (APFC) under Loni.
- As a part of PC-II project, STG-3 (Extraction Steam Turbine) was commissioned on 15.09.2017 at a cost of approx. ₹ 21.2 Crores due to which 16,266 MWh incidental power is generated during the year.

B. TECHNOLOGY ABSORPTION

(i) the efforts made towards technology absorption

Your Company has taken several initiatives to further enhance safety of operations and also for improvement of efficiency. Some of the major initiatives implemented and also initiatives under implementation are as follows:

UCAT-B (Dry catalyst) based Blow Moulding Grade of polymer was commissioned in LLDPE-II plant during September 2017. The technology is licensed by M/s Univation, USA.

Safety of Operation

Initiatives Implemented

- **Centralised Supervisory Control & Data Acquisition (SCADA):** SCADA system provides facility for remote monitoring and control of pipelines from O&M control rooms. The SCADA system is also connected to

various application like Gas Measurement system, APPS, Intranet, SAP, Mobility etc for Data analytics and dashboard purpose

- **Security Operation Centre (SOC)** for central monitoring and mitigation of cyber security incident
- **Geographical Data Base Management- GIS Mapping of Pipelines:** A Pipeline Geographic Information System (PGIS) has been implemented along with geo-database of all pipeline networks of GAIL
- **Pipeline Leak detection System** through Mass Balance Model in APPS. APPS system is based on Real Time Transient Modeling (RTTM) for its trunk NG and LPG pipeline. It indicates the leak size and location of leak along the pipeline network. Testing of Leak detection capability carried out Successfully from existing OFC based Pipeline Intrusion Detection system in Piyala-Loni Section of JLPL
- **Centralized Pipeline Integrity Management System:** An enterprise wide GIS based software platform was implemented for cumulative holding of integrity data, analysing through specific modules, carry out risk assessment and provide detailed high level interface through applications and dashboard. The system has been implemented and all the pipelines have also been brought under its management.
- Implementation of **GPS based online tracking** system for foot patrolling
- **Integrated Command & Control Centre** for an integrated approach towards safety and security of Pipelines and associated installations
- **Automated Incident Reporting System** for fast response towards emergency
- **Online Encroachment Database Management**
- **Biometric Access Control and Geo Fencing System** for ensuring safety and security.

Under Implementation

- **Safety Management System** including MOC (Management of Change) through SAP for ensuring proper logging of Incidents & Root Cause Analysis, and MOC.
- **Implementation of Pipeline Intrusion Detection System (PIDS):** Pilot study of using OFC based Distributed Acoustics Sensing (DAS) for detecting third party activities along the pipeline RoU in two sections of pipelines completed in 2017. It has been conceptualized in upcoming pipeline projects and existing vulnerable locations
- **Digital Security Assessment** of Operational Technology Systems in plants, pipelines, SCADA and IT interfaces.
- **Aerial Inspection using Imaging technologies** like Orthophotography for 3D imaging and Remote Methane Leak Detection System.
- **RoU Surveillance using Drones:** After the success of the Pilot project in Dec-2017 for assessing feasibility of ROU monitoring through aerial videography by UAV (Drones), action has been taken for pipeline and plant surveillance using Drone, as and when required.
- **Risk Mapping of Pipelines** in dashboard by integrating data of multiple databases dealing with different threats.
- **Geo-processing of satellite imagery** for study of geo hazards like soil subsidence, river meandering, etc.

Efficiency Improvement

Initiatives Implemented

- **SAP-ERP** implemented for core businesses. Followed by technical and functional upgrades to add business processes and hardware technologies
- **Share Point and Skype for Business** - Employee collaboration platform for effective online meetings
- **Mobility apps and dashboards** implemented for Top Management, Field Engineers, GAIL Connect (i.e. Telephone Directory), Corporate Finance applications, Conducting Survey and Governance
- **Linear asset Management and Digital mapping of pipelines in SAP:** SAP LAM system natively integrated with SAP modules like SAP Plant Maintenance, Material Management, Financial Management and other third party solutions GIS and PIMS for asset management process across the organization.
- **Gas Management System (GMS) connecting field meters and ERP, till invoicing:** GAIL is having SAP based GMS for Contract Management, Gas Scheduling with Customers, Shippers and Suppliers, e-Joint Ticketing and e-Invoicing with SAP (ERP) interface for prompt and Efficient Services to Customers, Shippers and Suppliers.
- **Seamless Integration of field metering system with GMS through SCADA:** To increase the reliability of data in GMS, an initiative has been taken to replace the existing polling of flow computers in the regional pipelines through dialup over GSM by polling over the GPRS network directly from centralized SCADA. It will minimize the manual intervention in joint ticket/invoicing process.
- End-to-end Procurement process, E-tendering, Reverse Auction, , Inventory Management, Vendor Management and Material Resource Planning
- **Electronic Document Management System (EDMS)** for document archiving
- **Centralized Vibration monitoring System:** Rotary equipment of process plants are provided with state-of-the-art Vibration monitoring system for predictive analytics based maintenance.
- A new technology, capable of carrying out CP Survey, coating survey, leak detection survey, XYZ mapping survey etc. was tested in GAIL's Dabri-Secunderabad pipeline.

Under Implementation

- **Application Software (APPS)** for centralised monitoring and control of the pipeline network. APPS system is based on Real Time Transient Modelling (RTTM) for its trunk NG and LPG pipeline. APPS provides operations and planning tools to a gas despatcher/pipeline operator for safe, reliable, optimum and economic operation of pipeline networks. The project is being implemented in a phased manner. Modules included are Inventory Analysis / Linepack Calculation, Look Ahead Modelling, Predictive Modelling and Optimizer.
- **Software Platform for Metering System** which will have the features of reconciliation calculation, meter diagnostic & verification features. The proposed system will fetch the relevant data from APPS, SCADA & other databases to carry out necessary calculation to provide the pipeline wise / section wise reconciliation at the desired frequency and for further processing of data for the purpose of troubleshooting,

estimating, etc. It will be helpful in calculating virtual flow rate where no physical meters are installed using Artificial Intelligence and Machine Learning.

- **Remote Diagnostic System for Rotating Machines** in Compressor Stations which will have Advanced Automated Analytics through Machine Learning, Secure Remote Communication. Periodic Reports summarizing the condition of the equipment that includes performance degradation analysis will be generated from the system. The System will comprise of a suite of toolsets and processes that enables remote access and review of "live" operational & diagnostics data from installed equipment in real time, provide recommendations and advice, detect early changes in operational condition through data analysis by continuously trending and performance monitoring and assist to optimize and schedule maintenance.
- **E-Learning Management System:** Cloud based software platform encompassing learning modules on an integrated Learning Management System (LMS) to offer 'state-of-the-art' learning solutions to all employees. The purpose of this project is to provide advanced distributed learning anytime and anywhere through a blended learning experience for trainees and all other staff.

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution

1. Conversion of manual valves to remote at SV-26 and SV-27 under O&M base Abu Road which helps in operations of valves remotely in an emergent situation.
2. Your Company has implemented the Hydrocarbon Detector System with HOT flaring under Operations and maintenance (O&M) base Abu Road, which has ensured safety during LPG HOT flaring with alarm in control room.
3. Seal Gas Recovery System is installed in Mainline Dresser Rand make Compressor Units for Vijapur for the recovery of the gas which was

vented earlier resulting in considerable amount of saving by preventing the venting of gas and protecting the environment.

4. By installing the solar systems at various locations, it will bring down the energy bill in the subsequent years.

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year), following information may be furnished:

- a. Technology imported** : Technology for producing Metallocene grade within 400 KTA capacity of LLDPE Swing plant at GAIL, Pata. Technology is licensed by M/s Univation LLC., USA
- b. Year of import** : 2017
- c. Has technology been fully absorbed?** : No
- d. If not fully absorbed, areas where this has not taken place, reasons thereof** : The activities related to commissioning of metallocene grade production are under progress and the same is likely to be completed in F.Y. 2018-19.

(iv) Expenditure on R&D

- a. Capital : ₹ 11.64 crore
- b. Recurring/ Revenue : ₹ 17.20 crore
- c. Total : ₹ 28.84 crore

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

During FY 2017-18, foreign exchange earnings were ₹ 1,797.92 crore and Foreign currency outgo was ₹ 11,116.05 crore.

Form No. AOC-2

ANNEXURE - G

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of The Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis -

GAIL (India) Limited has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2017-18.

2. Details of material contracts or arrangement or transactions at arm's length basis

- a. Name(s) of the related party and nature of relationship - Petronet LNG Limited (PLL) and it is a joint venture of GAIL (India) Limited.
- b. Nature of contracts/arrangements/transactions - Purchase of Regasified Liquefied Natural Gas (RLNG) and utilization of Regasification facilities of LNG gasification Terminal(s)
- c. Duration of the contracts / arrangements/transactions - Gas Sales Purchase Agreement(s) (GSPA) dated 26.09.2003, 31.03.2010, 31.12.2015 and Regasification Services Agreement dated 06.09.2012 which is ongoing.
- d. Salient terms of the contracts or arrangements or transactions including the value, if any - Petronet LNG Limited to provide regasification facilities, supply of RLNG (Long term and Spot). Transactions with Petronet LNG Limited for FY 2017-18 were Rs. 17,477.83 Crores approx. (with Tax).
- e. Date(s) of approval by the Board, if any - Not applicable, since the contract was entered into in the ordinary course of business and on arm's length basis.
- f. Amount paid as advances, if any - NIL

For and on behalf of the Board



B.C. Tripathi
Chairman & Managing Director
(DIN: 01657366)

Place: New Delhi

Date: 10.08.2018

Form No. MGT-9

EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31.03.2018

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

CIN	L40200DL1984GOI018976
Registration Date	16.08.1984
Name of the Company	GAIL (India) Limited
Category/Sub-Category of the Company	Government Company
Address of the registered office and contact details	16, Bhikaiji Cama Place, R.K.Puram New Delhi -110066 Contact No.(s): 011-26182955/ 26172580
Whether listed company (Yes/No)	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	MCS Share Transfer Agent Limited F-65, Okhla Industrial Area, Phase-I, New Delhi-110020 Contact No. (s)- 011-41406149/50/51/52

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turn over of the company shall be stated:-

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Gas Marketing	Not Applicable	76

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary /Associate	% of Shares Held	Applicable Section
1.	GAIL Global (Singapore) Pte. Limited	Wangz Business Centre # 43-01, Suntec Tower One, 7 Temasek, Boulevard, Singapore - 038987	NA	Wholly owned Subsidiary	100	2(87)
2.	GAIL Global (USA) Inc.	Phoenix Tower 3200 SW Freeway, Suite 1090 Houston, Texas -77027	NA	Wholly owned Subsidiary	100	2(87)
3.	GAIL Global (USA) LNG LLC [Wholly Owned Subsidiary of GAIL Global (USA) Inc.]	Phoenix Tower 3200 SW Freeway, Suite 1090 Houston, Texas -77027	NA	Subsidiary	-	2(87)
4.	GAIL Gas Limited	16, Bhikaiji Cama Place , R.K. Puram, New Delhi - 110066	U40200DL2008GOI178614	Wholly owned Subsidiary	100	2(87)
5.	Brahmaputra Cracker & Polymer Limited	Hotel Brahmaputra Ashok , M.G. Road, Guwahati, Assam-781001	U1101AS2007GOI008290	Subsidiary	70.74	2(87)
6.	GAIL China Gas Global Energy Holdings Limited	Claredon House, 2 Church Street, Hamilton HM 11, Bermuda	NA	Joint Venture/ Associate	50	2(6)
7.	Aavantika Gas Limited	Aavantika Gas Limited 202-B, 2nd Floor, NRK Business Park Vijay Nagar Square A.B. Road Indore - 452 008	U40107MP2006PLC018684	Joint Venture/ Associate	49.97	2(6)
8.	Tripura Natural Gas Company Limited	33 Office Lane Agartala, Tripura -799001.	U23201TR1990SGC003451	Joint Venture/ Associate	48.98	2(6)
9.	Bhagyanagar Gas Limited	Parishram Bhawan , Basheerbagh, Hyderabad, Telangana - 500004	U40200TG2003PLC041566	Joint Venture/ Associate	49.97	2(6)
10.	Ratnagiri Gas and Power Private Limited	NTPC Bhawan, Core 7, scope Complex 7, Institutional Area Lodhi Road, New Delhi - 110003	U40105DL2005PTC138458	Joint Venture/ Associate	25.50	2(6)

S. No	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary /Associate	% of Shares Held	Applicable Section
11.	Central U.P Gas Limited	A-1/4 Lakhanpur UPSID Complex Kanpur, Uttar Pradesh - 208024	U40200UP2005PLC029538	Joint Venture/ Associate	25	2(6)
12.	Green Gas Limited	Fortuna Towers, 2nd Floor ,10, Rana Pratap Marg, Lucknow, Uttar Pradesh - 226001	U23201UP2005PLC030834	Joint Venture/ Associate	49.97	2(6)
13.	Indraprastha Gas Limited	IGL Bhawan, Plot No 4, Community Centre, Sector 9, R K Puram New Delhi - 110022	L23201DL1998PLC097614	Joint Venture/ Associate	22.5	2(6)
14.	Mahanagar Gas Limited	MGL House, Block No G-33, Bandra Kurla Complex, Bandra (E), Mumbai, Maharashtra - 400051	U40200MH1995PLC088133	Joint Venture/ Associate	32.50	2(6)
15.	Maharashtra Natural Gas Limited	Plot No 27, Narveer Tanaji Wadi, PMT Bus Depot, Commercial Building, First Floor, Shivaji Nagar, Pune, Maharashtra - 411005	U11102PN2006PLC021839	Joint Venture/ Associate	22.5	2(6)
16.	ONGC Petro-additions Limited	1st Floor, Omkara Building , Sai Chokdi, Manjalpur, Vadodra Gujarat - 390011	U23209GJ2006PLC060282	Joint Venture	49.21	2(6)
17.	Petronet LNG Limited	First Floor, World Trade Centre, Babar Road ,New Delhi - 110001	L74899DL1998PLC093073	Joint Venture	12.5	2(6)
18.	TAPI Pipeline Company Limited	C/o Cains Fiduciaries Limited Fort Anne Douglas Isle of Man IM1 5PD	NA	Joint Venture/ Associate	5	2(6)
19.	South-East Asia Gas Pipeline Company Limited	SEDONA HOTEL (Mandalay) No.1, Junction of 26th street & 66th street, Chan Aye Tharzan Township Mandalay Myanmar	NA	Joint Venture/ Associate	4.17	2(6)
20.	Vadodara Gas Limited	Shri Muni Commi Gas Office Building Dandia Bazaar Vadodara - 390001	U40106GJ2013PLC076828	Joint Venture/ Associate	32.93	2(6)
21.	Talcher Fertilizers Limited	Plot 2/H, Kalpana Area, BJB Nagar, Bhubneswar Khordha - 751014	U24120OR2015PLC019575	Joint Venture/ Associate	29.67	2(6)
22.	Konkan LNG Private Limited	16, Bhikaiji Cama Place, R.K.Puram New Delhi -110066	U11100DL2015PTC288147	Joint Venture/ Associate	25.50	2(6)

IV. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of shareholders	No. of shares held at the beginning of the Year (As on 1st April, 2017)				No. of shares held at the end of the year (As on 31st March, 2018)				% of change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
	A. Shareholding of Promoter and Promoter Group								
(1) Indian									
a) Individuals/ Hindu Undivided Family	0	0	0	0.00	0	0	0	0.00	0.00
b) Central Government	920651612	0	920651612	54.43	1208548124	0	1208548124	53.59	-0.84
c) State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
e) Financial Institutions/ Banks	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
TRUST	0	0	0	0.00	0	0	0	0.00	0.00

Category of shareholders	No. of shares held at the beginning of the Year (As on 1st April,2017)				No. of shares held at the end of the year (As on 31st March,2018)				% of change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
	SOCIETY	0	0	0	0.00	0	0	0	
EDUCATIONAL INSTITUTE	0	0	0	0.00	0	0	0	0.00	0.00
Total Shareholding of Promoter(A)	920651612	0	920651612	54.43	1208548124	0	1208548124	53.59	-0.84
B. Public shareholding									
1. Institutions									
a) Mutual Funds/ UTI	96358985	19133	96378118	5.70	274204125	24710	274228835	12.16	6.46
b) Financial Institutions/ Banks	45213493	1400	45214893	2.67	7528345	266	7528611	0.33	-2.34
c) Central Government	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	144791105	0	144791105	8.56	81954370	0	81954370	3.63	-4.93
f) Insurance Companies	255636198	3266	255639464	15.11	389931593	2487	389934080	17.29	2.18
g) Foreign Portfolio Investors	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
i) Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (B)(1)	541999781	23799	542023580	32.05	753618433	27463	753645896	33.42	1.37
Central Govt/State Govt/POI	123593819	0	123593819	7.31	166387805	0	166387805	7.38	0.07
Sub-Total (B)(2)	123593819	0	123593819	7.31	166387805	0	166387805	7.38	0.07
Non-institutions									
a) Bodies Corporate- Indian	42819631	400	42820031	2.53	55187650	532	55188182	2.45	-0.08
b) Individual -	0	0	0	0.00	0	0	0	0.00	0.00
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh.	25552796	110896	25663692	1.52	32931814	132510	33064324	1.47	-0.05
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	13170171	0	13170171	0.78	10555137	0	10555137	0.47	-0.31
Other (specify)	0	0	0	0.00	0	0	0	0.00	0
Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
NBFCs Registered with RBI	81235	0	81235	0.00	10024	0	10024	0.00	0.00
Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Trust & Foundations	5895465	36990	5932455	0.35	10939057	63251	11002308	0.49	0.14
Cooperative Societies	0	0	0	0.00	0	0	0	0.00	0.00
Educational Institutions	0	0	0	0.00	0	0	0	0.00	0.00
Non Resident Individual	1013793	7284	1021077	0.06	1375873	9711	1385584	0.06	0.00
OCBs	0	0	0	0.00	0	0	0	0.00	0.00
Foreign Companies	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (B)(3)	88533091	155570	88688661	5.24	110999555	206004	111205559	4.93	-0.31
Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)	754126691	179369	754306060	44.60	1031005793	233467	1031239260	45.73	1.13
TOTAL (A)+(B)	1674778303	179369	1674957672	99.03	2239553917	233467	2239787384	99.32	0.29
Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0.00	0	0	0	0.00	0.00
Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
Public	16345528	0	16345528	0.97	15283549	0	15283549	0.68	-0.29
GRAND TOTAL (A)+(B)+(C)	1691123831	179369	1691303200	100.00	2254837466	233467	2255070933	100.00	0.00

(ii) Shareholding of Promoters

S. No.	Shareholder's Name	No. of Shares held at the beginning of the year [As on 1st April 2017]			No. of Shares held at the end of the year [As on 31st March 2018]			% change in share holding during the year
		No. of Shares	%of total Shares of the company	%of Shares Pledged/ encumbered to total shares	No. of Shares	%of total Shares of the company	%of Shares Pledged/encumbered to total shares	
1	President of India	920651612	54.43	0	1208548124	53.59	0	0.48
	Total	920651612	54.43	0	1208548124	53.59	0	0.48

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01-04-17 to 31-03-18)	
	No of Shares at the Beginning (01-04-17) /end of the Year (31-03-18)	% of total shares of the Company				Shares	% of total shares of the Company
PRESIDENT OF INDIA	920651612	54.43	31-Mar-2017				
			17-Nov-2017	-13294631	Government of India Disinvested shares through CPSE ETF Units	907336144	53.65
			24-Nov-2017	-945888	Government of India Disinvested shares through CPSE ETF Units	906390256	53.59
			30-Mar-2018	302137031	BONUS	1208548124	53.59
	1208548124	53.59	31-Mar-2018				

(iv) Share holding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Detail of Top 10 Shareholders as on 01-04-17 & 31-03-18 and their transactions (Other Than Directors, Promoters and Holders of GDRs and ADRs)

S. No.	Name	Shareholding		Date	Increase / (Decrease) in Shareholding	Reason	Cumulative Shareholding during the year (01-04-17 to 31-03-18)	
		No of Shares at the Beginning (01-04-17) /end of the year (31-03-18)	% of total shares of the Company				Shares	% of total shares of the Company
1	OIL AND NATURAL GAS CORPORATION LIMITED	81679097	4.83	31-Mar-2017				
		108905462	4.83	31-Mar-2018	27226365	BONUS		
2	INDIAN OIL CORPORATION LIMITED	40839548	2.41	31-Mar-2017				
		54452730	2.41	31-Mar-2018	13613182	BONUS		
3	LIFE INSURANCE CORPORATION OF INDIA	110445783	6.53	01-April-2017				
				7-Apr-2017	-1260462	Sale	109185321	6.46
				14-Apr-2017	-548537	Sale	108636784	6.42
				21-Apr-2017	-261070	Sale	108375714	6.41
				21-July-2017	-2975508	Sale	105400206	6.23
				28-July-2017	-3502698	Sale	101897508	6.02
				4-Aug-2017	-2364924	Sale	99532584	5.88

S. No.	Name	Shareholding		Date	Increase / (Decrease) in Shareholding	Reason	Cumulative Shareholding during the year (01-04-17 to 31-03-18)	
		No of Shares at the Beginning (01-04-17) /end of the year (31-03-18)	% of total shares of the Company				Shares	% of total shares of the Company
				11-Aug-2017	-3607010	Sale	95925574	5.67
				18-Aug-2017	-2288124	Sale	93637450	5.54
				25-Aug-2017	-3247342	Sale	90390108	5.34
				1-Sep-2017	-4294129	Sale	86095979	5.09
				8-Sep-2017	-3037316	Sale	83058663	4.91
				15-Sep-2017	-3756604	Sale	79302059	4.69
				22-Sep-2017	-5263596	Sale	74038463	4.38
				29-Sep-2017	-4429151	Sale	69609312	4.12
				6-Oct-2017	-4701902	Sale	64907410	3.84
				13-Oct-2017	-4292366	Sale	60615044	3.58
				20-Oct-2017	-3183420	Sale	57431624	3.40
				27-Oct-2017	-7517091	Sale	49914533	2.95
				31-Oct-2017	-103727	Sale	49810806	2.95
				3-Nov-2017	-2156292	Sale	47654514	2.82
				10-Nov-2017	-4072137	Sale	43582377	2.58
				17-Nov-2017	-4817024	Sale	38765353	2.29
				24-Nov-2017	-3954547	Sale	34810806	2.06
		46414408	2.06	31-Mar-2018	11603602	BONUS		
4	MATTHEWS PACIFIC TIGER FUND	29709477	1.76	01-April-2017				
				21-Apr-2017	-1250000	Sale	28459477	1.68
				28-Apr-2017	-1400000	Sale	27059477	1.60
				2-June-2017	-1000000	Sale	26059477	1.54
				21-July-2017	-3305	Sale	26056172	1.54
				8-Sep-2017	-203305	Sale	25852867	1.53
				15-Sep-2017	-1793390	Sale	24059477	1.42
				22-Sep-2017	-1000000	Sale	23059477	1.36
				29-Sep-2017	-50108	Sale	23009369	1.36
				13-Oct-2017	-750560	Sale	22258809	1.32
				27-Oct-2017	-49440	Sale	22209369	1.31
		29612492	1.31	31-Mar-2018	7403123	BONUS		
5	HDFC TRUSTEE COMPANY LIMITED - HDFC PRUDENCE FUND	4511000	0.27	01-April-2017				
				2-June-2017	1400000	Purchase	5911000	0.35
				30-June-2017	4411000	Purchase	10322000	0.61
				7-July-2017	970000	Purchase	11292000	0.67
				18-Aug-2017	985000	Purchase	12277000	0.73
				1-Sep-2017	1500000	Purchase	13777000	0.81
				29-Sep-2017	107004	Purchase	13884004	0.82
				6-Oct-2017	1374400	Purchase	15258404	0.90

S. No.	Name	Shareholding		Date	Increase / (Decrease) in Shareholding	Reason	Cumulative Shareholding during the year (01-04-17 to 31-03-18)	
		No of Shares at the Beginning (01-04-17) /end of the year (31-03-18)	% of total shares of the Company				Shares	% of total shares of the Company
				13-Oct-2017	912811	Purchase	16171215	0.96
				27-Oct-2017	606000	Purchase	16777215	0.99
				31-Oct-2017	1686000	Purchase	18463215	1.09
				3-Nov-2017	-184000	Sale	18279215	1.08
				10-Nov-2017	-114000	Sale	18165215	1.07
				24-Nov-2017	1206500	Purchase	19371715	1.15
				8-Dec-2017	-1770000	Sale	17601715	1.04
				15-Dec-2017	-1990000	Sale	15611715	0.92
				29-Dec-2017	-954000	Sale	14657715	0.87
				5-Jan-2018	2294000	Purchase	16951715	1.00
				12-Jan-2018	-114000	Sale	16837715	1.00
				2-Feb-2018	2832000	Purchase	19669715	1.16
				9-Feb-2018	603000	Purchase	20272715	1.20
		27030286	1.20	31-Mar-2018	6757571	BONUS		
6	GOVERNMENT PENSION FUND GLOBAL	19283424	1.14	01-April-2017				
				21-Apr-2017	731700	Purchase	20015124	1.18
				2-June-2017	800000	Purchase	20815124	1.23
				30-June-2017	400000	Purchase	21215124	1.25
				4-Aug-2017	891902	Purchase	22107026	1.31
				11-Aug-2017	103426	Purchase	22210452	1.31
				22-Sep-2017	320714	Purchase	22531166	1.33
				13-May-2017	-144327	Sale	22386839	1.32
				17-Nov-2017	-345000	Sale	22041839	1.30
				24-Nov-2017	-513630	Sale	21528209	1.27
				1-Dec-2017	51603	Purchase	21579812	1.28
				8-Dec-2017	-134246	Sale	21445566	1.27
				15-Dec-2017	-914348	Sale	20531218	1.21
				5-Jan-2018	-144790	Sale	20386428	1.21
				12-Jan-2018	-629767	Sale	19756661	1.17
				19-Jan-2018	-397017	Sale	19359644	1.14
				26-Jan-2018	-348287	Sale	19011357	1.12
				2-Feb-2018	-49862	Sale	18961495	1.12
				16-Mar-2018	199957	Purchase	19161452	1.13
				23-Mar-2018	235706	Purchase	19397158	1.15
				29-Mar-2018	121010	Purchase	19518168	1.15
		26024224	1.15	31-Mar-2018	6506056	BONUS		
7	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED	11890484	0.70	01-April-2017				
				7-Apr-2017	289751	Purchase	12180235	0.72

S. No.	Name	Shareholding		Date	Increase / (Decrease) in Shareholding	Reason	Cumulative Shareholding during the year (01-04-17 to 31-03-18)	
		No of Shares at the Beginning (01-04-17) /end of the year (31-03-18)	% of total shares of the Company				Shares	% of total shares of the Company
				14-Apr-2017	-10045	Sale	12170190	0.72
				21-Apr-2017	-191172	Sale	11979018	0.71
				28-Apr-2017	82632	Purchase	12061650	0.71
				5-May-2017	87876	Purchase	12149526	0.72
				12-May-2017	-272	Sale	12149254	0.72
				19-May-2017	-10760	Sale	12138494	0.72
				26-May-2017	32493	Purchase	12170987	0.72
				2-June-2017	-168106	Sale	12002881	0.71
				9-June-2017	-529439	Sale	11473442	0.68
				16-June-2017	-76528	Sale	11396914	0.67
				23-June-2017	-73725	Sale	11323189	0.67
				30-June-2017	606545	Purchase	11929734	0.71
				7-July-2017	312376	Purchase	12242110	0.72
				14-July-2017	175304	Purchase	12417414	0.73
				21-July-2017	625938	Purchase	13043352	0.77
				28-July-2017	-112943	Sale	12930409	0.76
				4-Aug-2017	-40503	Sale	12889906	0.76
				11-Aug-2017	2559976	Purchase	15449882	0.91
				18-Aug-2017	106002	Purchase	15555884	0.92
				25-Aug-2017	34493	Purchase	15590377	0.92
				1-Sep-2017	-678409	Sale	14911968	0.88
				8-Sep-2017	21794	Purchase	14933762	0.88
				15-Sep-2017	47827	Purchase	14981589	0.89
				22-Sep-2017	3660	Purchase	14985249	0.89
				29-Sep-2017	1289039	Purchase	16274288	0.96
				6-Oct-2017	501774	Purchase	16776062	0.99
				13-Oct-2017	38503	Purchase	16814565	0.99
				20-Oct-2017	31068	Purchase	16845633	1.00
				27-Oct-2017	2893	Purchase	16848526	1.00
				31-Oct-2017	-837	Sale	16847689	1.00
				3-Nov-2017	581	Purchase	16848270	1.00
				10-Nov-2017	1341	Purchase	16849611	1.00
				17-Nov-2017	218985	Purchase	17068596	1.01
				24-Nov-2017	51	Purchase	17068647	1.01
				1-Dec-2017	-9742	Sale	17058905	1.01
				8-Dec-2017	-11348	Sale	17047557	1.01
				15-Dec-2017	-16521	Sale	17031036	1.01
				22-Dec-2017	21181	Purchase	17052217	1.01
				29-Dec-2017	54656	Purchase	17106873	1.01
				5-Jan-2018	-70288	Sale	17036585	1.01
				12-Jan-2018	-56303	Sale	16980282	1.00

S. No.	Name	Shareholding		Date	Increase / (Decrease) in Shareholding	Reason	Cumulative Shareholding during the year (01-04-17 to 31-03-18)	
		No of Shares at the Beginning (01-04-17) /end of the year (31-03-18)	% of total shares of the Company				Shares	% of total shares of the Company
				19-Jan-2018	-148718	Sale	16831564	1.00
				26-Jan-2018	-3471	Sale	16828093	0.99
				2-Feb-2018	-150534	Sale	16677559	0.99
				9-Feb-2018	244122	Purchase	16921681	1.00
				16-Feb-2018	-40973	Sale	16880708	1.00
				23-Feb-2018	-24609	Sale	16856099	1.00
				2-Mar-2018	-15217	Sale	16840882	1.00
				9-Mar-2018	-43742	Sale	16797140	0.99
				16-Mar-2018	2231	Purchase	16799371	0.99
				23-Mar-2018	631373	Purchase	17430744	1.03
				29-Mar-2018	861241	Purchase	18291985	1.08
		24389313	1.08	31-Mar-2018	6097328	BONUS		
8	CPSE ETF	23049125	1.36	01-April-2017				
				7-Apr-2017	-278270	Sale	22770855	1.35
				14-Apr-2017	-167509	Sale	22603346	1.34
				21-Apr-2017	-983756	Sale	21619590	1.28
				28-Apr-2017	-456136	Sale	21163454	1.25
				5-May-2017	-234878	Sale	20928576	1.24
				12-May-2017	-1131830	Sale	19796746	1.17
				19-May-2017	-3404	Sale	19793342	1.17
				26-May-2017	-1042180	Sale	18751162	1.11
				2-June-2017	-43095	Sale	18708067	1.11
				9-June-2017	-27040	Sale	18681027	1.10
				16-June-2017	-27040	Sale	18653987	1.10
				23-June-2017	-70980	Sale	18583007	1.10
				30-June-2017	-14365	Sale	18568642	1.10
				7-July-2017	18964	Purchase	18587606	1.10
				14-July-2017	-27951	Sale	18559655	1.10
				21-July-2017	-211750	Sale	18347905	1.08
				28-July-2017	-6776	Sale	18341129	1.08
				4-Aug-2017	-24563	Sale	18316566	1.08
				11-Aug-2017	-105875	Sale	18210691	1.08
				18-Aug-2017	-21175	Sale	18189516	1.08
				25-Aug-2017	-955416	Sale	17234100	1.02
				1-Sep-2017	-972356	Sale	16261744	0.96
				8-Sep-2017	-44891	Sale	16216853	0.96
				5-Sep-2017	-900906	Sale	15315947	0.91
				22-Sep-2017	-2544	Sale	15313403	0.91
				29-Sep-2017	-106647	Sale	15206756	0.90
				6-Oct-2017	-141210	Sale	15065546	0.89
				13-Oct-2017	-42245	Sale	15023301	0.89

S. No.	Name	Shareholding		Date	Increase / (Decrease) in Shareholding	Reason	Cumulative Shareholding during the year (01-04-17 to 31-03-18)	
		No of Shares at the Beginning (01-04-17) /end of the year (31-03-18)	% of total shares of the Company				Shares	% of total shares of the Company
				20-Oct-2017	-73186	Sale	14950115	0.88
				27-Oct-2017	-214636	Sale	14735479	0.87
				31-Oct-2017	-53613	Sale	14681866	0.87
				3-Nov-2017	150616	Purchase	14832482	0.88
				10-Nov-2017	-65527	Sale	14766955	0.87
				17-Nov-2017	-54645	Sale	14712310	0.87
				24-Nov-2017	-166226	Sale	14546084	0.86
				1-Dec-2017	-235104	Sale	14310980	0.85
				8-Dec-2017	-148872	Sale	14162108	0.84
				15-Dec-2017	-15408	Sale	14146700	0.84
				22-Dec-2017	-64200	Sale	14082500	0.83
				29-Dec-2017	-14552	Sale	14067948	0.83
				5-Jan-2018	628804	Purchase	14696752	0.87
				12-Jan-2018	-53928	Sale	14642824	0.87
				19-Jan-2018	-18832	Sale	14623992	0.86
				26-Jan-2018	-41088	Sale	14582904	0.86
				2-Feb-2018	-24331	Sale	14558573	0.86
				9-Feb-2018	-53196	Sale	14505377	0.86
				16-Feb-2018	-10296	Sale	14495081	0.86
				23-Feb-2018	121136	Purchase	14616217	0.86
				2-Mar-2018	-227758	Sale	14388459	0.85
				9-Mar-2018	114850	Purchase	14503309	0.86
				16-Mar-2018	-13035	Sale	14490274	0.86
				23-Mar-2018	47037	Purchase	14537311	0.86
				29-Mar-2018	18020	Purchase	14555331	0.86
		19407108	0.86	31-Mar-2018	4851777	BONUS		
9	HDFC TRUSTEE COMPANY LIMITED-HDFC EQUITY FUND	936858	0.06	01-April-2017				
				7-Apr-2017	4511000	Purchase	5447858	0.32
				18-Aug-2017	915000	Purchase	6362858	0.38
				25-Aug-2017	1445976	Purchase	7808834	0.46
				1-Sep-2017	650000	Purchase	8458834	0.50
				22-Sep-2017	1668000	Purchase	10126834	0.60
				6-Oct-2017	1000000	Purchase	11126834	0.66
				20-Oct-2017	350000	Purchase	11476834	0.68
				8-Dec-2017	86000	Purchase	11562834	0.68
				5-Jan-2018	470000	Purchase	12032834	0.71
		16043778	0.71	31-Mar-2018	4010944	BONUS		
10	DEUTSCHE BANK TRUST COMPANY AMERICAS	16345528	0.97	01-April-2017				

S. No.	Name	Shareholding		Date	Increase / (Decrease) in Shareholding	Reason	Cumulative Shareholding during the year (01-04-17 to 31-03-18)	
		No of Shares at the Beginning (01-04-17) /end of the year (31-03-18)	% of total shares of the Company				Shares	% of total shares of the Company
				26-May-2017	-2390010	Sale	13955518	0.83
				9-June-2017	-13266	Sale	13942252	0.82
				23-June-2017	-120000	Sale	13822252	0.82
				14-July-2017	-102000	Sale	13720252	0.81
				25-Aug-2017	137154	Purchase	13857406	0.82
				1-Sep-2017	-181968	Sale	13675438	0.81
				15-Sep-2017	102696	Purchase	13778134	0.81
				29-Sep-2017	147000	Purchase	13925134	0.82
				13-Oct-2017	50514	Purchase	13975648	0.83
				27-Oct-2017	-746178	Sale	13229470	0.78
				31-Oct-2017	6372	Purchase	13235842	0.78
				3-Nov-2017	19194	Purchase	13255036	0.78
				10-Nov-2017	6306	Purchase	13261342	0.78
				17-Nov-2017	22608	Purchase	13283950	0.79
				1-Dec-2017	-290532	Sale	12993418	0.77
				8-Dec-2017	-438168	Sale	12555250	0.74
				15-Dec-2017	-44568	Sale	12510682	0.74
				22-Dec-2017	-1430778	Sale	11079904	0.66
				29-Dec-2017	60558	Purchase	11140462	0.66
				5-Jan-2018	27348	Purchase	11167810	0.66
				12-Jan-2018	60162	Purchase	11227972	0.66
				2-Feb-2018	19002	Purchase	11246974	0.66
				9-Feb-2018	112308	Purchase	11359282	0.67
				23-Feb-2018	648	Purchase	11359930	0.67
				9-Mar-2018	1248	Purchase	11361178	0.67
				23-Mar-2018	101484	Purchase	11462662	0.68
		15283549	0.68	31-Mar-2018	3820887	BONUS		

v) Shareholding of Directors and Key Managerial Personnel

S. No.	Name	Shareholding		Date	Increase / (Decrease) in Shareholding	Reason	Cumulative Shareholding during the year (01-04-17 to 31-03-18)	
		No of Shares at the Beginning (01-04-17) /end of the year (31-03-18)	% of total shares of the Company				No of Shares	% of total shares of the Company
1	Shri P.K. Gupta	400	0.00	01-April-2017		Issuance of Bonus Shares	400	0.00
					133		533	0.00
		533	0.00	31-Mar-2018		533	0.00	

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in crores)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1749.13	3313.01	-	5062.14
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	72.07	10.57	-	82.64
Total (i + ii + iii)	1821.2	3323.58	-	5144.78
Change in Indebtedness during the financial year				
Addition*	0.36	15.67	-	16.03
Reduction*	-1250	-1745.23	-	-2995.23
Exchange Rate Fluctuation	0	-3.34	-	-3.34
Net Change	-1249.64	-1732.9	-	-2982.54
Indebtedness at the end of the financial year				
i) Principal Amount	499.49	1580.11	-	2079.6
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	4.32	5.8	-	10.12

* Includes INR equivalent of USD used in referencing

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(₹ in Lakh)

S. No.	Particulars of Remuneration	Shri B.C Tripathi (CMD)	Shri P.K. Gupta (WTD)	Shri Subir Purkayastha (WTD) & CFO	Shri Gajendra Singh (WTD) (w.e.f. 05.04.2017)	Dr. Ashutosh Kamatak (WTD)	Total Amount
1.	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	54.51	48.29	43.42	49.89	50.06	246.17
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	10.73	7.42	6.65	9.19	16.72	50.71
	(c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961	-	-	-	-	-	-
2.	Stock Option	-	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-	-
4.	Commission - as% of profit - others, specify	-	-	-	-	-	-
5.	Others	26.61	19.67	18.47	16.12	18.66	99.53
	Total(A)	91.85	75.38	68.54	75.20	85.44	396.41
	Ceiling as per the Act	Not Applicable					

B. Remuneration to other Directors

(₹ in Lakh)

S No.	Particulars of Remuneration	Name of Directors							Total Amount
		Shri S.K. Srivastava	Shri Anupam Kulshreshtha	Shri Sanjay Tandon	Shri Dinkar P Srivastava	Dr. Anup K Pujari	Shri Jayanto Narayan Choudhury (w.e.f 15.09.17)	Dr. Rahul Mukherjee (w.e.f 15.09.17)	
1	Fee for attending Board and Committee meetings	13.20	12.90	10.20	9.80	7.00	4.50	2.00	59.6
	Commission	-	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-	-
	Total(1)	13.20	12.90	10.20	9.80	7.00	4.50	2.00	59.6
	Total Managerial Remuneration Overall Ceiling as per the Act	Not Applicable							

Note: The Part-time Director(s) (Government Nominee) do not receive any remuneration from the Company.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(₹ in Lakh)

S. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Company Secretary		
		Sh. A. K. Jha		
	Gross salary			
1.	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	25.17		25.17
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	4.15		4.15
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-		-
2.	Stock Option	-		-
3.	Sweat Equity	-		-
4.	Commission	-		-
	as% of profit	-		-
	Others, specify	-		-
5.	Others, please specify	9.04		9.04
	Total	38.36		38.36

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / punishment/ Compounding Fees imposed	Authority (RD/NCLT/Court)	Appeal made, if Any (Give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

Business Responsibility Report



Business Responsibility Report (BRR) FY 2017-18 of GAIL (India) Ltd.

Section A: General Information about the Company

1	Corporate Identity Number (CIN) of the Company	L40200DL1984GOI018976
2	Name of the Company	GAIL (India) Limited
3	Registered address	16 Bhikaiji Cama Place, R K Puram, New Delhi - 110066
4	Website	http://www.gailonline.com
5	E-mail id	shareholders@gail.co.in
6	Financial Year reported	2017-18
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	As per National Industrial Classification, Ministry of Statistics & Programme Implementation, the Company is engaged in activities as grouped below: 493- Transport via pipeline 201- Manufacture of basic chemicals, fertilizer and nitrogen compounds, plastics and synthetic rubber in primary forms, 061- Extraction of crude petroleum, 062- Extraction of natural gas, 351- Electric power generation, transmission and distribution
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	1. Natural Gas & LPG Marketing and Transmission 2. Petrochemicals (Polyethylene and polypropylene) 3. Other Liquid Hydrocarbons Production- (LPG, Propane, Pentane, Naphtha etc.)
9	Total number of locations where business activity is undertaken by the Company	
	i. Number of International Locations (Provide details of major 5)	Singapore and USA The 3 international wholly owned subsidiaries are 1. GAIL Global (Singapore) Pte Limited, 2. GAIL Global (USA) Inc., 3. GAIL Global (USA) LNG LLC
	ii. Number of National Locations	GAIL has pan India presence in multiple business segments like Gas Marketing and Transmission, (Liquid Hydrocarbons) (LHC) production, Gas imports etc. The major operation sites and offices of GAIL are as under: <ul style="list-style-type: none"> • LPG plants (6)- Two plants at Vijaipur (M.P.), one each at Vaghodia (Gujarat), Auraiya (U.P.), Gandhar (Gujarat) and Usar (Maharashtra) • Petrochemical Plant at Pata (U.P.), and C2/C3 Plants at Pata (U.P.), Vijaipur (M.P.) • Compressor stations-Vijaipur, Khera, Jhabua & Kailaras (M.P.), Hazira, Vaghodia (Gujarat), Auraiya (U.P.), Chhainsa (Haryana) • LPG Pipeline Network & Pumping Stations- Jamnagar, Kandla, Samakhiali (Gujarat), Nasirabad, Mansarampura (Rajasthan), Loni (U.P.), Visakhapatnam, G Konduru (Andhra Pradesh), Cherlapally (Telangana) • Regional pipelines network & Offices- Agartala (Tripura), Vadodara (Gujarat), Mumbai (Maharashtra), Rajahmundry (Andhra Pradesh), Delhi-NCR, Karaikal (Puducherry), Kochi (Kerala) • 13 Zonal Marketing Offices at Delhi, Kolkata (West Bengal), Chennai (Tamil Nadu), Bengaluru (Karnataka), Bhopal (M.P.), Chandigarh (Haryana), Jaipur (Rajasthan), Hyderabad (Andhra Pradesh), Lucknow (U.P.), Mumbai (Maharashtra), Ahmedabad (Gujarat), Bhubaneswar (Odisha) and Amaravati (Andhra Pradesh) • 2 GAIL Training Institutes at Noida (U.P.) and Jaipur (Rajasthan)
10	Markets served by the Company - Local/State/National/International/	National

Section B: Financial Details of the Company

1	Paid up Capital (₹)	₹ 2255 crore
2	Total Turnover (₹)	₹ 53690 crore (Gross Turnover)
3	Total profit after taxes (₹)	₹ 4618 crore
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	As per provisions of Companies Act, 2013, GAIL was mandated to spend ₹ 69.67 Crore in FY 2017-18. 2 % of average net Profit Before Tax of the preceding 03 years on its CSR activities. Against the said commitment, GAIL has incurred a total expenditure of ₹ 91.65 Crores, in FY 2017-18 which amounts to 2.63% of the average net Profit Before Tax of the preceding three financial years. Further, CSR expenditure of ₹ 91.65 Crores amounts to 1.98% of profit after tax (%) in FY 2017-18
5	List of activities in which expenditure in 4 above has been incurred:-	The details of CSR expenditure incurred on activities under identified focus areas, is as under:- a) UNNATI - Rural Development Initiative: ₹ 970.62 lakhs b) AROGYA (Total) - Nutrition, Health and Drinking Water and Sanitation initiatives, including Swachh Bharat: ₹ 2,712.88 lakhs c) GAIL KAUSHAL - Skill Development and Livelihood Generation Initiatives: ₹ 770.56 lakhs d) SASHAKT - Women Empowerment: ₹ 75.65 lakhs e) Capacity Building: ₹ 60.83 f) Others- Training to promote of Rural sports, Nationally recognized sports, Paralympic Sports and Olympics Sports: ₹ 3,763.34

Section C: Other Details

1	Does the Company have any Subsidiary Company/ Companies?	Yes. The number of subsidiary companies of GAIL as on 31st March, 2018 was 5. Out of 5 subsidiaries, 3 Subsidiaries are operating out of India and 2 Subsidiaries are India based.
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Yes Both subsidiaries of GAIL which are operating in India- BCPL and GAIL Gas have taken up CSR and other BR initiatives.
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	Yes. The Business Responsibility initiatives taken by GAIL(India)Ltd. has the collaboration of all its stakeholders such as Govt. of India, employees, contractors, suppliers, customers and the community at large and these stakeholders are involved with GAIL(India)Ltd. in achieving their business responsibilities. The percentage of such stakeholders is < 30%.

Following is the list of Principles referred to in Section D and Section E:

Principle No.	Principles to assess compliance with Environmental, Social and Governance norms (NVG-SEE) Issued by Ministry of Corporate Affairs
Principle 1: (P1)	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
Principle 2: (P2)	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
Principle 3: (P3)	Businesses should promote the well being of all employees
Principle 4: (P4)	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
Principle 5: (P5)	Businesses should respect and promote human rights
Principle 6: (P6)	Business should respect, protect, and make efforts to restore the environment
Principle 7: (P7)	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
Principle 8: (P8)	Businesses should support inclusive growth and equitable development
Principle 9: (P9)	Businesses should engage with and provide value to their customers and consumers in a responsible manner

Section D: BR Information

1	Details of Director/Directors responsible for BR	Sustainable Development Committee of Board of Directors								
a. Details of the Director/Directors responsible for implementation of the BR policy/policies										
(i)	DIN Number	01237706								
	Name	Shri P K Gupta								
	Designation	Director (HR)								
(ii)	DIN Number	06850526								
	Name	Shri Subir Purkayastha								
	Designation	Director (Finance)								
(iii)	DIN Number	03267102								
	Name	Dr Ashutosh Karnatak								
	Designation	Director (Projects)								
b. Details of the BR head										
	1. DIN Number (if applicable)	3267102								
	2. Name	Dr Ashutosh Karnatak								
	3. Designation	Director (Projects)								
	4. Telephone number	011-43090758								
	5. e-mail id	akarnatak@gail.co.in								
2	Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)									
	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for.	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?									
	Response to above question - Yes, the policies being formulated in consultation with the all Relevant Stakeholders	Y	Y	Y	Y	Y	Y	Y	Y	Y
Note- GAIL (India) being Central Public Sector Enterprise is governed by policies, circulars, guidelines, procedures issued by the Government of India. The policies have been formulated after wide consultations and discussions amongst all the relevant stakeholders. In the dynamic business environment GAIL (India) Ld. reviews its business policies and practices from time to time.										
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y Ref: A	Y Ref: B	Y Ref: C	Y Ref: D	Y Ref: E	Y Ref: F	Y Ref: G	Y Ref: H	Y Ref: I
		<p>A: Section 135 of Companies Act 2013 and CSR Rules thereof, DPE Guidelines on Corporate Social Responsibility (CSR) and Sustainability of 2014, DPE guidelines on R&D, DPE guidelines on Corporate Governance, Listing Regulations, PIDPI Resolution No. 89 of GOI Transparency International</p> <p>B, C: National Policy on Safety, Health and Environment at Work Place, Ministry of Labour and Employment, Government of India, The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013</p> <p>D: The Contract Labour (Regulation and Abolition) Act 1970, The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013</p> <p>E: National Policy on Safety, Health and Environment at Work Place, Ministry of Labour and Employment, Government of India</p> <p>F: The Contract Labour (Regulation and Abolition) Act 1970 and DPE Guidelines on Corporate Social Responsibility (CSR) and Sustainability of 2014</p>								

	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
4	Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/ appropriate Board Director?	Y Y	Y Y	Y Y	Y Y	Y Y	Y Y	Y Y	Y Y	Y Y
Note- The policies are approved by the Board/Competent Authority to which requisite authority has been delegated by the Board.										
5	Does the company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	Y Ref: A, B, C	Y Ref: D	Y Ref: F, I	Y Ref: F, D, I	Y Ref: F, I	Y Ref: F, D	N	Y Ref: E, D	Y Ref: D
		<p>All policies relevant to External Stakeholders are hosted on GAIL Website- http://www.gailonline.com on following addresses:</p> <p>A. Code of Conduct: http://www.gailonline.com/final_site/pdf/InvestorsZone/Code_of_Conduct_2014.pdf</p> <p>B. Fraud Prevention Policy: http://www.gailonline.com/pdf/others/Drfat_Policy2012.pdf</p> <p>C. MoU between GAIL (India) Ltd and TII http://www.gailonline.com/final_site/pdf/others/MOU-With-TII-23rd.July-2007.pdf</p> <p>D. Sustainable Development Policy: http://www.gailonline.com/final_site/pdf/Sustainability/GAIL_Sustainable_Development_Policy-English.pdf</p> <p>E. GAIL CSR Policy: http://www.gailonline.com/pdf/CSR/final_policy2010.pdf</p> <p>F. 'Constitution of internal Complaints Committee post notification of 'Policy for Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace' http://www.gailonline.com/pdf/others/Sexual_Harassment_Women_Workplace.pdf</p> <p>G.(1) GAIL Material Subsidiary policy http://www.gailonline.com/final_site/pdf/InvestorsZone/GAIL_Material_Subsidiary_policy.pdf</p> <p>G.(2) GAIL Related Party Transaction Policy http://www.gailonline.com/pdf/InvestorsZone/GAIL_Related_Party_Transaction_Policy.pdf</p> <p>G.(3) GAIL Policy for Determination of Materiality and Disclosure http://www.gailonline.com/pdf/InvestorsZone/GAIL_Determination_Material_Policy_Disclosure.pdf</p> <p>H. Dividend Distribution Policy http://www.gailonline.com/final_site/pdf/InvestorsZone/GAIL%20Dividend%20Distribution%20Policy.pdf</p> <p>I Policy on Diversity of Board of Directors http://www.gailonline.com/final_site/pdf/InvestorsZone/Policy%20on%20Diversity%20of%20Board.pdf</p> <p>All policies that are relevant to internal stakeholders are available at GAIL Intranet Portal.</p>								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?									
	All Relevant Stakeholders (Communicated through Website, meetings, emails, circulars etc.)	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y

	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

2a If answer to S.No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles	Not Applicable								
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

3 Governance related to BR

Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

In FY 17-18 total 2 meetings were held by Sustainable Development Committee, further GAIL has various related sub committees of Board which meets from time to time to review aspects related to Business Responsibility.

S.No.	Committees of the Board	Number of Meetings Held in FY 17-18
1	Corporate Social Responsibility Committee	3
2	Audit Committee	13
3	HR Committee	4
4	Stakeholders Relationship Committee	1
5	Stakeholders' Grievance Redressal Committee	3
6	Business Development & Marketing Committee	10
7	Finance Committee	2
8	Nomination and Remuneration Committee	4

Does the Company publish a BR or a Sustainability Report?	Yes, GAIL publishes an Externally assured Sustainability Report annually as per the GRI standard.
What is the hyperlink for viewing this report?	http://www.gailonline.com/SB-Sustainability.html
How frequently it is published?	Yearly

The following section provides information in line with suggested BRR format; however for further details on Sustainability activities, GAIL's Sustainability Report 2017-18 may be referred which would be available at this link: <http://www.gailonline.com/SB-Sustainability.html>

Principle 1-

Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/No.

Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

No, Apart from company employees, the policy relating to ethics, bribery and corruption is also extended to GAIL employees on secondment or deputation in any subsidiary or Joint Venture Company

At GAIL, Code of Conduct, CDA Rules / Standing Orders, Fraud Prevention Policy, and Whistle Blower Policy are applicable to all GAIL employees including those on secondment or deputation to the Joint Venture Companies, Subsidiaries, Government Bodies including autonomous institutions, Regulatory Authorities etc.

The Company's Vigilance department is responsible for the bribery and corruption related issues based on the Central Vigilance Commission (CVC) guidelines and related circulars. The scope is extended to Wholly Owned Subsidiary and Joint Ventures of GAIL where equity of GAIL is more than 50%.

'Integrity Pact' and "Fraud Prevention Policy" extend to suppliers, contractors etc.

Additionally, GAIL adheres to principle number 10 of United Nations Global Compact (UNGC), pertaining to anti-corruption.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

During the financial Year 2017-18, total number of complaints received from all the stakeholders was 287. Out of these 94% complaints were resolved by the management. Most of the complaints remaining unresolved were received in the last quarter of the FY 2017-18. The complaints were received from various stakeholders such as Shareholders/Investors, Customers, Employees, Contractors and suppliers (related to Integrity Pact) and from public.

An MoU was signed with M/s Transparency International India for implementation of Integrity Pact in GAIL thereby bringing transparency in the procurement processes. Independent External Monitors have been appointed, who are responsible for overseeing the implementation of Integrity Pact Program to prevent corruption, bribery or any unethical practices at GAIL.

Principle 2-

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1 List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

- Natural Gas & LPG Transmission
- Liquid Hydrocarbon
- Petrochemicals (HDPE & LLDPE)

Note- The following procedures are followed for adopting any new products/process/services-

Detailed Engineering, Detailed Feasibility study including cost estimation & investment approval for new Gas Processing and

Petrochemical plants, Renewable Energy projects, trunk pipelines and Last Mile Connectivity to various customers enroute these trunk pipelines

All above projects are developed and executed taking into consideration environmental and social concerns, risks & opportunities by incorporating the following activities:

- EMP (Environmental Management Plan)
- EIA (Environment Impact Assessment)
- SIA (Social Impact Assessment)
- RRA (Rapid Risk Assessment)
- CCOE clearance (Chief Controller of Explosives)
- HAZOP (Hazard & Operability study)
- Market study
- Coastal Regulatory Zone Clearance
- Construction Management Plan (CMP)
- Adopting State of Art Technology for Construction Projects requiring minimal resources and minimising wastages

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

i. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

a) Natural Gas & LPG Transmission: In the entire value chain, the company has the responsibility of transmission of Natural Gas (NG) & LPG from source to customers through pipeline and Compressor/Pumping stations by following industry best practices, safety standards with integrated management. GAIL's system of transmission of NG and LPG is supported by SCADA system with central control system for overall monitoring.

b) Liquid Hydrocarbon: GAIL's LPG plants converts the Natural Gas to its value added products i.e. Liquid Hydrocarbons. The plants are designed by adopting state of the art technology with best industry standards, practices and norms such as OISD. The state of the art control system is adopted in all LPG plants. LPG is sold in bulk to LPG retailing companies (OMCs) and other liquid hydrocarbon products are sold to industrial customers for their consumption.

c) Petrochemicals (HDPE & LLDPE): In GAIL's petrochemical plant, ethane-propane (C₂/C₃) is recovered from natural gas in the Gas Processing Unit and is cracked in the Gas Cracker Unit to produce ethylene and propylene. Ethylene is converted to final products - HDPE (High Density Polyethylene) and LLDPE (Linear Low-Density Polyethylene) in the four polymer units. This procedure has resulted in the optimization of energy, raw material, water etc. for the desired level of production.

Refer to Note 2.

ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

In FY 17-18, the gas sold or supplied to its customers by GAIL increased to 85 MMSCMD from previous year's 81 MMSCMD. Some new customers have also switched from liquid & other fuels to Natural Gas. As Natural Gas is the most benign fossil fuel, this has led to reduction of GHG Emissions at customer end.

Refer to Note 3.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

GAIL has introduced an e-tendering system which is based on the principle of competitiveness. The procurement practices are executed in a manner that is transparent, fair, competitive and cost effective. This process is a green initiative of the organization, as it also contributes towards reduction of paper use.

Additionally, GAIL undertakes interaction with prospective bidders through Pre-tender & Pre-bid meetings for every tender with the objective of improving the tender conditions in a sustainable manner.

Our IT team continuously works with various departments to provide solutions to the internal and external customers, and automated several processes through IT enabled services across the entire organization.

Further, we host our tenders on our website which are available in public domain and whosoever is interested can participate in those tenders without having to physically visit the tender issuing site.

In order to procure energy efficient and sustainable products, GAIL has introduced the following provisions:

- a) Loading criteria in tenders for procurements of compressors / turbines / generators. The loading criteria are based on the fuel/ electricity consumption for specified period (say 10/15 years) of the equipment. The prices work out considering the loading criteria are added in the quoted prices while evaluating the bid. This helps company in procuring fuel/ electricity efficient equipment.
- b) Star rating electrical equipment.
- c) Green building concept in all new building projects.
- d) AUT/Automatic Welding wherever feasible
- e) Usage of Solar Power source to meet energy requirements of Pipeline Stations
- f) Using energy efficient machines

As decided by Sustainable Development Steering Committee (SDSC) action is under progress for minimum 3 star rating in the specification while procuring electrical items and air conditioners more than 10 years old to be replaced after doing a cost benefit analysis.

Further, GAIL has installed capacity of 118 MW (approx.) wind energy and 10 MW of solar energy generating projects.

In order to ensure sustainability in the supply chain, GAIL has implemented Public Procurement Policy for Micro and Small Enterprises (MSEs), DMEP policy and initiated Make in India campaign in GAIL to develop local vendors thereby enhancing the socio-economic development.

i. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Yes, GAIL has implemented Public Procurement Policy for Micro and Small Enterprises (MSEs). The policy targets 20% of procurement from MSEs with a sub target of 4% from MSEs owned by the Scheduled Caste or the Scheduled Tribe entrepreneurs for the Goods and Services rendered by such organizations. In addition, GAIL implements all policies of the Government which contributes to sustainable sourcing. All the bidders are required to confirm acceptance to our General Conditions of Contracts wherein they confirm abiding to all provisions relating to impact on (a) society, (b) environment, (c) labor practice (d) human rights aspects.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

Yes, GAIL has implemented "Public Procurement Policy" for Micro and Small Enterprises (MSEs). As per the policy, benefits like waiver from

tender fee and EMD, Purchase Preference are provided to MSEs. The policy targets 20% of procurement from MSEs with a sub target of 4% of procurement from MSEs owned by the Scheduled Caste or the Scheduled Tribe entrepreneurs for the Goods and Services rendered by such organizations. These industries are generally local & small producers from the surrounding communities near the place of work.

Additionally, Policy for providing Preference to Domestically Manufactured Electronic Products (DMEP), Purchase Preference Local Content (PP-LC) and Domestically Manufactured Iron & Steel Products (DMI&SP) has been implemented in GAIL to boost domestically manufactured products.

If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

GAIL has implemented Public Procurement Policy for Micro and Small Enterprises (MSEs). As per the policy, benefits like waiver from tender fee and EMD, Purchase Preference etc. are provided to MSEs. The policy helps in reducing the transaction cost of the suppliers or vendors involved in the tendering process. Further, GAIL has already introduced e-procurement to reduce paper work and speed up the tendering process. This also helps the local and small vendors to quote in large numbers with ease and reduces their tendering cost involved in submission of bulky bid documents. In all tenders, pre-tender or pre-bid meeting is conducted to ensure wider participation and to educate vendors on the tendering process.

GAIL also hosts the Procurement Plan for the Financial Year on its Tendering website, which inter alia contains the list of items where MSEs are participating/ expected to participate. Further, GAIL is in talks with various vendors to get itself registered on their TReDS platform. This will enable discounting of the bills thereby ensuring Working Capital of the vendors/contractors.

GAIL also interacts with the small and local vendors at various forums like vendors meet or MSEs meet or Industry Conclave etc. and takes initiatives to make small and local vendors aware of its requirements. GAIL has also started a unique initiative of vendor coaching wherein the bidders are given training on the process of participation in GAIL's tender. Further, all the relevant terms and conditions (both pre-award and post award) are informed to the bidders.

Does the company have a mechanism to recycle products and waste?

If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%).

Also, provide details thereof, in about 50 words or so.

Yes, GAIL has a mechanism to recycle products and waste. It is covered under Sustainable Development Policy.

Natural Gas (NG) is the major input for GAIL's process plants. After processing NG, it is sent to customers and only a small fraction of NG is flared as per safety requirements. This process leaves us with limited scope for reusing/recycling NG as input or raw material. Further, products and processes are designed for NIL/minimum wastage.

GAIL endeavors to optimise the resource productivity through initiatives like installations of Heat Recovery Steam Generation (HRSG), Effluent Treatment Plant (ETP), Sewage Treatment Plants (STP), Waste Water Treatment Plant (WWTP), rainwater harvesting, etc.

GAIL has installed Flare gas recovery facilities at its LPG plant Vijaipur for minimising the GHG emissions and impact on Environment.

Water Management: The Waste water generated as part of miscellaneous activities is treated through effluent treatment plants (ETP). The treated waste water is used for various non-potable uses like horticulture etc. GAIL ensures usage of maximum amount of waste water in its installations.

Waste Management: Waste Disposal facility exists at GAIL's plants wherein plant waste having no inherent value & deemed hazardous in nature are disposed of through State Pollution Control Board approved agency.

E-Waste Management: E- Waste is managed by either through buyback mechanism, or disposed through recyclers approved by the state agencies.

Refer to Note 2.

Principle 3-

Businesses should promote the well being of all employees

1 Please indicate the Total number of employees.

4486 (as on 31.03.2018 including Board of Whole-Time Directors and CMD, including CVO)

2 Please indicate the Total number of employees hired on temporary/contractual/casual basis.

15405

3 Please indicate the Number of permanent women employees.

272

4 Please indicate the Number of permanent employees with disabilities.

95

5 Do you have an employee association that is recognized by management?

Yes, GAIL upholds the Freedom of Association and Collective Bargaining by recognising and supporting the Workers' Unions, Officers' Associations, Women's Forums, SC/ST Employees etc.

In GAIL, there are two Unions (i) GAIL Employees Association (GEA) and (ii) GAIL Karamchari Sangh (GKS), representing the interests of their respective workmen/ staff. GEA is a representative body of non-executives posted at various Field Offices/ Plants/ Installations across the Country except Corporate Office. GKS represents non-executives posted at Corporate Office.

6 What percentage of your permanent employees is members of this recognized employee association?

Percentage of regular employees as members of these recognized employee union is 18.65%

7 Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year

Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
A Child labour/ forced labour/ involuntary labour	Nil	Nil
B Sexual harassment	Nil	Nil
C Discriminatory employment	Nil	Nil

8 What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

A Permanent Employees	Total: 95.31%
B Permanent Women Employees	Total: 94.23%
C Casual/Temporary/Contractual Employees	Total: 100% - safety awareness
D Employees with Disabilities	Total: 99%

Note – 95.38 % Male Permanent Employees were given safety & skill up-gradation training in the last year

All the employees posted at sites and projects are given mandatory Safety Awareness training. Apart from the scheduled trainings, employees are also provided trainings related to Safety & Skill up gradation in respective functional areas and behavioural aspects through knowledge sharing programs, online quizzes and competitive events organized on various occasions like Safety Week, National Safety Day etc.

Principle 4-

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1 Has the company mapped its internal and external stakeholders? Yes/No

Yes, GAIL has identified and mapped its key external and internal stakeholders. The key external stakeholders are Government/Regulators, customers, investors, suppliers, implementing agencies, service providers, local communities, civil society, media, consumers, and advocacy groups. The internal stakeholders are all employees.

2 Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

Yes, GAIL has identified disadvantaged, vulnerable and marginalized stakeholders as per the extant Corporate Social Responsibility (CSR) Policy of the company.

The same have been identified in terms of the provisions of the Schedule VII- Section 135 of the Companies Act, 2013 and CSR Rules, thereof. Further, the Department of Public Enterprises (DPE) CSR and Sustainability Guidelines of 2014 are also followed. These include people affected by natural calamities, people with disabilities, women, and children, tribals, SC-STs, OBCs, minorities, disadvantaged youths, senior citizens, HIV afflicted people, and people affected by violence. In addition to the above, a compassionate approach towards the community lies at the heart of operations at GAIL.

All CSR projects undertaken at GAIL are aimed at providing a better life to the disadvantaged, vulnerable and marginalized stakeholders. Specific interventions have been designed and implemented by GAIL to bring about holistic and sustainable development of the marginalised stakeholder groups and the community at large.

3 Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

Yes, GAIL has taken the path of inclusive development to address the societal issues and engage with the disadvantaged, vulnerable and marginalised stakeholder.

GAIL undertakes CSR projects in sectors as identified in Schedule VII of the Companies Act 2013, with special focus on area of wellness, education initiatives, skill development, rural development, women empowerment, care of the elderly and differently abled and environment centric initiatives.

As per GAIL's CSR Policy (Clause 2.2.1), the company undertakes CSR projects specifically focusing on target groups recognized in the clause including BPL, SCs, STs, OBS, PwDs, and communities around work centres of GAIL etc. Additionally, specific interventions have been designed and implemented by GAIL to bring about holistic and sustainable development of the marginalised stakeholder groups and the community at large.

As per the principle which advocates inclusive and equitable

development, it can be noted that GAIL's CSR presence is pan-India.

Principle 5-

Businesses should respect and promote human rights

1 Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/Others?

Yes, GAIL's policy covers all the legal requirements pertaining to Human Rights. The policy is applicable to all Joint Ventures, Subsidiaries, Contractors of GAIL.

GAIL always uphold human rights across all its operations. GAIL is a signatory to the UNGC Principles, which further demonstrates the Company's commitment towards protecting human rights. GAIL's policies are suitably designed and fully conform to human right principles, the Constitution of India and all applicable labour laws.

A dedicated grievance redressal system is in place to register and address issues raised by all stakeholders. GAIL supports the Government of India's efforts in development of minorities and economically underprivileged sections of the society. GAIL has also introduced gender mainstreaming, inclusiveness and affirmative programs.

GAIL Women Cell has been established to look after the developmental needs of women employees. The cell focuses on reaching out to the women workforce, initiate discussions and adequately address any concerns including discrimination and sexual harassment at workplace. GAIL remains committed to equal rights for all gender which is reflected in GAIL's compensation policy for employees.

GAIL ensures that all facilities located in different states across India complies to minimum wage requirements as per The Minimum Wages Act, 1948.

All of the Company's work contracts and agreements are embedded with clauses to uphold human rights. GAIL strictly comply to the requirement of Child Labour (Prohibition and Regulation) Act, 1986 and subsequent amendments and a zero-tolerance approach is followed on child or forced labour in all of its operations/facilities.

GAIL upholds collective bargaining, an important worker's right across all its operations through recognition and promotion of worker unions. Several initiatives as detailed below have been undertaken by GAIL to demonstrate its commitments towards human rights and labour practices:

- regular interaction with employee collectives
- coordination with labour authorities
- settlement of industrial disputes
- recording and analysis of work centre level issues
- long term settlement with Unions.

2 How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

If so, provide details thereof, in about 50 words or so.

Please Refer Principle-1, Answer-2

Principle 6-

Business should respect, protect, and make efforts to restore the environment

1 Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/others.

Yes, The policy covers the company as well as extends to its other stakeholders excluding Joint Ventures.

2 Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N.

If yes, please give hyperlink for webpage etc.

Yes. GAIL's Sustainability Report 2017-18 may be referred for details which is available at this link: http://www.gailonline.com/final_site/SB-Reports.html

3 Does the company identify and assess potential environmental risks? Y/N

Yes.

The Enterprise Risk Management Policy has been rolled out across the organization in all assets except a few plants and offices. High, medium and low categories of risks are reviewed by Chief Risk Officer and the Site Level Risk Steering Committee (SLRSC). As per approved Risk Management Policy, the Corporate Level Risks Steering Committee (CLRSC) is required to review the status of Corporate Level Key Risks on a quarterly basis. Prior to placing before Audit Committee, the status is deliberated in the Risk Management Committee (RMC) on a bi-annual basis. The status is put up to the Board annually. Further, the Audit Committee and Board of Directors also review the policy and procedures periodically.

The unit level risk steering committee maps, monitors and formulates mitigation measures of key risks on a quarterly basis including social and environmental risks and non-key risks on an annual basis. Additionally, the risks associated with specific groups are managed by respective department and management is updated on the same.

The MoU between FIPI (erstwhile PetroFed) and TERI for undertaking climate change study was signed in the presence of Sh. Dharmendra Pradhan, Minister of Petroleum and Natural Gas; Minister of Skill Development and Entrepreneurship and Sh. K.D. Tripathi, Secretary, Ministry of Petroleum & Natural Gas as well as representatives from the oil and gas industry.

The study "Climate Change Risks: Preparedness for Oil and Gas Sector" aims to provide the following:

- comprehensive analysis of threats posed by Climate change to Oil and Gas sector and participating companies;
- way forward to tackle the challenges as well as risks posed by climate change;
- suitable measures for the Oil & Gas sector to achieve India's INDC target of reducing emission intensity of GDP by 33 – 35 per cent below the levels in 2005 by 2030;
- describe how the global market and technological options are likely to change as a result of global climate policy measures and how the 1.5 degree and 2 degree increase scenarios of global warming are likely to affect the infrastructure and operations in different climatic zones of India.

4 Does the company have any project related to Clean Development Mechanism?

If so, provide details thereof, in about 50 words or so.

Also, if Yes, whether any environmental compliance report is filed?

Yes, GAIL has two CDM projects described as follows-

- i) **Utilisation of Landfill Gas Project at Ghazipur, Delhi:** GAIL has implemented a pilot LandFill Gas (LFG) Project at Ghazipur Landfill site. Currently, part of the recovered LFG is being safely destroyed in an enclosed flare system and a part of it is also being used to generate electricity through a Micro-Turbine. The LFG consists of Methane gas which is a Green House Gas (GHG) and is 25 times more potent than CO2 in causing Global Warming. The LFG project prevents methane from

escaping into atmosphere and destroys it, thus helping in the reduction of GHG emissions. The LFG Project has been successfully validated and registered with UNFCCC in Sep'2014 for availing carbon credits under CDM mechanism.

The project has improved the living conditions of the local populace and demonstrates GAIL's commitment to the Society.

Yes, environmental clearance was obtained. Additionally, 'Consent to Establish' and 'Consent to Operate' was also obtained from the Delhi Pollution Control Committee (DPCC).

ii) 5 MW Solar Power Plant Project installed by GAIL at Jaisalmer: This project was registered with UNFCCC as CDM project.

Yes, all the regulatory clearances were taken for the commencement of the project

5 Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N.

If yes, please give hyperlink for web page etc.

Yes, GAIL is implementing various initiatives on clean technology and energy efficiency. Few of the initiatives are listed below:

1. GAIL installed India's second largest solar PV rooftop of 5.76MWp at the country's largest natural gas based petrochemical complex at Pata.
2. R&D Initiative on CO₂ emission mitigation by utilizing the same for making dry ice.
3. Light Piping Arrangement during Day (Pilot): Natural sunlight percolation through Light pipe or advanced day lighting solutions for workplace during daytime thereby reducing Lighting requirements and maintenance.
4. Recycling of Treated Water for Horticulture purposes.
5. Flare gas recovery at new C₂C₃ Flare system at Vijapur Organic Waste Compositing (OWC) Unit for Manure conversion of Food & Horticulture waste from Plant and township at various GAIL locations

(For more information Refer to Sustainability Report 2012-13, 2013-14, 2014-15, 2015-16, 2016-17, 2016-17, 2017-18)

GAIL's Sustainability Reports can be found at: http://www.gailonline.com/final_site/SB-Reports.html

6 Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes

7 Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

Zero

Principle 7-

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1 Is your company a member of any trade and chamber or association?

If Yes, Name only those major ones that your business deals with:

Yes, GAIL is a member of following associations:

- a) International Gas Union (IGU)
- b) Standing Conference of Public Enterprises (SCOPE)
- c) Transparency International India (TII)
- d) Global Compact Network of India
- e) TERI Council for Business Sustainability

- f) Federation of Indian Petroleum Industry (FIPI)
- g) Confederation of Indian Industry (CII)
- h) GIIGNL, The International Group of Liquefied Natural Gas Importers
- i) Federation of Indian Chambers of Commerce and Industry (FICCI)
- j) Global Reporting Initiative (GRI) Focal Point India Founding Member
- k) CPMA Chemicals & Petrochemicals Manufacturers' Association

2 Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No;

If yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

Yes

GAIL is part of various prestigious industry bodies and associations which provide a platform to discuss industry issues and convey the industry voices to the government in a collective way to make better inclusive policies and bring reforms. This forms a significant basis for advancement of public good. GAIL also regularly interacts with PNGRB, the regulatory body to update them on current status and industry viewpoint. In FY 2017-18, GAIL was part of following associations -

International Gas Union (IGU) which is a global association aimed at promoting the technical and economic progress of the gas industry and it has close association with GAIL for development of gas sector in India. GAIL represents India as "Charter Member" at IGU. GAIL along with IGU promotes the "Asia Gas Partnership Summit", a bi-annual global conference aimed at discussing industry issues and developing gas market in Asia.

GAIL is one of the three full members of International Group of Liquefied Natural Gas Importers (GIIGNL) in India. GIIGNL offers GAIL a forum for exchange of information and experience among industry counterparts to enhance safety, reliability and efficiency of LNG imports activities and the operation of LNG imports terminals.

GAIL is member of the Federation of Indian Petroleum Industry (FIPI) and part of the Governing Council. FIPI has many specific executive committees of GAIL's interest having member representations from GAIL. FIPI functions as oil industry interface with the Government, regulatory authorities, public and representative bodies of traders in India to work on issues such as optimization of resources, promoting Safety, Tariff, Investments, Healthy Environment and Energy conservation among other issues related to industry.

GAIL is a member of TERI-CBS (TERI- Council for Business Sustainability) which is an industry led consortium of sustainability practitioners. GAIL along with TERI has developed a document which outlines the Indian corporate vision on various aspects of tackling climate change and aligning the vision with Government schemes in this direction.

GAIL is an active member of Standing Conference of Public Enterprises (SCOPE) which is the apex body representing entire spectrum of public sector enterprises (PSEs) in India. SCOPE has representations in various high level Committees/Boards and helps its member PSUs to reach their voice in various platforms.

CMD, GAIL is the member of Federation of Indian Chambers of Commerce & Industry (FICCI) Executive Committee and Co-Chair of FICCI Hydrocarbon Committee. Hydrocarbon committee endeavours to deliberate on issues related to energy security of the country and supplement various efforts of the Government of India and other bodies engaged in this area through its intellectual input. CMD, GAIL also a

member of the Oil Industry Development Board (OIDB).

GAIL is member of Governing Body of World Energy Council (WEC) India, country member of WEC and taking active participation of activities of WEC for development of natural gas in India.

GAIL is a member of CPMA (Chemicals & Petrochemicals Manufacturers' Association) which is the apex forum representing the Indian Petrochemical Industry. Established in 1993, the Association offers its members a podium to collectively present their ideas, voice concerns, and offer suggestions on relevant issues. It provides a linkage between the industry, the Government, and the society. It interacts with the policy authorities and industry associations to develop and maintain harmonious and conducive business conditions.

Further, GAIL is also a signatory to the United Nations Global Compact (UNGC) working in the domain of Human Rights, Labour standards, Environment, and Anti-Corruption. GAIL is governing council member of UN Global Compact Network India (UNGONI). GAIL supported UNGONI 12th National Convention. Further, GAIL also organised a Session on 'Sustainable Energy For All - Role of Gas' as part of UNGONI's 12th National Convention.

Principle 8-

Businesses should support inclusive growth and equitable development

1 Does the company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8?

If yes details thereof.

Yes, GAIL ensures inclusive and equitable growth in pursuit of the goals as listed in Principle 8 by specifically focussing its CSR initiatives on the most disadvantaged and vulnerable sections of the country.

As per GAIL's CSR Policy (Clause 2.2.1), GAIL undertakes CSR projects specifically focusing on target groups recognized in the clause including BPL, SCs, STs, OBS, PwDs, and communities around work centres of GAIL etc.

GAIL's affirmative policies, in compliance with Government of India guidelines, promote diversity and equity as well as recognize people based on merit and skill sets irrespective of their race, caste, religion, colour, ancestry, marital status, gender, age and nationality. All the vacancies are notified on All India Basis. Manpower in GAIL consists of people from all the walks of society. GAIL also follows strict regulations related to industry in terms of minimum wage compensation for semi-skilled and non-skilled contract personnel.

GAIL has made social investment in 7 identified focus areas, each of which is titled considering the objective it seeks to achieve. The table below provides an overview of the focus areas

S.No	Focus Area	Objective
a)	AROGYA (Wellness)	Nutrition, Health & Drinking Water and Sanitation initiatives
b)	UJJAWAL (Towards a Bright future)	Education centric initiatives
c)	KAUSHAL (Skill)	Skill Development and Livelihood Generation Initiatives
d)	UNNATI (Progress)	Rural Development Initiative
e)	SASHAKT (Empowerment)	Women Empowerment
f)	SAKSHAM (Capable)	Care for the elderly and Differently-abled
g)	HARIT (Green)	Environment centric initiatives

Three specific initiatives are undertaken- "Ujjawal", "Saksham" and "Kaushal" were undertaken with an objective to strengthen inclusive growth.

- "Ujjawal" initiative is aimed at undertaking education centric initiatives for the underprivileged segments of the population
- Through "Saksham", special education initiatives for persons with disabilities are undertaken.
- "Kaushal" endeavours to provide employment enhancing vocational skills to especially youth and women living in the disadvantaged segments.

In addition to the above, Company has also set up the GAIL Charitable and Education Trust to extend financial assistance to needy children on merit basis.

2 Are the programmes/ projects undertaken through in-house team/ own foundation/ external NGO/ government structures/ any other organization?

CSR projects at GAIL, are implemented through specialized external agencies including NGOs, Trusts, Foundations, Govt. agencies, PSUs, Pvt. Companies etc. with an established track record of 03 years as mandated in the Companies (Corporate Social Responsibility) Rules, 2014.

In order to ensure that GAIL attains its social commitments, GAIL has adopted a multi-stakeholder approach for implementation of its interventions. GAIL collaborates with communities, governmental and non-governmental organisations, academic institutions and other stakeholders to first identify emerging issues and subsequently develop projects for effectively responding to the challenges. Once interventions/initiatives are identified, they are closely monitored by dedicated CSR professionals of GAIL both at the corporate and on-site level.

Further, through its GAIL Charitable and Education Trust, GAIL has undertaken many education centric initiatives over the last few years, in partnership with Government bodies and NGOs etc.

3 Have you done any impact assessment of your initiative?

Yes

Subsequent to the revision of GAIL CSR Policy, Independent Impact Evaluation has been mandated for all CSR Projects with a cumulative value of ₹ 2 Crores (Clause 5.2 and 5.3). Impact Assessment is taken up post-completion of a project in order to ensure that a clear-cut picture of the project's impacts is construed – both positive and negative.

These Impact Assessment studies are conducted through an independent agency preferably reputed academic institutions or Government agencies.

The Third-Party Assessor provides feedback pertaining to the strengths, weaknesses, opportunities for improvement or modification of the programme (if any) and challenges or threats (if any) pertaining to each programme. Feedback is also provided in the form of case studies for understanding purpose. Specific feedback and recommendations are shared by the Third-Party Assessor pertaining to the "sustainability of the programmes" with an objective to make the programme more sustainable in nature.

The consolidated feedback is shared with GAIL in the assessment report after the completion of impact assessment which is then shared with the Implementing Agency for further improving the project implementation to ensure better impact.

The recent impact assessment study of "Arogya" stated that almost 98.3% people were cured after the treatment given by the MMUs. It also stated that the MMUs have now become the first point of connect for 94.24% of the people. This shows the level of dependence and trust people have on the said flagship programme.

Similarly, Impact Assessment study of Srijan, done by DSSW, reported a

per capita increase in annual income by ₹ 9,000/- for 4000 beneficiaries.

4 What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

A community initiative pertains to projects undertaken to address a 'community' challenge or need. People sharing similar geography or socio-political conditions share parallel problems. Schemes facilitating a community initiative are therefore, utilitarian in nature.

GAIL has taken up several CSR projects for implementation to develop communities primarily around GAIL installations and Pipelines.

For instance, GAIL has been providing healthcare facilities through operation of Mobile Medical Units (presently 31 MMUs), spread out in nine states, covering an estimated 20,000 beneficiaries per MMU, making proactive efforts to address the primary and preventive healthcare. More than 14.5 lakhs people have been benefitted from 2014-15 to 2017-18 under this initiative. TB Free Pata (In Auraiya District of UP) Project is notable in that it has targeted to improve community health by screening more than 25000 families, covering population more than a lakh, and ensuring early diagnosis and treatment of Tuberculosis among the target population. This is also in alignment with the program launched by Honorable PM on 13th March 2018, for making India TB Free by 2025.

The details of CSR expenditure incurred on activities under identified focus areas, is as under:

- a) UNNATI - Rural Development Initiative: ₹ 970.62 lakhs
- b) AROGYA (Total) - Nutrition, Health and Drinking Water and Sanitation initiatives, including Swachh Bharat: ₹ 2,712.88 lakhs
- c) GAIL KAUSHAL - Skill Development and Livelihood Generation Initiatives: ₹ 770.56 lakhs
- d) UJJAWAL - Education centric initiatives: ₹ 810.78
- e) SASHAKT - Women Empowerment: ₹ 75.65 lakhs
- f) Capacity Building- Need/Impact, Overheads, Documentation and other Miscellaneous activities as per Operating Guidelines to GAIL CSR Policy: ₹ 60.83
- g) Others- Training to promote of Rural sports, Nationally recognized sports, Paralympic Sports and Olympics Sports: ₹ 3,763.34

5 Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Yes. All community development initiatives are implemented focussing on the dimension of community involvement/interaction, awareness generation, engagement, stakeholder interaction and capacity building. The initiatives are holistically taken up through a collaborative effort and a process of engagement with the local community, including local governance structures and institutions. The company also emphasises that the implementing agency shall participate in the community development initiative in a phase wise manner, while simultaneously building the community motivation and capability to operate the programme or the service on their own.

Principle 9-

Businesses should engage with and provide value to their customers and consumers in a responsible manner

1 What percentage of customer complaints/consumer cases are pending as on the end of financial year.

Customer	Complaints Received	Complaints Pending	% Pending
	40	0	0

2 Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)

In case of Polymers the logo of GAIL, Product name, lot Number, mfg. date, plant address mark of grade name and batch number are mentioned on the bags. GAIL's polymer products are being packed in 25 kg woven bags at Pata Plant.

Further, the detailed specification, product application etc. are available on printed product brochure and on GAIL's web site having link: http://www.gailonline.com/final_site/BV-Petrochemicals.html

Liquid Hydrocarbon products are marketed by GAIL in bulk only and sold on ex-works basis by loading in road tankers and/or railway wagons deployed by customers. Technical / safety related information on the product being carried is displayed on the truck tanker / rail wagon itself as per local laws and is ensured by the customer/transporter concerned. As the liquid hydrocarbons are transported in bulk quantity, separate labels are not provided for displaying product specific information.

When LHC is transported through road tankers, for the "inflammable products", it is clearly written on the tankers, which are nominated by the customers. Additionally, the product name, safety signage, hazardous chemicals signage, emergency contact no, transporter's name and contact no are also displayed on the tankers.

Further, Company tries to voluntarily engage Customers through various forums such as meets, one to one interaction, and telephonic conversation to provide product information, over and above mandatory requirements.

GAIL has a specific centre, "GAIL Polymer Technology Centre" (GPTC) for addressing customer's concerns regarding polymer product quality. The GPTC also provides quality certificate on case basis.

3 Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

Yes, we submit the status of the following cases which were settled/pending with regard to unfair trade practices, anti-competitive behavior, monopolization as identified against GAIL:

- i) GSPCL filed a case against GAIL before PNGRB claiming Restrictive Trade Practice (RTP) for not allowing to change connectivity from GAIL-PLL to GSPL-PLL connectivity. PNGRB held against GAIL. GAIL challenged the same before APTEL which decided in favor of GAIL. GSPCL appealed against that order before Supreme Court which is pending
- ii) GSPC Gas filed a case against GAIL claiming RTP before PNGRB but the same was held in favor of GAIL. GSPC Gas had filed appeal against the said order before APTEL and the order of PNGRB was reversed. Now GAIL has filed appeal before Supreme Court, which is pending.
- iii) GSPCL filed a case against GAIL before PNGRB claiming RTP alleging that their request for booking capacity on Reasonable Endeavour (RE) Basis has been rejected by GAIL which amounts to RTP. PNGRB held against GAIL. GAIL appealed against the judgment in APTEL and Supreme Court which vide order dated 13.01.2016 set aside the order of PNGRB and remanded the complaint back to PNGRB for re-considerations. PNGRB again held against GAIL. GAIL has preferred appeal before APTEL which is pending.
- iv) Sabarmati filed a case against GAIL & BPCL before PNGRB claiming RTP, which PNGRB held RTP on part of BPCL and not on the part of GAIL. BPCL has appealed against the judgment in

APTEL and has made GAIL a party and same is pending for disposal.

- v) Sravanthi Energy Pvt. Ltd., Beta Infratech Pvt. Ltd. and Gamma Infraprop Pvt. Ltd. had filed complaint before PNGRB alleging RTP against GAIL which was decided against GAIL by PNGRB vide order dated 11.04.2016 and imposed a penalty of ₹ 10 lac against GAIL and directed GAIL to cease RTP and pay cost of ₹ 2 lacs each to each of the party. Also directed to return the BG and SD to the parties. GAIL has filed appeal before APTEL which is pending.
- vi) Omax Autos and Rico filed complaint before CCI against GAIL alleging abuse of dominant position in the market. CCI vide order dated 16.10.2016 directed DGI to conduct investigation against GAIL for such abuse. During investigation 2 more cases filed by Rathee Steel and Mohan Meakin Ltd. was also referred to the DGI for investigation. The said investigation has been completed wherein GAIL has cooperated with the DGI by furnishing all the relevant information and documents as required by the DGI. The DGI has submitted his report to the CCI for consideration.
- vii) GIPCL: GIPCL had also complained against GAIL before CCI alleging abuse of dominant position in the market. However, CCI declined the complaint. But GIPCL appealed against that order before COMPAT which directed investigation by DGI against GAIL for such abuse. GAIL has filed appeal against the said order before Supreme Court wherein the direction for investigation has been stayed and is pending before Supreme Court.
- viii) A RTP complaint has been filed by Reliance Industries Ltd. against GAIL. GAIL filed application before PNGRB for referring the dispute to Arbitration which was rejected by PNGRB vide order dated 22.12.2016, therefore, GAIL has preferred an appeal before APTEL against the said order of PNGRB. APTEL has referred the appeal back to PNGRB for consideration. PNGRB in its hearing dated 04.05.2018 directed parties to settle the issue amicably. The matter is now listed for update on settlement on 30.07.2018.
- ix) M/s. Pioneer Gas Power Ltd has filed a complaint alleging RTP against GAIL for charging Ship or Pay charges under the GTA. The said complaint is pending before PNGRB.

In particular, following case was settled during 2017-18:

- i) RTP complaint was filed by Pacific Development Corporation Limited against GAIL in 2016-17 which was amicably settled and

later Pacific Development has withdrawn their complaint from PNGRB on 06.02.2018.

4 Did your company carry out any consumer survey/ consumer satisfaction trends?

Yes, GAIL has an on-line SAP based survey for obtaining customer's feedback/responses through Stakeholder Satisfaction Index (SSI). SSI, as a tool, obtains customer's perspectives on company's products and services in various business segments. A web link is shared with the customers through email for filling up the survey. Customer's feedback / responses on various parameters pertaining to quality, delivery, service, technical support etc, is obtained on the scale of 1 to 10 representing increasing level of customer satisfaction. SSI is derived from the score given by the customers on above parameters. SSI-Survey is carried out on half yearly basis. For FY 2017-18, weightage average SSI score is 88.30%.

Note 2: The data presented covers the following GAIL units:

- Gas Processing Units (GPUs) at Gandhar, Pata, Usar, Vaghodia and Vijapur;
- Petrochemical unit at Pata and C2/C3 plants at Pata and Vijapur;
- Natural Gas compressor stations at Dibiyapur, Chainnsa, Kailaras, Hazira, Jhabua, Khera, Vaghodia and Vijapur;
- LPG pumping / receiving stations at Abu Road, Cherlappali, G Konduru, Jamnagar, Kandla, Loni, Mansarampura, Nasirabad, Samakhiali and Vizag;
- Regional pipeline offices at Agartala, Baroda, Mumbai, Cauvery, Rajahmundry and Kochi;
- E&P Noida;
- GAIL Training Institute (GTI) at Jaipur and Noida;
- Corporate Office at New Delhi;
- Jubilee Tower/Info Hub at Noida; and
- 11 Zonal Marketing Offices at Delhi, Kolkata (WB), Chennai (T.N), Bangalore (Karnataka), Bhopal (M.P), Chandigarh (Haryana), Jaipur (Rajasthan), Hyderabad (A.P), Lucknow (U.P), Mumbai (Maharashtra), Ahmedabad (Gujarat).

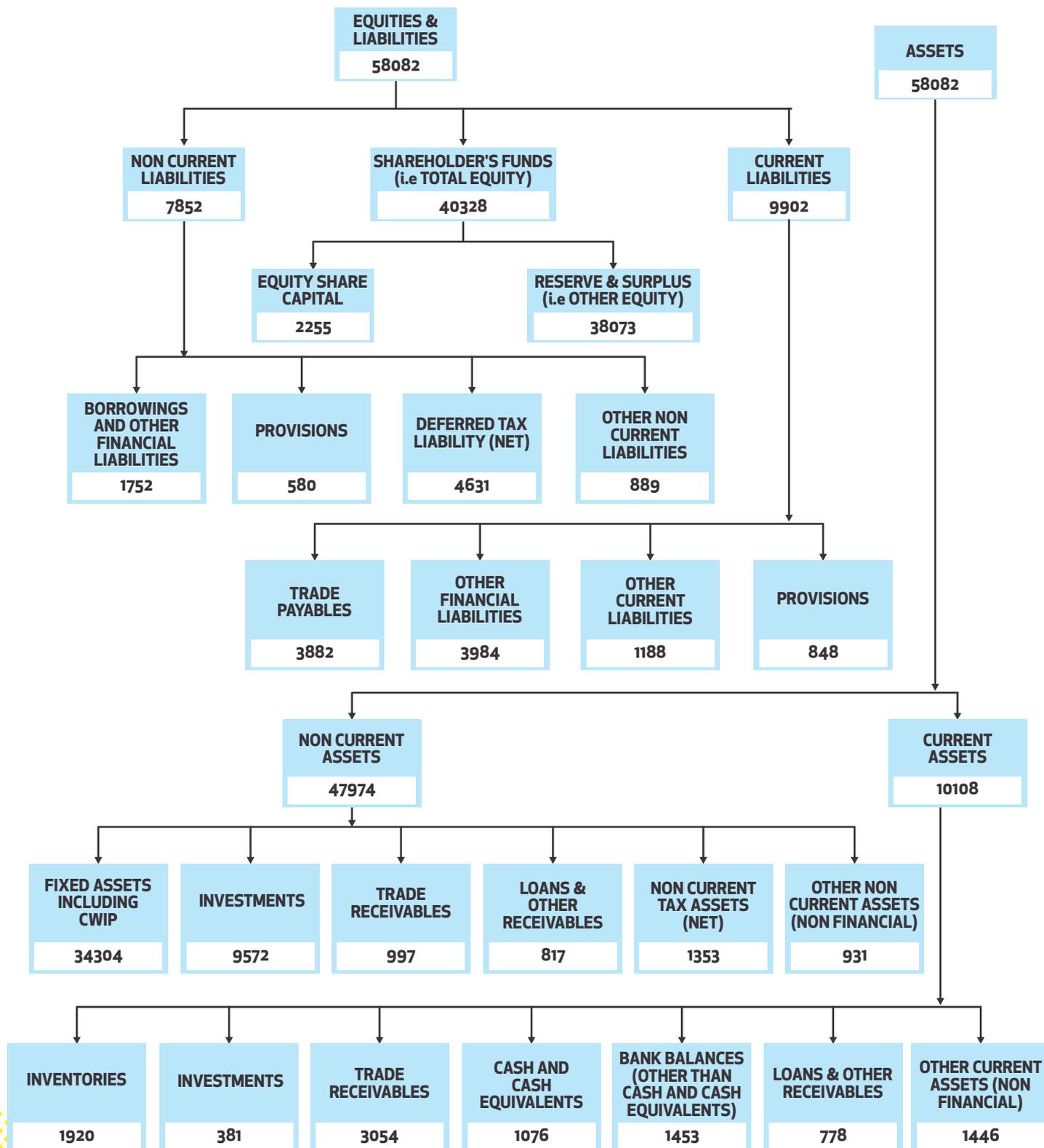
Note 3: Consumer wise reduction of usage of energy, material, and water are not detailed out as GAIL doesn't have a mechanism to track reduction in energy, material, and water usage at consumer end.

Five Year Profile



STATEMENT OF ASSETS AND LIABILITIES AS AT 31ST MARCH 2018

(₹ in crores)



Five Year Profile (Standalone)

(₹ in crores)

Particulars	2013-14	2014-15	2015-16*	2016-17**	2017-18*
(A) PHYSICAL PERFORMANCE					
1. Natural Gas Marketing (in MMSCMD)	79.18	72.07	73.67	81.21	85.01
2. Natural Gas Transmission (in MMSCMD)	96.22	92.10	92.09	100.38	105.23
Installed Capacity (in MMSCMD)	206.03	206.03	206.03	206.03	206.03
Capacity Utilization %	46.70%	44.70%	44.70%	48.72%	51.08%
3. LPG Transmission (in TMT)	3145	3093	2819	3362	3721
Installed Capacity (in TMT)	3780	3780	3780	3780	3780
Capacity Utilization %	83.20%	81.83%	74.57%	88.93%	98.44%
4. LPG Production (in TMT)	1,027	1,039	855	862	989
Installed Capacity (in TMT)	1,112	1,112	1,112	1,040	1,068
Capacity Utilization %	92.28%	93.45%	76.84%	82.83%	92.62%
5. SBP Solvent/Naphtha Production (in TMT)	120	99	83	82	94
Installed Capacity (in TMT)	128	128	128	98	124
Capacity Utilization %	93.69%	77.28%	65.16%	83.93%	76.30%
6. Pentane Production (in TMT)	22	23	23	24	30
Installed Capacity (in TMT)	74	74	74	74	58
Capacity Utilization %	29.46%	30.94%	30.89%	32.17%	51.33%
7. Propane Production (in TMT)	134	116	128	144	165
Installed Capacity (in TMT)	201	201	201	306	257
Capacity Utilization %	66.84%	57.59%	63.68%	46.99%	64.18%
8. Polymer (in TMT)	440	452	344	604	671
Installed Capacity (in TMT)	410	810	810	810	810
Capacity Utilization %	107.35%	55.76%	42.49%	74.58%	82.84%
(B) INCOME STATEMENT					
Gross Sales	58,012.06	57,291.97	52,003.40	48,788.75	53,690.03
Excise Duty	766.96	722.52	474.71	734.14	163.91
Net Sales	57,245.10	56,569.45	51,528.69	48,054.61	53,526.12
Gross Margin (EBIDTA)	7,944.66	5,619.92	5,171.62	7,286.96	8,648.62
Depreciation & Amortisation	1,176.15	974.26	1,309.79	1,396.78	1,415.14
Finance Cost	366.19	361.30	799.86	479.36	275.11
Profit/(Loss) Before Tax	6,402.32	4,284.36	3,061.97	5,410.82	6,958.37
Profit/(Loss) After Tax	4,375.27	3,039.17	2,226.43	3,502.91	4,618.41
Dividend Including Interim Dividend	1,319.21	761.08	697.66	1,458.78	1,750.50
Corporate Dividend Tax	224.20	153.56	142.03	295.35	352.53
(C) EQUITY, LIABILITIES AND ASSETS					
EQUITY					
Equity Share Capital	1,268.48	1,268.48	1,268.48	1,691.30	2,255.07
Other Equity	25,803.85	27,851.04	33,826.07	36,458.07	38,073.05
Shareholder's Fund	27,072.33	29,119.52	35,094.55	38,149.37	40,328.12
LIABILITY					
Secured Loans	4,679.75	3,651.00	2,893.91	1,749.13	499.49
Unsecured Loans	5,588.33	5,904.92	5,165.34	3,313.01	1,580.12
Deferred Tax Liability (Net)	2,566.37	3,308.65	4,071.38	3,722.88	4,630.93
Other Non Current Liabilities	1,175.21	2,658.33	1,728.52	2,086.28	2,246.31
Current Liabilities (Excluding Current Maturities of Long Term Debt)	8,729.34	8,250.81	6,843.70	6,316.29	8,797.21
Total Equity And Liability	49,811.33	52,893.23	55,797.40	55,336.96	58,082.18

Particulars	2013-14	2014-15	2015-16*	2016-17**	2017-18*
ASSETS					
Net Plant Property & Equipment (Including Intangible Assets)	21,476.63	27,759.69	28,466.95	28,506.19	28,789.77
Capital Work-In-Progress (Including Intangible)	9,757.19	4,360.03	3,420.20	3,803.39	5,514.02
Investments	4,288.70	4,322.36	8,572.38	9,377.08	9,571.60
Other Non Current Assets	3,038.49	5,855.82	5,929.42	4,519.08	4,098.16
Current Assets	11,250.32	10,595.33	9,408.45	9,131.22	10,108.63
Total Assets	49,811.33	52,893.23	55,797.40	55,336.96	58,082.18
Net Worth	26,858	28,888	30,699	32,350	35,142
Capital Employed	39,907	41,984	47,226	46,934	47,039
Contribution To National Exchequer	6,993	5,788	4,929	5,909	6,782
Market Capitalisation-BSE	47,701	49,192	45,209	63,669	74,102
No. of Employees	4,022	4,267	4,321	4,355	4,486
Value Added	9,663	7,413	7,129	9,510	10,725
Value Added Per Employee	2.40	1.74	1.65	2.18	2.39
Capex during the Year	4,398	3,392	1,460	1,929	3,567
(D) CASH FLOW					
NET CASH PROVIDED BY / (USED IN)					
Operating Activities	4,921.57	2,444.07	4,070.62	5,760.94	8,662.60
Investing Activities	(3,231.73)	(964.43)	(670.88)	(380.07)	(2,567.95)
Financing Activities	(1,396.80)	(2,988.98)	(3,318.03)	(5,238.31)	(5,470.45)
(E) KEY FINANCIAL INDICATORS					
Net Worth Per Rupee of Paid-Up Capital (Rs.)	21.17	22.77	24.20	19.13	15.58
Debt to Equity Ratio	0.38	0.33	0.26	0.16	0.06
EBIDTA/Gross Turnover (%)	13.69	9.81	9.94	14.94	16.11
Return On Capital Employed (%)	16.96	11.07	8.18	12.55	15.38
Return on Net Worth (%)	16.29	10.52	7.25	10.83	13.14
Gross Sales To Capital Employed (%)	145.37	136.46	110.12	103.95	114.14
Dividend Payout Ratio (%) (Including Dividend Tax)	35.28	30.10	37.71	50.08	45.54
Earning Per Share (Rs.)	34.49	23.96	17.55	20.71	20.48
Dividend Per Share (Rs.)	10.40	6.00	5.50	8.63	7.76

* Figures for these years are as per new accounting standard (Ind AS) and Schedule III of the Companies Act, 2013. All the ratios for these years are computed on the basis of figures as per Ind AS. Hence these numbers are not fully comparable with previous years.

**Previous Year (i.e. FY 2016-17) figure have been regrouped/re-classified wherever necessary to correspond with current year's classification/disclosure.

Notes

Borrowing	Both Secured and Unsecured Loans are inclusive of Current Maturities of Long Term Debt & Current Loans
Capital Employed	Equity Share Capital+Other Equity+Long Term Borrowing+Deferred Tax Liability (Net)+Current Maturities of Long Term Debt
Net Worth	Equity Share Capital+Other Equity (Excluding Transition Reserves, Other Comprehensive Income & Bond Redemption Reserve)
Net Worth Per Rupee of Paid-Up Capital	Net Worth / Equity Share Capital
EBIDTA/Gross Turnover (%)	EBDITA / Gross Turnover
Return On Capital Employed (%)	PBIT / Capital Employed
Return on Net Worth (%)	PAT / Net Worth
Gross Sales To Capital Employed (%)	Gross Sales / Capital Employed
Dividend Payout Ratio (%) (Including Dividend Tax)	(Dividend + Corporate Dividend Tax) / PAT
Earning Per Share (Rs.)	PAT / Weighted Average No of Equity Share Outstanding During the Period
Dividend Per Share (Rs.)	Dividend / No. of Equity Shares

Five Year Profile (Standalone)

(In US\$ Millions)

Particulars	2013-14	2014-15	2015-16*	2016-17**	2017-18*
(A) INCOME STATEMENT					
Gross Sales	9,571.37	9,066.62	7,773.30	7,456.63	8,180.71
Excise Duty	126.54	114.34	70.96	112.20	24.97
Net Sales	9,444.83	8,952.28	7,702.35	7,344.43	8,155.74
Gross Margin (EBIDTA)	1,310.78	889.37	773.04	1,113.70	1,317.78
Depreciation & Amortisation	194.05	154.18	195.78	213.48	215.62
Finance Cost	60.42	57.18	119.56	73.26	41.92
Profit/(Loss) Before Tax	1,056.31	678.01	457.69	826.96	1,060.24
Profit/(Loss) After Tax	721.87	480.96	332.80	535.37	703.70
Dividend Including Interim Dividend	217.66	120.44	104.28	222.95	266.72
Corporate Dividend Tax	36.99	24.30	21.23	45.14	53.71
(B) EQUITY, LIABILITIES AND ASSETS					
EQUITY					
Equity Share Capital	209.29	200.74	189.61	258.49	343.60
Other Equity	4,257.36	4,407.51	5,056.21	5,572.07	5,801.17
Shareholder's Fund	4,466.64	4,608.25	5,245.82	5,830.56	6,144.77
LIABILITY					
Secured Loans	772.11	577.78	432.57	267.33	76.11
Unsecured Loans	922.01	934.47	772.10	506.34	240.76
Deferred Tax Liability (Net)	423.42	523.60	608.58	568.99	705.61
Other Non Current Liabilities	193.90	420.69	258.37	318.86	342.27
Current Liabilities (Excluding Current Maturities of Long Term Debt)	1,440.25	1,305.71	1,022.97	965.35	1,340.43
Total Equity And Liability	8,218.34	8,370.51	8,340.42	8,457.43	8,849.94
ASSETS					
Net Plant Property & Equipment (Including Intangible Assets)	3,543.41	4,393.05	4,255.15	4,356.75	4,386.68
Capital Work-In-Progress	1,609.83	689.99	511.24	581.29	840.17
Investments	707.59	684.03	1,281.37	1,433.15	1,458.42
Other Non Current Assets	501.32	926.70	886.31	690.67	624.43
Current Assets	1,856.18	1,676.74	1,406.35	1,395.57	1,540.25
Total Assets	8,218.34	8,370.51	8,340.42	8,457.43	8,849.94
Net Worth	4,431.30	4,571.66	4,588.85	4,944.18	5,354.62
Capital Employed	6,584.19	6,644.10	7,059.20	7,173.22	7,167.25
Contribution To National Exchequer	1,153.77	915.97	736.77	903.10	1,033.32
Market Capitalisation-BSE	7,870.15	7,784.78	6,757.70	9,730.86	11,290.87
No. of Employees	4,022	4,267	4,321	4,355	4,486
Value Added	1,594.29	1,173.13	1,065.62	1,453.46	1,634.13
Value Added Per Employee	0.40	0.27	0.25	0.33	0.36
Capex during the Year	725.69	536.82	218.29	294.85	543.48
(C) CASH FLOW					
NET CASH PROVIDED BY / (USED IN)					
Operating Activities	812.01	386.78	608.46	880.47	1,319.91
Investing Activities	(533.20)	(152.62)	(100.28)	(58.09)	(391.28)
Financing Activities	(230.46)	(473.01)	(495.97)	(800.60)	(833.53)
# INR Converted in US\$ at the exchange rate prevalent on 31st March of respective financial year	60.61	63.19	66.90	65.43	65.63

*Figures for these years are as per new accounting standard (Ind AS) and Schedule III of the Companies Act, 2013. All the ratios for these years are computed on the basis of figures as per Ind AS. Hence these numbers are not fully comparable with previous years.

**Previous Year (i.e. FY 2016-17) figure have been regrouped/re-classified wherever necessary to correspond with current year's classification/disclosure.

Five Year Profile (Consolidated)

(₹ in crores)

Particulars	2013-14	2014-15	2015-16*	2016-17**	2017-18*
(A) INCOME STATEMENT					
Gross Sales	62,598.79	61,428.73	52,355.08	49,236.70	54,556.09
Excise Duty	955.29	914.00	499.80	761.80	197.96
Net Sales	61,643.50	60,514.73	51,855.28	48,474.90	54,358.13
Gross Margin (EBIDTA)	9,254.63	6,576.76	5,283.16	7,237.28	8,757.56
Depreciation & Amortisation	1,663.50	1,432.57	1,495.60	1,543.01	1,526.89
Finance Cost	668.71	651.83	821.83	510.99	294.91
Profit/(Loss) Before Tax	6,922.42	4,492.36	2,965.73	5,183.28	6,935.76
Profit/(Loss) After Tax (Excluding Minority Interest)	4,786.22	3,160.05	1,869.22	3,368.16	4,799.07
Dividend Including Interim Dividend	1,319.21	761.08	697.66	1,458.75	1,750.50
Corporate Dividend Tax	224.20	153.56	142.03	295.33	356.36
(B) EQUITY, LIABILITIES AND ASSETS					
EQUITY					
Equity Share Capital	1,268.48	1,268.48	1,268.48	1,691.30	2,255.07
Other Equity	31,188.47	32,754.19	35,134.93	37,613.59	39,423.50
Shareholder's Fund	32,456.95	34,022.67	36,403.41	39,304.89	41,678.57
Non Controlling Interest	1,758.78	1,758.30	27.24	33.00	38.92
LIABILITY					
Secured Loans	11,793.64	11,237.71	2,893.91	1,914.22	653.17
Unsecured Loans	6,743.30	7,053.64	6,156.86	4,096.28	2,565.72
Deferred Tax Liability (Net)	2,730.35	3,547.69	4,824.81	5,293.07	5,039.11
Other Non Current Liabilities including Provisions	1,314.52	2,851.76	1,751.04	2,112.24	2,273.45
"Current Liabilities including Provisions (Excluding Current Maturities of Long Term Debt & Short Term Borrowings)"	10,044.39	9,173.48	6,980.31	6,465.37	9,085.20
Total Equity And Liability	66,841.9	69,645.3	59,037.6	59,219.1	61,334.14
ASSETS :					
"Net Plant Property & Equipment (Including Intangible Assets)"	27,779.37	33,850.05	29,946.45	30,091.84	30,480.29
Capital Work-In-Progress	20,400.43	16,247.80	3,406.14	3,956.08	5,938.39
"Investments / Advances For Investment (Including Pending Allotment & Short Term Investments)"	1,476.85	1,633.06	9,844.40	10,268.13	10,559.43
"Other Non Current Assets (Including Goodwill on Consolidation)"	3,032.90	5,550.71	6,228.24	5,524.29	3,467.61
Current Assets	14,152.38	12,363.63	9,612.36	9,378.73	10,888.42
TOTAL ASSETS	66,841.93	69,645.25	59,037.59	59,219.07	61,334.14
NET WORTH	28,958	30,420	31,989	33,492	36,464
CAPITAL EMPLOYED INCLUDING ASSETS UNDER CONSTRUCTION & INVESTMENTS	55,483	57,620	50,307	49,913	49,686
(C) CASH FLOW					
NET CASH PROVIDED BY / (USED IN)					
Operating Activities	4,615.18	4,214.12	3,960.36	6,078.90	8,768.71
Investing Activities	(4,142.13)	(2,115.66)	(903.73)	(833.73)	(2,631.60)
Financing Activities	(2.59)	(3,058.47)	(3,027.60)	(4,830.34)	(5,251.62)
(D) KEY FINANCIAL INDICATORS					
"Net Worth Per Rupee Of Paid-Up Capital (₹)"	22.83	23.98	25.22	19.80	16.17
EBIDTA/Gross Turnover (%)	14.78	10.71	10.09	14.70	16.05
Return On Capital Employed (%)	13.68	8.93	7.53	11.41	14.55
Return on Net Worth (%)	16.53	10.39	5.84	10.06	13.16
Gross Sales To Capital Employed (%)	112.83	106.61	104.07	98.65	109.80
"Dividend Payout Ratio (%) (Including Dividend Tax)"	32.25	28.94	44.92	52.08	43.90
Earning Per Share (₹)	37.73	24.91	14.74	19.91	21.28
Dividend Per Share (₹)	10.40	6.00	5.50	8.63	7.76

* Figures for these years are as per new accounting standard (Ind AS) and Schedule III of the Companies Act, 2013. All the ratios for these years are computed on the basis of figures as per Ind AS. Hence these numbers are not fully comparable with previous years.

Please refer five year profile (standalone) for formula of various ratios

** Previous Year (i.e. FY 2016-17) figure have been regrouped/re-classified wherever necessary to correspond with current year's classification/disclosure.



Five Year Profile (Consolidated)

(In US\$ Millions)

Particulars	2013-14	2014-15	2015-16*	2016-17**	2017-18*
(A) INCOME STATEMENT					
Gross Sales	10,328.13	9,721.27	7,825.87	7,525.10	8,312.68
Excise Duty	157.61	144.64	74.71	116.43	30.16
Net Sales	10,170.52	9,576.63	7,751.16	7,408.67	8,282.51
Gross Margin (EBIDTA)	1,526.91	1,040.79	789.71	1,106.11	1,334.38
Depreciation & Amortisation	274.46	226.71	223.56	235.83	232.65
Finance Cost	110.33	103.15	122.84	78.10	44.94
Profit/(Loss) Before Tax	1,142.13	710.93	443.31	792.19	1,056.80
Profit/(Loss) After Tax (Excluding Minority Interest)	789.67	500.09	279.40	514.77	731.23
Dividend Including Interim Dividend	217.66	120.44	104.28	222.95	266.72
Corporate Dividend Tax	36.99	24.30	21.23	45.14	54.30
(B) EQUITY, LIABILITIES AND ASSETS					
EQUITY					
Equity Share Capital	209.29	200.74	189.61	258.49	343.60
Other Equity	5,145.76	5,183.45	5,251.86	5,748.68	6,006.93
Shareholder's Fund	5,355.05	5,384.19	5,441.47	6,007.17	6,350.54
Non Controlling Interest	290.18	278.26	4.07	5.04	5.93
LIABILITY					
Secured Loans	1,945.82	1,778.40	432.57	292.56	99.52
Unsecured Loans	1,112.57	1,116.26	920.31	626.06	390.94
Deferred Tax Liability (Net)	450.48	561.43	721.20	808.97	767.81
Other Non Current Liabilities including Provisions	216.88	451.30	261.74	322.82	346.40
Current Liabilities including Provisions (Excluding Current Maturities of Long Term Debt & Short Term Borrowings)	1,657.22	1,451.73	1,043.39	988.14	1,384.31
Total Equity And Liability	11,028.20	11,021.56	8,824.75	9,050.75	9,345.44
ASSETS :					
"Net Plant Property & Equipment (Including Intangible Assets) "	4,583.30	5,356.87	4,476.30	4,599.09	4,644.26
Capital Work-In-Progress	3,365.85	2,571.26	509.14	604.63	904.83
"Investments / Advances For Investment (Including Pending Allotment & Short Term Investments) "	243.66	258.44	1,471.51	1,569.33	1,608.93
"Other Non Current Assets (Including Goodwill on Consolidation) "	500.40	878.42	930.98	844.31	528.36
Current Assets	2,334.99	1,956.58	1,436.83	1,433.40	1,659.06
TOTAL ASSETS	11,028.20	11,021.56	8,824.75	9,050.75	9,345.44
NET WORTH	4,777.69	4,813.99	4,781.62	5,118.78	5,555.98
CAPITAL EMPLOYED INCLUDING ASSETS UNDER CONSTRUCTION & INVESTMENTS	9,154.10	9,118.53	7,519.75	7,628.46	7,570.67
(C) CASH FLOW					
NET CASH PROVIDED BY / (USED IN)					
Operating Activities	761.46	666.90	591.98	929.07	1,336.08
Investing Activities	(683.41)	(334.81)	(135.09)	(127.42)	(400.98)
Financing Activities	(0.43)	(484.01)	(452.56)	(738.25)	(800.19)
# INR Converted in US\$ at the exchange rate prevalent on 31st March of respective financial year	60.61	63.19	66.90	65.43	65.63

*Figures for these years are as per new accounting standard (Ind AS) and Schedule III of the Companies Act, 2013. All the ratios for these years are computed on the basis of figures as per Ind AS. Hence these numbers are not fully comparable with previous years.

**Previous Year (i.e. FY 2016-17) figure have been regrouped/re-classified wherever necessary to correspond with current year's classification/disclosure.

Standalone Financial Statement



Independent Auditors' Report

To the Members of GAIL (India) Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying Standalone Ind AS financial statements of GAIL (India) Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statements, that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone Ind AS Financial Statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit of the Standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March 2018, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to the following matters in the Notes to the financial statements:

- Note No: 36 (c) & (d)-regarding various provisional transportation tariff orders issued by Petroleum and Natural Gas Regulatory Board (PNGRB), these orders have been contested by the company at Appellate Tribunal for Electricity (APTEL) and adjustment if any will be recognized as and when matter is finally decided.

- Note no. 65 -regarding accounting of embedded derivative in certain contracts entered into by the company through international competitive bidding, for which the company is evaluating applicability of provisions of Ind-AS 109 (Financial instruments) and has referred the matter to the Expert Advisory Committee of Institute of Chartered Accountants of India for expert opinion in the matter.

Our opinion is not modified in respect of above matters.

Other Matters

We draw attention to the following matters in the Notes to the financial statements:

- Note no. 51 (B) (iii), regarding inclusion of proportionate share in Jointly Controlled Operations in the standalone financial statements of the company. The total proportionate share includes Assets of ₹ 1,756.97 Crore, Liabilities of ₹ 390.92 Crore, Expenditure of ₹ 430.55 Crore, Income of ₹ 632.97 Crore along with the elements making up the Cash Flow Statement and related disclosures. The aforesaid amounts have been included based on the unaudited statements of these entities. Management is of view that this will not have a material impact on the company's financial statements.

Our opinion is not modified in respect of above matter.

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in "Annexure -A" a statement on the matters specified in paragraphs 3 and 4 of the said Order.
- As required by Comptroller and Auditor General of India through directions/sub-directions issued under Section 143(5) of the Companies Act 2013, on the basis of written representation received from the management, we give our report on the matter specified in the "Annexure -B" attached.
- As required by Section 143(3) of the Act, we report that:
 - We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - The Balance Sheet, the Statement of Profit and Loss (including the Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.
 - Being a Government Company pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of sub-section (2) of Section 164 of the Companies Act, 2013, are not applicable to the Company.
 - We are enclosing herewith a report in "Annexure - C" for our opinion on adequacy of internal financial controls system in place in the company and the operating effectiveness of such controls;
 - With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS financial statements. Refer Note 30 (1)(a) to the financial statements.
 - The Company has made provision, as required under the applicable law or Indian accounting standards, for material foreseeable losses, if any and to the extent ascertainable, on long-term contracts including derivative contracts.
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **O.P. Bagla & Co. LLP**
(Formerly O P Bagla & Co.)
Chartered Accountants
Firm No.: 000018N/N500091

Rakesh Kumar
Partner
Membership No.:087537

Place: **New Delhi**
Dated: **24th May, 2018**

For **ASA & Associates LLP**
Chartered Accountants
Firm No.: 009571N/N500006

Parveen Kumar
Partner
Membership No.:088810

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 to "Report on Other legal and regulatory requirements" of the Independent Auditors' Report of even date to the members of GAIL (INDIA) LIMITED on the Standalone Ind AS Financial Statements for the year ended 31st March 2018.

- (i) (a) As informed to us the company has generally maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to information and explanation given to us, there is a regular programme of physical verification of these fixed assets by the management which in our opinion is reasonable having regard to the size of the company and nature of its assets. As informed to us no material discrepancies were noticed on such verification.
- (c) As informed to us and as verified by us during the course of our audit the title deeds of immovable properties are held in name of the company except for the cases as follows.

Description of Asset	No. of cases	Area in Hectares	Gross block as on 31.03.2018 (₹ in Cr.)	Net block as on 31.03.2018 (₹ in Cr.)
Land				
- Freehold	11	6.85	23.35	23.35
- Leasehold	6	174.40	3.21	2.45
- Leasehold-stated at carrying value (classified as prepayment under non-financial assets)	2	24.58	5.63	5.63

- (ii) As informed to us physical verification of inventory has been conducted at reasonable intervals by the management except the store and spares lying with the third parties. We have been explained that the stock of gas at the end of the year has been taken with reference to reading of Turbine Flow Meter/Gas Chromatograph installed at Terminals, Stock of LPG/Pentane/SBP Solvent are determined with reference to Tank Level Gauge measurement which are converted into tonnage by measurement of density and applying correction factor for temperature. LPG vapors volume is converted to tonnage by standard formulae. As informed to us no material discrepancies were noticed on physical verification of inventory.
- (iii) As informed to us the company has granted unsecured loans to companies covered in the register maintained under section 189 of the Companies Act 2013. In respect of such loans:

S. No.	Name of Statute	Nature of the Dues	Period to which the amount relates	Forum where the dispute is pending	Gross disputed amount	Amount deposited under protest/ appeal	Amount not deposited
1	Entry Tax Act of respective States	Entry Tax / Penalty / Interest	2002-03 to 2004-05	Hon. High Court, Allahabad	19.90	-	19.90
			1999-00 to 2009-10	Commercial Tax Tribunal, UP	219.46	6.41	213.05
			2008-09	Additional Commissioner (Appeals) Noida, Commercial Taxes	0.50	-	0.50
			2015-16	Additional Commissioner (Appeals) Gwalior, Commercial Taxes	18.75	-	18.75
			2002-03 to 2005-06	Dy. Commissioner (Appeals), Commercial Tax, Ajmer	6.69	-	6.69
			2011-12 & 2012-13	Dy. Commissioner (Appeal) Bengaluru	0.15	-	0.15
SUB-TOTAL					265.45	6.41	259.04

- (a) As informed to us and as verified by us no loans have been granted during the year to any of the parties covered in the register as aforesaid.
- (b) Repayment of the principal amount and payment of interest in respect of one of the loans have not been regular during the year. In this respect the company has settled the outstanding loan and interest thereon by way of converting the same into equity shares of the borrower company for partial amount and balance amount has been recovered in accordance with such settlement. (Refer Note 54)
- (c) As informed to us, no amount of loan is overdue as at end of the year for a period more than ninety days.
- (iv) According to the information and explanations given to us, the company has complied with the provisions of Section 185 and 186 of Companies Act 2013 in respect of loans/investment/guarantee/security granted during the year.
- (v) The company has not accepted any deposits, in terms of the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.
- (vi) We have broadly reviewed the accounts and records maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013 read with Companies (Cost Records & Audit) Rules, 2014 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made detailed examination of the records with a view to determine whether they are accurate and complete.
- (vii) (a) According to records of the company and information and explanation given to us the company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, Goods and Service Tax and any other statutory dues with the appropriate authorities. According to information and explanation given to us there are no outstanding statutory dues as referred above as at the last day of the financial year under audit for a period of more than six months from the date they became payable.
- (b) As certified by the management on which we have relied upon the dues of income tax or sale tax or service tax or duty of custom or duty of excise or value added tax or cess or Goods and Service Tax which have not been deposited on account of dispute or deposited under protest and the forum where the dispute is pending are given below:

(Amount ₹ in Crores)

S. No.	Name of Statute	Nature of the Dues	Period to which the amount relates	Forum where the dispute is pending	Gross disputed amount	Amount deposited under protest/ appeal	Amount not deposited
2	Central Sales Tax Act, 1956 and respective State Sales Tax/ VAT Act	CST/ Sales Tax /VAT/ Penalty/ Interest	2011-12	Hon. High Court, Gwalior	10.31	3.24	7.07
			2003-2004	Hon. High Court, Mumbai	0.63	0.03	0.60
			2003-2004	Hon. High Court, Guwahati	0.29	0.14	0.15
			2006-07 to 2010-11	Sales Tax Tribunal Mumbai	55.10	20.12	34.98
			Oct 2011 to Dec 2011	Joint Commissioner of Commercial Taxes, Trichy	0.65	-	0.65
			2005-06 to 2011-12	Joint Commissioner (Appeals), Sales Tax, Mumbai	64.12	5.94	58.18
			2014-15	Dy.Commissioner (Appeals), Commercial Taxes, Ernakulam	2.85	0.07	2.78
			2003-04, 2008-09, 2009-10, 2012-13	Joint Commissioner (Appeals), Commercial Tax, Vadodara	93.60	82.98	10.62
SUB -TOTAL					227.55	112.52	115.03
3	Central Excise Act 1944	Central Excise Duty/ Interest/ Penalty	Mar 2000 to Feb 2002, April 2002 to March 2003 & Nov 2004 to Feb 2005	Hon. Supreme Court	56.20	-	56.20
			Sept 2006 to Feb 2014	Customs, Excise and Service Tax Appellate Tribunal, Delhi	2772.96	-	2772.96
			Jan 2001 to Feb 2005	Customs, Excise and Service Tax Appellate Tribunal, Mumbai	212.51	-	212.51
			July 2004 to March 2011	Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad	149.62	-	149.62
			April 2008 to March 2010 & July 2010 to Nov 2010	Customs, Excise and Service Tax Appellate Tribunal, Kolkata	98.06	0.66	97.40
			April 2008 to July 2009	Commissioner Vadodara	47.46	-	47.46
			SUB -TOTAL				
4	Finance Act 1994 (Service Tax)	Service Tax/ Interest/ Penalty	Oct. 2006 to Mar 2015	Customs, Excise and Service Tax Appellate Tribunal, Delhi	49.18	1.36	47.82
			Aug. 2005 to Sept 2009	Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad	10.31	-	10.31
			July 2010 to Nov 2010	Commissioner (Appeals) GST, Delhi	0.65	-	0.65
			2014-15	Commissioner (Appeals) GST, Noida	0.86	-	0.86
			Jan 2011 to March, 2012	Commissioner (Appeals) GST, Lucknow	0.29	-	0.29
SUB -TOTAL					61.29	1.36	59.93

S. No.	Name of Statute	Nature of the Dues	Period to which the amount relates	Forum where the dispute is pending	Gross disputed amount	Amount deposited under protest/ appeal	Amount not deposited
5	Customs Act, 1962	Customs Duty/ Interest/ Penalty	March 2006	Customs, Excise and Service Tax Appellate Tribunal, Delhi	0.53	0.46	0.07
			Oct 2015 to Mar 2016	Commissioner of Customs, Excise and Service Tax, (Appeals), Pune	0.31	0.02	0.29
			March 2013 to July 2014	Commissioner of Customs, Excise and Service Tax, (Appeals), Ahmedabad	7.78	7.78	-
SUB -TOTAL					8.62	8.26	0.36
6	Income Tax Act, 1961	Income Tax/ Penalty/ Interest	A.Y. 2008-09 to A.Y. 2018-19	Jurisdictional Assessing Officer (TDS)	1.27	-	1.27
			A.Y. 2013-14, 2014-15 & 2015-16	Commissioner Income Tax (Appeals)-22, New Delhi	145.27	145.27	-
			A.Y. 1996-97 to 2012-13	Income Tax Appellate Tribunal, Delhi	1,920.46	1,245.57	674.89
			1997-98 & 1998-99	Hon. Supreme Court	0.26	0.26	-
SUB -TOTAL					2067.26	1391.10	676.16
7	Gujarat Municipalities Act, 1963	Notified Area Tax/ GIDC Tax/ Interest	1998-99 to 2005-06 & 1985-86 to 2009-10	Hon. High Court, Ahmedabad	4.50	-	4.50
SUB -TOTAL					5,971.48	1,520.31	4,451.17

(viii) Based on our audit procedures and in accordance with the information and explanations given to us by the management the company has not defaulted in repayment of dues to a bank or government or bonds holders.

(ix) The Company has not raised any money by way of initial public offer or further public offer or further public offer (including debt instrument). As informed to us, no term loans have been obtained during the year.

(x) According to the information and explanations given to us and as represented by the Management and based on our examination of the books and records of the Company and in accordance with generally accepted auditing practices in India, no case of frauds by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) As per notification no. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 is not applicable to the Government Companies. Accordingly, provisions of clause 3 (xi) of the Order are not applicable to the Company.

(xii) The company is not a nidhi company and therefore clause 3 (xii) of the Order related to such companies is not applicable to the Company.

(xiii) In our opinion, the company has complied with provisions of sections 177 and 188 of Companies Act, 2013 in respect of transactions with the

related parties and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

(xv) As informed to us, during the year the company has not entered into any non-cash transactions with any of its directors or persons connected with the Directors.

(xvi) The company is not required to get registered under section 45-IA of Reserve Bank of India Act 1934.

For **O.P. Bagla & Co. LLP**
(Formerly O.P. Bagla & Co.)
Chartered Accountants
Firm No.: 000018N/N500091

Rakesh Kumar
Partner
Membership No.: 087537

Place: **New Delhi**
Dated: **24th May, 2018**

For **ASA & Associates LLP**
Chartered Accountants
Firm No.: 009571N/N500006

Parveen Kumar
Partner
Membership No.: 088810

ANNEXURE -B TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 2 to "Report on Other legal and regulatory requirements" of the Independent Auditors' Report of even date to the members of GAIL (INDIA) LIMITED on the financial statements for the year ended 31st March 2018.

(Amount ₹ in Crores)

S. No.	Directions / Sub Directions	Action taken	Impact on financial statement
1	Whether the company has clear title/lease deed for freehold and leasehold respectively? If not please state the area of freehold and leasehold land for which title/lease deed are not available?	As informed to us and as verified by us during the course of our audit the title deeds of immovable properties are held in name of the company except for the cases as disclosed in Note no. 37(b) & (c) along with area of these lands.	Nil
2	Whether there are any cases of waiver/ write off of debts/ loans/interest etc., if any, the reason there for and amount involved.	During the year the company has settled its disputed claim with one of the customers. Refer note 41	Nil
3	Whether proper records are maintained for inventories laying with third parties & assets received as gift from Govt. or other authorities.	The company has maintained proper records of inventories including inventory lying with the third parties. The inventories have been physically verified at reasonable intervals by the Management, As informed to us physical verification of inventory has been conducted at reasonable intervals by the management except the store and spares lying with the third parties. We have been informed that no asset has been received as gift from government or other authorities.	Nil

For **O.P. Bagla & Co. LLP**
(Formerly O P Bagla & Co.)
Chartered Accountants
Firm No.: 000018N/N500091

Rakesh Kumar
Partner
Membership No.:087537

Place: **New Delhi**
Dated: **24th May, 2018**

For **ASA & Associates LLP**
Chartered Accountants
Firm No.: 009571N/N500006

Parveen Kumar
Partner
Membership No.:088810

ANNEXURE - C TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 3(f) to "Report on Other legal and regulatory requirements" of the Independent Auditors' Report of even date to the members of **GAIL (INDIA) LIMITED** on the financial statements for the year ended 31st March 2018.

Report on the Internal Financial Controls under Clause (i) of Sub section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of GAIL (INDIA) LIMITED ("the Company") as of 31st March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence I/we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **O.P. Bagla & Co. LLP**
(Formerly O P Bagla & Co.)
Chartered Accountants
Firm No.: 000018N/N500091

Rakesh Kumar
Partner
Membership No.: 087537

Place: **New Delhi**
Dated: **24th May, 2018**

For **ASA & Associates LLP**
Chartered Accountants
Firm No.: 009571N/N500006

Parveen Kumar
Partner
Membership No.: 088810



GAIL (India) Limited, New Delhi

Standalone Balance Sheet as at 31st March, 2018

(₹ in Crore)

Sr. No.	Particulars	Note No.	As at 31 st March, 2018	As at 31 st March, 2017
	ASSETS			
1	Non current assets			
	a) Property, Plant and Equipment	2	27,738.64	27,762.80
	b) Capital work-in-progress	3	5,373.89	3,585.20
	c) Intangible assets	4	1,051.13	743.39
	d) Intangible Assets under Development	4A	140.13	218.19
	e) Financial Assets			
	-Investments	5	9,571.60	9,377.08
	-Trade receivables	6	996.92	1,103.66
	-Loans & Other Receivables	7	558.24	619.21
	-Others financial assets	8	258.37	139.44
	f) Non Current Tax Assets (Net)	9	1,353.42	1,412.49
	g) Other Non Current Assets (Non Financial)	12	931.21	1,244.28
	Subtotal (1)		47,973.55	46,205.74
2	Current Assets			
	a) Inventories	10	1,919.53	1,698.38
	b) Financial Assets			
	-Investments	5A	381.47	-
	-Trade receivables	6A	3,054.59	2,724.54
	-Cash and cash equivalents	11	1,076.08	451.88
	-Other bank balances	11A	1,453.31	889.97
	-Loans & Other Receivables	7A	691.63	752.83
	-Others financial assets	8A	85.89	110.60
	c) Other Current Assets (Non Financial)	12A	1,446.13	2,503.02
	Subtotal (2)		10,108.63	9,131.22
	Total Assets (1+2)		58,082.18	55,336.96
	EQUITY AND LIABILITIES			
1	EQUITY			
	a) Equity Share Capital	13	2,255.07	1,691.30
	b) Other Equity	14	38,073.05	36,458.07
	Total Equity (1)		40,328.12	38,149.37
2	LIABILITIES			
	Non Current Liabilities			
	a) Financial Liabilities			
	-Borrowings	15	976.12	3,004.55
	-Other Financial Liabilities	16	775.59	814.09
	b) Provisions	17	580.43	812.60
	c) Deferred Tax Liabilities (net)	20	4,630.93	3,722.88
	d) Other Non Current Liabilities	19	889.44	458.63
	Subtotal (2)		7,852.51	8,812.75
3	Current Liabilities			
	a) Financial Liabilities			
	-Trade Payables	18	3,881.55	2,716.01
	-Other Financial Liabilities	16A	3,983.92	3,818.31
	b) Other Current Liabilities	19A	1,188.20	1,139.78
	c) Provisions	17A	847.88	700.74
	Subtotal (3)		9,901.55	8,374.84
	Total Equity and Liabilities (1+2+3)		58,082.18	55,336.96

The significant accounting policies and accompanying notes form an integral part of Standalone Financial Statements

For and on behalf of the Board of Directors

A.K. Jha
Company Secretary

Subir Purkayastha
Director (Finance)

Dr. Ashutosh Karnatak
Director (Projects)

B. C. Tripathi
Chairman & Managing
Director

For O P Bagla & Co LLP
(Formerly O P Bagla & Co.)
Chartered Accountants
Firm No.00018N/N500091

For ASA & Associates LLP
Chartered Accountants
Firm No.009571N/N500006

Place: **New Delhi**
Dated: **24th May, 2018**

Rakesh Kumar
(Partner)
Membership No.087537

Parveen Kumar
(Partner)
Membership No.088810

GAIL (India) Limited, New Delhi

Standalone Statement of Profit and Loss for the year ended 31st March, 2018

(₹ in Crore)

Sr. No.	Particulars	Note	Year Ended 31 st March, 2018	Year Ended 31 st March, 2017
I.	Income			
	Revenue from Operation (Gross)*	21	53,825.49	48,882.99
	Other Income	22	987.00	1,176.27
	Total Revenue (I)		54,812.49	50,059.26
II.	Expenses			
	Cost of Materials Consumed		3,712.42	3,151.24
	Purchase of Stock in trade		36,758.58	33,199.67
	Changes in Inventories of Finished Goods, Stock in Trade and WIP	23	(34.12)	42.29
	Employee benefits expense	24	1,301.46	1,257.53
	Finance costs	25	275.11	479.36
	Depreciation and amortization expense	26	1,415.14	1,396.78
	Excise Duty		163.91	734.14
	Other expenses	27	4,289.31	4,088.70
	Total expenses (II)		47,881.81	44,349.71
III.	Profit/ (Loss) before exceptional items and tax (I-II)		6,930.68	5,709.55
IV.	Exceptional Items			
	Add : Profit on sale of Investment		-	489.31
	Add/(Less) : Impairment of Investment		(27.69)	788.04
V.	Profit/(loss) before tax (III±IV)		6,958.37	5,410.82
VI.	Tax expense:			
	Current tax		1,654.10	1,319.52
	Deferred tax		706.64	573.38
	Adjustment of tax relating to earlier periods		(20.78)	15.01
			2,339.96	1,907.91
VII.	Profit for the year (V-VI)		4,618.41	3,502.91
VIII.	Other comprehensive income	"A"		
	Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
	Net movement on cash flow hedges (loss)/gain		(231.95)	-
	Less : Income tax effect thereon		81.05	-
	Net other comprehensive income to be reclassified to profit or loss in subsequent periods		(150.90)	-
IX.	Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
	Re—measurement gains (losses) on defined benefit plans		85.18	32.23
	Less : Income tax effect thereon		29.77	11.15
			55.41	21.08
	Net (loss)/gain on FVTOCI equity Securities		(241.14)	1,284.97
	Less : Income tax effect thereon		-	-
			(241.14)	1,284.97
	Net other comprehensive income not to be reclassified to profit or loss in subsequent periods:		(185.73)	1,306.05
	Other comprehensive income for the year, net of tax		(336.63)	1,306.05
X.	Total Comprehensive Income for the period Profit and Loss and OCI, net of tax		4,281.78	4,808.96
XI.	Earnings per share (in ₹)	"B"		
	Basic		20.48	15.53
	Diluted		20.48	15.53

* Consequent upon implementation of Goods and Services Tax (GST) Act w.e.f 1st July 2017, total income excludes GST. Accordingly, total income for the year ended 31st March 2018 is not comparable with previous year.

The significant accounting policies and accompanying notes form an integral part of Standalone Financial Statements. There is no discontinuing operation in the above period.

For and on behalf of the Board of Directors

A. K. Jha
Company Secretary

Subir Purkayastha
Director (Finance)

Dr. Ashutosh Karnatak
Director (Projects)

B. C. Tripathi
Chairman & Managing
Director

For O P Bagla & Co LLP
(Formerly O P Bagla & Co.)
Chartered Accountants
Firm No.00018N/N500091

Rakesh Kumar
(Partner) Membership No.087537

As per our separate Report of even date

For ASA & Associates LLP
Chartered Accountants
Firm No.009571N/N500006

Parveen Kumar
(Partner) Membership No.088810

Place: New Delhi
Dated: 24th May, 2018

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018 NOTE-A

Components of other comprehensive income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below:		
During the year ended 31 st March 2018		
	Retained Earnings	Total
	(₹ in Crore)	
Remeasurement gains (losses) on defined benefit plans	85.18	85.18
Income tax effect thereon	(29.77)	(29.77)
Total	55.41	55.41
Net (loss) / gain on FVTOCI of Investments	(241.14)	(241.14)
Income tax effect thereon	-	-
Total	(241.14)	(241.14)
Net movement on cash flow hedges (loss)/gain	(231.95)	231.95)
Income tax effect thereon	81.05	-
Total	(150.90)	(150.90)
During the year ended 31 st March 2017		
	Retained Earnings	Total
Remeasurement gains (losses) on defined benefit plans	32.23	32.23
Income tax effect thereon	(11.15)	(11.15)
Total	21.08	21.08
Net (loss) / gain on FVTOCI of Investments	1,284.97	1,284.97
Income tax effect thereon	-	-
Total	1,284.97	1,284.97

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018 NOTE-B

Earnings Per Share (EPS)

Basic and Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year. Diluted EPS are calculated by dividing the profit for the year attributable to the equity holders of the company by weighted average number of Equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	(₹ in Crore)	
Particulars	31-Mar-18	31-Mar-17
Profit for the year as per Statement of Profit & Loss	4,618.41	3,502.91
Profit attributable to equity holders of the Company for basic earnings	4,618.41	3,502.91
	No. crore	No. crore
Weighted average number of equity shares in calculating basic EPS (includes 56,37,67,733 Bonus Shares issued on 31 st March 2018)	225.51	225.51
Weighted average number of equity shares in calculating diluted EPS	225.51	225.51
Earnings per equity share in ₹		
Basic	20.48	15.53
Diluted	20.48	15.53
Face Value of each equity share	10	10

Statement of Changes in Equity for the Year Ended 31st March, 2018

A. Equity Share Capital

For The Year Ended 31st March, 2018

Equity Share Capital for Issued, Subscribed and Paid up Equity share of ₹ 10 each

Particulars	Note. No.	Amount (₹ in crore)
As at 1 st April 2017	13	1,691.30
Changes in equity share capital during the year*		563.77
As at 31st March 2018		2,255.07

* During the year the Company has issued 56,37,67,733 bonus share in the ratio of one equity of ₹ 10 each for every three equity shares held by equity shareholders.

For The Year Ended 31st March, 2017

Equity Share Capital for Issued, Subscribed and Paid up Equity share of ₹ 10 each

Particulars	Note. No.	Amount (₹ in crore)
As at 1 st April 2016	13	1,268.48
Changes in equity share capital during the year*		422.82
As at 31st March 2017		1,691.30

* During the year the Company has issued 42,28,25,800 bonus share in the ratio of one equity of ₹ 10 each for every three equity shares held by equity shareholders.

B. Other Equity (Refer Note No.14)

For The Year Ended 31st March, 2018

(₹ in Crore)

Particulars	Reserve and Surplus				Other Comprehensive Income				Total
	Security premium Account	Bond redemption reserves	General reserves	Transition Reserve	Net (loss)/gain on FVTOCI equity Securities	Re-measurement gains (losses) on defined benefit plans	Net movement on cash flow hedges (loss)/gain	Retained earnings	
Balance as at 1 st April, 2017	0.27	337.18	4,353.14	6,084.44	(665.65)	43.71	-	26,304.98	36,458.07
Profit for the Period								4,618.41	4,618.41
Transfer to Reserve during the Period		35.19	461.84					(497.03)	-
Transfer from Reserve during the Period		(312.50)						312.50	-
Issue of Bonus Shares			(563.77)						(563.77)
Interim Dividend								(1,293.85)	(1,293.85)
Final Dividends								(456.65)	(456.65)
Corporate Dividend Tax								(352.53)	(352.53)
Other Comprehensive Income/ (loss) for the Year									
-Net (loss)/gain on FVTOCI equity Securities					(241.14)				(241.14)
-Re-measurement gains (losses) on defined benefit plans						55.41			55.41
-Net movement on cash flow hedges (loss)/gain							(150.90)		(150.90)
Balance as at 31st March, 2018	0.27	59.87	4,251.21	6,084.44	(906.79)	99.12	(150.90)	28,635.83	38,073.05

For The Year Ended 31st March, 2017

(₹ in Crore)

Particulars	Reserve and Surplus				Other Comprehensive Income				Total
	Security premium Account	Bond redemption reserves	General reserves	Transition Reserve	Net (loss)/gain on FVTOCI equity Securities	Re-measurement gains (losses) on defined benefit plans	Net movement on cash flow hedges (loss)/gain	Retained earnings	
Balance as at 1st April, 2016	0.27	238.72	4,425.68	6,084.44	(1,950.62)	22.63	-	25,004.95	33,826.07
Profit/(Loss) for the Period								3,502.91	3,502.91
Transfer to Reserve during the Period		98.46	350.29					(448.75)	-
Issue of Bonus Shares			(422.82)						(422.82)
Interim Dividends								(1,078.24)	(1,078.24)
Final Dividends							(380.54)	(380.54)	
Corporate Dividend Tax								(295.35)	(295.35)
Other Comprehensive Income/ (loss) for the Year									
-Net (loss)/gain on FVTOCI equity Securities					1,284.97				1,284.97
-Re—measurement gains (losses) on defined benefit plans						21.08			21.08
Balance as at 31st March, 2017	0.27	337.18	4,353.14	6,084.44	(665.65)	43.71	-	26,304.98	36,458.07

For and on behalf of the Board of Directors

As per our separate Report of even date

A.K. Jha
Company Secretary

Subir Purkayastha
Director(Finance)

Dr. Ashutosh Karnatak
Director (Projects)

B. C. Tripathi
Chairman & Managing
Director

For O P Bagla & Co LLP
(Formerly O P Bagla & Co.)
Chartered Accountants
Firm No.00018N/N500091

For ASA & Associates LLP
Chartered Accountants
Firm No.009571N/N500006

Place: **New Delhi**
Dated: **24th May, 2018**

Rakesh Kumar
(Partner)
Membership No.087537

Parveen Kumar
(Partner)
Membership No.088810

GAIL (India) Limited, New Delhi

Standalone Cash Flow Statement For the Financial Year Ended 31st March 2018

(₹ in Crore)

		Year Ended 31 st March, 2018		Year Ended 31 st March, 2017	
A.	CASH FLOW FROM OPERATING ACTIVITIES				
1	Net Profit Before Tax and Extraordinary Items		6,958.37		5,410.82
2	ADD :				
	Depreciation and amortisation expenses	1,415.14		1,396.78	
	Exchange Rate Variation on Foreign Currency Loan/Advance	29.05		(60.62)	
	Finance Cost	275.11		479.36	
	Dividend Income on Investments	(227.14)		(255.98)	
	Dividend Income from Related Party	(183.64)		(177.45)	
	Interest Income	(327.81)		(377.78)	
	Gain on Sale of Investments	(5.83)		-	
	MTM (gain)/loss on Mutual fund Investment	(0.47)		-	
	Provision for Employees Benefits	(16.28)		253.48	
	Provision for Doubtful Debts	(33.02)		(94.11)	
	Provision for Probable Obligations	16.43		141.75	
	Other Provisions	(4.54)		(1.65)	
	Amortization of Govt. Grant	(0.35)		(0.12)	
	Profit / Loss on Sale of Assets (Net)	24.35		6.07	
	Provision for Impairment Loss/ CWIP	100.07		13.87	
	MTM loss on Commodity Derivative (Net)	79.25		0.11	
	Dry Well Expenses written off	26.80		112.44	
	Exceptional Item-(Profit) /Loss on Sale of Investment (Net)	-		(489.31)	
	Exceptional item-Provision/(Reversal) for Impairment (Net)	(27.69)	1,139.43	788.04	1,734.88
3	Operating Profit Before Working Capital Changes (1 + 2)		8,097.80		7,145.70
4	Changes in Working Capital (Excluding Cash & Cash Equivalent)				
	Trade and Other Receivables	606.77		977.05	
	Inventories	(219.29)		(83.68)	
	Trade and Other Payables	1,498.88	1,886.36	(1,087.24)	(193.87)
5	Cash Generated from Operations (3+4)		9,984.16		6,951.83
6	Direct Taxes Paid		(1,321.56)		(1,190.89)
	NET CASH FROM OPERATING ACTIVITIES (5+6)		8,662.60		5,760.94
B.	CASH FLOW FROM INVESTING ACTIVITIES				
	Purchase of Fixed Assets		(2,945.55)		(1,820.98)
	Sale of Fixed Assets		3.09		2.54
	Receipt of Government Grants (Capital Grant)		401.43		450.00
	Sale of Investments		-		501.66
	Sale of Mutual Fund		5,337.83		-
	Investment in Mutual Fund		(5,713.00)		-
	Investment in Other Companies		(424.71)		(312.74)
	Loans & Advances - Related Parties		36.72		(9.38)
	Interest Received		325.46		375.40
	Dividend Received on Investment		227.14		255.98
	Dividend Received from Related Party		183.64		177.45
	NET CASH FROM INVESTING ACTIVITIES		(2,567.95)		(380.07)

		Year Ended 31 st March, 2018		Year Ended 31 st March, 2017	
C	CASH FLOW FROM FINANCING ACTIVITIES				
	Repayment of Long Term Borrowings	(3,011.59)		(2,931.19)	
	Finance Cost Paid	(356.19)		(553.38)	
	Dividend & Dividend Tax Paid	(2,102.67)		(1,753.74)	
	NET CASH FROM FINANCING ACTIVITIES		(5,470.45)		(5,238.31)
	NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		624.20		142.56
	Cash and cash equivalents as at the beginning of the year (Refer Note 11)		451.88		309.32
	Cash and cash equivalents as at the end of the year (Refer Note 11)		1,076.08		451.88

Note :

- Cash flow statement has been prepared using Indirect Method as per Ind AS 7- Statement of Cash Flows.
- Previous Year's figure have been regrouped/re-classified wherever necessary to correspond with current year's classification/disclosure.

For and on behalf of the Board of Directors
As per our separate Report of even date
A.K. Jha
Company Secretary

Subir Purkayastha
Director(Finance)

Dr. Ashutosh Karnatak
Director (Projects)

B. C. Tripathi
Chairman & Managing
Director

For O P Bagla & Co LLP
(Formerly O P Bagla & Co.)
Chartered Accountants
Firm No.00018N/N500091

For ASA & Associates LLP
Chartered Accountants
Firm No.009571N/N500006

Place : **New Delhi**
Dated : **24th May, 2018**
Rakesh Kumar
(Partner)
Membership No.087537

Parveen Kumar
(Partner)
Membership No.088810

Notes to Financial Statements for the year ended 31st March 2018

Corporate Information

GAIL (India) Limited ("GAIL" or "the Company") is a limited company domiciled in India and was incorporated on August 16, 1984. Equity shares of the Company are listed in India on the Bombay Stock Exchange and the National Stock Exchange. Also Global Depository Receipts (GDRs) of the company are listed at London Stock Exchange. The Government of India holds 53.59% in the paid-up equity capital of the company as on 31st March 2018. The registered office of the Company is located at 16, Bhikaiji Cama Place, R K Puram, New Delhi-110066.

GAIL is the largest state-owned natural gas processing and distribution company in India. The company has a diversified business portfolio and has interests in the sourcing and trading of natural gas, production of LPG, Liquid hydrocarbons and petrochemicals, transmission of natural gas and LPG through pipelines, etc. GAIL has also participating interest in India and overseas in Oil and Gas Blocks.

The financial statements of the company for the year ended 31st March 2018 were authorized for issue in accordance with a resolution of the directors on 24th May 2018.

Basis of Preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

For and upto the year ended 31st March 2016, the Company prepared its financial statements in accordance with Indian GAAP, including accounting standards notified under section 133 of the Companies Act 2013, read together with para 7 of the Companies (Accounts) Rules 2014 (Indian GAAP). The financial statements for the year ended 31st March 2018 have been prepared in accordance with Ind-AS.

The financial statements have been prepared as a going concern on accrual basis of accounting. The company has adopted historical cost basis for assets and liabilities except for certain items which have been measured on a different basis and such basis is disclosed in the relevant accounting policy.

The financial statements are presented in Indian Rupees ('INR') and the values are rounded to the nearest crore (INR 0,000,000), except when otherwise indicated.

1. Accounting Policies

1.1 Property, Plant and Equipment (PPE)

A. Tangible Assets

- (i) Property, Plant and Equipment are stated at original cost net of tax / duty credit availed, less accumulated depreciation / amortization and cumulative impairment losses. All costs relating to acquisition of fixed assets till commissioning of such assets are capitalized. In the case of commissioned assets where final payment to the Contractors is pending, capitalization is made on provisional basis, including provisional liability pending approval of Competent Authority, subject to necessary adjustment in cost and depreciation in the year of settlement.
- (ii) Stores & Spares which meet the definition of PPE (whether as component or otherwise) and satisfy the recognition criteria, are capitalized as PPE in the underlying asset. Major inspection/overhaul/repair is recognized in the carrying amount of respective assets as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the Statement of Profit and Loss as incurred.
- (iii) Technical know-how/license fee incurred at the time of procurement of PPE are capitalized as part of the underlying asset.

B. Intangible Assets

- (iv) Intangible assets like Right of Use (RoU), Software, Licenses which are expected to provide future enduring economic benefits are capitalized as Intangible Assets and are stated at their cost of acquisition less accumulated amortization and any accumulated impairment loss.

1.2 Capital Work in Progress

- (i) Crop compensation is accounted for under Capital Work-in-Progress on the basis of actual payments/estimated liability, as and when work commences where ROU is acquired.
- (ii) The capital work in progress includes Construction Stores including Material in Transit/ Equipment / Services, etc. received at site for use in the projects.
- (iii) All revenue expenses incurred during Construction Period, which are exclusively attributable to acquisition / construction of the asset, are capitalized at the time of commissioning of such assets.

1.3 Exploration and Development Costs

a. The Company follows Successful Efforts Method for accounting of Oil & Gas exploration and production activities carried out through Joint Ventures in the nature of Production Sharing Contracts (PSC) with respective host government and various body corporates for exploration, development and production activities, which includes:

- (i) Survey Costs are recognized as revenue expenditure in the year in which these are incurred.
- (ii) Cost of exploratory/development wells are carried as Intangible assets under development/Capital work in progress. Such exploratory wells in progress are capitalized in the year in which the Producing Property is created. Such costs are written off in the year when determined to be dry/abandoned.
- (iii) Cost of all "exploratory wells in progress" is debited to Statement of Profits and Loss except of those wells for which there are reasonable indications of sufficient quantity of reserves and the enterprise is making sufficient progress assessing the reserves and the economic and operating viability of the project.

b. Capitalization of Producing Properties

- (i) Producing Properties are capitalized as "completed wells / producing wells" when the wells in the area / field are ready to commence commercial production on establishment of proved developed oil and gas reserves.
- (ii) Cost of Producing Properties includes cost of successful exploratory wells, development wells, initial depreciation of support equipment & facilities and estimated future abandonment cost.

c. Depletion of Producing Properties

Producing Properties are depleted using the "Unit of Production Method (UOP)". The depletion or unit of production charged for all the capitalized cost is calculated in the ratio of production during the year to the proved developed reserves at the year end.

d. Production cost of Producing Properties

Company's share of production costs as indicated by Operator consists of pre well head and post well head expenses including depreciation and applicable operating cost of support equipment and facilities.

e. Accounting for joint operations

In relation to its interests in joint operations entered through Production Sharing Contracts (PSC), the company recognizes its proportionate

share in assets, liabilities, revenue from the sale of the output, expenses of the joint operation entity, in the financial statements.

1.4 Foreign Currency Transaction

- (i) Functional Currency of the Company is Indian Rupee (INR).
- (ii) Transactions in foreign currency are initially accounted at the exchange rate prevailing on the transaction date.
- (iii) Monetary items (such as Cash, Receivables, Loans, Payables, etc.) denominated in foreign currencies, outstanding at the year end, are translated at exchange rates (BC Selling Rate for Payables and TT Buying Rate for Receivables) prevailing at year end.
- (iv) Non-monetary items (such as Investments, Property plant and equipment, etc.), denominated in foreign currencies are accounted at the exchange rate prevailing on the date of transaction(s).
- (v) Any gains or loss arising on account of exchange difference either on settlement or on translation is adjusted in the Statement of Profit & Loss.
- (vi) Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items is recognized in line with the gain or loss of the item arising on determination of fair value of such item, either in other comprehensive income or the Statement of Profit and Loss as the case maybe.

1.5 Borrowing Cost

Borrowing cost of the funds specifically borrowed for the purpose of obtaining qualifying assets and eligible for capitalization along with the cost of the assets, is capitalized up to the date when the asset is ready for its intended use after netting off any income earned on temporary investment of such funds. Other borrowing costs are recognized as expense in the year of incurrence.

1.6 Grants

In case of depreciable assets, the cost of the assets is shown at gross value and grant thereon is taken to deferred income which is recognized as income in the Statement of Profit and Loss over the useful life of the asset.

1.7 Inventories

- a) Stock of Liquefied Natural Gas (LNG) and Natural Gas in pipelines is valued at cost on First in First out (FIFO) basis or net realizable value, whichever is lower.
- b) Raw materials and finished goods are valued at weighted average cost or net realizable value, whichever is lower. Finished goods include excise duty and royalty wherever applicable.
- c) Stock in process is valued at weighted average cost or net realizable value, whichever is lower. It is valued at weighted average cost where the finished goods in which these are to be incorporated are expected to be sold at or above the weighted average cost.
- d) Stores and spares and other material for use in production of inventories are valued at weighted average cost or net realizable value, whichever is lower. It is valued at weighted average cost where the finished goods in which they will be incorporated are expected to be sold at/or above cost.
- e) Surplus / Obsolete Stores and Spares are valued at cost or net realizable value, whichever is lower.
- f) Surplus / Obsolete Capital Stores, other than held for use in construction of a capital asset, are valued at lower of cost or net realizable value.
- g) Imported LNG in transit is valued at CIF value or net realizable value whichever is lower.

- h) Renewable Energy Certificates (RECs) are valued at cost on First in First out (FIFO) basis or net realizable value, whichever is lower.

1.8 Revenue recognition

- a) Sales are recognized on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude value added tax. Any retrospective revision in prices is accounted for in the year of such revision. It is measured at fair value of consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.
- b) Income from Consultancy/Contract Services, if any, is recognized based on percentage Completion Method.
- c) Dividend income is accounted for when the right to receive is established.
- d) Claims (including interest on delayed realization from customers) are accounted for, when there is significant certainty that the claims are realizable.
- e) Insurance claims are accounted for on the basis of claims admitted by the insurers.
- f) Liability in respect of Minimum Guaranteed Off take (MGO) of Natural gas is not provided for where the same is secured by MGO recoverable from customers. Payments/receipts during the year on account of MGO are adjusted on receipt basis.
- g) Minimum charges relating to transportation of LPG are accounted for on receipt basis.
- h) Contributions by customers towards items of Property, Plant and Equipment, realized in pursuance of a contract after 01/04/2015 are credited to deferred revenue and are amortized over the period of contract. Any tangible assets built/to be built, wherever applicable, under such contract are stated at gross value thereof.

1.9 Depreciation /Amortization

A. Tangible Assets

Depreciation on Tangible PPE (including enabling assets) is provided in accordance with the manner and useful life as specified in Schedule II of the Companies Act, 2013, on straight line method (SLM) on pro-rata basis (monthly pro-rata for bought out assets), except for the assets as mentioned below where different useful life has been taken on the basis of external/internal technical evaluation:

(i)

Particulars	Years
Furniture and Electrical Equipment's provided for the use of employees	6 years
Mobile Phones provided for the use of employees	2 years

- (ii) Cost of the leasehold land is amortized over the lease period except perpetual leases.
- (iii) Depreciation due to price adjustment in the original cost of fixed assets is charged prospectively.

B. Intangible Assets

- (i) Intangible assets comprising software and licenses are amortized on Straight Line Method (SLM) over the useful life from the date of capitalization which is considered not exceeding five years.

Right of use (ROU) having indefinite life (for which there is no foreseeable limit to the period over which they are expected to generate net cash flows given the fact that these rights can be used even after the life of respective pipelines) are not amortized, but are tested for impairment annually.

- (ii) After impairment of assets, if any, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

C. Capital assets facilities installed at the consumers' premises

Capital assets facilities installed at the consumers' premises on the land whose ownership is not with the company, has been depreciated on SLM basis in accordance with the useful life as specified in Schedule II of the Companies Act, 2013.

1.10 Employees Benefits

- (a) All short term employee benefits are recognized at the undiscounted amount in the accounting period in which they are incurred.
- (b) The Company's contribution to the Provident Fund is remitted to a separate trust established for this purpose based on a fixed percentage of the eligible employee's salary and debited to Statement of Profit and Loss /CWIP. Further, the company makes provision as per actuarial valuation towards any shortfall in fund assets to meet statutory rate of interest in the future period, to be compensated by the company to the Provident Fund Trust.
- (c) Employee Benefits under Defined Benefit Plans in respect of post-retirement medical scheme, and gratuity are recognized based on the present value of defined benefit obligation, which is computed on the basis of actuarial valuation using the Projected Unit Credit Method. Actuarial liability in excess of respective plan assets is recognized during the year.
- (d) Obligations on other long term employee benefits, viz., leave encashment, Compensated absence and Long Service Awards are provided using the projected unit credit method of actuarial valuation made at the end of the year.
- (e) Re-measurement including actuarial gains and losses are recognized in the balance sheet with a corresponding debit or credit to retained earnings through Statement of Profit and Loss or Other Comprehensive Income in the year of occurrence, as the case may be. Re-measurements are not reclassified to the Statement of Profit and Loss in subsequent periods.
- (f) The Company also operates a defined contribution scheme for Pension benefits for its employees and the contribution is remitted to a separate Trust.
- (g) Liability for gratuity as per actuarial valuation is funded with a separate trust.

1.11 Impairment of non-financial assets

The Carrying amount of cash generating unit are reviewed at each reporting date. In case there is any indication of impairment based on Internal / External factors, impairment loss is recognized wherever the carrying amount of asset exceeds its recoverable amount.

1.12 Provisions, Contingent Liabilities, Contingent Assets & Capital Commitments

- (a) Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities/assets exceeding ₹5 Lacs in each case are disclosed by way of notes to accounts except when there is remote possibility of settlement/realization.
- (b) Estimated amount of contracts remaining to be executed on capital accounts are disclosed each case above ₹5 lacs.

1.13 Taxes on Income

Provision for current tax is made as per the provisions of the Income Tax Act, 1961. Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the

Company will pay normal Income Tax during the specified period.

Deferred tax is provided, using the balance sheet method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes considering the tax rate and tax laws that have been enacted or substantively enacted as on the reporting date.

Deferred tax relating to items recognized outside Statement of Profit and Loss is recognized outside Statement of Profit and Loss (either in Other Comprehensive Income or in Equity).

The carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

1.14 R&D Expenditure

Revenue expenditure on Research and Development is charged to Statement of Profit and Loss in the year in which it is incurred. Capital expenditure on Research and Development is capitalized in case the same qualifies as asset.

1.15 Cash and cash equivalents

Cash and cash equivalents consist of cash at bank and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value

1.16 Segment reporting

The Management of the company monitors the operating results of its business Segments for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

The Operating segments have been identified on the basis of the nature of products/services.

- a) Segment revenue includes directly identifiable with/allocable to the segment including inter-segment revenue.
- b) Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result.
- c) Expenses which relate to the Company as a whole and not allocable to segments are included under unallocable expenditure.
- d) Income which relates to the Company as a whole and not allocable to segments is included in unallocable income.
- e) Segment assets including CWIP and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

1.17 Earnings per share

Basic earnings per equity share are computed by dividing the net profit after tax attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing adjusted net profit after tax by the aggregate of weighted average number of equity shares and dilutive potential equity shares during the year.

1.18 Leases

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

(A) Company as a lessee

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating

leases. Lease rentals are charged to the Statement of Profit and Loss on straight line basis. However, rent expenses shall not be straight-lined, if escalation in rentals is in line with expected inflationary cost.

Finance leases are capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the Statement of Profit and Loss.

(B) Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight-line basis over the term of the relevant lease. Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee.

(C) Lease Land

Land having lease term of 70 year and above are accounted as finance leases which are recognized at upfront premium paid for the lease and the present value of the lease rent obligation. The corresponding liability is recognized as a finance lease obligation. Land having lease term of below 70 year are treated as operating leases.

1.19 Liquidated damages/ Price Reduction Schedule

Amount recovered towards Liquidated Damages/Price Reduction Schedule are adjusted/appropriated as and when the matter is settled.

1.20 Cash Flow Statement

Cash flow statement is prepared in accordance with the indirect method prescribed in Indian Accounting Standard (Ind AS) 7 on 'Statement of Cash Flows'.

1.21 Fair value measurement

The Company measures financial instruments including derivatives and specific investments (other than subsidiary, joint venture and associates), at fair value at each balance sheet date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- (i) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- (ii) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- (iii) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

1.22 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(A) Financial assets

(i) Classification

The Company classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through Statement of Profit and Loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

(ii) Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through Statement of Profit and Loss, transaction costs that are attributable to the acquisition of the financial asset.

(iii) Subsequent measurement

For purposes of subsequent measurement financial assets are classified in below categories:

(a) Financial assets carried at amortized cost

A financial asset other than derivatives and specific investments, is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) Financial assets at fair value through other comprehensive income

A financial asset comprising specific investment is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

(c) Financial assets at fair value through Statement of Profit and Loss

A financial asset comprising derivatives which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(iv) Derecognition

A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

(v) Investment in subsidiaries, joint ventures and associates

The company has accounted for its investment in subsidiaries, joint ventures and associates at cost. The company assesses whether there is any indication that these investments may be impaired. If any such indication exists, the investment is considered for impairment based on the fair value thereof.

(vi) Impairment of other financial assets

The Company assesses impairment based on expected credit losses (ECL) model for measurement and recognition of impairment loss on the financial assets that are trade receivables or contract revenue receivables and all lease receivables etc.

(B) Financial liabilities**(i) Classification**

The Company classifies all financial liabilities as subsequently measured at amortized cost, except for financial liabilities at fair value through Statement of Profit and Loss. Such liabilities, including derivatives shall be subsequently measured at fair value.

(ii) Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

(iii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

(a) Financial liabilities at amortized cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

(b) Financial liabilities at fair value through Statement of Profit and Loss

Financial liabilities at fair value through Statement of Profit and Loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through Statement of Profit and Loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category comprises derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

(iv) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

(C) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

(D) Derivative financial instruments and Hedge Accounting

The Company uses derivative financial instruments, in form of forward currency contracts, interest rate swaps, cross currency interest rate swaps, commodity swap contracts to hedge its foreign currency risks, interest rate risks and commodity price risks.

(i) Derivatives Contracts not designated as hedging instruments

- The derivatives that are not designated as hedging instrument

under Ind AS 109, are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

- Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss.

(ii) Derivatives Contracts designated as hedging instruments

- The derivatives that are designated as hedging instrument under Ind AS 109 to mitigate its risk arising out of foreign currency and commodity hedge transactions are accounted for as cash flow hedges.
- The Company enters into hedging instruments in accordance with policies as approved by the Board of Directors, provide written principles which is consistent with the risk management strategy of the Company.
- The hedge instruments are designated and documented as hedges at the inception of the contract. The effectiveness of hedge instruments is assessed and measured at inception and on an ongoing basis. The effective portion of change in the fair value of the designated hedging instrument is recognized in the "Other Comprehensive Income" as "Cash Flow Hedge Reserve". The ineffective portion is recognized immediately in the Statement of Profit and Loss as and when occurs. The amount accumulated in Cash Flow Hedge Reserve is reclassified to profit or loss in the same period(s) during which the hedged item affects the Statement of Profit or Loss Account. In case the hedged item is the cost of non-financial assets/liabilities, the amount recognized as Cash Flow Hedge Reserve are transferred to the initial carrying amount of the non-financial assets/liabilities.
- If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in Cash Flow Hedging Reserve remains in Cash Flow Hedging Reserve till the period the hedge was effective. The cumulative gain or loss previously recognized in the Cash Flow Hedging Reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.

1.23 Recent accounting pronouncements

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective. The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2018 and has amended the following standards:

Standards Issued but not yet Effective

a) Ind - AS 115 "Revenue from Contract with Customers"

Ind AS 115 was issued on 28th March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This new standard requires revenue to be recognized when promised goods or services are transferred to

customers in amounts that reflect the consideration to which the Company expects to be entitled in exchange for those goods or services. Adoption of the new rules could affect the timing of revenue recognition for certain transactions of the Company. Ind AS 115 is effective for the Company in the first quarter of fiscal 2019 using either one of two methods: (i) retrospectively to each prior reporting period presented in accordance with Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, with the option to elect certain practical expedients as defined within Ind AS 115 (the full retrospective method); or (ii) retrospectively with the cumulative effect of initially applying Ind AS 115 recognized at the date of initial application (1st April 2018) and providing certain additional disclosures as defined in Ind AS 115 (the modified retrospective method).

The Company continues to evaluate the available transition methods and its contractual arrangements. The ultimate impact on revenue resulting from the application of Ind AS 115 will be subject to assessments that are dependent on many variables, including, but not limited to, the terms of the contractual arrangements and the mix of business. The Company's considerations also include, but are not limited to, the comparability of its financial statements and the comparability within its industry from application of the new standard to its contractual arrangements. The Company has established an implementation team to implement Ind AS 115 related to the recognition of revenue from contracts with customers and it continues to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary.

A reliable estimate of the quantitative impact of Ind AS 115 on the financial statements will only be possible once the implementation project has been completed.

b) Appendix B to Ind AS 21 Foreign currency transactions and advance consideration

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Company initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the Company must determine the transaction date for each payment or receipt of advance consideration.

The Company may apply the Appendix requirements on a fully retrospective basis. Alternatively, the Company may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognized on or after:

- (i) The beginning of the reporting period in which the Company first applies the Appendix, or
- (ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the Company first applies the Appendix.

The Appendix is effective for annual periods beginning on or after 1 April 2018. The Company is currently evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

c) Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances

in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognized in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after 1st April 2018. The Company is currently evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

d) Transfers of Investment Property — Amendments to Ind AS 40

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight.

The amendments are effective for annual periods beginning on or after 1st April 2018. These amendments are not applicable to the Company.

e) Ind AS 28 Investments in Associates and Joint Ventures –

Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice

The amendments clarify that:

An entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss.

If an entity, that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which: (a) the investment entity associate or joint venture is initially recognized; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent.

The amendments should be applied retrospectively and are effective from 1 April 2018. The Company is currently evaluating the requirements of the amendment and the effect on the financial statements, if any, is being evaluated.

Notes to financial statements for the year ended 31st March 2018

Note 2 - Property, plant and equipment

(₹ in Crore)

Particulars	Land		Buildings		Bunk Houses	Plant and Machinery	Railway Lines & Sidings	Electrical Equipment's	Furniture & Fixtures	Transport Equipment's	Office Equipment's	Other Equipment's	E&P Assets		Total
	Freehold	Leasehold	Office/ Others	Residential									Producing Property	Support Equipment & Facilities	
Gross Block as at 1 April 2016	184.47	62.31	692.88	253.62	0.53	25,967.86	0.27	282.16	89.55	5.07	96.62	96.93	975.51	4.72	28,712.51
Additions / Adj for the Period	46.46	25.28	48.07	11.07	0.31	1,067.26	-	32.84	23.17	0.13	22.96	28.58	-	-	1,306.13
Disposals / Adj for the Period	0.08	(0.79)	(15.28)	(0.10)	(0.19)	108.87	-	(4.95)	(3.65)	0.03	(10.98)	(8.53)	(2.45)	-	62.03
Gross Block as at 31 March 2017	231.01	86.80	725.67	264.59	0.66	27,143.98	0.27	310.04	109.07	5.24	108.60	116.98	973.06	4.72	30,080.67
Additions for the Period	54.56	0.14	5.35	0.20	-	330.51	-	16.17	8.66	0.76	25.18	14.95	-	-	456.49
Acquisition from AUC	50.88	17.11	27.95	6.92	0.09	817.32	-	14.91	6.31	-	29.64	9.49	-	-	980.62
Disposals / Adj for the Period	(2.94)	2.07	10.07	5.96	0.25	208.56	-	7.42	5.54	0.43	26.69	8.74	(0.01)	-	272.78
Gross Block as at 31 March 2018	333.51	106.12	769.04	277.67	1.00	28,500.37	0.27	348.54	129.58	6.43	190.11	150.16	973.05	4.72	31,790.56
Depreciation and impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At 1 April 2016	-	(1.40)	18.73	4.61	0.14	818.34	-	27.46	3.99	0.51	11.34	10.18	90.05	0.34	984.29
Depreciation expense	0.00	0.65	34.83	10.75	0.30	1,144.49	-	40.98	12.23	0.69	28.55	22.67	82.46	0.34	1,378.93
Impairment	-	-	-	-	-	7.22	-	-	-	-	-	-	-	-	7.22
Disposal / Adj. during the period	(0.00)	0.02	(0.68)	(0.09)	(0.19)	(24.44)	-	(6.55)	(3.24)	(0.06)	(9.94)	(7.40)	-	-	(52.57)
At 31 March 2017	-	(0.73)	52.88	15.28	0.25	1,945.62	(0.00)	61.88	12.98	1.14	29.94	25.45	172.51	0.67	2,317.88
Depreciation expense	-	1.21	35.37	11.04	0.27	1,170.50	-	41.91	13.87	0.68	29.06	24.15	77.66	0.34	1,406.06
Impairment	-	-	-	-	-	0.27	-	-	-	-	-	-	-	-	0.27
Disposal / Adj. during the period	-	2.07	10.88	5.96	0.25	257.80	-	7.96	6.00	0.44	27.01	9.35	(0.01)	0.01	327.71
At 31 March 2018	-	2.55	99.13	32.28	0.77	3,374.19	(0.00)	111.76	32.85	2.26	86.01	58.95	250.16	1.02	4,051.92
Net Block															
At 31 March 2017	231.01	87.53	672.79	249.31	0.41	25,198.36	0.27	248.15	96.08	4.10	78.65	91.53	800.55	4.04	27,762.80
At 31 March 2018	333.51	103.57	669.91	245.39	0.23	25,126.18	0.27	236.78	96.73	4.17	104.10	91.21	722.89	3.70	27,738.64

Note : During the year, an amount of ₹ 11.64 crore (Previous Year ₹ 5.84 crore) has been capitalised towards Research & Development.

Note 3 - Capital Work in Progress

(₹ in Crore)

Particulars	Tangible										Intangible		
	Line pipe Construction and related facilities including Cathodic Protection	Dispatch/ Receiving Terminals	Compressor Stations	Telecom/Tele supervisory System	Petrochemicals	Others	Exploratory Well in Progress	Development Well in Progress	Buildings	Line pipes, Capital Items in Stock/ Transit	ROU	Software and others	Total
Balance as at 1 April 2016	1,425.49	14.88	0.08	15.65	123.54	77.26	-	3.80	40.26	1,525.40	5.13	29.52	3,261.01
Additions	513.12	0.22	67.03	16.64	7.51	74.20	-	5.17	-	-	-	(2.60)	681.30
Capitalization	(6.87)	(0.48)	(0.28)	(3.63)	-	-	-	2.40	(8.11)	(199.48)	-	-	(216.46)
Retirement / Transfer	(0.04)	-	-	-	-	-	-	-	-	-	-	-	(0.04)
Balance as at 31 March 2017	1,931.69	14.62	66.83	28.67	131.05	151.46	-	11.37	32.15	1,325.92	5.13	26.92	3,725.81
Additions	2,657.33	2.72	13.46	(7.81)	13.16	155.06	31.81	1.77	30.97	198.68	-	13.11	3,110.26
Capitalization	(861.76)	(1.33)	(40.27)	(20.42)	(137.64)	(165.27)	(2.79)	-	(29.99)	(1.58)	(5.13)	(29.64)	(1,295.81)
Retirement / Transfer	(1.71)	-	-	-	-	-	-	-	-	-	-	-	(1.71)
Balance as at 31 March 2018	3,725.55	16.01	40.02	0.44	6.58	141.25	29.02	13.14	33.13	1,523.02	0.00	10.38	5,538.55
Provisions and impairment	111.58	-	-	-	-	-	-	-	5.28	9.88	-	-	126.74
Provisions and impairment during the year	12.94	-	-	-	-	-	-	-	-	0.93	-	-	13.87
At 31 March 2017	124.52	-	-	-	-	-	-	-	5.28	10.81	-	-	140.61
Provisions and impairment during the year	13.61	-	-	-	-	-	-	9.95	-	0.49	-	-	24.05
At 31 March 2018	138.13	-	-	-	-	-	-	9.95	5.28	11.30	-	-	164.66
Net Balance													
At 31 March 2017	1,807.17	14.62	66.83	28.67	131.05	151.46	-	11.37	26.87	1,315.11	5.13	26.92	3,585.20
At 31 March 2018	3,557.42	16.01	40.02	0.44	6.58	141.25	29.02	3.19	27.85	1,511.72	0.00	10.38	5,373.89

Note 4 - Intangible Assets

(₹ in Crore)

Particulars	Intangible Assets		
	Right of Use	Software / Licenses	Total
Gross Block as at 1 April 2016	713.34	38.16	751.51
Additions/ Adj for the Period	7.89	10.97	18.86
Disposals / Adj for the Period	-	(2.63)	(2.63)
Gross Block as at 31 March 2017	721.23	46.51	767.74
Additions for the Period	2.09	0.08	2.17
Acquisition from AUC	265.49	46.93	312.42
Disposals / Adj for the Period	0.01	2.75	2.76
Gross Block as at 31 March 2018	988.82	96.27	1,085.09
At 1 April 2016	741.93	110.74	852.67
Amortisation and impairment			
At 1 April 2016	(0.02)	12.82	12.80
Amortisation during the year	0.07	11.17	11.24
Impairment	-	-	-
Disposal / Adj. during the period	-	0.31	0.31
At 31 March 2017	0.05	24.30	24.35
Amortisation during the year	-	9.77	9.77
Impairment	-	-	-
Disposal / Adj. during the period	0.02	(0.18)	(0.16)
At 31 March 2018	0.07	33.89	33.96
At 1 April 2016	28.56	85.39	113.96
Net Block			
At 31 March 2017	721.18	22.21	743.39
At 31 March 2018	988.75	62.38	1,051.13

Note 4A - Intangible Assets under development

(₹ in Crore)

Particulars	Intangible Assets under development
Balance as at 1 April 2016	285.93
Additions	42.75
Capitalization	(110.49)
Retirement / Transfer	-
Balance as at 31 March 2017	218.19
Additions	(2.04)
Capitalization	-
Retirement / Transfer	-
Balance as at 31 March 2018	216.15
Provisions and impairment	
At 1 April 2016	-
Provisions for impairment	-
At 31 March 2017	-
Provisions for impairment	76.02
At 31 March 2018	76.02
Net Balance	
At 31 March 2017	218.19
At 31 March 2018	140.13

Note 5 - Investments

(₹ in Crore)

Sr. No.	Particulars	As at 31 st March, 2018		As at 31 st March, 2017	
		Number of Shares	Amount	Number of Shares	Amount
	Unquoted, fully paid at Cost				
	In subsidiary companies:				
1	GAIL Global (Singapore) Pte. Ltd.	7,100,000 (USD 1 each)	41.94	7,100,000 (USD 1 each)	41.94
2	GAIL Gas Ltd.	877,000,000 (₹10 each)	877.00	627,000,000 (₹10 each)	627.00
3	Gail Global USA Inc.	36,000,000 (USD 1 each)	179.17	36,000,000 (USD 1 each)	179.17
4	Tripura Natural Gas Company Ltd.	192,000 (₹100 each)	1.92	192,000 (₹100 each)	1.92
	Total (a)		1,100.03		850.03

(₹ in Crore)

Sr. No.	Particulars	As at 31 st March, 2018		As at 31 st March, 2017	
		Number of Shares	Amount	Number of Shares	Amount
	In Joint Venture Companies:				
	Unquoted Investment at Cost				
1	Ratnagiri Gas and Power Pvt. Ltd (Refer Note No.39) Provision for Impairment Loss	834,555,636 (₹ 10 each)	834.56 (617.11)	974,308,300 (₹ 10 each)	974.31 (783.00)
2	Konkan LNG Private Limited (Refer Note No.39) Provision for Impairment Loss	139,752,264 (₹ 10 each)	139.75 (139.75)		- -
3	Central UP Gas Ltd.	15,000,000 (₹ 10 each)	15.00	15,000,000 (₹ 10 each)	15.00
4	Green Gas Ltd.	23,042,250 (₹ 10 each)	23.04	23,042,250 (₹ 10 each)	23.04
5	Maharashtra Natural Gas Ltd.	22,500,000 (₹ 10 each)	22.50	22,500,000 (₹ 10 each)	22.50
6	Aavantika Gas Ltd. (includes 70,48,663 equity shares allotted at a premium of ₹29/- per share)	29,548,663 (₹ 10 each)	49.99	22,500,000 (₹ 10 each)	22.50
7	Bhagyanagar Gas Ltd. (includes 2,11,50,000 equity shares allotted at a premium of ₹40/- per share) (Note No.54)	43,650,000 (₹ 10 each)	128.25	22,500,000 (₹ 10 each)	22.50
8	Vadodara Gas Limited	79,137,831 (₹ 10 each)	79.14	79,137,831 (₹ 10 each)	79.14
9	Talcher Fertilizers Ltd.	5,015,000 (₹ 10 each)	5.02	15,000 (₹ 10 each)	0.02
10	Tapi Pipeline Company Ltd. (Refer Note No.52)	265,025 (US\$ 10 each)	17.70	25 (US\$ 10 each)	-
	Total (b)		558.09		376.01

Sr. No.	Particulars		As at 31 st March, 2018		As at 31 st March, 2017
c)	In Associate companies: Quoted Investments at Cost				
1	China Gas Holding Ltd. China (acquired at a premium of HK\$ 1.148 per share)	150,000,000 (HK\$0.01 each)	97.37	15,00,00,000 (HK\$0.01 each)	97.37
2	Petronet LNG Ltd. (Includes 1,00,00,000 equity shares allotted at a premium of ₹ 5/- per share, 1:1 Bonus is issued on 05th July 2017)	187,500,000 (₹ 10 each)	98.75	93,750,000 (₹ 10 each)	98.75
3	Mahanagar Gas Ltd.	32,102,750 (₹ 10 each)	32.10	32,102,750 (₹ 10 each)	32.10
4	Indraprastha Gas Ltd. (Share split in the ratio 5:1 on 11th November 2017)	157,500,000 (₹ 2 each)	31.50	31,500,000 (₹ 10 each)	31.50
	Unquoted Investments at Cost				
1	Brahmaputra Cracker & Polymer Ltd.	992,369,000 (₹ 10 each)	992.37	992,369,000 (₹ 10 each)	992.37
2	Fayum Gas Company Limited (Refer Note No.56(i)) (acquired at a premium of LE 478.95 per share) Provision for Impairment Loss	19,000 (LE 100 each)	8.10 (3.48)	19,000 (LE 100 each)	8.10 (5.04)
3	ONGC Petro Additions Ltd.	994,945,000 (₹ 10 each)	994.95	994,945,000 (₹ 10 each)	994.95
	Total (c)		2,251.66		2,250.10
(d)	Other Investments, fully paid up Quoted equity shares (Fair Value) through OCI				
1	Gujarat Industries Power Co. Ltd. 5,70,600 Equity shares of ₹ 10 each fully paid up (includes 1,90,200 Equity Shares acquired at a premium of ₹ 15/- per share)	570,600 (₹ 10 each)	5.54	570,600 (₹ 10 each)	5.90
2	Oil and Natural Gas Corporation Ltd. (Acquired 3,42,66,845 shares of ₹ 10/- each during 1999-2000 at a price of ₹ 162.34 per Share, 1,71,33,422 bonus shares of ₹ 10/- each received during 2006-07, During the year 2010-11, 5,14,00,267 Equity shares of ₹ 10/- each were splitted into Equity shares of ₹ 5/- each and bonus issue of 1:1 equity shares of ₹ 5/- each after split received during 2010-11, further during the year 2016-17 bonus issue of 1:2 equity shares has been received)	308,401,602 (₹ 5 each)	5,483.38	308,401,602 (₹ 5 each)	5,706.97
	Unquoted equity shares (Fair Value) through OCI				
1	South East Asia Gas Pipeline Ltd.	8347 (USD 1 each)	167.75	8347 (USD 1 each)	180.93
2	Gujrat State Energy Generation Ltd.	20,760,000 (₹ 10 each)	3.13	20,760,000 (₹ 10 each)	7.14
	Unquoted equity shares (Co-operative Societies) at Cost				
1	Darpan Co-operative Housing Society Ltd., Vadodara	30 (₹ 50 each)	-	30 (₹ 50 each)	-
2	Ashoka Apartments Co-operative Housing Society Ltd., Vadodara	50 (₹ 50 each)	-	50 (₹ 50 each)	-
3	Sanand Members Association, Ahmedabad	400 (₹ 10 each)	-	400 (₹ 10 each)	-
4	Green Field (B) Co-operative Housing Society Ltd, Mumbai	55 (₹ 50 each)	-	55 (₹ 50 each)	-
5	Avillion Greenfields Co-Op Hsg. Society Ltd, Mumbai	50 (₹ 5 each)	-	50 (₹ 5 each)	-
6	Suraj Heights A Co-Op Hsg. Society Ltd, Mumbai	50 (₹ 30 each)	-	50 (₹ 30 each)	-
7	Sheel Jeet Co-Operative Hsg Society Ltd., Mumbai	10 (₹ 5 each)	-	10 (₹ 5 each)	-
	Unquoted Equity Shares at Cost- Start-up Companies				
1	JV Foodworks Pvt. Ltd (acquired at a premium of ₹ 5,524.49 per share)	1,138 (₹ 10 each)	0.63		-
2	Attentive AI Solutions Pvt. Ltd (acquired at a premium of ₹ 11,990/- per share)	499 (₹ 10 each)	0.60		-
3	Persapien Innovations Pvt. Ltd (acquired at a premium of ₹ 3,77,348.49 per share)	21 (₹ 10 each)	0.79		-
	Total (d)		5,661.82		5,900.94
	Gross Total (a+b+c+d)		9,571.60		9,377.08

Opening	9,377.08	8234.25
Allotment during the year	407.96	456.66
Disposal during the year	-	-
Changes in Fair Value during the year	(241.14)	1293.32
Impairment Gain/(Loss) (Net of Reversal) during the year	27.70	(788.04)
Closing	9,571.60	9,196.19

Notes:-

Aggregate amount of quoted investments

- Book Value (at carrying cost)	5,748.64	5,972.59
- Market Value	20,820.67	17,120.84

Aggregate amount of unquoted investments (Gross of Impairment provision) 4,583.30 4,192.53

- Out of aforesaid investments in Subsidiary/ JV/ Associate, few shares are held in the name of GAIL officials jointly with GAIL
- Investment are valued in accordance with Accounting Policy No. 1.21 given in Note No. 1
- Aggregate amount of impairment in value of investments is ₹ 760.35 Cr. upto end of the year (previous year ₹ 788.04 Cr.)
- Investment other than subsidiary, associate and joint ventures are valued at fair value through OCI at each Balance Sheet date.
- ONGC Petro Additions Ltd. has been reclassified as associated during the current period w.e.f. 12.02.2018, till last year was considered as joint venture.
- Investment made in Start-up Companies during the year and its fair value considered to be equal to book value.

Note 5A - Investments Current

(₹ in Crore)

Sr. No.	Particulars	As at 31 st March, 2018	As at 31 st March, 2017
	Quoted Investments		
	Investments in Mutual Funds		
	IDBI liquid fund	381.47	-
	(Measured at fair value through profit or loss)		
	Total	381.47	-

Opening	-	12.35
Allotment/Investment during the year	5,713.00	-
Disposal during the year	(5,332.00)	(12.35)
Changes in Fair Value/MTM	0.47	-
Impairment Loss (Net of Reversal) during the year	-	-
Closing	381.47	-

Note 6 - Trade receivables-Non-Current

(₹ in Crore)

Sr. No.	Particulars	As at 31 st March, 2018	As at 31 st March, 2017
	Trade receivables	1,379.57	1,537.40
	Receivables from related parties	253.05	238.12
		1,632.62	1,775.52
	Less: Provision for Doubtful Debts	635.70	671.86
	Total	996.92	1,103.66

Note 6A - Trade receivables-Current

(₹ in Crore)

Sr. No.	Particulars		As at 31 st March, 2018		As at 31 st March, 2017
	Trade receivables	2,687.74		2,376.60	
	Receivables from related parties	401.65		379.60	
		3,089.39		2,756.20	
	Less: Provision for Expected Credit Loss	34.80	3,054.59	31.66	2,724.54
	Total		3,054.59		2,724.54

Breakup of Trade receivables

(₹ in Crore)

Sr. No.	Particulars		As at 31 st March, 2018		As at 31 st March, 2017
	Non Current (Unsecured)				
	Considered good	996.92		1,103.66	
	Considered doubtful	635.70		671.86	
		1,632.62		1,775.52	
	Less: Provision for Doubtful Debts	635.70		671.86	
	Total Non Current (Unsecured) Net		996.92		1,103.66
	Current (Unsecured)				
	Considered good	3,054.59		2,724.54	
	Considered doubtful	34.80		31.66	
		3,089.39		2,756.20	
	Less: Provision for Expected Credit Loss	34.80		31.66	
	Total Current (Unsecured) Net		3,054.59		2,724.54
	Total		4,051.51		3,828.20

Note 7-Financial Assets Non Current- Loans and Other Receivables

(₹ in Crore)

Sr. No.	Particulars		As at 31 st March, 2018		As at 31 st March, 2017
	Loans to related parties:				
	Loan to subsidiaries (Unsecured considered good)		9.70		16.11
	Other loans and receivables:				
	Loan to employees:				
	Secured, considered good (including dues from Directors and officers ₹0.49 Cr. (Previous Year : ₹0.55 Cr.))	269.60		253.71	
	Unsecured, considered good	21.42	291.02	38.03	291.74
	Security deposits paid:				
	Unsecured, Considered Good	67.23		97.54	
	Unsecured, Considered Doubtful	6.61		6.62	
		73.84		104.16	
	Less : Provision for Doubtful Deposits	6.61	67.23	6.62	97.54
	Finance lease receivables		17.88		19.89
	Loan to others (Unsecured considered good)		172.41		193.93
	Total		558.24		619.21

Note 7A-Financial Assets Current- Loans and Other Receivables (Unsecured considered Good unless otherwise stated)

(₹ in Crore)

Sr. No.	Particulars		As at 31 st March, 2018		As at 31 st March, 2017
	Loans to related parties:				
	Loan to joint ventures		-		144.24
	Other Receivable				
	subsidiaries		8.27		3.02
	associates		15.19		15.02
	joint ventures		24.21		21.43
	Other loans and receivables:				
	Loan to employees:				
	Secured (including dues from Directors and officers ₹ 0.13 Cr. (Previous Year : ₹0.13 Cr.)	33.88		53.05	
	Unsecured	38.76	72.64	15.72	68.77
	Security deposits paid:		508.82		447.02
	Finance lease receivables		2.01		1.99
	Interest accrued but not due		13.47		9.80
	Loan to others		47.02		41.54
	Total		691.63		752.83

Note 8 - Other Financial Assets -Non Current

(₹ in Crore)

Sr. No.	Particulars		As at 31 st March, 2018		As at 31 st March, 2017
	Receivables for Derivative Contracts (Hedged/ Non Hedged)		3.31		6.87
	Equity Investments Pending Allotment (include ₹150 Cr related to subsidiary and ₹95.78 Cr. Related to other Investment in company registered in Hong Kong)		255.06		132.57
	Total		258.37		139.44

Note 8A - Other Financial Assets -Current

(₹ in Crore)

Sr. No.	Particulars		As at 31 st March, 2018		As at 31 st March, 2017
	Receivables for Derivative Contracts (Hedged/ Non Hedged)		11.10		57.39
	Other Receivable		74.79		53.21
	Total		85.89		110.60

Note 9 - Non Current tax assets (Net)

(₹ in Crore)

Sr. No.	Particulars		As at 31 st March, 2018		As at 31 st March, 2017
	Advance income tax against pending demand				
	- Unsecured considered good	1,143.10		1,158.11	
	- Unsecured considered doubtful	207.21		162.21	
		1,350.31		1,320.32	
	Less : Provision for doubtful advance income tax against pending demand	207.21	1,143.10	162.21	1,158.11
	Advance tax	1,689.18		1,613.58	
	Less : Provision for tax (Net of MAT credit entitlement)	1,478.86	210.32	1,359.20	254.38
	Total		1,353.42		1,412.49

Note 10 - Inventories (as taken, valued and certified by the management)

(₹ in Crore)

Sr. No.	Particulars		As at 31 st March, 2018		As at 31 st March, 2017
	In Hand :				
	Work in progress:		11.76		9.89
	Finished goods:		353.34		395.93
	Polymers / LPG and Other Products				
	Stock in Trade:				
	Natural Gas including Liquefied Natural Gas (after adjustment of calorific value)-[Including Renewable Energy Certificate ₹ Nil (previous Year ₹0.49 crore)]		557.34		482.50
	Stores and spares:				
	Stores and spares	935.99		782.77	
	Less: Provision for obsolescence/loss	18.54	917.45	20.40	762.37
	In Transit :				
	Stores and spares		79.64		47.69
	Total		1,919.53		1,698.38

Valuation of Inventories are done in accordance with Accounting Policy No. 1.7.

Note 11 - Cash and cash equivalents

(₹ in Crore)

Sr. No.	Particulars		As at 31 st March, 2018		As at 31 st March, 2017
	Balances with banks:				
	- Current accounts		27.92		15.76
	- Deposits with original maturity less than three months		1,047.62		435.72
	Cash in hand		0.50		0.38
	Stamps in hand		-		0.01
	Cheque/Demand Draft in hand		0.04		0.01
	Total		1,076.08		451.88

Note 11A - Bank balance others

(₹ in Crore)

Sr. No.	Particulars		As at 31 st March, 2018		As at 31 st March, 2017
	Other Bank Balance (FD with original maturity more than three months)		751.46		251.37
	Earmarked accounts:				
	- Current Account - Dividend Payable		3.02		2.66
	- Short Term Deposits - JV Consortium [(including interest accrued but not due ₹0.20 Cr (Previous Year ₹0.15 Cr.) (Refer Note No.38(a))]		22.80		21.80
	- Short Term Deposits - Gas Pool Money [including interest accrued but not due ₹7.79 Cr. (Previous Year ₹4.55 Cr.) (Refer Note No.38(b))]		298.93		267.17
	- Short Term Deposits - Imbalance & Over run [(including interest accrued but not due ₹3.21 Cr. (Previous Year ₹3.82 Cr.) (Refer Note No.38(d))]		113.24		97.98
	- Short Term Deposits- Post Retirement Medical Scheme (Refer Note No.47(III)(b))		263.86		248.99
	Total		1,453.31		889.97

Note 12 - Other non financial assets-Non Current

(₹ in Crore)

Sr. No.	Particulars		As at 31 st March, 2018		As at 31 st March, 2017
	Balance with Government Authorities Unsecured, Considered Good: VAT Credit Receivable		198.33		432.95
	Claims recoverable: - Unsecured considered good - Unsecured considered doubtful	11.03 0.52		12.00 1.91	
	Less : Provision for doubtful claims	11.55 0.52	11.03	13.91 1.91	12.00
	Other advances recoverable [(Including Advance to an associate ₹475.84 crore (Previous Year ₹514.05 crore)]		477.04		515.55
	Capital advances: - Unsecured considered good - Unsecured considered doubtful	24.33 0.35		48.23 0.35	
	Less: Provision for doubtful advances	24.68 0.35	24.33	48.58 0.35	48.23
	Prepayments Prepaid expenses Prepaid rent Prepaid employee benefits		0.23 72.47 147.78		- 74.62 160.93
	Total		931.21		1,244.28

Note 12A - Other non financial assets-Current

(₹ in Crore)

Sr. No.	Particulars		As at 31 st March, 2018		As at 31 st March, 2017
	Balance with Government Authorities Unsecured, Considered Good: CENVAT Credit Receivable GST Receivable VAT Credit Receivable Service Tax Credit Receivable	0.27 72.98 877.71 -	950.96	111.38 - 1,697.04 56.66	1,865.08
	Claims recoverable: - Unsecured considered good - Unsecured considered doubtful	35.08 15.14		32.65 16.25	
	Less : Provision for doubtful claims	50.22 15.14	35.08	48.90 16.25	32.65
	Other advances recoverable [(Including Advance to an associate ₹38.20 crore (Previous Year ₹38.20 crore)]		362.68		500.53
	Advances to suppliers/contractors: - Unsecured considered good - Unsecured considered doubtful	11.10 9.52		33.78 9.69	
	Less: Provision for doubtful advances	20.62 9.52	11.10	43.47 9.69	33.78
	Gold coins in hand		0.09		0.09
	Prepayments Prepaid expenses Prepaid rent Prepaid employee benefits		63.39 4.09 18.74		59.94 3.25 7.70
	Total		1,446.13		2,503.02

Note 13 - Equity share capital

(₹ in Crore)

Sr. No.	Particulars	As at 31 st March, 2018	As at 31 st March, 2017
	Share capital		
	Authorised		
	500,00,00,000 Equity Shares of ₹10 each (Previous year 200,00,00,000 Equity shares of ₹10 each)	5,000.00	2,000.00
	Issued, subscribed and fully paid up		
	225,50,70,933 equity shares of ₹10 each (31 March 2017: 169,13,03,200 , equity shares of ₹10 each)	2,255.07	1,691.30
	Total	2,255.07	1,691.30

Reconciliation of the shares outstanding at the beginning and at the end of the year

(₹ in Crore)

Particulars	31st March, 2018		31st March, 2017	
	Numbers	Amount	Numbers	Amount
At the beginning of the year	169,13,03,200	1,691.30	126,84,77,400	1268.48
Issued during the year				
Bonus Shares	563,767,733	563.77	422,825,800	422.82
Outstanding at the end of the year	2,255,070,933	2,255.07	169,13,03,200	1691.30

Related Information:-

a) Details of Shareholders holding more than 5% shares in the Company

(₹ in Crore)

	As at 31 st March, 2018		As at 31 st March, 2017	
	Numbers	% of Holding	Numbers	% of Holding
i) President of India	1,208,548,124	53.59	920,651,612	54.43
ii) Life Insurance Corporation of India#			110,445,783	6.53

#As on 31st March 2018 share holding of Life Insurance Corporation of India has been reduced to less than 5%.

- The Company has only one class of equity shares having par value of ₹10/- per share. The Holders of the equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their share holding at the shareholders meetings.
- 1,52,83,549 shares (Previous Year: 1,63,45,528) are held in the form of Global Depository Receipts.
- The Company has not issued any shares for a consideration other than cash in immediately preceding five year except Bonus Shares 56,37,67,733 during the current FY and 42,28,25,800 during the Previous FY 2016-17 in the ratio of one equity share for every three shares held.

Note 14 - Other equity

(₹ in Crore)

Sr. No.	Particulars		As at 31 st March, 2018		As at 31 st March, 2017
	Other equity:				
	Security premium Account- Opening Balance		0.27		0.27
	Total -(i)		0.27		0.27
	Retained earnings- Opening Balance	26,304.98		25,004.95	
	Add: Profit for the year	4,618.41	30,923.39	3,502.91	28,507.86
	Less: Appropriations				
	-Transfer to Bond Redemption Reserve	35.19		98.46	
	-Transfer to General Reserve	461.84		350.29	
	-Interim Dividend	1,293.85		1,078.24	
	-Final Dividend	456.65		380.54	
	-Corporate Dividend Tax	352.53	2,600.06	295.35	2,202.88
	Add: Appropriations				
	-Transfer from Bond Redemption Reserve		312.50		-
	Total -(ii)		28,635.83		26,304.98
	Other reserves:				
	- Bond redemption reserves				
	Opening Balance		337.18		238.72
	Changes during the year				
	-Transfer to Retained Earnings		(312.50)		-
	-Appropriation from Retained Earnings		35.19		98.46
	Closing Balance		59.87		337.18
	- General reserves				
	Opening Balance		4353.14		4425.68
	Changes during the year				
	Transfer during the year from the statement of Profit & Loss		461.84		350.29
	Issue of Bonus Shares		(563.77)		(422.82)
	Closing Balance		4251.21		4353.14
	-Transition Reserve		6084.44		6084.44
	- Other Comprehensive Income				
	Add: OCI for the period	(621.94)	(958.57)	(1,927.99)	(621.94)
		(336.63)		1,306.05	
	Total -(iii)		9436.95		10,152.82
	G. Total =(i+ii+iii)		38,073.05		36,458.07

During the year, the Company has paid Interim Dividend of ₹7.65 per share (Previous Year: ₹8.50) and Final Dividend of ₹2.70 per share of FY 2016-17 (Previous Year: ₹3.00)

Note 15 - Borrowings-Non Current

(₹ in Crore)

Sr. No.	Particulars		As at 31 st March, 2018		As at 31 st March, 2017
	Non current borrowings				
	Secured Bonds:				
	- Bonds 2010 Series - I*	-		374.98	
	(8.80% Secured Non-convertible redeemable Bonds 2010 - Series - I are redeemable in 4 equal instalment commencing from the end of the 7 th year upto the end of the 10 th year from the deemed date of allotment December 13, 2010 with a call option at the end of the 7 th year)				
	- Bond series 2012*	-		562.36	
	(9.14% Secured Non-convertible redeemable Bonds 2012 - Series - I are redeemable in 4 equal instalment commencing from the end of the 5 th year upto the end of the 8 th year from the deemed date of allotment June 11, 2012 with a call option at the end of the 5 th year)				

(₹ in Crore)

Sr. No.	Particulars		As at 31 st March, 2018	As at 31 st March, 2017	
	<p>- Bond series 2015* (8.30% Secured Non-convertible redeemable Bonds 2015 - Series - I are redeemable in 4 equal instalment commencing from the end of the 7th year upto the end of the 10th year from the deemed date of allotment Feb 23, 2015 with a call option at the end of the 7th year).</p> <p>*Bonds are secured on pari pasu basis, by charge on freehold non agricultural land at village Tandalja, Vadodra together with the entire building constructed thereon both present & future and whole of plant and machinery, spares, tools and accessories and other movables of the company pertaining to its projects at Vijaipur Dadri Pipeline Projects excluding compressor stations at Vijaipur both present and future and whether installed or not and lying or in store</p> <p>UNSECURED</p> <p>- KFW Germany (Coperion Facility) (Repayment in 14 half yearly equal Instalments starting from November 2014) Loan carries fixed rate of interest)</p> <p>- Societe Generale (Repayment in 20 half yearly equal Instalments starting from 22nd October 2012) Loan carries floating rate of interest linked to 6 Months LIBOR plus spread).</p> <p>- Japan bank for International Cooperation(JBIC) (Repayable in 20 half yearly equal Instalments starting from June'2013) Loan carries fixed rate of interest)</p> <p>- KFW Germany (Siemens Facility) (Repayment in 20 half yearly equal Instalments starting from March 2014) Loan carries fixed rate of interest)</p> <p>- Syndication of Banks (In Syndication SMBC, Mizuho Bank Ltd., DBS Bank Ltd., \$ 100 million each) (Loan raised for refinancing existing SMBC Loan with 1/2 repayment in Nov 2017 and Nov 2018 . Loan carries floating rate of interest linked to 3 Months LIBOR plus spread)</p> <p>Long term maturities of finance lease obligations: Obligations under finance leases</p>	499.49	499.49	499.41	1,436.75
		32.10		44.45	
		167.98		214.21	
		127.85		150.74	
		147.85		178.93	
		-	475.78	978.63	1,566.96
			0.85		0.84
	Total Non Current Borrowings		976.12		3,004.55

Note 16 - Other financial liabilities-Non Current

(₹ in Crore)

Sr. No.	Particulars		As at 31 st March, 2018	As at 31 st March, 2017
	Payables for Derivative Contracts (Hedged/ Non Hedged)		39.01	75.18
	Deposits/Retention Money from Customers/contractors/others		14.59	16.27
	Gas Pool money provisional (Refer Note No.38 (c))		654.83	655.48
	Other Liabilities		67.16	67.16
	Total		775.59	814.09

Note 16A - Other financial liabilities-Current

(₹ in Crore)

Sr. No.	Particulars		As at 31 st March, 2018		As at 31 st March, 2017
	Payables for Derivative Contracts (Hedged/ Non Hedged)		316.09		59.28
	Current maturities of finance lease obligations:				
	Obligations under finance leases		0.06		0.06
	Current maturity of long term loans:				
	Secured Bonds				
	- Bonds 2010 Series - I	-		124.99	
	- Bond series 2012	-	-	187.39	312.38
	Unsecured Term loans:				
	- Bank of Tokyo Mitsubishi UFJ Ltd.	-		217.14	
	- Mizuho Corporate Bank	-		217.37	
	- Sumitomo Mitsui Banking Corporation	-		217.47	
	- KFW Germany (Coperion Facility)	12.49		12.26	
	- Societe Generale	46.89		46.28	
	- Japan bank for International Cooperation(JBIC)	31.72		29.88	
	- KFW Germany (Siemens Facility)	31.62		31.12	
	- New Syndication Loan	981.62	1,104.34	974.53	1,746.05
	Deposits/Retention Money from Customers/contractors/others		546.45		468.90
	Other payables				
	Interest accrued but not due		13.01		85.52
	Unpaid/unclaimed dividend		3.02		2.66
	Gas Pool Money (Refer Note No.38(b))		299.93		268.56
	Imbalance and overrun charges		112.30		99.74
	Payable for capital expenditure		861.57		274.61
	Adjustment in pipeline tariff		31.33		56.82
	E&P expenditure payable		188.84		59.18
	Employee benefits payable		343.00		196.92
	Other payables (including Metering Charges,Misc. Payment etc.)		163.98		187.63
	Total		3,983.92		3,818.31

Note 17 - Provisions-Non Current

(₹ in Crore)

Sr. No.	Particulars		As at 31 st March, 2018		As at 31 st March, 2017
	Provisions for employee benefits		579.53		811.70
	Provision for abandonment costs		0.90		0.90
	Total		580.43		812.60

Disclosure of movement in provision as required in Ind AS 37 is given in Note No. 57.

Note 17A - Provisions-Current

(₹ in Crore)

Sr. No.	Particulars		As at 31 st March, 2018		As at 31 st March, 2017
	Provisions				
	Provisions for employee benefits		191.83		61.12
	Provision for probable obligations		656.05		639.62
	Total		847.88		700.74

Disclosure of movement in provision as required in Ind AS 37 is given in Note No. 57.

Note 18 - Trade Payables

(₹ in Crore)

Sr. No.	Particulars	As at 31 st March, 2018	As at 31 st March, 2017
	Micro and Small Enterprises	68.11	33.28
	Trade payables	2,503.23	1,711.15
	Trade payables to related parties	1,310.21	971.58
	Total	3,881.55	2,716.01

Disclosure with respect to Micro, Small & Medium Enterprises Development Act, 2006 is given in Note No. 61.

Note 19 - Other non financial liabilities-Non-Current

(₹ in Crore)

Sr. No.	Particulars	As at 31 st March, 2018	As at 31 st March, 2017
	Deferred income	44.07	7.94
	Government Grant (Refer Note No.62)	845.37	450.69
	Total	889.44	458.63

Note 19A - Other non financial liabilities-Current

(₹ in Crore)

Sr. No.	Particulars	As at 31 st March, 2018	As at 31 st March, 2017
	Advances from customers	743.22	707.92
	Statutory payables	347.24	342.60
	Other liabilities	87.67	87.74
	Deferred income	3.55	1.40
	Government Grant	6.52	0.12
	Total	1,188.20	1,139.78

Note 20 - Deferred taxation**A. Statement of Profit and Loss:**

(₹ in Crore)

Sr. No.	Particulars	As at 31 st March, 2018	As at 31 st March, 2017
	(i) Profit or loss section		
	Current income tax:		
	Current income tax charge	1,654.10	1,319.52
	Adjustments in respect of current income tax of previous year	(20.78)	15.01
	Deferred tax:		
	Relating to origination and reversal of temporary differences	706.64	573.38
	Income tax expense reported in the statement of profit or loss	2,339.96	1,907.91
	OCI Section		
	Deferred tax related to items recognised in OCI during the year:		
	Net loss/(gain) on remeasurements of defined benefit plans	29.77	11.15
	Net gain/loss on cash movement of cash flow hedge	(81.05)	-
	Net Gain/Loss on FVTOCI Equity Securities*		
	Income tax charged to OCI	(51.28)	11.15

**Note:-Finance Act 2018 has amended section 112A / 10 (38) of the Income tax Act 1961 to introduce tax on income from long term capital gains on listed securities on which STT has been paid. The company has not recognised deferred tax asset of ₹99.79 crores on unrealized loss arising due to revaluation of FVTOCI-equity securities as there is no reasonable certainty of future taxable income under this head.

B. Reconciliation of tax expenses and the accounting profit multiplied by India's domestic tax rate for As at 31st March, 2018 and As at 31st March, 2017

(₹ in Crore)

Sr. No.	Particulars	As at 31 st March, 2018	As at 31 st March, 2017
	Accounting profit before income tax	6,958.37	5,410.82
	At India's statutory income tax rate of 34.608% (31 March 2017: 34.608%)	2,408.16	1,872.58
	Adjustments in respect of previous years	(20.78)	15.01
	Expenses not allowed as deduction	31.91	341.11
	Other temporary differences of earlier years	-	-
	Deductions not leading to timing differences	-	-
	Profit on sale of long term shares	-	(169.34)
	Exempt income	(130.37)	(151.45)
	Impact of change in effective tax rate in B/F tax liability	51.04	-
	Effective rate of income tax - 33.63% (31 March 2017: 35.26%)	2,339.96	1,907.91
	Income tax expense reported in the statement of profit and loss	2,339.96	1,907.91
		2,339.96	1,907.91

Deferred Tax

Deferred tax relates to the following:

(₹ in Crore)

Particulars	Balance Sheet		Profit or Loss Statement	
	As at 31 st March, 2018	As at 31 st March, 2017	Year Ended 31 st March, 2018	Year Ended 31 st March, 2017
Accelerated depreciation for tax purposes	6470.38	5,737.80	732.58	627.38
other liabilities	8.38	8.84	(0.46)	7.11
Ind AS adjustments	53.43	35.46	17.97	11.16
Prov for doubtful debts, deposits, probable obligation etc.	(554.22)	(511.79)	(42.43)	(22.07)
Prov for employee benefits	(299.31)	(302.07)	2.76	(76.57)
Others adjustments	(370.92)	(312.33)	(58.59)	37.52
Prior period adjustment in profit & loss a/c	-	-	3.52	-
Deferred tax expense/(income)			655.36	584.53
Net Deferred Tax Liability	5307.74	4,655.91		

Reflected in the balance sheet as follows:

(₹ in Crore)

Sr. No.	Particulars	As at 31 st March, 2018	As at 31 st March, 2017
	Deferred tax assets	(1,224.45)	(1,126.19)
	Deferred tax liabilities	6,532.19	5,782.10
	Deferred tax liabilities (Net)	5,307.74	4,655.91

Reconciliation of deferred tax liabilities (net):

(₹ in Crore)

Sr. No.	Particulars		As at 31 st March, 2018		As at 31 st March, 2017
	Opening balance as at 1st April		4,655.91		4,071.38
	Tax (income)/expense during the period recognised in profit or loss		706.64		573.38
	Tax (income)/expense during the period recognised in OCI		(51.28)		11.15
	Tax (income)/expense of earlier year period recognised in profit or loss		(3.52)		-
	Deferred taxes acquired in business combinations				
	Deferred Tax Liability		5,307.74		4,655.91

(₹ in Crore)

Sr. No.	Particulars		As at 31 st March, 2018		As at 31 st March, 2017
	Net Deferred Tax Liability due to taxable temporary Differences	5,307.74		4,655.91	
	Less:-				
	Mat Credit Entitlement	676.81	4,630.93	933.03	3,722.88
	Total		4,630.93		3,722.88

Note 21 - Revenue from Operations

(₹ in Crore)

Sr. No.	Particulars		Year Ended 31 st March, 2018		Year Ended 31 st March, 2017
	a) Sale of Products				
	Gas		41,748.48		38,213.13
	Polymers		5,788.10		5,625.57
	LPG		3,368.95		2,399.76
	Propane/Pentane/SBPS/Naphtha		809.58		737.95
	Crude Oil		33.18		34.23
	CNG		0.28		-
	Power		63.14		68.05
	b) Sale of Service				
	LPG Transmission / RLNG Shippers Charges		1,875.67		1,707.33
	c) Income from Telecom services		2.65		2.73
	Total		53,690.03		48,788.75
	Add: Other Operating Income		135.46		94.24
	TOTAL		53,825.49		48,882.99

Note 22 - Other Income

(₹ in Crore)

Sr. No.	Particulars		Year Ended 31 st March, 2018		Year Ended 31 st March, 2017
	Interest on :				
	- Deposits with Banks	151.72		148.47	
	- Income Tax / VAT Refund	74.94		104.07	
	- Delayed payment from Customers	23.81		36.13	
	- Loan to Joint Ventures, Subsidiaries and Associates etc.	30.25		35.82	
	- Loan to Employees and Others	48.41		54.13	
	Less : Transferred to Expenditure during construction period (refer note no - 28)	1.32	327.81	0.84	377.78
	Dividend from Investments		227.14		255.98
	Dividend from Related Parties		183.64		177.45
	Gain on Sale of Investments		5.83		-
	Amortization of Government Grant		0.35		0.12
	Net Gain on Foreign Currency Transaction and Translation		81.69		96.77
	Excess Provision Written Back		113.28		196.83
	Miscellaneous Income	47.72		71.75	
	Less : Transferred to Expenditure during construction period (refer note no - 28)	0.46	47.26	0.41	71.34
	TOTAL		987.00		1,176.27

Note 23 - (Increase) / Decrease in Inventories of Stock in Trade Finished Goods, Work in Progress

(₹ in Crore)

Sr. No.	Particulars		Year Ended 31 st March, 2018		Year Ended 31 st March, 2017
	Inventories at the end of the period:-				
	Work-in-Progress		11.76		9.89
	Finished Goods		353.34		395.93
	Stock in Trade		557.34		482.50
	Total		922.44		888.32
	Inventories at the beginning of the period:-				
	Work-in-Progress		9.89		13.13
	Finished Goods		395.93		265.12
	Stock in Trade		482.50		652.36
	Total		888.32		930.61
	TOTAL		(34.12)		42.29

Note 24 - Employee benefits expense

(₹ in Crore)

Sr. No.	Particulars		Year Ended 31 st March, 2018		Year Ended 31 st March, 2017
	Salaries, Wages and Allowances	1,108.01		853.48	
	Contribution to Provident and Other Funds	121.25		337.70	
	Staff Welfare Expenses	193.08		162.50	
		1,422.34		1,353.68	
	Less :				
	-Employees Benefit Expenses transferred to Capital Work-in-Progress (Ref Note No. 28)	62.20		41.67	
	-Reimbursements for employees on deputation	58.68	1,301.46	54.48	1,257.53
	TOTAL		1,301.46		1,257.53

Note 25 - Finance Cost

(₹ in Crore)

Sr. No.	Particulars		Year Ended 31 st March, 2018		Year Ended 31 st March, 2017
	Interest on:				
	- Term Loans	226.36		365.68	
	- Bonds	85.88		153.83	
	- Others	3.08	315.32	2.20	521.71
	(Gain)/loss on changes in fair value of Derivatives	(28.32)		49.82	
	Net (gain) / loss on foreign currency transactions on Borrowings	(3.32)	(31.64)	(43.01)	6.81
	Less : Interest and Finance Charges transferred to Capital Work-in-Progress (Ref Note No. 28)		8.57		49.16
	TOTAL		275.11		479.36

Note 26 - Depreciation and Amortization Expenses

(₹ in Crore)

Sr. No.	Particulars		Year Ended 31 st March, 2018		Year Ended 31 st March, 2017
	Depreciation and Amortization Expenses	1,415.83		1,390.17	
	Impairment Loss (Refer Note No. 55(i) & (ii))	0.27		7.22	
		1,416.10		1,397.39	
	Less : Depreciation and Amortization Expenses transferred to Capital Work-in-Progress (Ref Note No. 28)	0.96	1415.14	0.61	1396.78
	TOTAL		1,415.14		1,396.78

Note 27 - Other Expenses

(₹ in Crore)

Sr. No.	Particulars		Year Ended 31 st March, 2018		Year Ended 31 st March, 2017
	Gas Pool Expenses		15.95		14.55
	Stores and Spares consumed		370.47		343.44
	Power, Fuel and Water Charges				
	Power Charges	428.86		487.90	
	Gas used as Fuel	1,696.83		1,407.59	
	Water Charges	12.10	2,137.79	12.93	1,908.42
	Rent		24.06		23.42
	Repairs and Maintenance				
	Plant and Machinery	268.58		321.34	
	Buildings	45.69		51.98	
	Others	67.62	381.89	63.96	437.28
	Insurance		39.35		36.89
	Rates and Taxes		7.76		9.65
	Miscellaneous Expenditure :				
	- Travelling Expenses		117.11		101.97
	- Advertisement and Publicity		70.37		44.38
	- Vehicle Hire and Running Expenses		40.49		37.05
	- Survey Expenses		17.87		33.87
	- Dry Well Expenses written off		26.80		112.44
	- Oil & Gas Producing Expenses		58.37		64.34
	- Royalty on Crude Oil (including share of Govt in Profit Petroleum)		153.00		150.30
	- Consultancy Charges		36.97		84.29
	- Donation		61.29		2.02

Sr. No.	Particulars		Year Ended 31 st March, 2018		Year Ended 31 st March, 2017
	- Research and Development Expenses		17.24		13.44
	- Provision for Impairment Loss/ CWIP		85.96		-
	- Loss on sale / written off of assets (net)		24.35		6.07
	- Bad Debts/Claims/Advances/Stores written off		0.36		2.85
	- Provision for Doubtful Debts, Advances, Claims, Deposits and obsolescence of Stores and Capital Items		36.01		115.08
	- Provision for Probable Obligations / Contingencies		60.47		116.34
	- Expenses on Enabling Facilities		0.53		0.54
	- Selling & Distribution Expenses		39.02		45.33
	- Commission on Sales		22.79		21.01
	- Security Expenses		189.14		126.02
	- Corporate Social Responsibility Expenses		91.65		123.58
	- MTM loss on Commodity Derivative (Net)		79.25		0.11
	- Other Expenses		114.31		132.85
	Payment to Auditors				
	Audit Fees	0.66		0.61	
	Tax Audit fees	0.11		0.10	
	Other Services (for issuing certificates, etc.)	0.30		0.28	
	Travelling & Out of Pocket Expenses	0.49	1.56	0.52	1.51
	Less : Incidental Expenditure during construction transferred to Capital Work-in-Progress (Ref Note No. 28)		32.87		20.34
	TOTAL		4,289.31		4,088.70

Note 28 - Expenditure during Construction Period

(₹ in Crore)

Sr. No.	Particulars		Year Ended 31 st March, 2018		Year Ended 31 st March, 2017
	Employees Remuneration and Benefits				
	Salaries, Wages and Allowances		49.79		32.99
	Contribution to Provident and Other Funds		5.81		5.70
	Welfare Expenses		6.60		2.99
	Interest and Finance Charges		8.57		49.16
	Depreciation		0.96		0.61
	Power, Fuel and Water Charges				
	Power Charges		18.56		14.92
	Stores and Spares Consumed		0.67		-
	Insurance		0.02		0.01
	Rent		0.06		0.19
	Repairs and Maintenance				
	Plant and Machinery		0.10		0.03
	Buildings		0.01		-
	Others		0.22		0.33
	Miscellaneous Expenditure :				
	- Travelling Expenses		7.35		3.88
	- Vehicle Hire and Running Expenses		0.02		0.03
	- Consultancy Charges		0.16		0.04
	- Other Expenses		5.70		0.91
	Less :- Interest Income		1.32		0.84
	- Misc. Income		0.46		0.41
	Net Expenditure		102.82		110.54
	Less :Transferred to Capital Work-in-progress				
	a) Employees Benefits Expenses	62.20		41.68	
	b) Interest & finance Charges	8.57		49.16	
	c) Depreciation	0.96		0.61	
	d) Other Expenses	32.87		20.34	
		104.60		111.79	
	Less:				
	e) Other Income	1.78	102.82	1.25	110.54
	Balance Carried over to Balance Sheet		102.82		110.54

Notes to Financial Statements for the year ended 31st March 2018

29. Significant accounting judgements, estimates and assumptions

The preparation of the Company's standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities/assets at the date of the standalone financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require adjustment to the carrying amount of assets or liabilities affected in future periods.

In particular, the Company has identified the following areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the financial statements. Changes in estimates are accounted for prospectively.

29.1 Judgements

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the standalone financial statements:

Contingencies

Contingent liabilities and assets which may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involve the exercise of significant judgments and the use of estimates regarding the outcome of future events.

29.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

b) Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined

using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

c) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

d) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgments in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Impairment of investment in subsidiaries, joint ventures or associates is based on the impairment calculations using discounted cash flow/net asset value method, valuation report of external agencies, Investee Company's past history etc.

30 Contingent Liabilities and Commitments:

I. Contingent Liabilities:

(a) Claims against the Company not acknowledged as debts:

- (i) Legal cases for claim of ₹ 1,805.11 crore (Previous Year: ₹1,622.61 crore) by suppliers/contractors etc. on account of liquidated damages/price reduction schedule, natural gas price differential etc. and by customers for natural gas transmission charges etc.
- (ii) Income tax demands of ₹1138.04 crore (net of provision of ₹254.33 crore) (Previous Year ₹ 1128.26 crore net of provision of ₹209.33 crore) against which the Company has filed appeals before appellate authorities & courts. Further, the Income Tax Department has also filed appeals before ITAT against the relief granted by CIT (Appeals) to the Company. The aggregate amount involved in appeals filed by department is ₹674.89 crore (including interest) (Previous Year: ₹ 628.09 crore).
- (iii) Disputed Indirect tax demands are as under: (₹ in Crore)

Sl. No.	Particulars	As at 31 st March 2018	As at 31 st March 2017
1	Custom Duty	8.96	8.55
2	Excise Duty	3,476.69	3,296.34
3	Sales Tax / VAT	145.62	358.91
4	Entry Tax	26.10	11.42
5	Service Tax	2,856.80	1,363.99
	Total	6,514.17	5,039.21

- (iv) Miscellaneous claims of ₹ 160.80 crore (Previous Year: ₹162.84 crore)

The movement of above contingent liabilities from (i) to (iv) under various categories is tabulated below: (₹ in Crore)

Categories	Opening Bal.	Additions	Deletions	Closing Bal.
Central Govt.	6521.90	1969.01	263.31	8227.60
State Govt.	427.67	28.37	222.60	233.44
CPSEs	2.15	-	-	2.15
Others	1629.29	364.79	164.26	1829.82
Total	8581.01	2362.17	650.17	10293.01

- (v) Some of the customers have submitted counter claims amounting to ₹ 15,028 crore against Ship or Pay charges / consequential losses for not supplying gas. As per legal opinion such claims are not arbitrable/barred by limitation.

(b) Corporate Guarantees

The Company has issued Corporate Guarantees for ₹2,207 crore (Previous Year: ₹2,203 crore) on behalf of related parties for raising loan(s). The amount of loans outstanding as at the end of the year under these Corporate Guarantees are ₹1,254 crore (Previous Year: ₹1,306 crore).

II. Capital Commitments:

- (a) Estimated amount of contracts (Net of advances) remaining to be executed on capital account as at 31st March 2018 is ₹7,472.82 crore (Previous Year: ₹3,128.92 crore).
- (b) Other Commitments:
- (i) The Company has commitment of ₹771.56 crore (Previous Year: ₹740.15 crore) towards further investment and disbursement of loan in the subsidiaries, Joint Ventures, Associates and other companies.

- (ii) Commitments made by the Company towards the minimum work programme in respect of Jointly Controlled Assets have been disclosed in Note 51(B)(v).

31 Sales Tax Department has raised a demand of ₹3,449.18 crore (Previous Year: ₹3,449.18 crore) and interest thereon ₹1,513.04 crore (Previous Year: ₹1,513.04 crore) in respect of Hazira unit in Gujarat, treating the transfer of natural gas from the State of Gujarat to other states, as inter-state sales, during the period from April 1994 to March 2001. Aggrieved by the order of the Tribunal in favour of the company, the Sales Tax Department has filed petition in Hon'ble High Court of Gujarat. Final hearing in the matter has concluded in the month of November 2016 and the order of Hon'ble high court is awaited. In the opinion of the management, there is a remote possibility of crystallizing this liability.

32 In terms of the Gas Sales Agreement with the customers, value of Annual Take or Pay Quantity (ATOPQ) of Gas is accounted for on the basis of realization and shown as liability till make up Gas is delivered to customer as per the contract.

33 Disclosure relating to Corporate Social Responsibility (CSR):

The disclosure in respect of CSR expenditure for the FY 2017-18 is as under: (₹ in Crore)

Particulars	2017-18	2016-17
(a) Gross amount required to be spent by the company during the year.		
Annual CSR Allocation	104.51	118.93
Carry forward from previous year	0.00	8.95
Gross amount required to be spent, @ 2% (as per Provision of Section 135 of the Companies Act 2013)	69.67	81.47

(b) Amount spent during the year on:

(₹ in Crore)

	2017-18			2016-17		
	In cash	Yet to be paid in cash**	Total	In cash	Yet to be paid in cash**	Total
(i) Construction/acquisition of any assets	Nil	Nil	Nil	Nil	Nil	Nil
(ii) On purposes other than (i) above						
AROGYA (Health, Nutrition, Drinking Water and Sanitation)	21.85	5.28	27.13	19.87	13.15	33.02
KAUSHAL (Skill Development and Livelihood Initiatives)	5.61	0.99	6.60	15.80	8.83	24.63
UJJWAL (Education Centric Initiatives)	6.56	1.55	8.11			
UNNATI (Rural Development Projects)	8.51	2.30	10.81	42.44	1.77	44.21
SASHAKT (Women Empowerment)	0.66	0.10	0.76	0.97	0.66	1.63
SAKSHAM (Care of Elderly and Disabled)	0.00	0.00	0.00			
HARIT (Green Initiatives)	0.00	0.00	0.00	2.15	0.00	2.15
Other - Promotion of Sports, National Heritage etc.	32.97	4.66	37.63	10.11	4.08	14.19
Total Expenses (ii)	76.16	14.88	91.04	91.34	28.49	119.83
Capacity Building	0.36	0.25	0.61	3.75	0.00	3.75
Grand Total (i) and (ii)	76.52	15.13	91.65	95.09	28.49	123.58

** Provisions made for liabilities incurred

34 In respect of certain customers towards Ship or Pay charges being sub-judice/under dispute, the Company has been issuing claim letters, aggregate amount of which is ₹1268.77 crore (Previous Year ₹1725.43 crore) as at the end of the year. Income in respect of the same shall be recognized on final disposal of the matter.

35 Pending court cases in respect of certain customers for recovery of invoices raised by the company for use of APM gas for non-specified purposes by fertilizer companies pursuant to guidelines of Ministry of Petroleum & Natural Gas (MOP&NG), the Company has issued claim letters amounting to ₹2990.39 crore on the basis of information provided to Company by FICC.

36 Pricing and Tariff

- (a) Petronet LNG Ltd (PLL), a supplier of R-LNG, has been raising invoices on the company on provisional basis on certain matters and considering the same the Company has been raising provisional invoices for sale of R-LNG to its customers. Impact of any changes in such provisional invoices is taken as and when settled. In view of the management, the differential amount will not be material.
- (b) With effect from 1st April 2002, Liquefied Petroleum Gas (LPG) prices has been deregulated and is now based on the import parity prices fixed by the Oil Marketing Companies. However, the pricing mechanism is provisional and is yet to be finalized by the MoPNG. Impact on pricing, if any, will be recognized as and when the matter is finalized.
- (c) Natural Gas Pipeline Tariff and Petroleum and Petroleum Products Pipeline Transportation Tariff are subject to various Regulations issued by Petroleum and Natural Gas Regulatory Board (PNGRB) from time to time. Impact on profits, if any, is being recognized consistently as and when the pipeline tariff is revised by orders of PNGRB.
- (d) As per directions of Appellate Tribunal (APTEL), till date, PNGRB has issued 06(Six) final tariff orders applicable from financial year 2016-17. The Company has filed appeal(s) before Appellate Tribunal (APTEL), against various moderations done by PNGRB in these tariff orders. Aforesaid appeals are pending for disposal. Nonetheless, impact on profits, if any, is being recognized consistently as and when the pipeline tariff is revised by orders of PNGRB. As regards rest of the provisional orders, PNGRB is yet to issue its final orders.
- (e) The Company has filed a Writ Petition, during the financial year 2015-16, before the Hon'ble Delhi High Court challenging the jurisdiction of PNGRB on fixation of transmission tariff for pipelines. The Hon'ble Delhi High Court has dismissed the aforesaid Writ Petition vide its Order dated 11.04.2017. In this regard, the Company has filed a Review Petition before the Hon'ble Delhi High Court on 12th May 2017 against the said Order which has been admitted by the Hon'ble Court for review.

37 Land & Building

- (a) Freehold and Leasehold Land amounting to ₹26.67 crore and ₹15.84 crore (Previous Year: ₹26.14 crore and ₹40.45 crore) respectively are capitalized on provisional basis.
- (b) Title deeds for freehold (6.85 hectares) and leasehold (198.98 hectares) land amounting to ₹23.35 crore and ₹8.84 crore (Previous Year: ₹19.43 crore and ₹36.75 crore) respectively are pending execution for transfer in the name of the Company. This includes ₹4.59 crore (Previous year ₹9.39 crore) amount of Lease hold Land shown under 'Prepayments' in Note no 12 (Other Non-Current Assets - Non financial)

(c) Net Block for "Building" includes an amount of ₹1.90 crore (Previous Year ₹2.04 crore) earmarked for disposal but in use.

38 Earmarked Balances

- (a) The balance retention from Panna Mukta Tapti (PMT) JV consortium amounting to ₹22.80 crore (Previous Year: ₹21.80 crore) (shown in Note No 11A) is kept as Earmarked Balance in short term deposit in banks. It includes interest accrued but not due amounting to ₹0.20 crore (Previous Year: ₹0.15 crore). This interest income does not belong to the Company and not accounted for as income.
- (b) Liability on account of "Gas Pool Account" amounting to ₹299.93 crore (Previous Year: ₹268.56 crore) (shown in Note No. 11A) represents amount held by the Company as custodian pursuant to directions of MOPNG. The amount received is kept as Earmarked Fund in the form of Short Term Deposits in banks (shown in Note No 11A). It includes interest accrued but not due amounting to ₹7.79 crore (Previous Year: ₹4.55 crore). This interest does not belong to the Company and not accounted for as income.
- (c) Gas Pool Money (Provisional) shown under "Other Long Term Liabilities" amounting to ₹654.83 crore (Previous Year: ₹655.48 crore) (shown in Note No 16) with a corresponding debit thereof under Trade Receivable (after reversal during the year in case of certain customers) will be invested/paid as and when said amount is received from the customers.
- (d) Liability on account of Pipeline Overrun and Imbalance Charges amounting to ₹112.30 crore (Previous Year: ₹99.74 crore) (shown in Note No 11A) represents amount held by the Company as custodian pursuant to directions of PNGRB. The amount received is kept as Earmarked Fund in the form of Short Term Deposits in banks (shown in Note No.11A). It includes interest accrued but not due amounting to ₹3.21 crore (Previous Year: ₹3.82 crore) on short term deposits. This interest does not belong to the Company and not accounted for as income.

39 The Company has an equity investment amounting to ₹974.31 crore, in a joint venture company, Ratnagiri Gas and Power Pvt. Ltd. (RGPPPL), which is equivalent to ~25.50% of the paid-up equity capital of RGPPPL.

During the year the Demerger Scheme of RGPPPL was approved by NCLAT vide its order dated 28.02.2018. Pursuant to the scheme, the assets and liabilities of LNG business stands transferred to the demerged entity Konkan LNG Pvt. Ltd. (KLPL) and paid up share capital of RGPPPL was reduced with a corresponding issue of shares of KLPL to shareholders of RGPPPL. Accordingly, a sum of ₹139.75 crore was transferred to investment in KLPL out of total investment of ₹974.31 crore in RGPPPL by the Company.

In order to comply with the provision of Ind AS 109 "Impairment of Assets" as on 31.03.2018 for aforesaid investments in RGPPPL and KLPL, the company has undertaken impairment study for both the investments. Based upon the study, a provision of ₹139.75 crore is made during the year towards impairment loss in carrying value of investment in KLPL. As regards investment in RGPPPL, a sum of ₹165.89 crore has been reversed from the impairment made in the previous financial year.

40 (a) GAIL is acting as pool operator in terms of the decision of Government of India for pooling of natural gas for Urea Plants. The scheme envisages uniform cost of gas for urea production by settlement of difference in weighted average price of gas of each plant to the weighted average price for the industry. Accordingly, an amount of ₹368.37 crore (Previous Year ₹78.34 crore) is payable to and correspondingly receivable from Urea Plants, as on 31st March 2018. After netting of the payable and receivable amounts, there is no impact in the financial statements.

(b) GAIL is acting as pool operator in terms of the decision of the Government of India for capacity utilization of the notified gas based power plants. The Scheme, which was applicable till 31st March 2017, envisaged support to the power plants from the Power Sector Development Fund (PSDF) of the Government of India. The gas supplies were on provisional / estimated price basis which were to be reconciled based on actual cost. Accordingly, current liabilities include a sum of ₹87.63 crore (Previous Year ₹87.63 crore) on this account, as on 31st March 2018 which is payable to the above said power plants and/or to the Government of India.

41 During the year the Company has entered into settlement in respect of its disputed claim of ship or pay charges amounting to ₹ 255.36 crore with Indian Oil Corporation Ltd. According to the settlement the Company has received ₹ 175 crore against aforesaid amount and has issued credit notes for balance amount of ₹80.36 crore and adjusted the same in income for the year.

42 Pending agreement on terms of settlement and execution of Indenture agreement in respect of certain dues with one of the customers, an amount of ₹ 132.98 crore received in this regard has been kept as advance received from customers.

43 As per the provision of IND AS 109 (Financial Instruments), the Company has adopted Hedge Accounting for derivative contracts entered on or after 1st October 2017 due to substantial increase in commodity hedging transactions. Derivative contracts prior to 1st October 2017 will continue to be accounted as Derivative. Pursuant to changes as referred above, Mark to Market losses of ₹150.90 crore net of deferred tax of ₹ 81.05 crore pertaining to derivative contracts entered from 1st Oct 2017 onwards are recognized in the Other Comprehensive Income as on 31st March 2018.

44 PNGRB on 19.02.2014 notified insertion of Regulation 5A in the Amended Affiliate Code of Conduct Regulations that an entity engaged in both marketing and transportation of natural gas shall create a separate legal entity on or before 31.03.2017 so that the activity of transportation of natural gas is carried on by such separate legal entity and the right of first use shall, however, remain with the affiliate of such separate legal entity. The Company has challenged the said PNGRB Regulations before Hon'ble Delhi High Court by way of writ and the same is pending adjudication.

45 The Presidential directives for the implementation of the revised pay scales and allowances (w.e.f. 01/01/2017 based on DPE Office Memorandum No. W-02/0028/2017-DPE (WC)-GL-XIII/17 dated 3rd August, 2017) were issued on 23rd November, 2017. Pursuant to the aforesaid directives, revised pay scales and allowances for the Executives were implemented during the year. Further, in accordance with the guidelines for pay revision as aforesaid, the impact of increase in Gratuity ceiling from ₹10 lakhs to ₹20 lakhs amounting to ₹150.51 crore provided in the Statement of Profit & Loss during FY 2016-17, was reversed during the year and is shown as recoverable from Superannuation Benefit Fund along with accrued interest thereon.

Pay revision of Non-Executives of the Company is due w.e.f 1st Jan 2017. Pending finalization of pay revision, a provision of ₹ 36 crore has been made based on estimated basis.

46 During the year the Company has been entrusted with developing 6 CGD projects in cities of Varanasi, Bhubaneswar, Cuttack, Jamshedpur, Ranchi and Patna. Authorization letter has already been issued by PNGRB to the Company for these 6 CGDs and these CGDs are to be developed as per Minimum Work Program (MWP) set by PNGRB following a defined timeline.

47 Disclosure under the Ind AS 19 on Employee Benefits is given as below:

I. Superannuation Benefit Fund (Defined Contribution Fund)

The Company has paid for an amount of ₹56.16 crore (Previous Year: ₹55.83 crore) towards contribution to Superannuation Benefit Fund Trust and charged to statement of profit and loss.

II. Provident Fund

The Company has paid contribution of ₹63.09 crore (Previous Year ₹54.98 crore) to Provident Fund Trust at predetermined fixed percentage of eligible employees' salary and charged to statement of profit and loss. Further, the obligation of the Company is to make good shortfall, if any, in the fund assets based on the statutory rate of interest in the future period. During the year, surplus in the fund is more than the interest rate guaranteed liability of the Company hence, the Company has reversed a provision of ₹ Nil (Previous Year ₹ Nil), as per actuarial valuation and the balance provision to meet any short fall in the future period to be compensated by the Company to the Provident Fund Trust as at the end of the current financial year is ₹ Nil (Previous Year ₹ Nil).

III. Other Benefit Plans

a) Gratuity:

15 days salary for every completed year of service. Vesting period is 5 years. Payment is limited to ₹20 lakh (increased from ₹10 lakh as per Central Government notification S.O. 1420 (E) dated 29.03.2018).

b) Post-Retirement Medical Scheme (PRMS)

The Company contributes to the defined benefit plans for Post-Retirement Medical Scheme using projected unit credit method of actuarial valuation. Under the scheme eligible ex-employees are provided medical facilities. During the year the Company has earmarked ₹263.86 crore (Previous Year ₹ 248.99) towards the PRMS in a separate bank account.

c) Earned Leave Benefit (EL)

Accrual 30 days per year. Encashment while in service 75% of accumulated Earned Leave balance subject to maximum of 90 days at a time; provided a minimum balance of 15 days is left over in the respective employee's account. Encashment on retirement or superannuation maximum 300 days.

d) Terminal Benefits (TB)

At the time of superannuation, employees are entitled to settle at a place of their choice and they are eligible for Transfer Traveling Allowance.

e) Half Pay Leave (HPL)

Accrual 20 days per year. The encashment of unavailed HPL is allowed as per approved Company rule at the time of Superannuation.

f) Long Service Award (LSA)

On completion of specified period of service with the company and also at the time of retirement, employees are rewarded monetarily based on the duration of service completed.

The following table summarizes the components of net benefit expenses recognized in the statement of profit and loss based on actuarial valuation.

	Gratuity Funded		PRMS Non Funded		EL Non Funded		Terminal Benefits Non Funded		HPL Non Funded		LSA Non Funded	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
A. Expenses recognized in the statement of Profit & Loss Account												
Current Service Cost	36.33	38.28	38.47	17.36	7.37	49.81	0.95	0.57	10.19	10.83	1.39	0.87
Past service cost	57.03	144.07	-	10.86	-	-	-	-	-	-	-	-
Interest on Benefit Obligation	12.14	10.80	19.57	16.35	14.10	15.75	0.88	0.84	13.42	12.05	1.58	1.39
Expected Return on Plan Assets	(9.17)	(10.60)	-	-	-	-	-	-	-	-	-	-
Net actuarial (Gain) / Loss recognized in the year	(55.26)	(19.32)	(20.75)	(12.92)	(18.69)	(15.13)	0.78	(0.93)	(23.71)	(10.48)	0.15	2.69
*Impact of Gratuity Limit enhancement to ₹20 lakh reversed	(150.51)											
Interest on under Funding transferred to Emp. Rec.account*	(12.13)											
Other Comprehensive Income	64.43	19.31	20.75	12.92								
Expenses recognized in P&L Statement	(57.14)	182.54	58.04	44.57	2.78	50.43	2.61	0.48	(0.10)	12.40	3.12	4.95
*Note - Based on the recommendation of 3 rd Pay Revision Commission (PRC) dated 21 st November 2016, the company provided a liability of ₹150.51 crore towards the increase in Gratuity ceiling from ₹ 10 lakhs to ₹ 20 lakhs during FY 2016-17, the same has been revised during the current year based on Office Memorandum issued by DPE vide Ref.No.W-02/0028/2017-DPE (WC)-GL-XIII/17 dated 3 rd August 2017 as the funding for the entire amount of Gratuity is to be met from within the ceiling of Superannuation Benefits of 30% of Basic Pay plus DA.												

	Gratuity Funded		PRMS Non Funded		EL Non Funded		Terminal Benefits Non Funded		HPL Non Funded		LSA Non Funded	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
B Reconciliation of fair value of plan assets and Present value of defined benefit obligation												
Present value of Obligation as at year end	366.65	316.17	290.17	254.74	110.91	257.66	13.55	11.79	171.65	176.42	22.42	21.70
Fair value of Plan Assets as at year end	162.49	153.08	-	-	-	-	-	-	-	-	-	-
Difference	(204.16)	(163.09)	(290.17)	(254.74)	(110.91)	(257.66)	(13.55)	(11.79)	(171.65)	(176.42)	(22.42)	(21.70)
Net Asset / (Liability) recognized in the Balance Sheet	(204.16)	(163.09)	(290.17)	(254.74)	(110.91)	(257.66)	(13.55)	(11.79)	(171.65)	(176.42)	(22.42)	(21.70)
C. Reconciliation of the changes in the Present Value of the Defined Benefit Obligations:												
Present value of Obligations as at beginning of the year	316.17	150.93	254.74	226.13	257.66	225.44	11.79	11.61	176.42	167.03	21.70	21.36
Interest Cost	23.93	10.80	19.57	16.35	14.10	15.75	0.88	0.84	13.42	12.05	1.58	1.39
Current Service Cost	36.33	38.28	38.47	17.36	7.37	49.81	0.95	0.57	10.19	10.83	1.39	0.87
Past service cost	57.03	144.07	-	10.86	-	-	-	-	-	-	-	-
Benefit Paid	(11.55)	(4.94)	(1.86)	(3.04)	(149.53)	(18.21)	(0.85)	(0.30)	(4.67)	(3.01)	(2.40)	(4.61)
Net Actuarial Gain / (Loss) on Obligation	(55.26)	(22.97)	(20.75)	(12.92)	(18.69)	(15.13)	0.78	(0.93)	(23.71)	(10.48)	0.15	2.69
Present Value of the Defined Benefit Obligation as at end of the year	366.65	316.17	290.17	254.74	110.91	257.66	13.55	11.79	171.65	176.42	22.42	21.70

	Gratuity Funded		PRMS Non Funded		EL Non Funded		Terminal Benefits Non Funded		HPL Non Funded		LSA Non Funded	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
D. Reconciliation of the changes in the Fair Value of Plan Assets												
Fair Value of Plan Assets as at beginning of the year	153.08	145.54	-	-	-	-	-	-	-	-	-	-
Expected return on Plan Assets	9.17	10.60	-	-	-	-	-	-	-	-	-	-
Contributions by Employer	11.79	5.53	-	-	-	-	-	-	-	-	-	-
Benefit Paid	(11.55)	(4.94)	-	-	-	-	-	-	-	-	-	-
Actuarial Gain / (Loss)	-	(3.65)	-	-	-	-	-	-	-	-	-	-
Fair Value of Plan Assets as at end of the year	162.49	153.08	-	-	-	-	-	-	-	-	-	-
E. Principal actuarial assumption at the Balance Sheet Date												
Discount rate	7.71%	7.28%	7.71%	7.28%	7.71%	7.28%	7.71%	7.28%	7.71%	7.28%	7.71%	7.28%
Expected return on plan assets	7.71%	7.28%	-	-	-	-	-	-	-	-	-	-
Annual increase in costs	-	-	10%	10%	-	-	10%	10%	-	-	10%	10%
Annual increase in salary	10%	10%	-	-	10%	10%	-	-	10%	10%	-	-

F. Other Disclosure**(i) Net Asset / (Liability) recognised in the Balance Sheet (including experience adjustment impact)**

Gratuity	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
Present Value of Defined Benefit Obligation as at end of the year	366.65	316.17	150.93	140.21	128.36
Fair Value of Plant Asset as at end of the year	162.49	153.08	145.54	134.82	125.93
Status [Surplus / (Deficit)]	(204.16)	(163.09)	(5.39)	(5.38)	(2.43)
Experience Adjustment of Plan Assets [Gain / (Loss)]	(9.17)	(3.65)	4.02	2.05	3.35
Experience Adjustment of Obligation [Gain / (Loss)]	(55.26)	(22.96)	(34.90)	(32.31)	31.18

PRMS	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
Present Value of Defined Benefit Obligation as at end of the year	290.17	254.74	226.13	197.80	73.76
Experience Adjustment of Obligation [Gain / (Loss)]	(20.78)	(22.18)	(5.45)	87.17	(16.12)

Earned Leave	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
Present Value of Defined Benefit Obligation as at end of the year	110.91	257.66	225.44	250.11	230.52
Experience Adjustment of Obligation [Gain / (Loss)]	(18.69)	(3.10)	12.64	(0.65)	(5.93)

Terminal Benefits	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
Present Value of Defined Benefit Obligation as at end of the year	13.55	11.79	11.61	9.89	7.90
Experience Adjustment of Obligation [Gain / (Loss)]	0.79	(0.88)	0.70	(0.30)	(0.94)

HPL	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
Present Value of Defined Benefit Obligation as at end of the year	171.65	176.42	167.03	146.19	123.96
Experience Adjustment of Obligation [Gain / (Loss)]	(23.71)	18.12	(4.39)	(5.59)	(9.06)

Long Service Award	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
Present Value of Defined Benefit Obligation as at end of the year	22.42	21.70	21.36	17.13	13.13
Experience Adjustment of Obligation [Gain / (Loss)]	0.15	1.87	(0.17)	(3.93)	(1.31)

(ii) The effect of increase/decrease of cost

Sensitivity Analysis	GRATUITY				PRMS			
	Funded				Non - Funded			
	2017-18		2016-17		2017-18		2016-17	
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount Rate (-/+ 0.5%)	351.25	383.24	301.54	331.96	262.44	321.92	235.46	274.95
%Change Compared to base due to sensitivity	-4.20%	4.52%	-4.63%	5.00%	-9.56%	10.94%	-7.57%	7.93%
Salary Growth (-/+ 0.5%)	369.43	363.81	317.69	314.54	N/A	N/A	N/A	N/A
%Change Compared to base due to sensitivity	0.76%	-0.78%	0.48%	-0.52%	N/A	N/A	N/A	N/A
Attrition Rate (-/+ 0.5%)	366.93	366.39	316.41	315.93	290.32	290.03	254.85	254.65
%Change Compared to base due to sensitivity	0.07%	-0.07%	0.07%	-0.07%	0.05%	-0.05%	0.04%	-0.04%
Mortality Rate (-/+ 10%)	367.20	366.12	316.78	315.56	281.67	299.09	253.40	256.20
%Change Compared to base due to sensitivity	0.15%	-0.15%	0.19%	-0.19%	-2.93%	3.07%	-0.53%	0.57%

Sensitivity Analysis	EARNED LEAVE				HALF PAY LEAVE			
	Non - Funded				Non - Funded			
	2017-18		2016-17		2017-18		2016-17	
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount Rate (-/+ 0.5%)	104.54	117.91	241.48	275.46	163.63	180.27	167.59	185.95
%Change Compared to base due to sensitivity	-5.75%	6.30%	-6.28%	6.90%	-4.67%	5.03%	-5.00%	5.40%
Salary Growth (-/+ 0.5%)	117.69	104.67	274.85	241.85	180.00	163.79	185.61	167.80
%Change Compared to base due to sensitivity	6.11%	-5.63%	6.67%	-6.14%	4.87%	-4.57%	5.21%	-4.88%
Attrition Rate (-/+ 0.5%)	110.80	111.03	257.53	257.80	172.06	171.23	176.86	175.97
%Change Compared to base due to sensitivity	-0.11%	0.10%	-0.05%	0.05%	0.24%	-0.24%	0.25%	-0.25%
Mortality Rate (-/+ 10%)	110.80	111.03	257.32	258.02	172.68	170.61	177.50	175.33
%Change Compared to base due to sensitivity	-0.12%	0.10%	-0.14%	0.14%	0.60%	-0.60%	0.62%	-0.62%

Sensitivity Analysis	TERMINAL BENEFITS				LONG SERVICE AWARD			
	Non - Funded				Non - Funded			
	2017-18		2016-17		2017-18		2016-17	
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount Rate (-/+ 0.5%)	12.94	14.22	11.18	12.46	21.60	23.31	20.91	22.54
%Change Compared to base due to sensitivity	-4.54%	4.91%	-5.21%	5.66%	-3.67%	3.94%	-3.63%	3.90%
Salary Growth (-/+ 0.5%)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
%Change Compared to base due to sensitivity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Attrition Rate (-/+ 0.5%)	13.51	13.59	11.79	11.79	22.35	22.51	21.65	21.74
%Change Compared to base due to sensitivity	-0.28%	0.28%	-0.02%	0.02%	-0.35%	0.36%	-0.20%	0.20%
Mortality Rate (-/+ 10%)	13.46	13.64	11.70	11.88	22.32	22.54	21.58	21.81
%Change Compared to base due to sensitivity	-0.67%	0.67%	-0.74%	0.74%	-0.50%	0.50%	-0.54%	0.54%

(iii) Details of the investment pattern of Plan Assets of Gratuity Trust

Particulars	(% age of investment)	
	31.03.2018	31.03.2017
Central Govt. Securities	6.06	6.57
State Govt. Securities	5.11	5.54
PSU Bonds	7.22	7.82
Private Bonds	0.29	0.30
Insurance Investment	81.32	79.77
Total	100.00	100.00

Mortality table referred		IALM 2006-2008 ULTIMATE	IALM 2006-2008 ULTIMATE
AGE		Withdrawal Rate % (2017-18)	Withdrawal Rate % (2016-17)
Withdrawal Rate/Employee Turnover Rate	UPTO 30 YEARS	3%	3%
	UPTO 44 YEARS	2%	2%
	ABOVE 44 YEARS	1%	1%

Note:

- The actuarial valuation takes into account the estimates of future salary increases, inflation, seniority, promotion and other relevant factors.
- The management has relied on the overall actuarial valuation conducted by the actuary.

48. Disclosure as per Ind AS 23 on 'Borrowing Costs':

Borrowing costs capitalized in assets including amount allocated towards Capital Work in Progress during the year was ₹8.57 crore (Previous Year: ₹49.16 crore).

49. In compliance of Ind AS 108 on "Operating Segment", the Company has adopted following Business segments as its reportable segments:

- Transmission services
 - Natural Gas
 - LPG
- Natural Gas Marketing
- Petrochemicals
- LPG and other Liquid Hydrocarbons
- Other Segments (include GAIL TEL, E&P, Power Generation and City Gas)

There are no geographical segments in the Company.

The disclosures of segment wise information is given as per **Annexure-A**.

50. In compliance of Ind AS 24 on "Related Party Disclosures", the names of related parties, nature of relationship and detail of transactions entered therewith are given in **Annexure- B**.

51. Disclosure under Ind AS 112 on "Disclosure of Interests in Other Entities":

- A) Subsidiaries/ Jointly Venture/ Associates

Sr. No.	Name of companies	Relation	31.03.2018	31.03.2017
1	GAIL Global (Singapore) PTE Ltd (GG SPL)	Subsidiary	100%	100%
2	GAIL Global (USA) Inc. (GGUI)	Subsidiary	100%	100%
3	GAIL Gas Limited	Subsidiary	100%	100%
4	Tripura Natural Gas Co Ltd. (TNGCL)	Subsidiary	48.98%	48.98%
5	Central UP Gas Limited (CUGL)	Joint Venture	25.00%	25.00%
6	Green Gas Limited (GGL)	Joint Venture	49.97%	49.97%
7	Ratnagiri Gas & Power (Private) Ltd (RGPPL)	Joint Venture	25.50%	25.50%
8	Konkan LNG Pvt Ltd	Joint Venture	25.50%	0
9	Maharashtra Natural Gas Limited (MNGL)	Joint Venture	22.50%	22.50%
10	Aavantika Gas Limited (AGL)	Joint Venture	49.98%	49.97%
11	Bhagyanagar Gas Limited (BGL)	Joint Venture	49.97%	49.97%
12	Talcher Fertilizers Limited (TFL)	Joint Venture	33.32%	30.00%
13	TAPI Pipeline Company Limited (TPCL)	Joint Venture	5.00%	25.00%
14	Vadodara Gas Limited (VGL)	Joint Venture	50.00%	50.00%
15	GAIL China Gas Global Energy Holdings Ltd.	Joint Venture	50.00%	50.00%
16	ONGC Petro-additions Limited (OPaL)*	Associate	49.21%	49.21%
17	Indraprastha Gas Limited (IGL)	Associate	22.50%	22.50%
18	Petronet LNG Limited (PLL)	Associate	12.50%	12.50%
19	Mahanagar Gas Limited (MGL)	Associate	32.50%	32.50%
20	Brahmaputra Cracker & Polymer Ltd (BCPL)	Associate	70.74%	70.74%
21	China Gas Holding Limited	Associate	3.02%	3.02%
22	Fayum Gas Company	Associate	19.00%	19.00%
23	National Gas Company**	Associate	5.00%	5.00%

*Note-Holding on fully diluted basis is 8.86%

** Ceased to be an Associate during the current financial year

The Company's share in the assets and liabilities and in the income and expenditure for the year in respect of above Subsidiaries/Joint Ventures/Associates, based on audited/unaudited financial statements, as furnished by these companies, is as under:

S.N.	Particulars	2017-18 (₹ In crore)	2016-17 (₹ In crore)
A.	Summary of Balance Sheet		
1	Assets		
	Non-Current Assets	27,950.62	27,648.22
	Current Assets	6,058.95	3,754.25
	Total	34,009.56	31,402.47
2	Liabilities & Provisions		
	Non-Current Liabilities	18,260.09	17,322.08
	Current Liabilities & Provisions	11,314.88	9,623.36
	Total	29,574.97	26,945.44
B.	Summary of Profit and Loss A/c		
1	Income	15,793.97	13,420.56
2	Expenditure	10,718.99	14,206.64
C.	Contingent Liability (*)	8,074.75	7,723.08

(*) To the extent of information available with the Company

B) Jointly Controlled Assets

i) The Company has participating interest in blocks offered under New Exploration Licensing Policy (NELP), in 8 Blocks (Previous Year: 10 Blocks) for which the Company has entered into Production Sharing Contract(s) with respective host Governments along with other partners for exploration and production of oil and gas. The Company is a non-operator, except in Block CB-ONN-2010/11, where it is the operator. The expenses, incomes, assets and liabilities are shared by the company based upon its participating interest in production sharing contract(s) of respective blocks.

The participating interest in the 8 NELP Blocks in India as at the end of the current financial is as under:

Sl No.	Name of Block	Participating Interest	Sl No.	Name of Block	Participating Interest
1	CB-ONN-2000/1	50%	5	CB-ONN-2010/11	25%
2	AA-ONN-2002/1	80%	6	AA-ONN-2010/2	20%
3	CB-ONN-2003/2	20%	7	GK-OSN-2010/1	10%
4	CB-ONN-2000/1-RING FENCED CONTRACT	50%	8	CB-ONN-2010/8	25%

ii) In addition to above, the Company has farmed-in as non-operator in the following blocks:

No.	Name of the Block	Participating Interest
1	A-1, Myanmar*	8.5%
2.	A-3, Myanmar*	8.5%
3.	CY-OS/2	25%

* In addition, the Company has 8.5% participating interest in SHWE Offshore Midstream pipeline project in Myanmar for the purpose of transportation of gas from the delivery point in offshore, Myanmar to landfall point in Myanmar.

iii) The Company's share in the assets, liabilities, income and expenditure for the year in respect of joint operations project blocks has been incorporated in the Company's financial statements based upon un-audited financial statements submitted by the operators and are as given below: (Final adjustments are effected during the year in which audited financial statements are received):

(₹ In crore)

Particulars	2017-18	2016-17
Income	632.97	615.68
Expenses	430.55	466.37
Fixed Assets (Gross block)	203.76	208.52
Producing Property (Gross block)	1069.56	1,064.02
Other Assets	483.65	338.24
Liabilities	390.92	141.39

The above value includes the following amounts pertaining to 32 E&P Blocks relinquished till 31st March, 2018 (including 30 Blocks relinquished till 31st March, 2017) where the Company is non-operator. (₹ In crore)

Particulars	2017-18	2016-17
Income	0.05	-
Expenses	0.37	29.09
Fixed Assets (Gross block)	0.01	0.01
Other Assets	3.95	0.70
Liabilities	36.08	23.01

iv) The Company has relinquished non-operated E&P block during the year as below:

SL NO	Name of the Block	Participating Interest	Date of Relinquishment
1	MN-OSN-2000/2	20%	31.03.2017
2	AN-DWN-2003/2**	15%	25.01.2018

**Exit from the block is pending for approval from the Directorate General of Hydrocarbons (DGH)

v) Share of Minimum work program committed under various production sharing contracts in respect of E&P joint ventures is ₹37.72 crore (Previous Year ₹174.64 crore).

vi) Quantitative information:

a) Details of the Company's Share of Production of Crude Oil and Natural Gas during the year ended 31st March 2018:

i) Crude Oil Block No. CB-ONN-2000/1 & CB-ONN-2003/2:

Particulars	Opening stock		Production (Treated & processed crude)		Sales*		Closing Stock	
	Qty	Value	Qty	Value	Qty	Value	Qty	Value
	(MT)	₹ In Crore	(MT)	₹ In Crore	(MT)	₹ In Crore	(MT)	₹ In Crore
Year ended 31/03/18	726.91	0.68	14264.67	-	14438.76	33.18	552.83	0.90
Year ended 31/03/17	746.70	0.73	16503.21	-	16522.99	34.28	726.91	0.68

*Includes test production sales for ₹ 0.00 crore (Previous Year ₹ 0.07 crore)

ii) Natural Gas Block No. A1 and A3 (Myanmar)

Particulars	Opening stock		Production		Sales		Closing Stock	
	Qty	Value	Qty	Value	Qty	Value	Qty	Value
	(Million M3)	₹ In Crore	(Million M3)	₹ In Crore	(Million M3)	₹ In Crore	(Million M3)	₹ In Crore
Year ended 31/03/18	0.55	0.24	414.10	-	405.62	519.16	0.47	0.29
Year ended 31/03/17	0.57	0.28	421.25	-	414.33	504.44	0.55	0.24

b) Net Quantities of the Company's interest in proved reserves and proved developed reserves:

Particulars	Proved Reserves		Proved Developed Reserves	
	2017-18	2016-17	2017-18	2016-17
Crude Oil : in 000'MT				
Beginning of the year	128.90	125.62	108.00	125.61
Additions	-	21.37	-	0.88
Deletion	2.45	-	2.45	-
Production	15.67	18.10	15.05	18.10
Closing Balance	91.50	128.89	90.50	108.39
Natural Gas : in Million M3				
a) Myanmar				
Beginning of the year	4,921.15	5,342.40	4,522.15	4,943.40
Additions	-	-	-	-
Deletion	-	-	-	-
Production	414.10	421.25	414.10	421.25
Closing Balance	4,507.37	4,921.15	4,109.42	4,522.15
b) India				
Beginning of the year	1,462.25	1,462.25	-	-
Additions	350.03	-	-	-
Deletion*	-	-	-	-
Production	-	-	-	-
Closing Balance	1,812.28	1,462.25	-	-
Closing Balance Total (a+b)	6,319.65	6,383.40	4,109.42	4,522.15

*As per approval of Field Development Plan by Director General of Hydrocarbons.

Notes:

- i. The Company is Non-operating partner in E&P blocks except for one block for which reserves are disclosed.
 - ii. The initial oil and gas reserve assessment was made through expert third party agency / internal expert assessment by respective Operator of E&P blocks. The year-end oil reserves are estimated based on information obtained from Operator / on the basis of depletion during the year. Re-assessment of oil and gas reserves carried out by the respective Operator as and when new significant data or discovery of hydrocarbon in the respective block.
 - iii. The Company's share of crude oil production for the year 2017-18 is 1,15,057 barrels (Previous year 1,28,836 barrels).
 - iv. E&P blocks are assessed individually for impairment.
- c) The Company's share of balance cost recovery is ₹738.12 crore (Previous Year ₹970.92 crore) to be recovered from future revenues from E&P blocks having proved reserves as per Production sharing contracts.
52. TAPI Pipeline Company Limited (TPCL), a Joint Venture of the Company was incorporated in November, 2014 to construct, operate and maintain Turkmenistan-Afghanistan-Pakistan-India (TAPI) Gas Pipeline. GAIL currently holds 265,000 equity shares of USD 10 value per share and 25 equity shares of USD Nil value in TPCL as shown in Note no.5(a)10.

As at 31st March 2018, the Company has made a total payment of ₹26.87 crore, equivalent to USD 4.15 million (Previous Year ₹26.87 crore, equivalent to USD 4.15 million) towards Pre Project Expenditure of the aforesaid project, out of which shares of ₹17.70 crore equivalent to USD

2.65 million as aforesaid have been allotted during the year and the balance of ₹9.17 crore equivalent to USD 1.5 million has been shown as Advance against Equity in Note no.8.

53. Advance against equity pending allotment paid to South East Asia Gas Pipeline (SEAGP) in earlier years was ₹105.70 crore equivalent to USD 22,528,552. The Board of Directors and Shareholders of SEAGP in meeting held on 11.4.2018, approved refund of partial amount of such advance against equity. Accordingly, the amount recoverable by the Company of ₹14.48 crore equivalent to USD 2,240,334.80 is shown as current financial assets as at the end of the year and balance amount of ₹95.78 crore equivalent to USD 20,282,217.20, has been shown as advance against equity pending allotment in Note no.8. Further, the Board of Directors and Shareholders of SEAGP has decided that subsequent refund will be determined based on their future cash flows and shall be subject to approval of Board and Shareholders of SEAGP.
54. In settlement for recovery of bridge loan of ₹120 crore (Principle ₹75 crore along with accrued interest of ₹45 crore) due from Joint Venture Company, Bhagya nagar Gas Limited (BGL), the Company has received 2,11,50,000 equity shares of ₹10 each at a premium of ₹40 per share amounting to ₹105.75 crore of BGL during the year and balance amount of ₹14.24 crore was refunded by BGL.
55. In compliance of Ind AS 36 on Impairment of Assets, the Company has carried out an assessment of impairment in respect of its following assets as on 31.03.2018:
 - i) During the year the Company has made a reversal of impairment of ₹0.37 crore against an earlier impairment provision of ₹0.40 crore

provided during the last financial year in respect of its GAIL Tel assets and the same has been recognized as impairment gain in the statement of profit and loss.

- ii) During the year the Company has made net impairment of ₹0.64 crore (Previous Year ₹6.82 crore) in respect of its unused dedicated pipelines and the same has been recognized as impairment loss in the statement of profit and loss.
- iii) No impairment loss was considered necessary by the management of the Company in respect of Gas Processing Unit, Usar which is under shutdown condition since 16th July 2014 due to non-availability of rich feed gas. The management has decided to keep the plant in preservation mode till the availability of rich feed gas in the future.

56. In compliance of Ind AS 109 on Impairment of Assets, the Company has carried out an assessment of impairment in respect of its following assets as on 31.03.2018:

- i) During the year the Company has made a reversal of impairment of ₹1.55 crore against an earlier impairment provision of ₹5.04 crore provided during the last financial year. The Carrying Value of Company's

investment in Fayum Gas Company S.A.E., Egypt after reversal of aforesaid impairment provision as on 31.03.2018 stands at ₹4.62 crore.

- ii) During the year, based on increase in fair value of Company's investment in RGPPL over and above its carrying value after adjustment on account of Demerger, the Company has made a reversal of impairment of ₹165.89 crore against an earlier impairment provision of ₹783 crore provided during the last financial year. The Carrying Value of Company's investment in RGPPL after reversal of aforesaid impairment provision as on 31.03.2018 stands at ₹217.45 crore (Previous year: ₹191.31 crore) as mentioned at Note no 5(b)1.
- iii) During the year, based on fair value of Company's investment in KLPL, the Company has provided for loss on impairment of ₹139.75 crore. The Carrying Value of Company's investment in KLPL after aforesaid impairment provision as on 31.03.2018 stands at ₹NIL as mentioned at Note no. 5(b)2.

57. In compliance of Ind AS 37 on "Provisions, Contingent liabilities and Contingent Assets", the required information on provision for probable obligation is as under:

(₹ in Crore)

Provisions	Opening Balance	Addition during the year (incl OCI)	Reversal/adjusted during the year (incl OCI)	Closing Balance
Direct Tax	1359.20	1457.58	1337.92	1478.86
Deferred Tax	4655.91	655.36	3.52	5307.74
Indirect Tax	285.64	32.58	-	318.22
Employee Benefit	872.83	50.05	151.52	771.36
Legal & Arbitration Cases	353.98	27.10	43.26	337.82

58. Foreign Currency exposure not hedged by a derivative instrument or otherwise.

Particulars	Currencies	Amount (₹ In crore)	
		31.03.2018	31.03.2017
Borrowings, including interest accrued but not due	USD	48.01*	62.08*
	EURO	-	-
	Others	-	-
Trade payables /deposits and retention monies	USD	567.85	295.28
	EURO	3.20	30.94
	Others	21.62	9.53
Trade/Other receivables and bank balances	USD	50.89	130.94
	EURO	-	-
	Others	-	0.26
Unexecuted amount of contracts remaining to be executed	USD	977.61	431.75
	EURO	22.20	37.66
	Others	50.82	16.66

*excludes amount which is naturally hedged against foreign currency inflows.

59. Details of Loans, Investments, Guarantee and Security given by the Company covered U/S 186(4) of the Companies Act 2013.

- a. Investments made and Loans given are disclosed under the respective notes No 5 and 7.
- b. Corporate Guarantees given by the Company in respect of loans as at the end of the current financial year are as under:

Sl. No.	Name of the Company	As at 31 st March 2018	As at 31 st March 2017
1	GAIL Global (USA) Inc.	748.18	745.90
2	Brahmaputra Cracker and Polymer Ltd	802.34	802.34
3	GAIL Global Singapore Pte Ltd.	656.30	654.30

c. There is no security provided by the Company.

60. Interest free advance has been given to Petronet LNG Ltd. (PLL) for booking of regasification capacity to the tune of ₹ 561.80 crore upto 31.03.2018 (Previous year ₹ 561.80 crore). The said advance is to be adjusted within 15 years against regasification invoices of PLL. Out of above advance, PLL has adjusted ₹ 38.20 crore during the year (Previous year ₹ 9.55 crore). Balance amount of ₹ 514.04 crore (Previous year ₹ 552.25 crore) has been carried over as advance in Note No 12 and 12A.

61. In some cases, the Company has received intimation from Micro and Small Enterprises regarding their status under "The Micro, Small and Medium Enterprises Development Act, 2006". As per practice, the payment to all suppliers has been made within 7-10 days of receipt of valid invoice. The amount remaining unpaid to all suppliers as at the end of the financial year is ₹ 68.11 crore (Previous Year ₹ 33.28 crore). No interest for delay was paid or payable under the Act.

62. Cabinet Committee on Economic Affairs (CCEA), Government of India in its meeting held on 21st September 2016 has approved 40% capital grant of estimated capital cost of ₹ 12,940 crore i.e. ₹ 5,176 crore to the Company for execution of Jagdishpur Haldia Bokaro Dhamra Pipeline Project (JHBDPL). The Company has received ₹ 850 crore (Previous year ₹ 450 crore) towards Capital Grant on above ground till 31.03.2018. During the year, the Company has amortised the capital grant amounting ₹ 0.24 crore (Previous year nil) based on the life of the asset capitalized.

63. In compliance with Regulation 34(3) and 53(f) of Listing Obligations and Disclosure Requirements (LODR) of SEBI, the required information is given in Annexure-C.

64. Financial Risk management

The company is exposed to a number of different financial risks arising from natural business exposures as well as its use of financial

instruments including market risks relating to commodity prices, foreign currency exchange and interest rates; credit risk; and liquidity risk.

a. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, and derivative financial instruments.

i. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the long-term foreign currency loans with floating interest rates. The Company manages its interest rate risk according to its Board approved Foreign Currency and Interest Rate Risk Management policy. Market interest rate risk is mitigated by hedging through appropriate derivatives products such as interest rate swaps & full currency swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

Interest rate sensitivity

With all other variables held constant, the following table demonstrates the sensitivity to a reasonably possible change in interest rates on floating rate portion of **forex loans and borrowings** outstanding as on 31.03.2018, after considering the impact of swap contracts.

Particulars	31-03-2018			31-03-2017		
	US Dollar (LIBOR)*	Others		US Dollar (LIBOR)	Others	
Increase/decrease (in Basis Points)	+10	-10		+10	-10	
Effect on profit before Tax (₹ in Cr)	-0.11	0.11	Nil	-0.49	0.49	Nil

*LIBOR-London Interbank Offer Rate

With all other variables held constant, the following table demonstrates the sensitivity to a reasonably possible change in interest rates on Corporate Linked Deposit Scheme (CLTD) outstanding as on 31.03.2018 which are linked with MIBOR:-

Particulars	31-03-2018			31-03-2017		
	INR (MIBOR)*	Others		INR (MIBOR)	Others	
Increase/decrease (MIBOR)	+100	-100		+100	-100	
Effect on profit before Tax (₹ in Cr)	8.66	-8.66	Nil	1.36	-1.36	Nil

*MIBOR-Mumbai Interbank Offer Rate

b. Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Company transacts business in local currency and in foreign currency, primarily U.S. dollars. Company has obtained foreign currency loans and has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk. As per its Board approved policy, Company may mitigate its foreign currency risk through plain vanilla derivative products such as foreign exchange option contracts, swap contracts or forward contracts towards hedging

such risks. These foreign exchange contracts, carried at fair value, may have varying maturities depending upon the underlying contract requirement and risk management strategy of the Company.

Foreign Currency Sensitivity

The following table demonstrates the sensitivity in the USD, Euro, and other currencies to the functional currency of Company, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including foreign currency derivatives.

Particulars	31-03-2018				31-03-2017			
	USD		Other Currency		USD		Other Currency	
Increase/decrease in Exchange Rate (%)	1%	-1%	1%	-1%	1%	-1%	1%	-1%
Effect on profit before Tax (₹ in Cr)	-15.91	15.91	-0.98	0.98	-45.62	45.62	-1.86	1.86

c. Commodity Price risk

Company imports LNG for marketing and for its internal consumption on an on-going basis and is not exposed to the price risk to the extent it has contracted with customers in India and overseas on back to back basis. However, the company is exposed to the price risk on the volume which is not contracted on back to back basis. As most of the LNG purchase and sales contracts are based on natural gas or crude based index, such price risk arises out of the volatility in these indices. In order to mitigate this index linked price risk, Company has been taking appropriate derivative products in line with the Board approved ' Natural Gas Price Risk Management Policy'

At the reporting date, the exposure to unlisted equity investments at fair value was ₹172.90 Crore (Previous Year ₹188.07 Crore).

At the reporting date, the exposure to listed equity investments at fair value was ₹5,488.92 Crore (Previous Year ₹5,712.87 Crore). A variation of (+/-) 10% in share price of equity investments listed on the stock exchange could have an impact of approximately (+/-) ₹549 Crore (Previous Year ₹571 Crore) on the OCI and equity investments of the Company. These changes would not have an effect on profit or loss.

d. Equity Price Risk

The Company's listed and non-listed equity investments are susceptible to market price risk arising from uncertainties about future values of these investments. The Company manages the equity price risk through review of investments by Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all the equity investment decisions of the Company.

2. Liquidity Risk

Liquidity is the risk that suitable sources of funding for Company's business activities may not be available. The Company's objective is to maintain optimum level of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It also maintains adequate sources to finance its short term and long term fund requirement such as overdraft facility and Long term borrowing through domestic and international market.

Liquidity risk - Maturity profile as on 31.03.2018 (₹ In crore)

Particulars	On demand	Less than 3 months	3 to 12 months	>1 to 5 years	> 5 years	Total
Borrowings (Non-current) #	-	-	-	727.66	266.20	993.86
Borrowings (current) #	-	47.56	1,086.55	-	-	1,134.10
Interest on Borrowings##	-	30.79	102.89	228.31	31.82	393.82
Trade Payables	-	3,881.55	-	-	-	3,881.55
Other Financial Liabilities (Current)	-	3,983.89	-	-	-	3,983.89
Other Financial Liabilities (Non-Current)	-	-	-	775.59	-	775.59
Total	-	7,943.79	1,189.44	1,731.56	298.02	11,162.81

Borrowings include impact of derivative contracts.

includes interest accrued but not due as on 31.03.2018 as well as interest to be paid till maturity.

Liquidity risk - Maturity profile as on 31.03.2017 (₹ In crore)

Particulars	On demand	Less than 3 months	3 to 12 months	>1 to 5 years	> 5 years	Total
Borrowings (Non-current) #	-	-	-	2652.22	391.20	3,043.42
Borrowings (current) #	-	235.97	1,837.86	-	-	2,073.83
Interest on Borrowings##	-	126.47	239.72	499.82	62.95	928.96
Trade Payables	-	2,716.01	-	-	-	2,716.01
Other Financial Liabilities (Current)	-	1,744.48	-	-	-	1,744.48
Other Financial Liabilities (Non-Current)	-	-	-	609.45	-	609.45
Total	-	4,822.93	2,077.58	3,761.49	454.15	11,116.15

Borrowings include impact of derivative contracts.

includes interest accrued but not due as on 31.03.2017 as well as interest to be paid till maturity.

3. Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or fail to pay amounts due, causing financial loss to the company and arises from cash and cash equivalents, derivative financial instruments and deposits with financial institutions and principally from credit exposures to customers relating to outstanding receivables. Credit exposure also exists in relation to guarantees issued by company. Each segment is responsible for its own credit risk management and reporting. Credit risk is considered as part of the risk-reward balance of doing business. On entering into any business contract the extent to which the arrangement exposes the company to credit risk is considered.

Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date on an individual basis for major clients.

(₹ in Crore)

Particulars	Neither past due not impaired	Past due but not impaired				Total
		Less than 30 days	30 to 60 days	60 to 90 days	Above 90 days	
As on 31 st March 2018	2,855.46	213.17	34.66	-	948.21	4051.50
As on 31 st March 2017	2,259.71	153.46	311.37	-	1,103.66	3,828.20

Provision for Doubtful Debts

The following table summarizes the changes in the allowances for doubtful accounts for trade receivables:

(₹ in Crore)

Particulars	31 March 2018	31 March 2017
Start of the year	703.52	797.63
Provision for Impairment	-33.02	-94.12
Receivables written off during the year as uncollectible		
Unused amounts reversed		
End of year	670.50	703.52

Financial Instruments and Cash Deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with approved limits of its empanelled bank for the purpose of Investment surplus funds and foreign exchange transactions. Foreign exchange transaction and Investments of surplus funds are made only with empanelled Banks. Credit limits of all Banks are reviewed by the Management on regular basis.

4. Capital management

For the purpose of the capital management, capital includes issued

capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders, or issue new shares. No changes were made in the objectives, policies or processes during the reporting years.

65. The Company is evaluating applicability of provisions of Ind AS 109 w.r.t certain contracts of the Company with vendors awarded through ICB (International competitive bidding) which are denominated in third currency (i.e. a currency which not the functional currency of any of the parties to the contract). In this regard, in line with other PSU, the Company has sought opinion from the Expert Advisory Committee (EAC) constituted by The Institute of Chartered Accountants of India on the above matter vide letter no GAIL/ND/F&A/CO/EAC Opinion/2018-19 dated 21st May 2018. On receipt of opinion / clarification from EAC, the Company will take necessary action in the matter.

Further the Company has sought opinion of the EAC of ICAI on the following issues during the financial 2017-18 for which opinion is awaited:

- Disclosure in Notes to Financial Statements / inclusion under contingent liabilities of Corporate Guarantees issued by parent company to a bank for issuance of Performance Bank Guarantee on behalf of its wholly owned subsidiary company.
- Disclosure of impairment loss on long term investment as Exceptional Items in the statement of profit and loss.

Pending opinion, the Company has considered same accounting treatment in respect of these matters in consistent with the previous financial year.

66. Accounting classifications and fair value measurements

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: technique which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

As at 31 March 2018, the Company held the following financial instruments carried at fair value on the statement of financial position:

(₹ in Crore)

Particulars	Carrying Amount	Fair value		
	31 st March 2018	Level 1	Level 2	Level 3
Financial assets at amortised cost:				
Non-current				
Loans	291.02	-	-	261.31
Current				
Loans	72.64	-	-	74.98
Financial assets at fair value through profit and loss account:				
Non-current				
Derivative instruments	3.31	-	3.31	-
Investments				
Current				
Derivative instruments	11.10	-	11.10	-
Investments	381.47	381.47		
Financial assets at fair value through other comprehensive income:				
Investments	5,661.82	5,488.92	-	172.90
Financial liabilities at amortised cost:				
Non-current				
Interest-bearing loans and borrowings:				
Fixed	807.28			821.45
Floating	167.99			167.99
Current				
Interest-bearing loans and borrowings:				
Fixed	75.82			88.55
Floating	1,028.51			1,028.51
Financial liabilities at fair value through Profit and loss account:				
Non-current				
Derivatives instruments	39.01		39.01	
Current				
Derivatives instruments	316.09		316.09	

Note:

1. The carrying cost of Interest-bearing loans & borrowings is approximately equal to their Fair Market Value
2. The carrying amount of trade receivables, cash and cash equivalents, other bank balance, others receivables, trade payables, interest accrued and due, other payables and other financial liabilities are considered to be same as their fair value due to their short term nature.
3. With respect to loans, the fair value were calculated based on cash flows discounted using the current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

As at 31st March 2017, the Company held the following financial instruments carried at fair value on the statement of financial position:

(₹ in Crore)

Particulars	Carrying Amount	Fair value		
	31 st March 2017	Level 1	Level 2	Level 3
Financial assets at amortised cost:				
Non-current				
Loans	291.74	-	-	291.74
Current				
Loans	68.77	-	-	68.77
Financial assets at fair value through profit and loss account:				
Non-current				
Derivative instruments	6.87	-	6.87	-
Investments	-	-	-	-
Current				
Derivative instruments	57.39	-	57.39	-
Investments	-	-	-	-
Financial assets at fair value through other comprehensive income:				
Investments	5,900.94	5,712.87	-	188.07
Financial liabilities at amortised cost:				
Non-current				
Interest-bearing loans and borrowings	3,003.71	-	-	3,003.71
Current				
Interest-bearing loans and borrowings	2,058.43	-	-	2,058.43
Financial liabilities at fair value through Profit and loss account:				
Non-current				
Derivatives instruments	75.18	-	75.18	-
Current				
Derivatives instruments	59.28	-	59.28	-

Note:

1. The carrying cost of Interest-bearing loans & borrowings is approximately equal to their Fair Market Value
2. The carrying amount of trade receivables, cash and cash equivalents, other bank balance, others receivables, trade payables, interest accrued and due, other payables and other financial liabilities are considered to be same as their fair value due to their short term nature.
3. With respect to loans, the fair value were calculated based on cash flows discounted using the current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Description for significant unobservable inputs to valuation:

The following table shows the valuation techniques and inputs used for financial instruments:

	As at 31 st March 2018	As at 31 st March 2017
Investments	Discounted Cash flow method using risk adjusted discount rate	

The following table shows a reconciliation of opening balances to the closing balances for Level 3 fair values:

Particulars	Amount (₹ In Crore)
Balance as at 31st March 2017	188.07
Add: Additional investment during the year	2.02
Less: Fair Value loss recognized in Other Comprehensive Income	17.19
Balance as at 31st March 2018	172.90

67. Hedging activities and derivatives

Derivatives not designated as hedging instruments

The Company uses forward currency contracts, interest rate swaps, cross currency interest rate swaps, commodity swap contracts to hedge its foreign currency risks, interest rate risks and commodity price risks. Derivative contracts not designated by management as hedging instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value on each reporting date. Such contracts are entered into for periods consistent with exposure of the underlying transactions.

Derivatives designated as hedging instruments:

Cash flow hedges

The Company enters into hedging instruments in accordance with policies as approved by the Board of Directors with written principles which is consistent with the risk management strategy of the Company. Company has decided to apply hedge accounting for certain derivative

contracts that meets the qualifying criteria of hedging relationship entered into post October 01, 2017.

Foreign currency risk

Foreign exchange forward contracts are designated as hedging instruments in cash flow hedges of firm commitment of capital purchases in US dollar and existing borrowings e.g. US dollars/ Japanese Yen etc.

Commodity price risk

The Company purchases and sells natural gas on an ongoing basis as its operating activities. The significant volatility in natural gas prices over the years has led to Company's decision to enter into hedging instruments through swaps transactions including basis swaps. These contracts are designated as hedging instruments in cash flow hedges of forecasted sales and purchases of natural gas.

The table below shows the position of hedging instruments and hedged items (underlying) as of the balance sheet date.

Details relating to hedging instrument for March 2018:					
Cash flow hedge	Nominal amount/ Qty. of the hedging instrument	Carrying amount of hedging instrument		Changes in fair value	Line item in balance sheet where hedging instrument is disclosed
		Asset (₹ in crore)	Liabilities (₹ in crore)		
Foreign currency risk					
Forward contracts – Borrowings	USD 20102042.26		0.34	-0.34	Liabilities- Non Current liabilities- Other Financial Liabilities- Current - Note 15A
Forward contracts - Purchases of capital goods	USD 70000000		0.35	-0.35	Liabilities- Non Current liabilities- Other Financial Liabilities- Current - Note 15A
Commodity price risk					
Commodity swap - Forecasted purchase & sell of natural gas	MMBTU 58495041	5.64	236.9	-231.26	Liabilities- Non Current & Current liabilities &- Other Financial Liabilities- Current & Non- Current- Note 15 & 15A

Details relating to hedged item for March 2018: (₹ in Crore)				
	Change in fair value	Balance in cash hedge flow reserve		
		For continuing hedges	For hedges no longer applied	Total balance
Foreign currency risk				
Borrowings	0.77	0.34	0	0.34
Firm commitment for capital goods purchase	0.35	0.18	0.17	0.35
Commodity price risk				
Highly probable forecasted sale and purchase of natural gas	231.26	231.26	0	231.26

Reconciliation of cash flow hedge reserve for year ended 31st March 2018 is given in **Annexure-D**

68. a. Confirmation of balances has been received for trade receivables and payables. These confirmations are subject to reconciliation and consequential adjustments, which in the opinion of the management are not material.
- b. In the opinion of management, the value of assets, other than fixed assets and non-current investments, on realization in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.
69. Value of Raw Materials, Stores / spares and Components consumed during the year.

Sr. No.	Particulars	2017-18			2016-17		
		Qty.	₹ in crore	%	QTY.	₹ in crore	%
i)	Raw Material consumed Gas (MMSCM)						
	- Indigenous	1,288.50	2,791.91	75	1,208.45	2,427.05	77
	- Imported	285.41	920.51	25	268.78	724.19	23
Sub Total (A)		1,573.91	3,712.42	100	1,477.23	3,151.24	100
ii)	Stores, spares component consumed						
	- Indigenous		226.22	52		210.00	61
	- Imported		146.93	48		133.44	39
Sub Total (B)			373.15	100		343.44	100
Total		1,573.91	4,085.57		1,477.23	3,494.68	

70. Other Quantitative details are given in **Annexure-E**.
71. Statement containing salient features of the financial statements of Subsidiaries/Joint Ventures of the Company pursuant to Section 129 (3) of Companies Act, 2013 in form AOC I is attached in **Annexure-F**.
72. Previous year's figures have been regrouped /reclassified wherever necessary to correspond with the current year's classification/ disclosure.
73. The comparative financial information of the Company for the year ended 31st March 2017 included in the Standalone Ind AS financial statements, are based on the previously issued statutory financial statements audited by G.S. Mathur & Co. and O.P. Bagla & Co. vide their unmodified audit report (Revised) dated July 20, 2017 whose audit report has been relied upon by the newly appointed auditors.

For and on behalf of the Board of Directors

As per our separate Report of even date

A.K. Jha Company Secretary	Subir Purkayastha Director(Finance)	Dr. Ashutosh Karnatak Director (Projects)	B. C. Tripathi Chairman & Managing Director	For O P Bagla & Co. LLP (Formerly O P Bagla & Co.) Chartered Accountants Firm No.00018N/N500091	For ASA & Associates LLP Chartered Accountants Firm No.009571N/N500006
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Place : **New Delhi**
Dated : **24th May, 2018**

Rakesh Kumar (Partner) Membership No.087537	Parveen Kumar (Partner) Membership No.088810
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(Annexure - A)
(₹ in Crores)**INFORMATION ABOUT BUSINESS SEGMENTS FOR FINANCIAL YEAR 2017-18**

SL NO	SEGMENTS	TRANSMISSION SERVICES *		NATURAL GAS MARKETING *	PETRO-CHEMICALS	LPG & LIQUID HYDROCARBONS	OTHER SEGMENT **	UN-ALLOCABLE	TOTAL	ELIMINATION	CONSOLIDATED TOTAL
		NATURAL GAS	LPG								
1	REVENUE #										
	External Sales/Other Income	4,486.63	558.56	38,024.86	5,842.14	4,183.21	726.20	3.89	53,825.49	-	53,825.49
	Inter-segment sales	487.53	6.24	3,070.96	13.31	146.62	20.08	80.30	3,825.04	3,825.04	-
	Total revenue	4,974.16	564.80	41,095.82	5,855.45	4,329.83	746.28	84.19	57,650.53	3,825.04	53,825.49
2	RESULTS										
	Segment Result (Profit before Interest & Tax)	2,920.53	272.61	1,256.06	266.68	2,304.25	262.16	787.40	7,282.29	-	7,282.29
	Unallocated expenses (Net)	-	-	-	-	-	-	-	787.40	-	787.40
	Operating Profit	2,920.53	272.61	1,256.06	266.68	2,304.25	262.16	(787.40)	6,494.89	-	6,494.89
	Interest Expenses	-	-	-	-	-	-	-	275.11	-	275.11
	Interest/Dividend Income	23.19	-	14.95	14.46	3.51	0.33	-	682.15	-	738.59
	Provision for Taxation	-	-	-	-	-	-	-	2,339.96	-	2,339.96
Profit/(Loss) from Ordinary Activities	2,943.72	272.61	1,271.01	281.14	2,307.76	262.49	(2,720.32)	4,618.41	-	4,618.41	
Extra Ordinary Items	-	-	-	-	-	-	-	-	-	-	-
Net Profit/(Loss)	2,943.72	272.61	1,271.01	281.14	2,307.76	262.49	(2,720.32)	4,618.41	-	4,618.41	
3	OTHER INFORMATION										
	Segment Assets *	28,891.18	991.50	-	10,024.60	993.09	1,970.75	-	42,871.12	-	42,871.12
	Unallocated Assets	-	-	-	-	-	-	-	15,211.06	-	15,211.06
	Total Assets	28,891.18	991.50	-	10,024.60	993.09	1,970.75	-	58,082.18	-	58,082.18
	Segment Liabilities	7,762.53	131.49	-	670.77	229.60	387.77	-	9,182.16	-	9,182.16
	Unallocated Liabilities	-	-	-	-	-	-	-	8,571.90	-	8,571.90
	Total Liabilities	7,762.53	131.49	-	670.77	229.60	387.77	-	17,754.06	-	17,754.06
Cost to acquire fixed assets	3,044.38	77.77	-	192.87	58.36	146.59	-	3,566.87	-	3,566.87	
Depreciation and Amortization Expenses	712.81	54.20	-	421.30	67.43	115.67	-	1,415.14	-	1,415.14	
Non Cash expenses other than Depreciation and Amortization Expenses	63.81	0.46	104.28	(1.11)	20.04	123.53	-	285.99	-	285.99	

Note: * Consequent upon implementation of Goods and Services Tax (GST) Act w.e.f. 1st July 2017, total income excludes GST.

Segment Revenue includes Other Operating Income

* Assets & Liability of Gas Trading Business included in Gas Transmission Business

** Other Segment includes GAIL Tel. E&P & City Gas Distribution & Power Generation.

INFORMATION ABOUT BUSINESS SEGMENTS FOR FINANCIAL YEAR 2016-17

(Annexure - A)
(₹ in Crores)

SL NO	SEGMENTS	TRANSMISSION SERVICES *		NATURAL GAS MARKETING *	PETRO-CHEMICALS	LPG & LIQUID HYDROCARBONS	OTHER SEGMENT **	UN-ALLOCABLE	TOTAL	ELIMINATION	CONSOLIDATED TOTAL
		NATURAL GAS	LPG								
1	REVENUE										
	External Sales/Other Income	4,238.55	514.21	34,639.67	5,647.17	3,139.04	704.35	-	48,882.99	-	48,882.99
	Intersegment sales	411.31	-	2,747.34	20.44	53.96	11.96	5.81	3,250.82	3,250.82	-
	Total revenue	4,649.86	514.21	37,387.01	5,667.61	3,193.00	716.31	5.81	52,133.81	3,250.82	48,882.99
2	RESULTS										
	Segment Result (Profit before Interest & Tax)	2,446.74	257.28	1,518.62	477.22	1,246.27	200.38	-	6,146.51	-	6,146.51
	Unallocated expenses (Net)	-	-	-	-	-	-	1,067.54	1,067.54	-	1,067.54
	Operating Profit	2,446.74	257.28	1,518.62	477.22	1,246.27	200.38	(1,067.54)	5,078.97	-	5,078.97
	Interest Expenses	-	-	-	-	-	-	479.36	479.36	-	479.36
	Interest/Dividend Income	32.94	-	18.36	16.44	4.65	0.07	738.75	811.21	-	811.21
	Provision for Taxation	-	-	-	-	-	-	1,907.91	1,907.91	-	1,907.91
	Profit/(Loss) from Ordinary Activities	2,479.68	257.28	1,536.98	493.66	1,250.92	200.45	(2,716.06)	3,502.91	-	3,502.91
	Extra Ordinary Items	-	-	-	-	-	-	-	-	-	-
	Net Profit/(Loss)	2,479.68	257.28	1,536.98	493.66	1,250.92	200.45	(2,716.06)	3,502.91	-	3,502.91
3	OTHER INFORMATION										
	Segment Assets *	27,906.94	899.97	-	10,321.11	1,004.37	1,930.79	-	42,063.18	-	42,063.18
	Unallocated Assets	-	-	-	-	-	-	13,273.78	13,273.78	-	13,273.78
	Total Assets	27,906.94	899.97	-	10,321.11	1,004.37	1,930.79	13,273.78	55,336.96	-	55,336.96
	Segment Liabilities	5,399.81	82.13	-	688.97	195.39	149.58	-	6,515.88	-	6,515.88
	Unallocated Liabilities	-	-	-	-	-	-	10,671.71	10,671.71	-	10,671.71
	Total Liabilities	5,399.81	82.13	-	688.97	195.39	149.58	10,671.71	17,187.59	-	17,187.59
	Cost to acquire fixed assets	1,015.10	44.98	-	173.07	54.08	4.57	33.19	1,324.99	-	1,324.99
	Depreciation and Amortization Expenses	723.45	51.44	-	414.80	46.36	116.16	44.57	1,396.78	-	1,396.78
	Non Cash expenses other than Depreciation and Amortization Expenses	133.78	1.23	23.26	9.92	67.46	113.47	791.71	1,140.83	-	1,140.83

Sales including Excise Duty

* Assets & Liability of Gas Trading Business included in Gas Transmission Business

** Other Segment includes GAIL Tel, E&P & City Gas Distribution & Power Generation.

Figure have been regrouped/re-classified wherever necessary to correspond with current year's classification/disclosure.

RELATED PARTY DISCLOSURES

(Annexure -B)

I) Relationship**A) Joint Venture Companies/Associates/ Employees trust****Details of Subsidiary Companies**

- 1) GAIL Global (Singapore) Pte. Ltd.*
- 2) GAIL Gas Ltd.*
- 3) GAIL Global (USA) Inc. *
- 4) Tripura Natural Gas Corporation Limited*
- 5) GAIL Global USA LNG LLC*

Details of Joint Venture Companies

- 6) Ratnagiri Gas & Power Pvt. Ltd.*
- 7) Konkan LNG Private Limited*
- 8) Central UP Gas Limited
- 9) Green Gas Limited
- 10) Maharashtra Natural Gas Limited
- 11) Aavantika Gas Ltd.
- 12) Bhagyanagar Gas Limited
- 13) Vadodara Gas Limited*
- 14) Talcher Fertilizers Limited*
- 15) Tapi Pipeline Company Ltd
- 16) GAIL China Gas Global Energy Holding Ltd.
- 17) Andhra Pradesh Gas Distribution Corporation Limited
- 18) Kerala GAIL GAS Limited
- 19) Rajasthan State Gas Limited
- 20) Haridwar Gas Private Limited
- 21) GOA Natural Gas Private Limited

Details of Associate Companies

- 22) China Gas Holdings Ltd.
- 23) Petronet LNG Limited
- 24) Mahanagar Gas Limited
- 25) Indraprastha Gas Limited
- 26) Brahmaputra Cracker and Polymer Limited*
- 27) Fayum Gas Company Limited
- 28) ONGC Petro Additions Ltd (OPAL)*

Details of Trusts

- 29) GAIL Employees Superannuation Benefit Fund
- 30) GAIL (India) Ltd. Employees Provident Fund Trust
- 31) GAIL (India) Ltd. Employees Death-cum- Superannuation Gratuity Scheme

*Transactions with these companies excluded as Government-related entity defined in IndAS 24

B) Key Management Personnel**i) Whole time Directors:**

- 1) Shri B C Tripathi , Chairman and Managing Director
- 2) Dr. Ashutosh Karnatak, Director (Projects)
- 3) Shri Subir Purkayastha, Director (Finance) and CFO
- 4) Shri P K Gupta, Director (HR)
- 5) Shri Gajendra Singh, Director (Marketing) w.e.f. (05.04.2017)

ii) Independent Directors:

- 1) Shri S.K. Srivastava
- 2) Shri Anupam Kulshreshtha
- 3) Shri Sanjay Tandon
- 4) Shri Dinkar P Srivastava
- 5) Dr. Anup K Pujari
- 6) Shri Jayanto Narayan Choudhury
- 7) Dr. Rahul Mukherjee

iii) Company Secretary

- 1) Shri Anil Kumar Jha

C) Unincorporated Joint venture for Exploration & Production Activities:

- 1) NEC - OSN - 97/1 (Non-operator with participating interest: 50%, GAIL has relinquished from the Block)
- 2) A-1, Myanmar (Non-operator with participating interest: 8.5%)

3) A-3, Myanmar	(Non-operator with participating interest: 8.5%)
4) SHWE Offshore Pipeline	(Non-operator with participating interest: 8.5%)
5) CY-OS/2	(Non-operator with participating interest: 25%)
6) RM-CBM-2005/III	(Non-operator with participating interest: 35%) (GAIL has relinquished from the Block)
7) TR-CBM-2005/III	(Non-operator with participating interest: 35%) (GAIL has relinquished from the Block)
8) MR-CBM-2005/III	(Non-operator with participating interest: 45%) (GAIL has relinquished from the Block)
9) AD-7, Myanmar	(Non-operator with participating interest: 10%) (GAIL has relinquished from the Block)
10) BLOCK-56, Oman	(Non-operator with participating interest: 25%) (GAIL has relinquished from the Block)

II) The following transactions were carried out with the related parties in the ordinary course of business:

A) Details relating to parties referred to in item no. I (A) above:

(₹ in Crore)

	2017-18	2016-17
1) Sales		
Indraprastha Gas Limited	2,151.97	1,870.08
Mahanagar Gas Limited	912.74	964.86
Maharashtra Natural Gas Limited	317.64	254.99
Green Gas Limited	113.65	90.82
Central UP Gas Limited	96.32	94.53
Aavantika Gas Ltd.	67.62	59.62
Bhagyanagar Gas Limited	56.92	42.10
Rajasthan State Gas Limited	5.85	-
2) Amount receivable as at Balance Sheet Date for (1) above		
Indraprastha Gas Limited	39.00	82.57
Mahanagar Gas Limited	157.20	160.97
Maharashtra Natural Gas Limited	6.51	13.91
Green Gas Limited	5.19	4.72
Central UP Gas Limited	4.48	6.22
Aavantika Gas Ltd.	3.62	2.16
Bhagyanagar Gas Limited	2.48	1.86
Rajasthan State Gas Limited	0.71	
3) Purchases		
Petronet LNG Limited	15,394.24	13,078.18
Others	3.62	2.19
4) Amount payable as at Balance Sheet Date for (3) above		
Petronet LNG Limited	702.32	675.16
Others	0.45	0.07
5) Reimbursement for other expenditure received/receivable	25.06	13.80
6) Amount receivable as at Balance Sheet Date for (5) above	-	0.61
7) Dividend Income		
Mahanagar Gas Limited	61.00	81.86
Indraprastha Gas Limited	15.75	29.93
Petronet LNG Limited	46.88	23.44
China Gas Holdings Ltd.	34.38	25.17
Others	6.82	9.02
8) Other Income		
Bhagyanagar Gas Limited	6.38	8.40
China Gas Holdings Ltd.	0.33	0.34
Others	0.47	3.54
9) Amount receivable as at Balance Sheet Date for (8) above		
Bhagyanagar Gas Limited	-	8.40
Others	-	0.06
10) Provision Created against Debtors	2.42	2.64
11) Investment as at Balance Sheet date	520.82	377.38
12) Advances for allotment of Equity as at Balance Sheet date	9.18	26.87
13) Advances / loan given as at Balance Sheet date	520.58	702.72

Apart from transactions reported above, the company has transactions with other Government related entities, which includes but not limited to the following:

Name of Government: Government of India

Nature of Relationship: Control

(₹ in Crore)

Nature of Transactions:		2017-18	2016-17
1)	Sale of Products and Services		
	GAIL Gas Ltd. (Subidiary of Central PSU)	3,902.35	2,520.40
	Ratnagiri Gas & Power Pvt. Ltd. (Joint Venture of Central PSU)	1,444.30	1,646.87
	GAIL Global (Singapore) Pte. Ltd. (Subidiary of Central PSU)	638.38	-
	Brahmaputra Cracker and Polymer Limited (Associate of Central PSU)	122.03	64.51
2)	Amount receivable as at Balance Sheet Date for (1) above		
	GAIL Gas Ltd.	214.57	99.69
	Ratnagiri Gas & Power Pvt. Ltd.	184.27	234.87
	Brahmaputra Cracker and Polymer Limited	27.27	0.65
3)	Purchase of Products		
	GAIL Global (Singapore) Pte. Ltd. (Subidiary of Central PSU)	4,775.20	3,310.24
	Ratnagiri Gas & Power Pvt. Ltd. (Joint Venture of Central PSU)	340.32	289.50
4)	Amount payable as at Balance Sheet Date for (3) above		
	GAIL Global (Singapore) Pte. Ltd.	578.65	274.33
	Ratnagiri Gas & Power Pvt. Ltd.	-	22.09

These transactions are conducted in the ordinary course of the Company's business on terms comparable to those with other entities that are not Government-related.

B) Details relating to parties referred to in item no.- 1 (B) above

(₹ in Crore)

		Key Management Personnel (KMP)		Relatives of KMP	
		2017-18	2016-17	2017-18	2016-17
1)	Remuneration			1.17	0.89
	Shri B C Tripathi	0.92	0.58		
	Dr. Ashutosh Karnatak	0.77	0.48		
	Shri Subir Purkayastha	0.69	0.59		
	Shri P K Gupta	0.75	0.07		
	Shri Gajendra Singh	0.75	-		
	Shri M Ravindran	-	0.82		
	Shri Anil Kumar Jha	0.38	0.22		
	Shri N K Nagpal	-	0.09		
2)	Interest bearing outstanding loans receivable	0.30	0.30	0.06	0.11
3)	Interest accrued on loans given	0.23	0.26	0.11	0.12
4)	Self lease	0.08	0.07	-	-
5)	Sitting Fees				
	Shri S.K. Srivastava	0.13	0.17		
	Shri Anupam Kulshreshtha	0.13	0.16		
	Shri Sanjay Tandon	0.10	0.12		
	Shri Dinkar P Srivastava	0.10	0.01		
	Dr. Anup K Pujari	0.07	0.01		
	Shri Jayanto Narayan Choudhury	0.05	-		
	Dr. Rahul Mukherjee	0.02	-		
	Smt. Anupama Jaiswal	-	-		

* This does not include the impact of provision made on actuarial valuation of retirement benefit/ long term Schemes and provision made during the period towards Post Retirement Benefits as the same are not separately ascertainable for individual directors.

* Remuneration includes Basic, Allowances, reimbursements, contribution to PF and perquisites. In addition, whole time directors are allowed use of staff car including for private journeys upto a ceiling of 1000 kms per month on payment in accordance with the Bureau of Enterprises Circular.

C) Details relating to parties referred to in item no. 1 (C) above:

(₹ in Crore)

	2017-18	2016-17
1) Survey, Production, Royalty and other expenses	178.44	198.58
2) CWIP & Other assets	4.55	(1.87)
3) Amount outstanding on Balance Sheet date (net of advance)	33.97	23.58
4) Amount written Off- Dry well expenditure	0.95	-
5) Sales/Income from operation	598.64	581.16
6) Amount outstanding on Balance Sheet date (against sales)	50.85	48.82

Disclosure as required by Regulation 34(3) and 53(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Annexure-C

(₹ in Crore)

A	Subsidiary	Current Year		Previous Year	
		Amount as on 31.03.2018	Maximum amount outstanding during the year ended 31.03.2018	Amount as on 31.03.2017	Maximum amount outstanding during the year ended 31.03.2017
1	Loans and advances in the nature of loans:				
a	To subsidiary Company: GAIL (Global) Singapore PTE Limited	6.42	16.11	16.11	57.08
b	To Companies in which Directors are interested	Nil	Nil	Nil	Nil
2	Investment by the Subsidiary Company in the shares of GAIL (India) Limited and its subsidiaries	Nil	Nil	Nil	Nil

(₹ in Crore)

B	Joint Venture	Current Year		Previous Year	
		Amount as on 31.03.2018	Maximum amount outstanding during the year ended 31.03.2018	Amount as on 31.03.2017	Maximum amount outstanding during the year ended 31.03.2017
1	Loans and advances in the nature of loans:				
a	To Joint Venture Company: Bhagyanagar Gas Limited	Nil	105	105	105
b	To Companies in which Directors are interested	Nil	Nil	Nil	Nil
2	Investment by the Joint Venture Company in the shares of GAIL (India) Limited and its subsidiaries	Nil	Nil	Nil	Nil

Reconciliation of cash flow hedge reserve for year ended 31 March 2018:

Annexure-D

	Opening balance as at April 01, 2017	Hedging gains & loss recognized in OCI during the year	Cost of Hedging recognized in profit or loss	Line item in statement of profit and loss in which hedge ineffectiveness is recognized	Amount reclassified to statement of profit and loss and for which future cash flows are no longer expected to occur	Line item in statement of profit and loss that includes reclassification adjustments	Amount reclassified to statement of profit and loss as hedged item has affected profit or loss	Line item in statement of profit and loss that includes reclassification adjustments	Amount adjusted to the carrying amount of non financial asset on recognition of non financial asset	Line item in Balance sheet that includes basis adjustments	Closing balance as at March 31, 2018
	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)
Foreign currency risk											
Forward contracts - Borrowings	-	1.33	-1.76	Finance Cost under Expenses Note 24	-		0.77	Finance Cost under Expenses Note 24	-		0.34
Forward contracts - Purchases of capital goods	-	0.45	-		-		-		-0.10	Asset- Non Current Asset- Capital Work in Progress	0.35
Commodity price risk											
Commodity swap - Forecasted purchase & sell of natural gas	-	295.01	-		-30.38	Other Expenses under Expenses Note 26	-33.37	Revenue from Operation (Gross) Note 20 & Purchase of Stock in trade	-		231.26
	-	296.79	-1.76		-30.38		-32.60		-0.10		231.95

Licensed Capacity, Installed Capacity and Actual Production

Annexure-E

		CURRENT YEAR -2017-18				PREVIOUS YEAR - 2016-17			
		Licensed Capacity	Installed Capacity	Gas Through-put	Production	Licensed Capacity	Installed Capacity	Gas Through-put	Production
i)	Natural Gas (MMSCMD)	206.03	206.03	105.23		206.03	206.03	100.38	
ii)	LPG (MT)	1,092,185	1,067,773		989,019	1,085,376	1,040,182		861,576
iii)	Propane (MT)	257,100	257,100		165,002	201,085	306,000		143,783
iv)	Ethylene (MT)**	850,000	896,000		696,929	850,000	896,000		617,403
v)	HDPE/LLDPE (MT)*	810,000	810,000		670,996	810,000	810,000		604,064
vi)	Pentane (MT)	55,182	57,545		29,535	73,545	73,545		23,663
vii)	Naptha (MT)	120,574	123,773		94,443	97,773	97,773		82,060
viii)	Crude Oil (MT)								
ix)	CNG (000'KG)	-	-			-	-		
x)	C2/C3 (MT)**	-	1,242,594	-	938,780	-	1,242,594	-	841,535
xi)	Butene-1 (MT)**	30,000	30,000		24,712	30,000	30,000		22,033

Notes :

* includes L P Wax,GPE Shreds,Poly Lumps

** Internally consumed

Quantitative Information

Annexure-E
(Amount ₹ in Crore)

S. No.	PARTICULARS	OPENING STOCK		PURCHASES		SALES		INTERNAL CONSUMPTION		CLOSING STOCK	
		QTY	VALUE	QTY	VALUE	QTY	VALUE	QTY	VALUE	QTY	VALUE
1	Natural Gas including LNG and RLNG (MMSCM)										
	Year Ended 31.03.2018	277.50	482.01	31,295.24	42,167.64	28,154.83	41,748.47	2,871.27	5,409.25	271.30	557.29
	Year Ended 31.03.2017	291.29	622.41	29,849.37	36,350.91	27,098.06	38,213.13	2,545.10	4,558.83	277.50	482.01
2	LPG (MT)										
	Year Ended 31.03.2018	8,166.99	12.35			988,313.86	3,368.95	-	-	8,159.74	12.25
	Year Ended 31.03.2017	4,455.44	10.18			858,329.77	2,399.76	-	-	8,166.99	12.35
3	Pentane (MT)										
	Year Ended 31.03.2018	267.00	0.52			27,085.31	115.01	2,512.55	-	268.68	0.36
	Year Ended 31.03.2017	998.10	2.56			22,153.10	93.74	2,394.97	-	267.00	0.52
4	Propane (MT)										
	Year Ended 31.03.2018	2,516.15	4.70			109,270.55	404.60	54,328.75	-	3,888.35	5.72
	Year Ended 31.03.2017	2,322.23	6.00			118,468.83	397.76	25,050.99	-	2,516.15	4.70
5	Naptha (MT)										
	Year Ended 31.03.2018	396.53	0.71			94,442.37	289.97	-	-	623.90	0.92
	Year Ended 31.03.2017	700.89	1.54			82,702.87	246.45	-	-	396.53	0.71
6	Polymers (MT)										
	Year Ended 31.03.2018	42,532.80	327.50			674,607.81	5,520.49	5,378.34	-	33,492.36	237.96
	Year Ended 31.03.2017	20,354.62	181.04			577,577.76	5,377.28	4,253.46	-	42,584.05	327.87
7	C2/C3 (MT)*										
	Year Ended 31.03.2018	3,309.98	10.46			-	-	936,513.13	-	6,336.91	21.33
	Year Ended 31.03.2017	3,825.59	16.03			-	-	841,725.80	-	3,309.98	10.46
8	Ethylene (MT)*										
	Year Ended 31.03.2018	1,002.46	5.23			-	-	691,469.70	-	6,462.02	37.06
	Year Ended 31.03.2017	1,339.81	9.01			-	-	617,739.97	-	1,002.46	5.23
9	Butene-1 (MT)*										
	Year Ended 31.03.2018	624.25	4.83			2,522.16	23.49	21,473.97	-	1,339.84	10.47
	Year Ended 31.03.2017	1,248.82	12.37			2,644.63	26.00	20,013.12	-	624.25	4.83
10	Crude Oil(MT)										
	Year Ended 31.03.2018	726.91	0.68			14,438.76	33.18			552.83	0.90
	Year Ended 31.03.2017	746.70	0.73			16,522.99	34.23			726.91	0.68
11	CNG (000'KG)										
	Year Ended 31.03.2018	-	-	67,533.23	0.19	57,301.45	0.29			10,231.78	0.05
	Year Ended 31.03.2017	-	-	-	-	-	-			-	-
12	Power(KWH)										
	Year Ended 31.03.2018					181,778,365	63.14	30,470,447			
	Year Ended 31.03.2017					205,048,522	68.05	28,633,021			
13	Other Products(MT)										
	Year Ended 31.03.2018	5,223.81	28.42			63,992.98	244.12	12,126.00		5,463.10	26.37
	Year Ended 31.03.2017	3,841.41	25.13			59,327.36	222.29	10,077.64		5,172.56	28.05

Note:

- (i) Difference in reconciliation of opening stock, purchase, sales and closing stock is on account of measurement tolerance
- (ii) Natural Gas used for Fuel & Raw Material.
- (*) Ethylene, Butene-1 and C2/C3 are consumed internally for manufacture of final products at PATA

FORM NO. AOC 1

Statement pursuant to Section 129 (3) of Companies Act, 2013 related to financial statement of subsidiaries / associate companies / joint ventures

Part "A": Subsidiaries

S. No.	Particulars	GAIL GOLBAL SINGAPORE PTE. LTD.	GAIL (GLOBAL) USA INC. (Consolidated)	GAIL GAS LTD.	TNGCL
		(₹ In crore)	(₹ In crore)	(₹ In crore)	(₹ In crore)
1	The financial year of the subsidiary Company ended on	31 st March, 2018	31 st Dec. 2017	31 st March, 2018	31 st March, 2018
2	(a) Reporting Currency	USD	USD	INR	INR
	(b) Exchange rate as on last date of the relevant Financial Year	64.65	63.65	NA	NA
3	Share Capital	41.94	179.17	1,027.00	1.92
4	Reserves & Surplus	57.90	39.11	204.41	74.36
5	Total Assets	992.83	935.70	1,916.05	124.73
6	Total Liabilities	892.99	717.42	684.64	48.45
7	Investments	83.62	-	144.81	-
8	Turnover	5,388.09	116.34	4,602.13	76.00
9	Profit before Taxation	2.33	(38.84)	112.42	18.96
10	Provision for Taxation	0.23	(5.86)	42.90	7.24
11	Profit after Taxation	2.10	(32.98)	74.23	11.72
12	Proposed Dividend	-	-	-	-
13	% of shareholding	100%	100%	100%	48.98%

Note :

- 1 Name of the subsidiaries which are yet to commence operations : Not Applicable
- 2 Name of the subsidiaries which have been liquidated or sold during the year : Not Applicable

For and on behalf of the Board of Directors

A.K. Jha
Company Secretary

Subir Purkayastha
Director(Finance)

Dr. Ashutosh Karnatak
Director (Projects)

B. C. Tripathi
Chairman & Managing
Director

Statement pursuant to Section 129 (3) of Companies Act, 2013 related to Associate Companies and joint ventures

Part "B": Associates and Joint Ventures

(Amount ₹ in Crore)

Particulars	Mahanagar Gas Ltd	Indraprastha Gas Ltd	Central UP Gas Ltd	Green Gas Ltd	Maharashtra Natural Gas Ltd	Avantika Gas Ltd	Bhagyanagar Gas Ltd	China Gas Holdings Ltd	Fayum Gas Company	Petromet LNG Ltd	Taicher Fertilizer Ltd	Brahmaputra Creckers & polymers Ltd.	Gail China Gas Global Energy Holding Ltd	TAPI Pipeline Company Limited	ONGC Petro additions Ltd	Ratnagiri Gas & Power (private) Ltd.	Konkan LNG Pvt. Ltd.	Vadodra Gas Ltd.	
1 Latest audited Balance Sheet Date	3/3/2018	3/3/2018	3/3/2018	3/3/2018	3/3/2017	3/3/2018	3/3/2018	3/3/2017	12/3/2017	3/3/2018	3/3/2017	3/3/2017	Not Applicable	12/3/2016	3/3/2017	3/3/2017	NA	3/3/2017	
2 No of Shares of Associate/ joint Ventures held by the Company on the year end-	32,102,740	157,500,000	23,042,250	22,500,000	22,500,000	29,548,663	43,650,000	150,000,000	19,000	93,750,000	5,015,000.00	992,369,000	Not Applicable	265,025	99,494,500	834,556,036	139,752,264	79,137,831	
Amount of Investment in Associates/ Joint Venture	32.10	31.50	15.00	23.04	22.50	49.99	128.25	97.37	8.10	98.75	5.02	992.37	-	17.70	994.95	834.56	139.75	79.14	
Extend of Holding %	32.50%	22.50%	25%	49.97%	22.50%	49.98%	49.97%	3.02%	19.00%	12.50%	33.32%	70.74%	50%	5%	49.21%	25.50%	25.50%	32.93%	
3 Joint Control/ Significant influence	Associate	Associate	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Representation on the board of directors or correspond ding governing body of the investee	Associate	Associate	Joint Venture	Associate	Joint Venture	Joint Venture	Associate	Joint Venture	Joint Venture	Joint Venture	
4 Reason for not consolidated	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	
5 Profit / Loss for the year*	143.66	158.74	10.94	21.27	21.59	12.13	4.59	158.23	1.43	254.34	0.02	(56.87)	Not Applicable	(5.43)	(566.96)	-	-	-	2.46
(i) Considered in Consolidation																			
(ii) Not Considered in Consolidation																			

*Includes Other Comprehensive Income

Note:

1 Name of the associates or joint ventures which are yet to commence operations:

- { a) Gail China Gas Global Energy Holding Ltd
b) TAPI Pipeline Company Limited

2 Name of associates or joint ventures which have been liquidated or sold during the year:

Not Applicable

For and on behalf of the Board of Directors

A.K. Jha
Company SecretarySubir Purkayastha
Director(Finance)Dr. Ashutosh Karnatak
Director (Projects)B. C. Tripathi
Chairman & Managing
Director



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF GAIL (INDIA) LIMITED FOR THE YEAR ENDED 31 MARCH, 2018

The preparation of financial statements of GAIL (India) Limited for the year ended 31 March, 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 24.05.2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6) (a) of the Act of the financial statements of GAIL (India) Limited for the year ended 31 March 2018. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

For and on behalf of the
Comptroller & Auditor General of India

Place : **New Delhi**
Date : **30.07.2018**

(Nandana Munshi)
Director General of Commercial Audit
& Ex-officio Member, Audit Board-II
New Delhi

Schedule of Fixed Assets (Township)

2017-18

(₹ in Lakhs)

DESCRIPTION	GROSS BLOCK (AT COST)			DEPRECIATION			NET BLOCK		
	As at 01.04.2017	Additions / Adjustments during the Year	Sales / Adjustments during the Year*	As at 31.03.2018	As at 01.04.2017	For The Year	Adjustments during the Year	As at 31.03.2018	As at 31.03.2017
LAND: FREEHOLD	1,918.57	27.38	-	1,945.95	-	-	-	1,945.95	1,918.57
LAND: LEASEHOLD	1,476.13	-	-	1,476.13	329.40	15.37	-	1,131.36	1,146.73
BUILDING, ROADS ETC.	35,649.99	32.04	(1.48)	35,680.55	12,469.67	1,269.34	(5.57)	21,947.11	23,180.32
DRAINAGE, SEWAGE & WATER SUPPLY SYS. ETC.	1,837.38	18.14	283.30	2,138.82	921.76	59.70	-	1,157.36	915.62
FURNITURE, FIXTURES & OTHER EQP.	2,733.38	209.78	(10.28)	2,932.88	1,622.92	221.94	(31.84)	1,119.86	1,110.46
TRANSPORT EQUIPMENTS	23.85	-	(0.03)	23.82	21.20	1.47	-	1.15	2.65
TOTAL	43,639.30	287.34	271.51	44,198.15	15,364.95	1,567.82	(37.41)	27,302.79	28,274.35

Income and Expenditure Account

Income and Expenditure Account for the year ended 31st March, 2018 on provisions of township, Education, Medical and other facilities.

(₹ in Lakhs)

S.NO.	PARTICULARS	YEAR ENDED 31ST MARCH, 2018	YEAR ENDED 31ST MARCH, 2017
	INCOME		
1	RECOVERY OF HOUSE RENT	225.99	203.15
2	RECOVERY OF UTILITIES	304.16	324.43
3	OTHER RECOVERIES	35.82	41.68
4	EXCESS OF EXPENDITURE OVER INCOME	7,694.29	7,141.59
	TOTAL	8,260.27	7,710.85
	EXPENDITURE		
1	SALARIES, WAGES & PF CONTRIBUTION	1,284.02	984.06
2	CONSUMABLES, STORES & MEDICINES	10.90	41.36
3	SUBSIDIES FOR SOCIAL & CULTURAL ACTIVITIES	134.24	111.58
4	REPAIRS & MAINTENANCE	1,678.56	1,445.96
5	DEPRECIATION	1,567.82	1,558.11
6	UTILITIES: POWER, GAS & WATER	1,432.81	1,563.81
7	LAND RENT	17.78	18.37
8	WELFARE - SCHOOL	1,147.83	1,098.01
9	BUS HIRE CHARGES	124.77	79.76
10	CLUB & RECREATION	123.63	86.11
11	MISC EXPENSES - TAXES, LICENSE FEES, INS ETC.	323.62	283.62
12	HORTICULTURE EXPENSES	414.29	440.09
	TOTAL	8,260.27	7,710.85

Consolidated Financial Statement



Independent Auditors' Report

To the Members of GAIL (India) Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated financial statements of GAIL (India) Limited (here in after referred to as "the Holding Company") and its subsidiaries (together referred to as "the Group"), associates and jointly controlled entities, comprising of the Consolidated Balance Sheet as at 31st March 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated state of affairs (financial position), consolidated profit or loss (financial performance including other comprehensive income), consolidated cash flows and consolidated statement of Changes in Equity of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015 as amended. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the respective companies and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements, that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. These Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the

assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditors' report. However, future events or conditions may cause an entity to cease to continue as a going concern.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a), (b) and (c) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the consolidated state of affairs (financial position) of the Group, its associates and jointly controlled entities as at 31st March 2018, and their consolidated profit (financial performance including other comprehensive income), and their consolidated cash flows and the consolidated changes in Equity for the year ended on that date.

Emphasis of Matter

We draw attention to the following matters in Notes to the Financial Statement:

- Note 33 (c) & (d) - regarding various provisional transportation tariff orders issued by Petroleum and Natural Gas Regulatory Board (PNGRB), these orders have been contested by the company at Appellate Tribunal for Electricity (APTEL) and adjustment if any will be recognized as and when matter is finally decided.
- Note 53 - regarding accounting of embedded derivative in certain contracts entered into by the company through international competitive bidding, for which the company is evaluating applicability of provisions of Ind-AS 109 (Financial Instruments) and has referred the matter to the Expert Advisory Committee of Institute of Chartered Accountants of India for expert opinion in matter.

We have not modified our opinion on these matters.

Other Matters

- We did not audit the financial statements/consolidated financial statements of 3 (Three) subsidiaries which reflect total assets of ₹ 3,844.58 Crores and total liabilities of ₹ 2,295.05 Crores as on 31st March 2018, total revenue of ₹ 10,106.56 Crores and net cash flows amounting to ₹ 288.94 Crores for the year then ended and financial

statements of 6 (six) associates and 4 (four) joint ventures wherein the Group's share of profit/(loss) aggregates to ₹ (17.01) Crores and other comprehensive income ₹ 0.73 Crores. The financial statements of these subsidiaries, associates and joint ventures have been audited by other auditors whose reports have been furnished to us by management and our report in terms of sub-section (3) and (11) of section 143 of the Act, in so far as it relates to the amounts included in respect of these subsidiaries, associates and joint ventures is solely based on other auditor's reports.

2. Financial statements/consolidated financial statements of 1 (one) subsidiary which reflect total assets of ₹ 124.73 Crores and total liabilities of ₹ 48.45 Crores as on 31st March 2018, total revenue of ₹ 76.00 Crores and net cash outflows amounting to ₹ 6.81 Crores for the year then ended, and the financial statements of 1 (one) associate and 6 (six) joint ventures which reflect Group's share of Profit of ₹ 176.85 Crores and Other Comprehensive Income of ₹ 0.02 Crores, have been included in the accompanying consolidated financial statements based on unaudited financial statements of these subsidiaries, associates and joint ventures and our report in terms of sub-section (3) and (11) of section 143 of the Act, in so far as it relates to the amounts included in respect of these subsidiaries, associates and joint ventures is solely based on unaudited financial statements furnished to us by management.
3. GAIL Global (USA) Inc whose financial statement are audited reflect total asset of ₹ 935.7 Crore, liabilities ₹ 717.42 Crore as at 31st December 2017, total revenue of ₹ 116.34 Crore and net cash inflow of ₹ 25.55 Crore for the year ended on that date. Management has not provided figures for the subsequent period upto 31st March 2018 and is of the opinion that they are not significant and will not have any material impact on the consolidated Ind AS financial statements.
4. Regarding inclusion of proportionate share in Jointly Controlled Operations in the standalone financial statements of the company. The total proportionate share includes Assets of ₹ 1,756.97 Crore, Liabilities of ₹ 390.92 Crore, Expenditure of ₹ 430.55 Crore, Income of ₹ 632.97 Crore along with the elements making up the Cash Flow Statement and related disclosures. The aforesaid amounts have been included based on the unaudited statements of these entities furnished to us by management. Management is of the view that this will not have a material impact on the company's financial statements.

The status of Audited Financial Statements and unaudited management accounts as mentioned above are based on information furnished to us till 23rd May 2018.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors

Report on Other Legal and Regulatory Requirements

1. Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act is not applicable on Consolidated Financial Statements as referred in proviso to para 2 of the Order.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (Including the other comprehensive income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015 as amended.
- (e) Being a Government Company pursuant to the Notification No. GSR 463 (E) dated 5 June 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of sub-section (2) of Section 164 of the Companies Act, 2013, are not applicable to the Holding Company.
- (f) We are enclosing herewith a report in Annexure - A for our opinion considering the opinion of other auditors of subsidiary companies, associate companies and jointly controlled companies incorporated in India on adequacy of internal financial controls system in place and the operating effectiveness of such controls.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities - Refer Note 31 (I) to the consolidated Ind AS financial statements.
 - (ii) The Holding Company and its subsidiary companies, associate companies and jointly controlled companies have made provision, as required under the applicable law or Indian accounting standards, for material foreseeable losses, if any and to the extent ascertainable, on long-term contracts including derivative contracts;
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.

For **O.P.Bagla & Co. LLP**
(Formerly O P Bagla & Co.)
Chartered Accountants
Firm No.: 000018N/N500091

Rakesh Kumar
Partner
Membership No.: 087537

For **ASA & Associates LLP**
Chartered Accountants
Firm No.: 009571N/N500006

Parveen Kumar
Partner
Membership No.: 088810

Place: **New Delhi**
Dated: **24th May, 2018**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated Ind AS financial statements of the company as of and for the year ended 31st March 2018, we have audited the internal financial controls over financial reporting of GAIL (INDIA) LIMITED (hereinafter referred to as “the Holding Company”) and its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A

company’s internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company;
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 1(One) subsidiary and 8 (eight) jointly controlled / associate company which is incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. In one of the report of a joint venture entity Green Gas Limited, the auditor has given qualified opinion raising serious doubts and has reported material weakness and deficiency on “internal financial control over financial reporting”.

For **O. P. Bagla & Co. LLP**
(Formerly O P Bagla & Co.)
Chartered Accountants
Firm No.: 000018N/N500091

Rakesh Kumar
Partner
Membership No.: 087537

Place: **New Delhi**
Dated: **24th May, 2018**

For **ASA & Associates LLP**
Chartered Accountants
Firm No.: 009571N/N500006

Parveen Kumar
Partner
Membership No.: 088810

GAIL (India) Limited, New Delhi

Consolidated Balance Sheet as at 31st March, 2018

(₹ in Crore)

Sr. No.	Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017
	ASSETS			
1	Non current assets			
	a) Property, Plant and Equipment	2	29,416.84	29,334.08
	b) Capital work-in-progress	3	5,798.26	3,907.85
	c) Intangible Assets	4	1,063.45	757.76
	d) Intangible Assets under development	4A	140.13	218.19
	e) Financial Assets			
	-Investments	5	10,070.40	10,125.09
	-Trade receivables	6	996.92	1,103.66
	-Loans & Other Receivables	7	550.06	606.53
	-Others financial assets	8	111.74	154.82
	f) Non Current Tax Assets (Net)	9	1,355.60	1,415.04
	g) Other Non Current Assets (Non Financial)	12	942.32	1,263.93
	Total Non Current Assets (1)		50,445.72	48,886.96
2	Current Assets			
	a) Inventories	10	1,932.51	1,708.14
	b) Financial Assets			
	-Investments	5A	381.47	-
	-Trade receivables	6A	3,429.56	2,750.73
	-Cash and cash equivalents	11	1,377.24	519.68
	-Other bank balances	11A	1,481.30	901.28
	-Loans & Other Receivables	7A	693.59	757.32
	-Others financial assets	8A	85.89	110.60
	c) Other Current Assets (Non Financial)	12A	1,506.86	2,636.37
	Total Current Assets (2)		10,888.42	9,384.12
	Total Assets (1+2)		61,334.14	58,271.07
	EQUITY AND LIABILITIES			
1	EQUITY			
	a) Equity Share Capital	13	2,255.07	1,691.30
	b) Other Equity	14	39,423.50	37,613.59
	c) Non - Controlling Interests		38.92	33.00
	Total Equity (1)		41,717.49	39,337.89
2	LIABILITIES			
	Non Current Liabilities			
	a) Financial Liabilities			
	-Borrowings	15	1,118.64	3,179.84
	-Other Financial Liabilities	16	775.59	814.34
	b) Provisions	17	589.10	820.47
	c) Deferred Tax Liabilities (net)	20	5,039.11	4,345.07
	d) Other Non Current Liabilities	19	907.91	474.35
	Total Non Current Liabilities (2)		8,430.35	9,634.07
3	Current Liabilities			
	a) Financial Liabilities			
	-Borrowings	15A	977.66	729.19
	-Trade Payables	18	3,903.89	2,740.65
	-Other Financial Liabilities	16A	4,187.08	3,940.49
	b) Other Current Liabilities	19A	1,252.59	1,150.12
	c) Provisions	17A	865.08	738.66
	Total Current Liabilities (3)		11,186.30	9,299.11
	Total Equity and Liabilities (1+2+3)		61,334.14	58,271.07

The significant accounting policies and accompanying notes form an integral part of Consolidated Financial Statements

For and on behalf of the Board of Directors

A.K. Jha
Company SecretarySubir Purkayastha
Director (Finance)Dr. Ashutosh Karnatak
Director (Projects)B. C. Tripathi
Chairman & Managing
DirectorFor O P Bagla & Co LLP
(Formerly O P Bagla & Co.)
Chartered Accountants
Firm No.00018N/N500091For ASA & Associates LLP
Chartered Accountants
Firm No.009571N/N500006Rakesh Kumar
(Partner)
Membership No.087537Parveen Kumar
(Partner)
Membership No.088810Place: New Delhi
Dated: 24th May, 2018

GAIL (India) Limited, New Delhi

Consolidated Statement of Profit and Loss for the Year ended 31st March, 2018

(₹ in Crore)

Sr. No.	Particulars	Note	Year Ended 31 st March, 2018	Year Ended 31 st March, 2017
I.	Income			
	Revenue from Operation (Gross)*	21	54,694.31	49,311.66
	Other Income	22	812.72	1,006.40
	Total Revenue (I)		55,507.03	50,318.06
II.	Expenses			
	Cost of Materials Consumed		4,140.90	3,214.24
	Purchase of Stock in trade		36,721.20	33,215.68
	Changes in Inventories of Finished Goods, Stock in Trade and WIP	23	(34.08)	42.29
	Employee benefits expense	24	1,345.61	1,284.91
	Finance costs	25	294.91	508.94
	Depreciation and amortization expense	26	1,526.89	1,541.07
	Excise Duty		197.96	759.94
	Other expenses	27	4,543.70	4,203.58
	Total expenses (II)		48,737.09	44,770.65
III.	Profit/ (Loss) before share of profit/(loss) of associate and Joint Ventures exceptional items and tax (I-II)		6,769.94	5,547.41
IV	Share of Profit / (Loss) in JV's/Associates for the year Profit/ (Loss) before exceptional items and tax (III+IV)		153.25	(574.02)
V.	Exceptional Items			
	Add: Profit on sale of investment		-	210.65
VI.	Profit/(loss) before tax (IV+V)		6,923.19	5,184.04
VII.	Tax expense:			
	(1) Current tax		1,683.86	1,337.62
	(2) Deferred tax		459.10	456.73
	(3) Adjustment of tax relating to earlier periods		(20.11)	15.01
			2,122.85	1,809.36
VIII.	Net Profit / (Loss) for the year from continuing operations (VI-VII)		4,800.34	3,374.68
	DISCONTINUED OPERATIONS (Refer Note:- 47 (I)a)			
	Profit/(loss) from discontinued operations		12.57	(0.76)
	Tax expense of discontinued operations		(7.86)	-
IX.	Profit/(loss) from Discontinued operations (after tax)		4.71	(0.76)
X.	Profit for the year (VIII+IX)		4,805.05	3,373.92
XI.	Other comprehensive income	A		
	Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
	Exchange differences on translation of foreign operations		(42.12)	(5.33)
	Income tax effect		-	-
			(42.12)	(5.33)
	Net movement on cash flow hedges Profit (+)/ Loss(-) (Refer Note No. 38)		(143.78)	-
	Income tax effect		50.24	-
			(93.54)	-
	Net other comprehensive income to be reclassified to profit or loss in subsequent periods		(135.66)	(5.33)
XII.	Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
	Re-measurement gains (losses) on defined benefit plans		84.96	32.23

Sr. No.	Particulars	Note	Year Ended 31 st March, 2018	Year Ended 31 st March, 2017
	Income tax effect		(29.69)	(11.15)
			55.27	21.08
	Revaluation of land and buildings		-	-
	Income tax effect		-	-
			-	-
	Net (loss)/gain on FVTOCI equity Securities		(241.14)	1,284.97
	Income tax effect		-	-
			(241.14)	1,284.97
	Share of Other Comprehensive income in Associates/JV's for the year		0.75	(0.87)
	Income Tax effect thereon		-	-
			0.75	(0.87)
	Net other comprehensive income not to be reclassified to profit or loss in subsequent periods:		(185.12)	1,305.18
	Other comprehensive income for the year, net of tax		(320.78)	1,299.85
XIII.	Total Comprehensive Income for the period Profit and Loss and OCI, net of tax attributable to:		4,484.27	4,673.77
	Profit for the year		4,805.05	3,373.92
	Attributable to:			
	Equity holders of the parent		4,799.07	3,368.16
	Non-controlling interests		5.98	5.76
	Total Other comprehensive income for the year		(320.78)	1,299.85
	Attributable to:			
	Equity holders of the parent		(320.71)	1,299.85
	Non-controlling interests		(0.07)	-
	Total comprehensive income for the year		4,484.27	4,673.77
	Attributable to:			
	Equity holders of the parent		4,478.36	4,668.01
	Non-controlling interests		5.91	5.76
XIV.	Earnings per share for continuing operations (in ₹)			
	Basic, attributable to equity holders of the parent		21.26	14.94
	Diluted, attributable to equity holders of the parent		21.26	14.94
XV.	Earnings per share for discontinuing operations (in ₹)			
	Basic, attributable to equity holders of the parent		0.02	(0.00)
	Diluted, attributable to equity holders of the parent		0.02	(0.00)
XVI	Earnings per share from continuing and discontinued operations (in ₹)			
	Basic, attributable to equity holders of the parent		21.28	14.94
	Diluted, attributable to equity holders of the parent		21.28	14.94

*Consequent upon implementation of Goods and Services Tax (GST) Act w.e.f. 1st July 2017, total income excludes GST. Accordingly total income for the year ended 31st March 2018 is not comparable with previous year.

The significant accounting policies and accompanying notes form an integral part of Consolidated Financial Statements

For and on behalf of the Board of Directors

A.K. Jha
Company Secretary

Subir Purkayastha
Director(Finance)

Dr. Ashutosh Karnatak
Director (Projects)

B. C. Tripathi
Chairman & Managing
Director

As per our separate Report of even date

For O P Bagla & Co LLP
(Formerly O P Bagla & Co.)
Chartered Accountants
Firm No.00018N/N500091

For ASA & Associates LLP
Chartered Accountants
Firm No.009571N/N500006

Place: **New Delhi**
Dated: **24th May, 2018**

Rakesh Kumar
(Partner) Membership No.087537

Parveen Kumar
(Partner) Membership No.088810

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 - A

Components of other comprehensive income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

During the year ended 31 March 2018

(₹ in Crore)

	Retained Earnings	Total
Exchange differences on translation of foreign operations	(42.12)	(42.12)
Income tax effect	-	-
	(42.12)	(42.12)
Net movement on cash flow hedges Profit (+)/ Loss(-)	(143.78)	(143.78)
Income tax effect	50.24	50.24
	(93.54)	(93.54)
Remeasurement gains (losses) on defined benefit plans	85.71	85.71
Income tax effect thereon	(29.69)	(29.69)
Total	56.02	56.02
Net (loss) / gain on FVTOCI of Investments	(241.14)	(241.14)
Income tax effect thereon	-	-
Total	(241.14)	(241.14)

During the year ended 31 March 2017

(₹ in Crore)

	Retained Earnings	Total
Exchange differences on translation of foreign operations	(5.33)	(5.33)
Income tax effect	-	-
	(5.33)	(5.33)
Remeasurement gains (losses) on defined benefit plans	31.36	31.36
Income tax effect thereon	(11.15)	(11.15)
Total	20.21	20.21
Net (loss) / gain on FVTOCI of Investments	1,284.97	1,284.97
Income tax effect thereon	-	-
Total	1,284.97	1,284.97

Consolidated Statement of Changes in Equity for the Year Ended 31st March, 2018

A. Equity Share Capital

For The Year Ended 31st March, 2018

Equity share capital for issued, subscribed and paid up equity share of ₹ 10 each

(₹ in Crore)

Particulars	Note. No.	As at 1st April, 2017	Changes in equity share capital during the year*	As at 31st March, 2018
Attributable to owners of the parent	13	1,691.30	563.77	2,255.07
Total		1,691.30	563.77	2,255.07

* During the year the company has issued bonus share in the ratio of one equity of ₹10 each for every three equity shares held by equity shareholders

For The Year Ended 31st March, 2017

(₹ in Crore)

Particulars	Note. No.	As at 1st April, 2016	Changes in equity share capital during the year	As at 31st March, 2017
Attributable to owners of the parent	13	1,268.48	422.82	1,691.30
Total		1,268.48	422.82	1,691.30

B. Other Equity (Refer Note No.14)

For The Year Ended 31st March, 2018

(₹ in Crore)

Particulars	Reserve and Surplus							Other Comprehensive Income	Total other Equity	Non Controlling Interest
	Retained earnings opening balance	Security premium	Capital reserves	Bond redemption reserves	CSR Reserve	General Reserves	Transition Reserve			
Balance as at 1st April, 2017	27,447.48	0.27	-	337.18	-	4,353.14	6,084.44	(608.92)	37,613.59	33.00
Adjustment in opening balance on consolidation	2.18								2.18	0.01
Profit/(Loss) for the Period	4,799.07	-	-	-	-	-	-	-	4,799.07	5.98
Exchange differences on translating the financial statements of a foreign operation	-	-	-	-	-	-	-	(42.12)	(42.12)	
Transfer to Reserve during the Period	277.31	-	-	(277.31)	-	-	-	-	-	
Issue of Bonus Shares						(563.77)			(563.77)	
Dividends	(2,106.86)	-	-	-	-	-	-	-	(2,106.86)	
Other Comprehensive Income/(loss) for the Year										
Net Movement In Cash Flow Hedge								(93.54)	(93.54)	
-Re—measurement gains (losses) on defined benefit plans								56.09	56.09	(0.07)
-Net (loss)/gain on FVTOCI equity Securities								(241.14)	(241.14)	
Balance as at 31st March, 2018	30,419.18	0.27	-	59.87	-	3,789.37	6,084.44	(929.63)	39,423.50	38.92

For The Year Ended 31st March, 2017

(₹ in Crore)

Particulars	Reserve and Surplus							Other Comprehensive Income	Total other Equity	Non Controlling Interest
	Retained earnings opening balance	Security premium	Capital reserves	Bond redemption reserves	CSR Reserve	General Reserves	Transition Reserve			
Balance as at 1st April, 2016	26,295.04	0.27	-	238.72	-	4,425.68	6,084.00	(1,908.77)	35,134.94	27.24
Adjustment in opening balance on consolidation	(2.78)	-	-	-	-	-	-	-	(2.78)	-
Profit/(Loss) for the Period	3,368.16	-	-	-	-	-	-	-	3,368.16	5.76
Exchange differences on translating the financial statements of a foreign operation*	-	-	-	-	-	-	-	(5.33)	(5.33)	-
Transfer to Reserve during the Period	(98.46)	-	-	98.46	-	-	-	-	-	-
Issue of Bonus Shares	-	-	-	-	-	(422.82)	-	-	(422.82)	-
Dividends	(1,763.76)	-	-	-	-	-	-	-	(1,763.76)	-
Other Comprehensive Income/(loss) for the Year							-			
-Re—measurement gains (losses) on defined benefit plans	-	-	-	-	-	-	-	20.21	20.21	-
-Net (loss)/gain on FVTOCI equity Securities	-	-	-	-	-	-	-	1,284.97	1,284.97	-
Balance as at 31st March, 2017	27,798.20	0.27	-	337.18	-	4,002.86	6,084.00	(608.92)	37,613.59	33.00

*Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

The significant accounting policies and accompanying notes form an integral part of Consolidated Financial Statements

For and on behalf of the Board of Directors
A.K. Jha
Company Secretary

Subir Purkayastha
Director(Finance)

Dr. Ashutosh Karnatak
Director (Projects)

B. C. Tripathi
Chairman & Managing
Director

As per our separate Report of even date
For O P Bagla & Co LLP
(Formerly O P Bagla & Co.)
Chartered Accountants
Firm No.00018N/N500091

For ASA & Associates LLP
Chartered Accountants
Firm No.009571N/N500006

 Place : **New Delhi**
Dated : **24th May, 2018**
Rakesh Kumar
(Partner) Membership No.087537

Parveen Kumar
(Partner) Membership No.088810

GAIL (India) Limited, New Delhi

Consolidated Cash Flow Statement For The Financial Year Ended 31st March, 2018

(₹ in Crore)

		2017-18		2016-17	
A.	CASH FLOW FROM OPERATING ACTIVITIES				
1	Net Profit Before Tax and After share in associates'/Joint Ventures Profit		6,923.19		5,184.04
2	ADD:				
	Depreciation	1,527.54		1,543.01	
	Exchange Rate Variation on Foreign Currency Loan and translation	43.90		(65.95)	
	Finance Cost	287.33		461.17	
	Dividend Income on Investments	(227.14)		(265.66)	
	Interest Income	(334.54)		(379.27)	
	(Profit) / Loss on Sale of Investment	(5.83)		(210.65)	
	MTM (gain)/loss on Mutual fund Investment	(0.47)		-	
	Provision for Employees Benefits	(0.99)		261.37	
	Provision for Doubtful Debts	(32.70)		(93.94)	
	Provision for Probable Obligations	17.83		141.75	
	Other Provisions	(4.05)		5.23	
	Amortization of Govt. Grant	(0.35)		(0.12)	
	Profit / Loss on Sale of Assets (Net)	11.83		6.07	
	Provision / Write off of Assets / CWIP	116.42		-	
	Net Movement on cash flow hedges (loss)/gain	167.42		-	
	Other non cash expenditure/income, written off/(credited)	27.08		-	
	Share of Loss / (Profit) from of JV's and Associate companies	(153.25)		574.02	
			1,440.03		1,977.03
3	Operating Profit Before Working Capital Changes (1 + 2)		8,363.22		7,161.07
4	Changes in Working Capital (Excluding Cash & Cash Equivalents)				
	Trade and Other Receivables	(933.35)		1,245.51	
	Inventories	(221.93)		(84.84)	
	Trade and Other Payables	2,907.04		(1,087.83)	
			1,751.76		72.84
5	Cash Generated from Operations (3+4)		10,114.98		7,233.91
6	Direct Taxes Paid		(1,350.98)		(1,208.89)
7	Net Profit after tax from Discontinuing Operations		4.71		(0.76)
	NET CASH FROM OPERATING ACTIVITIES (5+6+7)		8,768.71		6,024.26
B.	CASH FLOW FROM INVESTING ACTIVITIES				
	Purchase of Fixed Assets	(3,402.04)		(2,041.70)	
	Sale of Fixed Assets	3.09		46.47	
	Receipt of Government Grants (Capital Grant)	401.43		450.81	
	Sale of Investments /Business	80.00		501.66	
	Sale of Mutual Fund Investments	5,337.83		-	
	Investments in Mutual Fund	(5,713.00)		-	
	Investment in Other Companies	(74.71)		(228.72)	
	Investment in Term Deposits	(16.68)		-	
	Loans & Advances to Related Parties	28.45		71.08	
	Interest Received	332.06		382.41	
	Dividend Received	391.97		435.07	
	NET CASH FROM INVESTING ACTIVITIES		(2,631.60)		(382.92)

		2017-18		2016-17	
C	CASH FLOW FROM FINANCING ACTIVITIES				
	Proceeds from Long Term Borrowings	334.71		810.53	
	Repayment of Long Term Borrowings	(3,111.83)		(3,702.32)	
	Proceeds from Short Term Borrowings	723.18		-	
	Repayment from Short Term Borrowings	(722.83)		(82.49)	
	Finance Cost Paid	(368.35)		(537.69)	
	Dividend & Dividend Tax Paid	(2,106.50)		(1,763.42)	
	Changes in Non Controlling Interest	-			
	NET CASH FROM FINANCING ACTIVITIES		(5,251.62)		(5,275.39)
	NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		885.49		365.95
	CASH AND CASH EQUIVALENTS AS AT 01.04.2017 (OPENING BALANCE)		519.68		104.85
	EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS		(27.93)		48.88
	CASH AND CASH EQUIVALENTS AS AT 31.03.2018 (CLOSING BALANCE)		1,377.24		519.68

NOTES:

- Cash flow statement is prepared using Indirect Method as per Indian Accounting Standard - 7 "Cash Flow Statement".
- Previous year's (PY) figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure

For and on behalf of the Board of Directors
As per our separate Report of even date

A.K. Jha Company Secretary	Subir Purkayastha Director(Finance)	Dr. Ashutosh Karnatak Director (Projects)	B. C. Tripathi Chairman & Managing Director	For O P Bagla & Co LLP (Formerly O P Bagla & Co.) Chartered Accountants Firm No.00018N/N500091	For ASA & Associates LLP Chartered Accountants Firm No.009571N/N500006
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 Place: **New Delhi**
 Dated: **24th May, 2018**

Rakesh Kumar (Partner) Membership No.087537	Parveen Kumar (Partner) Membership No.088810
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Notes Accompanying Consolidated Financial Statement for the year ended 31st March, 2018

CORPORATE INFORMATION

GAIL (India) Limited ("GAIL" or "the Company" or "Parent") is a Limited Company domiciled in India and was incorporated on August 16, 1984. Equity shares of the Company are listed in India on the Bombay Stock Exchange and the National Stock Exchange. In addition, GAIL GDRs are listed with London Stock Exchange. The Government of India holds 53.59% in the paid-up equity capital of the company as on 31st March 2018. The registered office of the Company is located at 16, Bhikaji Cama Place, R.K. Puram, New Delhi-110066.

The Company along with Subsidiary (the group) and its Joint ventures and Associate is the largest state-owned natural gas processing and distribution Company in India. The Company has a diversified business portfolio and has interests in the sourcing and trading of natural gas, manufacturing of LPG, Liquid hydrocarbons and Petrochemicals, transmission of natural gas and LPG through pipelines, City Gas, etc. GAIL is also engaged in the business of Oil and Gas Exploration and Production to increase the access to gas supplies through equity and joint venture participations.

The Consolidated Financial Statements of the Company for the year ended 31st March 2018 were authorized for issue in accordance with a resolution of the directors of the Company on 24th May 2018.

BASIS OF PREPARATION

The Consolidated Financial Statements of the Group along with its Associates and Joint venture have been prepared in accordance with Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The Consolidated Financial Statements have been prepared on accrual basis of accounting and on historical cost basis. Where there are assets and liabilities calculated on a different basis, this fact is disclosed in the relevant accounting policy.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements are presented in Indian Rupees (₹) which is functional currency of the company and the values are rounded to the nearest crore (₹00,00,000), except otherwise indicated.

BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of GAIL and its subsidiaries along with its joint ventures and associates as at 31st March 2018. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements

- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The financial statements of the Group and its subsidiaries have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies if material.

The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as that of the parent i.e. year ended 31 March 2018, except as stated in Note 30.

Consolidation Procedure

- The consolidated financial statements of the Company and its subsidiaries are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-Group balances and intra-Group transactions resulting in unrealized profits or losses.
- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- Eliminate in full intragroup assets and liabilities, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.
- Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group's investments in its associates and joint ventures are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill

relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture. The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit and loss.

The financial statements of the Group's associate and joint venture are prepared for the same reporting period as the Group except as stated in Note 30. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

1. Accounting Policies

1.1 Property, Plant and Equipment (PPE)

A. Tangible Assets

- (i) Property, Plant and Equipment are stated at original cost net of tax / duty credit availed, less accumulated depreciation / amortization and cumulative impairment losses. All costs relating to acquisition of fixed assets till commissioning of such assets are capitalized. In the case of commissioned assets where final payment to the Contractors is pending, capitalization is made on provisional basis, including provisional liability pending approval of Competent Authority, subject to necessary adjustment in cost and depreciation in the year of settlement.
- (ii) Stores & Spares which meet the definition of PPE (whether as component or otherwise) and satisfy the recognition criteria, are capitalized as PPE in the underlying asset. Major inspection/overhaul/repair is recognized in the carrying amount of respective assets as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the Statement of Profit and Loss as incurred.
- (iii) Technical know-how/license fee incurred at the time of procurement of PPE are capitalized as part of the underlying asset.

B. Intangible Assets

- (iv) Intangible assets like Right of Use (RoU), Software, Licenses which are expected to provide future enduring economic benefits are capitalized as Intangible Assets and are stated at their cost of acquisition less accumulated amortization and any accumulated impairment loss.

1.2 Capital Work in Progress

- (i) Crop compensation is accounted for under Capital Work-in-Progress on the basis of actual payments/estimated liability, as and when work commences where ROU is acquired.
- (ii) The capital work in progress includes Construction Stores including Material in Transit/Equipment/Services, etc. received at site for use in the projects.
- (iii) All revenue expenses incurred during Construction Period, which are exclusively attributable to acquisition / construction of the asset, are capitalized at the time of commissioning of such assets.

1.3 Exploration and Development Costs

- a. The Company follows Successful Efforts Method for accounting of Oil & Gas exploration and production activities carried out through Joint

Ventures in the nature of Production Sharing Contracts (PSC) with respective host government and various body corporates for exploration, development and production activities, which includes:

- (i) Survey Costs are recognized as revenue expenditure in the year in which these are incurred.
- (ii) Cost of exploratory/development wells are carried as Intangible assets under development/Capital work in progress. Such exploratory wells in progress are capitalized in the year in which the Producing Property is created. Such costs are written off in the year when determined to be dry / abandoned.
- (iii) Cost of all "exploratory wells in progress" is debited to Statement of Profits and Loss except of those wells for which there are reasonable indications of sufficient quantity of reserves and the enterprise is making sufficient progress assessing the reserves and the economic and operating viability of the project.

b. Capitalization of Producing Properties

- (i) Producing Properties are capitalized as "completed wells/ producing wells" when the wells in the area / field are ready to commence commercial production on establishment of proved developed oil and gas reserves.
- (ii) Cost of Producing Properties includes cost of successful exploratory wells, development wells, initial depreciation of support equipment & facilities and estimated future abandonment cost.

c. Depletion of Producing Properties

Producing Properties are depleted using the "Unit of Production Method (UOP)". The depletion or unit of production charged for all the capitalized cost is calculated in the ratio of production during the year to the proved developed reserves at the year end.

d. Production cost of Producing Properties

Company's share of production costs as indicated by Operator consists of pre well head and post well head expenses including depreciation and applicable operating cost of support equipment and facilities.

e. Accounting for joint operations

In relation to its interests in joint operations entered through Production Sharing Contracts (PSC), the company recognizes its proportionate share in assets, liabilities, revenue from the sale of the output, expenses of the joint operation entity, in the financial statements.

1.4 Foreign Currency Transaction

- (i) Functional Currency of the Company is Indian Rupee (INR).
- (ii) Transactions in foreign currency are initially accounted at the exchange rate prevailing on the transaction date.
- (iii) Monetary items (such as Cash, Receivables, Loans, Payables, etc.) denominated in foreign currencies, outstanding at the year end, are translated at exchange rates (BC Selling Rate for Payables and TT Buying Rate for Receivables) prevailing at year end.
- (iv) Non-monetary items (such as Investments, Property plant and equipment, etc.), denominated in foreign currencies are accounted at the exchange rate prevailing on the date of transaction(s).
- (v) Any gains or loss arising on account of exchange difference either on settlement or on translation is adjusted in the Statement of Profit & Loss.
- (vi) Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items is recognized in line with the gain or loss of the

item arising on determination of fair value of such item, either in other comprehensive income or the Statement of Profit and Loss as the case maybe.

1.5 Borrowing Cost

Borrowing cost of the funds specifically borrowed for the purpose of obtaining qualifying assets and eligible for capitalization along with the cost of the assets, is capitalized up to the date when the asset is ready for its intended use after netting off any income earned on temporary investment of such funds. Other borrowing costs are recognized as expense in the year of incurrence.

1.6 Grants

In case of depreciable assets, the cost of the assets is shown at gross value and grant thereon is taken to deferred income which is recognized as income in the Statement of Profit and Loss over the useful life of the asset.

1.7 Inventories

- i) Stock of Liquefied Natural Gas (LNG) and Natural Gas in pipelines is valued at cost on First in First out (FIFO) basis or net realizable value, whichever is lower.
- ii) Raw materials and finished goods are valued at weighted average cost or net realizable value, whichever is lower. Finished goods include excise duty and royalty wherever applicable.
- iii) Stock in process is valued at weighted average cost or net realizable value, whichever is lower. It is valued at weighted average cost where the finished goods in which these are to be incorporated are expected to be sold at or above the weighted average cost.
- iv) Stores and spares and other material for use in production of inventories are valued at weighted average cost or net realizable value, whichever is lower. It is valued at weighted average cost where the finished goods in which they will be incorporated are expected to be sold at/or above cost.
- v) Surplus / Obsolete Stores and Spares are valued at cost or net realizable value, whichever is lower.
- vi) Surplus / Obsolete Capital Stores, other than held for use in construction of a capital asset, are valued at lower of cost or net realizable value.
- vii) Imported LNG in transit is valued at CIF value or net realizable value whichever is lower.
- viii) Renewable Energy Certificates (RECs) are valued at cost on First in First out (FIFO) basis or net realizable value, whichever is lower.

1.8 Revenue recognition

- (i) Sales are recognized on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude value added tax. Any retrospective revision in prices is accounted for in the year of such revision. It is measured at fair value of consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.
- (ii) Income from Consultancy/Contract Services, if any, is recognized based on percentage Completion Method.
- (iii) Dividend income is accounted for when the right to receive is established.
- (iv) Claims (including interest on delayed realization from customers) are accounted for, when there is significant certainty that the claims are realizable.

- (v) Insurance claims are accounted for on the basis of claims admitted by the insurers.
- (vi) Liability in respect of Minimum Guaranteed Off take (MGO) of Natural gas is not provided for where the same is secured by MGO recoverable from customers. Payments/receipts during the year on account of MGO are adjusted on receipt basis.
- (vii) Minimum charges relating to transportation of LPG are accounted for on receipt basis.
- (viii) Contributions by customers towards items of Property, Plant and Equipment, realized in pursuance of a contract after 01/04/2015 are credited to deferred revenue and are amortized over the period of contract. Any tangible assets built/to be built, wherever applicable, under such contract are stated at gross value thereof.

1.9 Depreciation /Amortization

A. Tangible Assets

Depreciation on Tangible PPE (including enabling assets) is provided in accordance with the manner and useful life as specified in Schedule II of the Companies Act, 2013, on straight line method (SLM) on pro-rata basis (monthly pro-rata for bought out assets), except for the assets as mentioned below where different useful life has been taken on the basis of external/internal technical evaluation:

(i)

Particulars	Years
Furniture and Electrical Equipment's provided for the use of employees	6 years
Mobile Phones provided for the use of employees	2 years

- (ii) Cost of the leasehold land is amortized over the lease period except perpetual leases.
- (iii) Depreciation due to price adjustment in the original cost of fixed assets is charged prospectively.

B. Intangible Assets

- (i) Intangible assets comprising software and licenses are amortized on Straight Line Method (SLM) over the useful life from the date of capitalization which is considered not exceeding five years.
Right of use (ROU) having indefinite life (for which there is no foreseeable limit to the period over which they are expected to generate net cash flows given the fact that these rights can be used even after the life of respective pipelines) are not amortized, but are tested for impairment annually.
- (ii) After impairment of assets, if any, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

C. Capital assets facilities installed at the consumers' premises

Capital assets facilities installed at the consumers' premises on the land whose ownership is not with the company, has been depreciated on SLM basis in accordance with the useful life as specified in Schedule II of the Companies Act, 2013.

1.10 Employees Benefits

- (a) All short term employee benefits are recognized at the undiscounted amount in the accounting period in which they are incurred.
- (b) The Company's contribution to the Provident Fund is remitted to a separate trust established for this purpose based on a fixed percentage of the eligible employee's salary and debited to Statement of Profit and Loss / CWIP. Further, the company makes provision as per actuarial valuation towards any shortfall in fund

assets to meet statutory rate of interest in the future period, to be compensated by the company to the Provident Fund Trust.

- (c) Employee Benefits under Defined Benefit Plans in respect of post-retirement medical scheme, and gratuity are recognized based on the present value of defined benefit obligation, which is computed on the basis of actuarial valuation using the Projected Unit Credit Method. Actuarial liability in excess of respective plan assets is recognized during the year.
- (d) Obligations on other long term employee benefits, viz., leave encashment, Compensated absence and Long Service Awards are provided using the projected unit credit method of actuarial valuation made at the end of the year.
- (e) Re-measurement including actuarial gains and losses are recognized in the balance sheet with a corresponding debit or credit to retained earnings through Statement of Profit and Loss or Other Comprehensive Income in the year of occurrence, as the case may be. Re-measurements are not reclassified to the Statement of Profit and Loss in subsequent periods.
- (f) The Company also operates a defined contribution scheme for Pension benefits for its employees and the contribution is remitted to a separate Trust.
- (g) Liability for gratuity as per actuarial valuation is funded with a separate trust.

1.11 Impairment of non-financial assets

The Carrying amount of cash generating unit are reviewed at each reporting date. In case there is any indication of impairment based on Internal / External factors, impairment loss is recognized wherever the carrying amount of asset exceeds its recoverable amount.

1.12 Provisions, Contingent Liabilities, Contingent Assets & Capital Commitments

- (a) Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities/assets exceeding ₹ 5 Lacs in each case are disclosed by way of notes to accounts except when there is remote possibility of settlement/realization.
- (b) Estimated amount of contracts remaining to be executed on capital accounts are disclosed each case above ₹5 lacs.

1.13 Taxes on Income

Provision for current tax is made as per the provisions of the Income Tax Act, 1961. Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal Income Tax during the specified period.

Deferred tax is provided, using the balance sheet method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes considering the tax rate and tax laws that have been enacted or substantively enacted as on the reporting date.

Deferred tax relating to items recognized outside Statement of Profit and Loss is recognized outside Statement of Profit and Loss (either in Other Comprehensive Income or in Equity).

The carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

1.14 R&D Expenditure

Revenue expenditure on Research and Development is charged to

Statement of Profit and Loss in the year in which it is incurred. Capital expenditure on Research and Development is capitalized in case the same qualifies as asset.

1.15 Cash and cash equivalents

Cash and cash equivalents consist of cash at bank and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value

1.16 Segment reporting

The Management of the company monitors the operating results of its business Segments for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

The Operating segments have been identified on the basis of the nature of products/services.

- a) Segment revenue includes directly identifiable with/allocable to the segment including inter-segment revenue.
- b) Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result.
- c) Expenses which relate to the Company as a whole and not allocable to segments are included under unallocable expenditure.
- d) Income which relates to the Company as a whole and not allocable to segments is included in unallocable income.
- e) Segment assets including CWIP and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

1.17 Earning per share

Basic earnings per equity share is computed by dividing the net profit after tax attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing adjusted net profit after tax by the aggregate of weighted average number of equity shares and dilutive potential equity shares during the year.

1.18 Leases

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

(A) Company as a lessee

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases. Lease rentals are charged to the Statement of Profit and Loss on straight line basis. However, rent expenses shall not be straight-lined, if escalation in rentals is in line with expected inflationary cost.

Finance leases are capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the Statement of Profit and Loss.

(B) Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

Rental income from operating lease is recognized on a straight-line basis over the term of the relevant lease. Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee.

(C) Lease Land

Land having lease term of 70 year and above are accounted as finance leases which are recognized at upfront premium paid for the lease and the present value of the lease rent obligation. The corresponding liability is recognized as a finance lease obligation. Land having lease term of below 70 year are treated as operating leases.

1.19 Liquidated damages/ Price Reduction Schedule

Amount recovered towards Liquidated Damages/Price Reduction Schedule are adjusted/appropriated as and when the matter is settled.

1.20 Cash Flow Statement

Cash flow statement is prepared in accordance with the indirect method prescribed in Indian Accounting Standard (Ind AS) 7 on 'Statement of Cash Flows'.

1.21 Fair value measurement

The Company measures financial instruments including derivatives and specific investments (other than subsidiary, joint venture and associates), at fair value at each balance sheet date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- (i) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- (ii) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- (iii) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

1.22 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(A) Financial assets

(i) Classification

The Company classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through Statement of Profit and Loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

(ii) Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the

case of financial assets not recorded at fair value through Statement of Profit and Loss, transaction costs that are attributable to the acquisition of the financial asset.

(iii) Subsequent measurement

For purposes of subsequent measurement financial assets are classified in below categories:

(a) Financial assets carried at amortized cost

A financial asset other than derivatives and specific investments, is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) Financial assets at fair value through other comprehensive income

A financial asset comprising specific investment is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

(c) Financial assets at fair value through Statement of Profit and Loss

A financial asset comprising derivatives which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(iv) Derecognition

A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

(v) Investment in subsidiaries, joint ventures and associates

The company has accounted for its investment in subsidiaries, joint ventures and associates at cost. The company assesses whether there is any indication that these investments may be impaired. If any such indication exists, the investment is considered for impairment based on the fair value thereof.

(vi) Impairment of other financial assets

The Company assesses impairment based on expected credit losses (ECL) model for measurement and recognition of impairment loss on the financial assets that are trade receivables or contract revenue receivables and all lease receivables etc.

(B) Financial liabilities

(i) Classification

The Company classifies all financial liabilities as subsequently measured at amortized cost, except for financial liabilities at fair value through Statement of Profit and Loss. Such liabilities, including derivatives shall be subsequently measured at fair value.

(ii) Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly

attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

(iii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

(a) Financial liabilities at amortized cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

(b) Financial liabilities at fair value through Statement of Profit and Loss

Financial liabilities at fair value through Statement of Profit and Loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through Statement of Profit and Loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category comprises derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

(iv) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

(C) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously

(D) Embedded derivatives

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value through profit and loss.

(E) Derivative financial instruments and Hedge Accounting

The Company uses derivative financial instruments, in form of forward currency contracts, interest rate swaps, cross currency interest rate swaps, commodity swap contracts to hedge its foreign currency risks, interest rate risks and commodity price risks.

(i) Derivatives Contracts not designated as hedging instruments

- The derivatives that are not designated as hedging instrument under Ind AS 109, are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial

assets when the fair value is positive and as financial liabilities when the fair value is negative.

- Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss.
- Derivatives Contracts designated as hedging instruments
 - The derivatives that are designated as hedging instrument under Ind AS 109 to mitigate its risk arising out of foreign currency and commodity hedge transactions are accounted for as cash flow hedges.
 - The Company enters into hedging instruments in accordance with policies as approved by the Board of Directors, provide written principles which is consistent with the risk management strategy of the Company.
 - The hedge instruments are designated and documented as hedges at the inception of the contract. The effectiveness of hedge instruments is assessed and measured at inception and on an ongoing basis. The effective portion of change in the fair value of the designated hedging instrument is recognized in the "Other Comprehensive Income" as "Cash Flow Hedge Reserve". The ineffective portion is recognized immediately in the Statement of Profit and Loss as and when occurs. The amount accumulated in Cash Flow Hedge Reserve is reclassified to profit or loss in the same period(s) during which the hedged item affects the Statement of Profit or Loss Account. In case the hedged item is the cost of non-financial assets / liabilities, the amount recognized as Cash Flow Hedge Reserve are transferred to the initial carrying amount of the non-financial assets / liabilities.
 - If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in Cash Flow Hedging Reserve remains in Cash Flow Hedging Reserve till the period the hedge was effective. The cumulative gain or loss previously recognized in the Cash Flow Hedging Reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.

1.23 Recent accounting pronouncements

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective. The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2018 and has amended the following standards:

Standards Issued but not yet Effective

a) Ind - AS 115 "Revenue from Contract with Customers

Ind AS 115 was issued on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This new standard requires revenue to be recognized when promised goods or services are transferred to customers in amounts that reflect the consideration to which the Company expects to be entitled in

exchange for those goods or services. Adoption of the new rules could affect the timing of revenue recognition for certain transactions of the Company. Ind AS 115 is effective for the Company in the first quarter of fiscal 2019 using either one of two methods: (i) retrospectively to each prior reporting period presented in accordance with Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, with the option to elect certain practical expedients as defined within Ind AS 115 (the full retrospective method); or (ii) retrospectively with the cumulative effect of initially applying Ind AS 115 recognized at the date of initial application (1 April 2018) and providing certain additional disclosures as defined in Ind AS 115 (the modified retrospective method).

The Company continues to evaluate the available transition methods and its contractual arrangements. The ultimate impact on revenue resulting from the application of Ind AS 115 will be subject to assessments that are dependent on many variables, including, but not limited to, the terms of the contractual arrangements and the mix of business. The Company's considerations also include, but are not limited to, the comparability of its financial statements and the comparability within its industry from application of the new standard to its contractual arrangements. The Company has established an implementation team to implement Ind AS 115 related to the recognition of revenue from contracts with customers and it continues to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary.

A reliable estimate of the quantitative impact of Ind AS 115 on the financial statements will only be possible once the implementation project has been completed.

b) Appendix B to Ind AS 21 Foreign currency transactions and advance consideration

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Company initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the Company must determine the transaction date for each payment or receipt of advance consideration.

The Company may apply the Appendix requirements on a fully retrospective basis. Alternatively, the Company may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognized on or after:

- (i) The beginning of the reporting period in which the Company first applies the Appendix, or
- (ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the Company first applies the Appendix.

The Appendix is effective for annual periods beginning on or after 1 April 2018. The Company is currently evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

c) Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it

may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognized in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after 1st April 2018. The Company is currently evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

d) Transfers of Investment Property - Amendments to Ind AS 40

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight.

The amendments are effective for annual periods beginning on or after 1 April 2018. These amendments are not applicable to the Company.

e) Ind AS 28 Investments in Associates and Joint Ventures -

Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice

The amendments clarify that:

An entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss.

If an entity, that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which: (a) the investment entity associate or joint venture is initially recognized; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent.

The amendments should be applied retrospectively and are effective from 1 April 2018. The Company is currently evaluating the requirements of the amendment and the effect on the financial statements, if any, is being evaluated.

Note 2&3 - Property, plant and equipment & CWIP

Components of Property, plant and equipment and Intangible Assets are as follows:

(₹ in Crore)

Particulars	Land		Buildings		Bunk Houses	Plant and Machinery	Railway Lines & Sidings	Electrical Equip-ment's	Furniture & Fixtures	Transport Equip-ment's	Office Equip-ment's	Other Equip-ment's	E&P Assets			Total	Capital Work In Progress
	Freehold	Leasehold	Office/ Others	Residential									Producing Property	Support Equipment & Facilities	Unproved Leasehold Cost		
At 1 April 2017	245.48	97.75	771.91	264.59	0.65	27,679.54	0.27	310.11	110.28	5.24	117.04	116.97	2,287.81	4.72	-	32,012.36	3,907.85
Additions/ Adj for the Period	60.38	0.14	23.78	0.20	-	583.67	-	16.17	8.94	0.76	28.87	14.95	74.83	-	-	812.69	3,473.70
Transfer from/to Capitalization	50.88	17.11	27.95	6.92	0.09	817.32	-	14.91	6.31	-	29.64	9.49	-	-	-	980.62	(1,569.89)
Disposals / Adj for the Period	(2.95)	(1.61)	6.63	5.96	0.26	162.07	-	7.41	5.41	0.44	26.36	8.75	(140.71)	-	-	78.01	(13.40)
At 31 March 2018	353.79	113.39	830.27	277.67	1.00	29,242.60	0.27	348.60	130.94	6.44	201.91	150.16	2,221.93	4.72	-	33,883.69	5,798.26
Depreciation and impairment																	
At 1 April 2017	-	(0.51)	56.49	15.27	0.25	1,974.34	-	61.93	13.26	1.16	31.52	25.44	498.45	0.68	-	2,678.28	-
Depreciation expense	-	1.30	37.16	11.04	0.27	1,195.13	-	41.92	14.03	0.68	31.51	24.15	157.78	0.34	-	1,515.31	-
Impairment	-	-	-	-	-	0.28	-	-	-	-	-	-	-	-	-	0.28	-
Disposal / Adj. during the period	-	2.11	10.80	5.97	0.25	257.88	-	7.95	5.97	0.42	26.86	9.36	(54.60)	-	-	272.97	-
At 31 March 2018	-	2.90	104.45	32.28	0.77	3,427.63	-	111.80	33.26	2.26	89.88	58.95	601.64	1.02	-	4,466.84	-
Net Book value																	
At 1 April 2017	245.48	98.26	715.42	249.32	0.40	25,705.20	0.27	248.18	97.02	4.08	85.52	91.53	1,789.36	4.04	-	29,334.08	3,907.85
At 31 March 2018	353.79	110.49	725.82	245.39	0.23	25,814.97	0.27	236.80	97.68	4.18	112.02	91.21	1,620.30	3.70	-	29,416.84	5,798.26

Note 4 - Intangible Assets

(₹ in Crore)

Particulars	Intangible Assets			Intangible Assets under Development
	Right of Use	Software / Licenses	Total	
At 1 April 2017	721.59	64.72	786.31	218.19
Additions/ Adj for the Period	2.09	1.18	3.27	(4.83)
Transferred from/to CWIP	265.49	46.93	312.42	2.79
Disposals / Adj for the Period	-	2.75	2.75	-
At 31 March 2018	989.17	115.58	1,104.75	216.15
Depreciation and impairment				
At 1 April 2017	0.05	28.50	28.55	-
Depreciation expense	-	12.91	12.91	-
Impairment	-	-	-	76.02
Disposal / Adj. during the period	0.02	(0.18)	(0.16)	-
At 31 March 2018	0.07	41.23	41.30	76.02
Net Book value				
At 1 April 2017	721.54	36.22	757.76	218.19
At 31 March 2018	989.10	74.35	1,063.45	140.13

Note 5 - Investments

(₹ in Crore)

Sr. No.	Particulars		As at 31st March, 2018		As at 31st March, 2017
	Investment in Equity Shares				
(a)	In Joint Venture Companies:				
	Unquoted Investment (Equity Method)				
1	- Central UP Gas Ltd. 1,50,00,000 (PY 1,50,00,000) Equity shares of ₹ 10 each fully paid up Add: Share of Profit/(Loss) other Adj during the period Less: Dividend Received	51.79 10.94 2.55	60.18	43.67 11.42 3.30	51.79
2	- Green Gas Ltd. 2,30,42,250 (PY: 2,30,42,250) Equity shares of ₹ 10 each fully paid up Add: Share of Profit/(Loss) other Adj during the period Less: Dividend Received	126.35 21.27 2.30	145.32	103.97 22.38 -	126.35
3	- Ratnagiri Gas Power Pvt. Ltd 83,45,55,636 (PY: 97,43,08,300) Equity shares of ₹ 10 each fully paid up Add: Share of Profit/(Loss) other Adj during the period Less: Dividend Received (Unabsorbed loss amounting ₹ 739.57 Refer note no. (30)(F)	- - -	-	47.02 (47.02) -	-
4	- Konkan LNG Private Limited 13,97,52,264 (PY: NIL) Equity shares of ₹ 10 each fully paid up Add: Share of Profit/(Loss) other Adj during the period Less: Dividend Received (Unabsorbed loss amounting ₹ 234.20 Refer note no. (30)(F)	- - -	-	- - -	-
5	- Maharashtra Natural Gas Ltd. 2,25,00,000 (PY: 2,25,00,000) Equity shares of ₹ 10 each fully paid up Add: Share of Profit/(Loss) other Adj during the period Less: Dividend Received	74.75 21.59 1.97	94.37	64.46 16.01 5.72	74.75
6	- Avantika Gas Ltd. Additions/ (Disposal During the Period) 2,95,48,663 (PY: 2,25,00,000) Equity shares of ₹ 10 each fully paid up (70,48,663 Equity shares allotted at a premium of ₹ 29/- per share) Add: Share of Profit/(Loss) other Adj during the period Less: Dividend Received	44.85 27.49 12.13 -	84.47	35.31 9.54 -	44.85

Sr. No.	Particulars		As at 31st March, 2018		As at 31st March, 2017
7	- Bhagyanagar Gas Ltd.	45.09		38.53	
	Additions/ (Disposal During the Period)	105.75			
	4,36,50,000 (PY: 2,25,00,000) Equity shares of ₹ 10 each fully paid up (2,11,50,000 equity shares allotted at a premium of ₹40/- per share)				
	Add: Share of Profit/(Loss) other Adj during the period	4.59		6.56	
	Less: Dividend Received	-	155.43	-	45.09
8	-Vadodara Gas Limited	125.24		123.88	
	12,01,46,771(PY: 12,01,46,771) Equity shares of ₹ 10 each fully paid up				
	Add: Share of Profit/(Loss) other Adj during the period	6.26		1.36	
	Less: Dividend Received	-	131.50	-	125.24
9	Talchar Fertilizers Ltd.	0.01		0.02	
	Additions/ (Disposal During the Period)	5.00			
	50,15,000 (PY: 15,000) Equity shares of ₹ 10 each fully paid up (50,00,000 equity shares issued during the Year)				
	Add: Share of Profit/(Loss) other Adj during the period	0.02		(0.01)	
	Less: Dividend Received	-	5.03	-	0.01
10	Tapi Pipeline Company Ltd.	-		-	
	2,65,000 Equity shares of USD 10 each & 25 Equity Shares at Par value Nil)				
	Additions/ (Disposal During the Period) (Refer Note 41)	17.70			
	Add: Share of Profit/(Loss) other Adj during the period	(11.11)			
	Less: Dividend Received	-	6.59	-	-
	Through GAIL Gas Ltd				
11	- Andhra Pradesh Gas Distribution Corporation Limited	13.58		14.23	
	Additions/ (Disposal During the Period)	5.00			
	1,50,00,000 (PY: 1,00,00,000) Equity shares of ₹ 10 each fully paid up				
	Add: Share of Profit/(Loss) other Adj during the period	(0.85)		(0.65)	
	Less: Dividend Received	-	17.73	-	13.58
12	- Kerala GAIL GAS Ltd	13.09		12.58	
	1,19,28,000(PY: 1,19,28,000) Equity shares of ₹ 10 each fully paid up				
	Add: Share of Profit/(Loss) other Adj during the period	0.65		0.51	
	Less: Dividend Received	-	13.74	-	13.09
13	- Rajasthan State Gas Limited	13.37		7.63	
	Additions/ (Disposal During the Period)	47.98			
	1,70,25,000 (PY: 1,00,25,000) Equity shares of ₹ 10 each fully paid up				
	Add: Share of Profit/(Loss) other Adj during the period	(7.16)		5.74	
	Less: Dividend Received	-	54.19	-	13.37
14	- Haridwar Gas Private Limited	7.15		7.15	
	(75,00,000 (PY: NIL) equity shares of ₹ 10 each fully paid				
	Add: Share of Profit/(Loss) other Adj during the period	(0.05)		-	
	Less: Dividend Received	-	7.10	-	7.15
15	-GOA Natural Gas Private Limited	2.50		2.50	
	Additions/ (Disposal During the Period)	5.00		-	
	(25,00,000 (PY: NIL) Equity shares of ₹ 10 each fully paid)				
	Add: Share of Profit/(Loss) other Adj during the period	(0.34)		-	
	Less: Dividend Received	-	7.16	-	
	Total (a)		782.81		517.77
b)	In Associate companies:				
	Quoted Investments (Equity Method)				
1	- China Gas Holding Ltd. China				
	15,00,00,000 (PY: 15,00,00,000) Equity shares of HK\$0.01 each fully paid up acquired at a premium of HK\$ 1.148 per share	424.83		398.84	
	Add: Share of Profit/(Loss) other Adj during the period	128.31		51.16	
	Less: Dividend Received	34.38	518.76	25.17	424.83
2	- Indraprastha Gas Ltd.	658.33		566.09	
	15,75,00,000 (PY: 3,15,00,000) Equity shares of ₹ 10 each fully paid up (Shares are splitted from face value of ₹ 10/- each in to five equity shares of ₹ 2/- each on 11th November, 2017)				
	Add: Share of Profit/(Loss) other Adj during the period	177.99		122.17	
	Less: Dividend Received	15.75	820.57	29.93	658.33

Sr. No.	Particulars		As at 31st March, 2018		As at 31st March, 2017
3	- Petronet LNG Ltd.(PLL) 18,75,00,000 (PY: 9,37,50,000) Equity shares of ₹ 10 each fully paid up (Includes 1,00,00,000 equity shares allotted at a premium of ₹ 5/- per share) (PLL has issued bonus shares in the Ratio of 1:1 on 05th July 2017) Add: Share of Profit/(Loss) other Adj during the period Less: Dividend Received	1,022.30 250.99 46.88		832.81 212.93 23.44	
4	- Mahanagar Gas Ltd. 3,21,02,750 (PY: 3,21,02,750) Equity shares of ₹ 10 each fully paid up Addition/ Disposal during the period Add: Share of Profit/(Loss) other Adj during the period Less: Dividend Received	598.00 - 143.99 61.00	1,226.41	859.95 (12.35) (167.73) 81.86	1,022.30
	Unquoted Investments (Equity Method)				
1	- ONGC Petro Additions Ltd. 99,49,45,000 (PY: 99,49,45,000) Equity shares of ₹ 10 each fully paid up Add: Share of Profit/(Loss) other Adj during the period Less: Dividend Received (Unabsorbed loss amounting ₹ 529.29 Crore Refer note no. (30)(F)	566.78 (566.78) -		1,300.18 (733.40) -	566.78
2	- Fayum Gas Company registered in Egypt. 19,000 Equity shares of LE 100 each fully paid up Fair Value Gain on classification as Held for Sale Add: Share of Profit/(Loss) other Adj during the period Less: Dividend Received	2.92 - 1.27 -	4.19	4.24 (1.32) -	2.92
3	- National Gas Company "Nat Gas"* 3,000,000 (Previous Year 3,000,000) Equity shares of LE 5/- per share acquired at a premium LE 34.5 per Equity Share Add: Share of Profit/(Loss) other Adj during the period Less: Dividend Received	- - - -		38.61 (24.41) -	14.20
4	- Brahmaputra Cracker & Polymer Ltd. 99,23,69,000 (PY: 99,23,69,000) Equity shares of ₹ 10 each fully paid up Additions/ (Disposal During the Period) Add: Share of Profit/(Loss) other Adj during the period Less: Dividend Received	419.02 - (66.74) -	352.28	607.03 199.36 (387.37) -	419.02
	Total (b)		3,603.20		3,706.38

*Ceased to be an associate during the period.

(₹ in Crore)

	Particulars	Nature of Investment	Basis of valuation	As at 31st March, 2018	As at 31st March, 2017
(c)	Other Investments Investments at fair value through Other comprehensive Income (fully paid): Quoted equity shares (Fair Value through OCI)				
1	-Gujarat Industries Power Co. Ltd. 5,70,600 (PY: 5,70,600) Equity shares of ₹ 10 each fully paid up (includes 1,90,200 Equity Shares acquired at a premium of ₹ 15/- per share)	Equity shares	FVTOCI	5.54	5.90
2	-Oil and Natural Gas Corporation Ltd. 30,84,01,602 (PY: 30,84,01,602) Equity shares of ₹ 5 each fully paid up (*Acquired 3,42,66,845 shares of ₹ 10/-each during 1999-2000 at a price of ₹ 162.34 per Share, 1,71,33,422 bonus shares of ₹ 10/- each received during 2006-07, During the year 2010-11, 5,14,00,267 Equity shares of ₹ 10/- each were splitted into Equity shares of ₹ 5/- each and bonus issue of 1:1 equity shares of ₹ 5/- each after split received during 2010-11, further during the year 2016-17 bonus issue of 1:2 equity shares has been received)	Equity shares	FVTOCI	5,483.38	5,706.97
	Unquoted equity shares (Fair Value through OCI)				
1	- South East Asia Gas Pipeline Ltd. 8347 (PY: 8347) Equity shares of USD 1 each fully paid up	Equity shares	FVTOCI	167.75	180.93
2	- Gujrat State Energy Generation Ltd. 2,07,60,000 (PY: 2,07,60,000) Equity shares of ₹ 10 each fully paid up	Equity shares	FVTOCI	3.13	7.14
3	- National Gas Company "Nat Gas"* (3,000,000 (PY: 3,000,000) Equity shares of LE 100 each fully paid	Equity shares	FVTOCI	22.57	-

	Particulars	Nature of Investment	Basis of valuation	As at 31st March, 2018	As at 31st March, 2017
	Unquoted equity shares (Co-operative societies) at Cost				
1	- Darpan Co-operative Housing Society Ltd., Vadodara (₹1,500/-). 30 (PY: 30) Shares of ₹ 50 each	Equity shares	Cost	-	-
2	- Ashoka Apartments Co-operative Housing Society Ltd., Vadodara (₹2,500/-). 50 (PY: 50) Shares of ₹ 50 each	Equity shares	Cost	-	-
3	- Sanand Members Association, Ahmedabad (₹4,000/-). 400 (PY: 400) Shares of ₹ 10 each	Equity shares	Cost	-	-
4	- Green Field (B) Co-operative Housing Society Ltd., Mumbai (₹2,750/-). 55 (PY: 55) Shares of ₹ 50 each	Equity shares	Cost	-	-
5	- Avillion Greenfields Co-Op Hsg. Society Ltd, Mumbai (₹250/-). 55 (PY: 55) Shares of ₹ 50 each	Equity shares	Cost	-	-
6	- Suraj Heights A Co-Op Hsg. Society Ltd, Mumbai (₹1,500/-). 50 (PY: 50) Shares of ₹ 30 each	Equity shares	Cost	-	-
7	- Sheel Jeet Co-Operative Hsg Society Ltd., Mumbai (₹50/-). 10 (PY: 10) Shares of ₹ 5 each	Equity shares	Cost	-	-
	- Unquoted equity shares at Cost - Start up Companies				
1	-JV Foodworks Pvt. Ltd. 180 (PY: NIL) Shares of ₹ 10 each acquired at at premium of ₹ 5,524.49/- per share			0.63	-
2	-Attentive AI Solutions Pvt. Ltd. 499 (PY: NIL) Shares of ₹ 10 each acquired at at premium of ₹ 11,990/- per share			0.60	-
3	-Persapien Innovations Pvt. Ltd. 21 (PY: NIL) Shares of ₹ 10 each acquired at at premium of ₹ 3,88,348.49/- per share			0.79	-
	Total @			5,684.39	5,900.94
	Total Non current Investments			10,070.40	10,125.09

Aggregate amount of quoted investments

- Book Value (At Carrying Value)

8,735.65

8,416.33

- Market Value

20,820.67

17,120.84

Aggregate amount of unquoted investment (At Carrying Value)

1,334.75

1,708.76

- Out of aforesaid investments in Joint venture and associate, few shares are held in the name of GAIL officials jointly with GAIL
- Investments are valued in accordance with accounting policy No. 1.21 to consolidated financial statement
- Investment other than subsidiary, associates & Joint ventures are valued at fair value through Other Comprehensive Income at each Balances Sheet Date
- Investment made in Start-up companies during the year and its fair value considered to be equal to book value.
- ONGC Pero-additions has been reclassified as associated during the current period w.e.f. 12.02.2018, till last year was a joint venture.

Note 5A - Investments Current

(₹ in Crore)

Particulars	Nature of Investment	Basis of valuation	As at 31st March, 2018	As at 31st March, 2017
Quoted Investments				
- Investments in Mutual Funds				
IDBI liquid fund (Measured at fair value through Profit an Loss)	Mutual Fund	FVTPL	381.47	-
Total			381.47	-

Note 6 - Trade receivables- Non Current

(₹ in Crore)

Particulars		As at 31st March, 2018		As at 31st March, 2017
Trade receivables		1,379.57		1,552.41
Receivables from related parties		253.05		238.12
Less: Provision for Doubtful Debts		635.70		686.87
Total		996.92		1,103.66

Note 6A - Trade receivables- Current

(₹ in Crore)

Particulars		As at 31st March, 2018		As at 31st March, 2017
Trade receivables		3,278.37		2,492.10
Receivables from related parties		187.53		276.53
Less: Provision for Doubtful Debts		36.34		17.90
Total		3,429.56		2,750.73

(₹ in Crore)

Particulars		As at 31st March, 2018		As at 31st March, 2017
Non Current (Unsecured)				
Considered good	996.92		1,118.67	
Considered doubtful	635.70		686.87	
	1,632.62		1,805.54	
Less: Provision for Doubtful Debts	635.70		686.87	
Less: Allowance for Expected credit Loss	-	996.92	15.01	1,103.66
Current (Unsecured)				
Considered good	3,429.56		2,767.38	
Considered doubtful	37.91		17.90	
	3,467.47		2,785.28	
Less: Allowance for bad and doubtful debts	-		17.90	
Less: Allowance for Expected credit Loss	37.91	3,429.56	16.65	2,750.73
Total		4,426.48		3,854.39

Note 7-Financial Assets Non Current- Loans and Other Receivables

(₹ in Crore)

Particulars		As at 31st March, 2018		As at 31st March, 2017
- Loan to employees:				
- Secured, considered good	269.60		273.61	
- Unsecured, considered good	21.42	291.02	38.03	311.64
- Security deposits paid:				
- Unsecured, Considered Good	68.75		100.97	
- Unsecured, Considered Doubtful	10.15		10.16	
Less: Provision for Doubtful Deposits	10.15	68.75	10.16	100.97
Other Receivable				
Finance lease receivables		17.88		-
- Loan to others (Unsecured considered Good)		172.41		193.92
Total		550.06		606.53

Note 7A-Financial Assets Current- Loans and Other Receivables (Unsecured considered good unless specified otherwise)

(₹ in Crore)

Particulars		As at 31st March, 2018		As at 31st March, 2017
Receivable from Related Parties				
- Associates		15.19		15.02
- Joint ventures		32.91		171.89
Other loans and receivables:				
- Loan to employees:				
- Secured	33.88		53.07	
- Unsecured	38.81	72.69	15.72	68.79
Security deposits paid		508.82		447.03
Finance lease receivables		2.01		1.99
Interest accrued but not due		14.95		11.08
Loan to others		47.02		41.52
Total		693.59		757.32

Note 8-Other Financial Assets -Non Current

(₹ in Crore)

Particulars		As at 31st March, 2018		As at 31st March, 2017
Receivables for Derivative Contracts (Hedged/ Non Hedged)		3.31		6.87
Equity Investments Pending Allotment		107.56		143.04
Balance with Bank Deposits exceeding twelve Months		0.87		4.91
Total		111.74		154.82

Note 8A-Other Financial Assets -Current

(₹ in Crore)

Particulars		As at 31st March, 2018		As at 31st March, 2017
Receivables for Derivative Contracts (Hedged/ Non Hedged)		11.10		57.39
Other Receivable		74.79		53.21
Total		85.89		110.60

Note 9 - Non Current tax assets (Net)

(₹ in Crore)

Particulars		As at 31st March, 2018		As at 31st March, 2017
Advance income tax against pending demand				
- Unsecured considered good	1,143.45		1,158.11	
- Unsecured considered doubtful	207.21		162.21	
Less : Provision for doubtful advance income tax against pending demand	207.21	1,143.45	162.21	1,158.11
Advance tax	1,753.50		1,650.44	
Less : Provision for tax (Net of MAT credit entitlement)		1,541.35	212.15	1,393.51
Total		1,355.60		1,415.04

Note 10 - Inventories

(₹ in Crore)

Particulars		As at 31st March, 2018		As at 31st March, 2017
Raw materials:				
Stock of gas (after adjustment of calorific value)				
Work in progress:				
Stock in process		12.50		10.65
Finished goods:				
Polymers / LPG and Other Products		353.34		395.40
Stock in Trade:				
Stock of gas including Liquefied Natural Gas (After adjustment of calorific value) (Including Renewable Energy Certificate)		557.39		481.98
Stores and spares:				
Stores and spares	947.52		791.47	
Less: Provision Construction Surplus - Capital / Stores	18.54	928.98	19.87	771.60
In Transit				
Stores and spares		80.30		48.51
Total		1,932.51		1,708.14

Valuation of Inventories are done in accordance with Accounting Policy No.1.7

Note 11 - Cash and cash equivalents

(₹ in Crore)

Particulars		As at 31st March, 2018		As at 31st March, 2017
Balances with banks:				
- Current accounts		42.59		68.22
- Deposits with original maturity less than three months		1,330.96		449.32
Cash on hand		3.65		2.12
Stamps in hand		-		0.02
Cheque/Demand Draft in hand		0.04		-
Total		1,377.24		519.68

Note 11A - Bank Balance Others

(₹ in Crore)

Particulars		As at 31st March, 2018		As at 31st March, 2017
Other Bank Balance (FD with original maturity more than three months)		769.73		256.28
Earmarked accounts:				
- Current Account - Dividend Payable		3.02		2.66
- Short Term Deposits - Gas Pool Money (including interest accrued but not due ₹7.79 Cr. (PY: 4.55 Cr.))		298.93		267.17
- Short Term Deposits - Imbalance & Overrun (including interest accrued but not due ₹ 3.21 Cr. (PY: 3.82 Cr.))		113.24		97.97
- Short Term Deposits - JV Consortium (including interest accrued but not due ₹ 0.20 Cr. (PY: 0.15 Cr.))		22.80		21.80
- Short Term Deposits - Post Retirement Medical Scheme		263.86		248.99
- Others (by Group Companies)		9.72		6.41
Total		1,481.30		901.28

Note 12 - Other non financial assets-Non Current

(₹ in Crore)

Particulars		As at 31st March, 2018		As at 31st March, 2017
Balance with Government Authorities				
Unsecured, Considered Good:				
CENVAT Credit Receivable	0.09		0.03	
VAT Credit Receivable	198.33		432.95	
Sales tax/ Court Cases	0.74	199.16	-	432.98
Claims recoverable:				
- Unsecured considered good	11.03		12.00	
- Unsecured considered doubtful	0.52		1.91	
Less : Provision for doubtful claims	0.52	11.03	1.91	12.00
Other advances recoverable in cash or in kind		477.56		535.09
(Including Advance to an associate ₹475.84 Cr. (PY: 514.05 Cr.))				
Capital advances:				
- Unsecured considered good	33.57		48.23	
- Unsecured considered doubtful	0.35		0.35	
Less: Provision for doubtful advances	0.35	33.57	0.35	48.23
Prepayments				
Prepaid expenses		0.67		-
Prepaid rent		72.55		74.70
Prepaid employee expenses (loans to employees)		147.78		160.93
Total		942.32		1,263.93

Note 12A - Other non financial assets-Current

(₹ in Crore)

Particulars		As at 31st March, 2018		As at 31st March, 2017
Balance with Government Authorities				
Unsecured, Considered Good:				
CENVAT Credit Receivable	0.27		111.21	
GST Receivable	72.98			
VAT Credit Receivable	877.74		1,697.04	
Service Tax Credit Receivable	-	950.99	25.05	1,833.30
Claims recoverable:				
- Unsecured considered good	89.01		180.84	
- Unsecured considered doubtful	15.14		16.24	
	104.15		197.08	
Less : Provision for doubtful claims	15.14	89.01	16.24	180.84
Other advances recoverable in cash or in kind		367.55		516.62
(Including Advance to an associate ₹ 38.20 Cr. (PY: 38.20 Cr.))				
Advances to suppliers/contractors:				
- Unsecured considered good	11.12		33.81	
- Unsecured considered doubtful	9.52		9.69	
	20.64		43.50	
Less : Provision for doubtful advances	9.52	11.12	9.69	33.81
Gold coins in hand		0.09		0.09
Prepayments				
Prepaid expenses		65.27		60.76
Prepaid rent		4.09		3.25
Prepaid employee benefits		18.74		7.70
Total		1,506.86		2,636.37

Note 13 - Equity share capital

(₹ in Crore)

Particulars		As at 31st March, 2018		As at 31st March, 2017
Share capital				
Authorized 500,00,00,000 Equity Shares of ₹10 each* (Previous year 200,00,00,000 Equity shares of ₹10 each)		5,000.00		2,000.00
Issued, subscribed and fully paid up 225,50,70,933 Equity shares of ₹10 each (Previous year 1,69,13,03,200 Equity shares of ₹10 each)		2,255.07		1,691.30
Total		2,255.07		1,691.30

Reconciliation of the shares outstanding at the beginning and at the end of the year

(₹ in Crore)

Particulars	31st March, 2018		31st March, 2017	
	Numbers	Amount	Numbers	Amount
At the Beginning of the Year	1,691,303,200.00	1,691.30	1,268,477,400.00	1,268.48
Issued during the Year				
Bonus Shares	563,767,733.00	563.77	422,825,800.00	422.82
Outstanding at the end of the year	2,255,070,933.00	2,255.07	1,691,303,200.00	1,691.30

Related Information:-

a) Details of Shareholders holding more than 5% shares in the parent company

(₹ in Crore)

Particulars	31st March, 2018		31st March, 2017	
	Numbers	% of Holding	Numbers	% of Holding
i) President of India (Promoter)	1,208,520,341.00	53.59%	920,651,612.00	54.43%
ii) Life Insurance Corporation of India*	-	-	110,445,783.00	6.53%

* As on 31st March 2018 shareholding of Life Insurance Corporation of India has been reduced to 2.07% hence not shown in current year.

- b) The Company has only one class of equity shares having par value of ₹10/- per share. The Holders of the equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their share holding at the shareholders meetings.
- c) 1,52,83,549 (Previous Year : 1,63,45,528) shares are held in the form of Global Depository Receipts
- d) During the Year the Company has issued 56,37,67,733 (PY 4,22,825,800 in ratio of 3:1) Bonus share in ratio of one equity share for every three shares held by capitalization of General Reserve
- e) The Company has not issued shares for a consideration other than cash during the immediately preceding five years except Bonus Shares 56,37,67,733 during the current FY and 42,28,25,800 during the Previous FY 2016-17 in the ratio of one equity share for every three shares held.
- f) The company has paid final dividend for FY 2016-17 @ ₹2.7/- (PY ₹3.00/-) per share & Interim Dividend for FY 2017-18 @ ₹7.65 (PY ₹ 8.50/-) per equity Share during the year.

Note 14 - Other equity

(₹ in Crore)

Particulars		As at 31st March, 2018		As at 31st March, 2017
a) Security premium		0.27		0.27
b) Retained earnings opening balance		27,447.48		26,294.60
Add: Profit for the Period		4,799.07		3,368.16
Add: Adjustment Retained Earnings Associate/JV's and Other		2.18		(2.77)
Less: Appropriations				
- Transfer to Bond Redemption Reserve	35.19		98.46	
- Transfer to General Reserve	461.84		350.29	
- Dividend	456.65		388.58	
- Corporate Dividend Tax	356.36		296.97	
- Interim Dividend	1,293.85	2,603.89	1,078.21	2,212.51
Add: Appropriations				
- Transfer from Bond Redemption Reserve		312.50		-
Total(a+b)		29,957.61		27,447.75
Other reserves:				
- Bond redemption reserves				
- Op Balance	337.18		238.72	
- Transfer to Retained Earning	(312.50)			
- Appropriation from Retained Earnings	35.19	59.87	98.46	337.18
- Foreign Currency Translation Reserve		(43.05)		(0.93)
- General Reserves				
- Op Balance	4,353.14		4,425.68	
- Transfer during the period from the statement of P&L	461.84		350.29	
- Changes During the Year (Issue of Bonus Shares)	(563.77)	4,251.21	(422.83)	4,353.14
- Other Comprehensive Income	(607.99)		(1,913.17)	
Add: OCI for The Period (Other than FCTR)	(278.59)	(886.58)	1,305.18	(607.99)
- Ind AS Transition Reserve		6,084.44		6,084.44
Total		9,465.89		10,165.84
G. Total		39,423.50		37,613.59

Note 15 Borrowings-Non Current

(₹ in Crore)

Particulars		As at 31st March, 2018		As at 31st March, 2017
Non current borrowings				
Secured Bonds:				
- Bonds 2010 Series - I (8.8% Secured Non-convertible redeemable Bonds 2010 -Series - I are redeemable in 4 equal instalment commencing from the end of the 7th year up to the end of the 10th year from the deemed date of allotment December 13, 2010 with a call option at the end of the 7th year)		-		374.98
- Bond series 2012 (9.14% Secured Non-convertible redeemable Bonds 2012 -Series - I are redeemable in 4 equal instalment commencing from the end of the 5th year up to the end of the 8th year from the deemed date of allotment June 11, 2012 with a call option at the end of the 5th year)		-		562.36
- Bond series 2015 (8.30% Secured Non-convertible redeemable Bonds 2015 -Series - I are redeemable in 4 equal instalment commencing from the end of the 7th year up to the end of the 10th year from the deemed date of allotment Feb 23, 2015 with a call option at the end of the 7th year).		499.49		499.41
*Bonds are secured on pari pasu basis, by charge on freehold non agricultural land at village Tandalja, Vadodara together with the entire building constructed thereon both present & future and whole of plant and machinery, spares, tools and accessories and other movables of the company pertaining to its projects at Vijaipur Dadri Pipeline Projects excluding compressor stations at Vijaipur both present and future and whether installed or not and lying or in store				
Unsecured Term loans:				
- KFW Germany (Coperion Facility) (Repayment in 14 half yearly equal Instalments starting from November 2014) Loan carries fixed rate of interest)		32.10		44.45
- Societe Generale (Repayment in 20 half yearly equal Instalments starting from 22nd October 2012) Loan carries floating rate of interest linked to 6 Months LIBOR plus spread).		167.98		214.21
- Japan bank for International Cooperation(JBIC) (Repayable in 20 half yearly equal Instalments starting from June'2013) Loan carries fixed rate of interest)		127.85		150.74
- KFW Germany (Siemens Facility) (Repayment in 20 half yearly equal Instalments starting from March 2014) Loan carries fixed rate of interest)		147.85		178.93
- Syndication of Banks for Refinancing (In Syndication SMBC, Mizuho Bank Ltd., DBS Bank Ltd., \$ 100 million each) (Loan raised for refinancing existing SMBC Loan with 1/2 repayment in Nov 2017 and Nov 2018. Loan carries floating rate of interest linked to 3 Months LIBOR plus spread)		-		978.63
Other Borrowings by Group Companies				
Long term maturities of finance lease obligations:		142.52		175.29
Obligations under finance leases		0.85		0.84
Total		1,118.64		3,179.84

Note 15A Borrowings - Current

(₹ in Crore)

Particulars		As at 31st March, 2018		As at 31st March, 2017
Current borrowings				
Unsecured				
Other Short term Borrowings by Group Companies		977.66		729.19
Total		977.66		729.19

Note 16 - Other financial liabilities - Non Current

(₹ in Crore)

Particulars		As at 31st March, 2018		As at 31st March, 2017
Payables for Derivative Contracts (Hedged/ Non Hedged)		39.01		75.18
Deposits/Retention Money from Customers/contractors/others		14.59		16.28
Gas Pool money provisional		654.83		655.48
Other Liabilities		67.16		67.40
Total		775.59		814.34

Note 16A - Other financial liabilities - Current

(₹ in Crore)

Particulars		As at 31st March, 2018		As at 31st March, 2017
Payables for Derivative Contracts (Hedged/ Non Hedged)		316.09		59.28
Current maturities of finance lease obligations:				
Obligations under finance leases		0.06		0.06
Current maturity of long term loans:				
Secured Bonds				
- Bonds 2010 Series - I	-		124.99	
- Bond series 2012	-	-	187.39	312.38
Unsecured Term loans:				
- Bank of Tokyo Mitsubishi UFJ Ltd.	-		217.14	
- Mizuho Corporate Bank	-		217.37	
- Sumitomo Mitsui Banking Corporation	-		217.47	
- KFW Germany (Coperion Facility)	12.49		12.26	
- Societe Generale	46.89		46.28	
- Japan bank for International Cooperation(JBIC)	31.72		29.88	
- KFW Germany (Siemens Facility)	31.62		31.12	
- Syndication of Banks for Refinancing (In Syndication SMBC, Mizuho Bank Ltd., DBS Bank Ltd., \$ 100 million each)	981.62	1,104.34	974.53	1,746.05
Other loans by group companies		19.10		43.88
Deposits/Retention Money from Customers/contractors/others		656.62		541.95
Other payables				
Interest accrued but not due	13.01		85.52	
Unpaid/unclaimed dividend	3.02		2.66	
Gas Pool Money	299.93		268.56	
Imbalance and overrun charges	112.30		99.74	
Payable for capital expenditure	862.21		274.61	
Adjustment in pipeline tariff	31.33		56.82	
E&P expenditure payable	188.84		59.18	
Employee benefits payable	343.00		196.92	
Other payables	163.98	2,017.62	188.77	1,232.78
Other liabilities		73.25		4.11
Total		4,187.08		3,940.49

Note 17 - Provisions- Non Current

(₹ in Crore)

Particulars		As at 31st March, 2018		As at 31st March, 2017
Provisions				
Provisions for employee benefits		581.73		813.24
Liability for abandonment costs		7.37		7.23
Total		589.10		820.47

Note 17A - Provisions- Current

(₹ in Crore)

Particulars		As at 31st March, 2018		As at 31st March, 2017
Provisions				
Provisions for employee benefits		207.16		68.82
Provision for probable obligations		657.92		639.62
Other Provisions		-		30.22
Total		865.08		738.66

Note 18 - Trade Payables

(₹ in Crore)

Particulars		As at 31st March, 2018		As at 31st March, 2017
Trade payables		2,525.50		1,735.79
Trade payables to related parties		1,310.28		971.58
Micro and small Enterprises		68.11		33.28
Total		3,903.89		2,740.65

Note 19 - Other non financial liabilities -Non-Current

(₹ in Crore)

Particulars		As at 31st March, 2018		As at 31st March, 2017
Deferred income		61.52		22.30
Government Grant		846.39		452.05
Total		907.91		474.35

Note 19A - Other non financial liabilities -Current

(₹ in Crore)

Particulars		As at 31st March, 2018		As at 31st March, 2017
Advances from customers		743.22		707.91
Statutory payables		409.40		440.61
Other liabilities		87.96		0.58
Deferred income		5.38		1.02
Government Grant		6.63		-
Total		1,252.59		1,150.12

Note 20 - Deferred Taxation

Income Taxes

The Major components of Income tax expenses for the year ended are:-

A. Statement of Profit and Loss:

(₹ in Crore)

(I) Profit or Loss section		As at 31st March, 2018		As at 31st March, 2017
Current Income Tax:				
Current Income Tax Charge		1,683.86		1,337.62
Adjustment in respect of current income tax of previous Year		(20.11)		15.01
Deferred Tax:				
Relating to origination and reversal of temporary differences		459.10		456.73
Income tax expenses reported in the statement of profit or loss		2,122.85		1,809.36

(₹ in Crore)

(II) OCI Section		As at 31st March, 2018		As at 31st March, 2017
Deferred tax related to items recognized in OCI during the year:				
For OCI to be reclassified to P&L				
Net movement on cash flow hedges Profit (+)/ Loss(-)		(50.24)		-
For OCI not to be reclassified to P&L				
Net loss (Gain) on remeasurement of defined benefit plans		29.69		11.15
Income tax Charged to OCI		(20.55)		11.15

B. Balance Sheet

(₹ in Crore)

Particulars		As at 31st March, 2018		As at 31st March, 2017
Deferred tax liabilities				
Net Deferred Tax Liability due to taxable temporary Differences		5,370.03		4,705.56
- Others (Share of Associate and JV's and other)		356.70		587.51
Less:-				
MAT Credit Entitlement		687.62		948.00
		5,039.11		4,345.07

Note 21 - Revenue from Operations

(₹ in Crore)

Particulars		Year Ended 31st March, 2018		Year Ended 31st March, 2017
a) Sale of Products				
Gas		37,822.83		35,670.00
Polymers		5,788.10		5,625.57
LPG		3,368.95		2,399.76
Propane/Pentane/SBPS/Naphtha		809.58		737.95
Crude Oil		149.52		144.73
City Gas		4,609.71		2,794.65
Power		63.14		68.05
b) Sale of Service				
LPG Transmission / RLNG Shippers Charges		1,941.61		1,771.11
c) Income from Telecom services		2.65		2.73
Total		54,556.09		49,214.55
Add: Other Operating Income		138.22		97.11
TOTAL		54,694.31		49,311.66

Note 22 - Other Income

(₹ in Crore)

Particulars		Year Ended 31st March, 2018		Year Ended 31st March, 2017
Interest on :				
- Deposits with Banks	151.72		148.47	
- Income Tax / Vat Refund	74.94		104.07	
- Delayed payment from cutomers	23.81		32.71	
- Loan to Joint Ventures, and Associates etc.	29.98		35.82	
- Loan to Employees	45.29		55.57	
- Others	4.08		3.47	
Less : Transferred to Expenditure during construction period (refer note no - 28)	1.32	328.50	0.84	379.27
Dividend from Investments		227.14		265.66
Gain on Sale of Investments (Mutual Funds)		5.83		-
Amount of grant transfer from Capital Reserve		0.35		0.12
Net Gain on Foreign Currency Transaction and Translation		81.70		92.19
Excess Provision Written Back		113.28		196.83
Amortization of Government. Grant		2.59		1.44
Fair value gain on Investments (for Associates)		8.37		-
Miscellaneous Income	45.42		71.30	
Less : Transferred to Expenditure during construction period (refer note no - 28)	0.46	44.96	0.41	70.89
TOTAL		812.72		1,006.40

Note 23 - (Increase) / Decrease in Inventories of Stock in Trade Finished Goods, Work in Progress

(₹ in Crore)

Particulars		Year Ended 31st March, 2018		Year Ended 31st March, 2017
Inventories at the end of the period:-				
Work-in-Progress		11.76		9.89
Finished Goods		352.73		395.40
Stock in Trade		557.38		482.50
Total		921.87		887.79
Inventories at the beginning of the period:-				
Work-in-Progress		9.89		13.13
Finished Goods		395.40		264.59
Stock in Trade		482.50		652.36
Total		887.79		930.08
TOTAL		(34.08)		42.29

Note 24 - Employee benefits expense

(₹ in Crore)

Particulars		Year Ended 31st March, 2018		Year Ended 31st March, 2017
Salaries, Wages and Allowances	1,162.74		885.57	
Contribution to Provident and Other Funds	125.18		340.96	
Staff Welfare Expenses	202.87	1,490.79	171.58	1,398.11
Less :				
-Employees Benefit Expenses transferred to Capital Work-in-Progress (Ref Note No. 28)	86.50		58.72	
-Reimbursements for employees on deputation	58.68	145.18	54.48	113.20
TOTAL		1,345.61		1,284.91

Note 25 - Finance Cost

(₹ in Crore)

Particulars		Year Ended 31st March, 2018		Year Ended 31st March, 2017
Interest on:				
- Term Loans	239.16		365.68	
- Bonds	85.88		153.83	
- Others	17.35	342.39	34.19	553.70
(Gain)/Loss on changes in fair value of Derivatives		(28.32)		49.82
Net (Gain) / loss on foreign currency transactions on Borrowings		(3.32)		(43.01)
Less : Interest and Finance Charges transferred to Capital Work-in-Progress (Ref Note No. 28)		15.84		51.57
TOTAL		294.91		508.94

Note 26 - Depreciation and Amortization Expenses

(₹ in Crore)

Particulars		Year Ended 31st March, 2018		Year Ended 31st March, 2017
Depreciation and Amortization Expenses		1,527.58		1,534.46
Impairment Loss (Refer Note No. 2-3)		0.27		7.22
Less : Depreciation and Amortization Expenses transferred to Capital Work-in-Progress (Ref Note No. 28)		0.96		0.61
TOTAL		1,526.89		1,541.07

Note 27 - Other Expenses

(₹ in Crore)

Particulars		Year Ended 31st March, 2018		Year Ended 31st March, 2017
Gas Pool Expenses		15.95		14.55
Stores and Spares consumed		372.12		346.95
Power, Fuel and Water Charges				
Power Charges	430.53		488.96	
Gas used as Fuel	1,700.29		1,410.47	
Water Charges	12.12	2,142.94	12.96	1,912.39
Rent		58.70		71.04
Repairs and Maintenance				
Plant and Machinery	296.50		340.84	
Buildings	46.02		52.19	
Others	67.64	410.16	64.07	457.10
Insurance		39.78		37.28
Rates and Taxes		15.63		16.14
Miscellaneous Expenditure :				
- Travelling Expenses		120.19		104.94
- Advertisement and Publicity		74.54		45.63
- Vehicle Hire and Running Expenses		42.89		38.83
- Survey Expenses		17.87		33.87
- Dry Well Expenses written off		26.80		112.44
- Oil & Gas Producing Expenses		58.37		64.34
- Royalty on Crude Oil (including share of Govt in Profit Petroleum)		153.00		150.30
- Consultancy Charges		43.20		86.96
- Donation		61.29		2.02
- Research and Development Expenses		17.24		13.44
- Provision for Impairment Loss CWIP/ Investments		102.31		-
- Loss on sale / written off of assets (net)		24.36		6.07
- Bad Debts/Claims/Advances/Stores written off		0.36		2.85
- Provision for Doubtful Debts, Advances, Claims, Deposits		37.87		115.08
- Provision for Probable Obligations / Contingencies		60.47		116.34
- Expenses on Enabling Facilities		0.53		-
- Selling & Distribution Expenses		45.78		50.89
- Commission on Sales		29.03		24.30
- Security Expenses		193.13		128.42
- Corporate Social Responsibility Expenses		92.49		123.58
- MTM loss on Commodity Derivative (Net)		167.42		0.11
- Other Expenses		130.20		151.36
Reclassification of cumulative exchange difference relating to foreign operation		23.21		-
Payment to Auditors				
Audit Fees	0.74		0.69	
Tax Audit fees	0.12		0.10	
Other Services (for issuing certificates, etc.)	0.31		0.28	
Travelling & Out of Pocket Expenses	0.54	1.71	0.56	1.63
Less: Incidental Expenditure during construction transferred to Capital Work-in-Progress (Ref Note No. 28)		35.84		25.27
TOTAL		4,543.70		4,203.58

Note 28 - Expenditure during Construction Period

(₹ in Crore)

Particulars		Year Ended 31st March, 2018		Year Ended 31st March, 2017
Employees Remuneration and Benefits				
Salaries, Wages and Allowances	49.79		32.99	
Contribution to Provident and Other Funds	5.81		5.70	
Welfare Expenses	6.60	62.20	2.99	41.68
Interest and Finance Charges		8.57		49.16
Depreciation		0.96		0.61
Power, Fuel and Water Charges				
Power Charges	18.56		14.92	
Water Charges	-	18.56	-	14.92
Stores and Spares Consumed		0.67		-
Insurance		0.02		0.01
Rent		2.02		3.22
Repairs and Maintenance				
Plant and Machinery	0.10		0.03	
Buildings	0.01		-	
Others	0.22	0.33	0.33	0.36
Miscellaneous Expenditure :				
- Travelling Expenses	8.36		4.83	
- Vehicle Hire and Running Expenses	0.02		0.37	
- Consultancy Charges	0.16		0.04	
- Security Expenses	-		0.61	
- Other Expenses	5.70	14.24	0.91	6.76
Less: - Interest Income	1.32		0.84	
- Misc. Income	0.46	1.78	0.41	1.25
Net Expenditure		105.79		115.47
Less :Transferred to Capital Work-in-progress				
a) Employees Benefits Expenses		62.20		41.68
b) Interest & finance Charges		8.57		49.16
c) Depreciation		0.96		0.61
d) Other Expenses		35.84		25.27
Less:				
e) Other Income		1.78		1.25
Balance Carried over to Balance Sheet		105.79		115.47

Notes Accompanying Consolidated Financial Statement for the year ended 31 March, 2018

29. Significant accounting judgements, estimates and assumptions

The preparation of the Company's Consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities/assets at the date of the Consolidated financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require adjustment to the carrying amount of assets or liabilities affected in future periods.

In particular, the Company has identified the following areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the financial statements. Changes in estimates are accounted for prospectively.

29.1 Judgements

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the Consolidated financial statements:

Contingencies

Contingent liabilities and assets which may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involve the exercise of significant judgments and the use of estimates regarding the outcome of future events.

29.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. In assessing value in use,

the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

b) Defined Benefit Plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

c) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

d) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgments in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Impairment of investment in subsidiaries, joint ventures or associates is based on the impairment calculations using discounted cash flow/net asset value method, valuation report of external agencies, Investee Company's past history etc.

- 30) The Consolidated Financial Statements represent consolidation of accounts of the Company, its subsidiaries, joint venture companies and associates as detailed below with summarized financial information of Partly owned Subsidiaries, Joint Ventures and Associates along with other disclosures requirements under Ind - AS112:-

A) Group Information:-

Sr. No.	Name of companies	Country of Incorporation	Principal Activity	Relation	Equity Holding 31.03.2018	Equity Holding 31.03.2017
1	GAIL Global (Singapore) PTE Ltd	Singapore	LNG Trading	Subsidiary	100.00%	100.00%
2	GAIL Global (USA) Inc. (Refer *1)	USA	E&P	Subsidiary	100.00%	100.00%
3	GAIL GAS Limited (Refer *2)	India	City Gas	Subsidiary	100.00%	100.00%
4	Tripura Natural Gas Co Ltd. (TNGCL)	India	City Gas	Subsidiary	48.98%	48.98%
5	Central UP Gas Limited	India	City Gas	Joint Venture	25.00%	25.00%
6	Green Gas Limited	India	City Gas	Joint Venture	49.97%	49.97%
7	Ratnagiri Gas & Power (Private) Ltd (RGPPL) (Refer*3)	India	Power	Joint Venture	25.50%	25.50%
8	Konkan LNG Pvt. Ltd. (Refer*3)	India	LNG terminal	Joint Venture	25.50%	0.00%
9	Maharashtra Natural Gas Limited (MNGL)	India	City Gas	Joint Venture	22.50%	22.50%
10	Aavantika Gas Limited	India	City Gas	Joint Venture	49.98%	49.97%
11	Bhagyanagar Gas Limited	India	City Gas	Joint Venture	49.97%	49.97%
12	Talcher Fertilizers Limited	India	Fertilizers	Joint Venture	33.32%	30.00%
13	TAPI Pipeline Company Limited	Isle of Man	NG Pipeline	Joint Venture	5.00%	5.00%
14	Vadodara Gas Limited(Refer *4)	India	City Gas	Joint Venture	50.00%	50.00%
15	GAIL China Gas Global Energy Holdings Ltd.#	Bermuda	City Gas	Joint Venture	50.00%	50.00%
16	ONGC Petro-additions Limited (Refer *5)	India	Petrochemical	Associate	49.21%	49.21%
17	Indraprastha Gas Limited	India	City Gas	Associate	22.50%	22.50%
18	Petronet LNG Limited	India	LNG Terminal	Associate	12.50%	12.50%
19	Mahanagar Gas Limited	India	City Gas	Associate	32.50%	32.50%
20	Brahmaputra Cracker & Polymer Ltd	India	Petrochemical	Associate	70.74%	70.74%
21	China Gas Holding Limited	Bermuda	City Gas	Associate	3.02%	3.02%
22	Fayum Gas Company	Egypt	City Gas	Associate	19.00%	19.00%
23	National Gas Company(NATGAS) (Refer*6)	Egypt	City Gas	Associate	5.00%	5.00%

*1: Consolidated financial statement of GAIL Global (USA) Inc. includes its 100% subsidiary, Gail Global (USA) LNG LLC having primary business of LNG trading.

*2: Consolidated financial statement of GAIL GAS Ltd includes its 50%, 17.07%, 50%, 50%, 50% & 50% interest in joint venture companies, i.e., Andhra Pradesh Gas Distribution Corporation Ltd, Vadodara Gas Ltd, Rajasthan State Gas Ltd, Kerala GAIL GAS Ltd, Haridwar Natural Gas Pvt. Ltd., and Goa Natural Gas Pvt. Ltd. Respectively engaged in the business of City Gas Distribution.

*3: During the year Ratanagiri Gas & Power Pvt. Ltd. (RGPPL) has been demerged after approval from NCLAT in to two companies, Konkan LNG Pvt. Ltd. having LNG regasification terminal and Ratnagiri Gas and Power Pvt. Ltd. retaining power assets.

*4: There is a holding of 32.93% by GAIL and 17.07% is held through GAIL Gas Ltd.

*5: Holding 8.86% on a fully diluted basis.

*6: Consolidated as an Associate till FY 2016-17.

No investments has been made till date.

- B) The accounts of all Group Companies, its joint ventures and associates are drawn upto the same reporting date as the parent entity (i.e. Financial Year ended 31st March, 2018), except for Gail Global (USA) Inc., TAPI Pipeline Company Ltd., and Fayoum Gas Company (for whom the accounts are drawn upto as at 31st December, 2017, due to local reporting requirements in respective countries) and for China Gas Holding Limited having its reporting period ending 31st March 2018 but due to local legal requirements could not provide the financials till the time of consolidation hence management provided the financial information up to 31st December, 2017 and same have been used in consolidation. No adjustments (except dividend and intra group transaction) have been done for the period subsequent to that date, since there are no significant material transactions, as informed by respective company's management.
- C) The unaudited Financial statements and relevant notes to accounts available up to 23rd May, 2018 has been taken in to account in preparing consolidated financial statements in respect of Subsidiary Tripura Natural Gas Limited and Joint ventures/associates namely Ratnagiri Gas & Power Private Limited, Konkan LNG Pvt. Ltd., Talcher Fertilizers Limited, Maharashtra Natural Gas Limited, Vadodara Gas Limited, China Gas Holding Limited and TAPI Pipeline Company Limited.
- D) Information about Partially owned Subsidiaries having material non-controlling interest is given in Annexure-A.
- E) Summarized financial information of joint ventures and associates is given in Annexure-B.
- F) The Group has unrecognized share of losses in respect of Ratnagiri Gas and Power Pvt. Ltd. amounting to ₹ 739.57 crore as at 31st March 2018 and ₹ 234.20 Crore in respect of Konkan LNG Pvt. Ltd. as per their unaudited financial statements for the year ended 31st March 2018 and ₹ 529.29 Crore for ONGC Petro additions Ltd as per the audited financial statements of the company as at that date. Same has not been recognized in consolidated financial statements, as Group's share of losses exceeds Group's interest in the joint ventures.
- G) Significant Judgement and assumptions made in consolidation:-
- The Group holds 48.98% equity shares of Tripura Natural Gas Company Limited (TNGCL), but Based on a control assessment carried out under Ind AS 110 'Consolidated Financial Statements', TNGCL is considered to be a subsidiary of the Company because the Company has a sufficiently dominant voting interest to direct the relevant activities of TNGCL.
 - In Brahmaputra Cracker and Polymer Limited (BCPL), the Group holds 70.74% of equity shares in the Company but Based on a control assessment carried out under Ind AS 110 'Consolidated Financial Statements' BCPL is considered to be an associate because the Company does not have absolute power over managing the relevant activities of BCPL, but participates in the decision making for relevant activities.
 - In China Gas Holding Limited Group holds 3.02% equity shares but assessed as an associate as per IND AS 28 "Investments in Associates and Joint Ventures" as group have representation on the board of directors of the company.

31) Contingent Liabilities and Commitments (To the extent not provided for):-

I. Contingent Liability

- Claims against the Company not acknowledged as debts:-
- Legal cases for claim of ₹ 1,805.11 crore (Previous Year: ₹ 1,622.61 crore) by suppliers/contractors etc. on account of liquidated damages/price reduction schedule, natural gas

price differential etc. and by customers for natural gas transmission charges etc..

- Income tax demands of ₹ 1138.04 crore (net of provision of ₹ 254.33 crore) (Previous Year ₹ 1128.26 crore net of provision of ₹ 209.33 crore) against which the Company has filed appeals before appellate authorities & courts. Further, the Income Tax Department has also filed appeals before ITAT against the relief granted by CIT (Appeals) to the Company. The aggregate amount involved in appeals filed by department is ₹ 674.89 crore (including interest) (Previous Year: ₹ 628.09 crore)
- Disputed Indirect tax demands are as under: (₹ in Crore)

Sl. No	Particulars	As at 31st March 2018	As at 31st March 2017
1	Custom Duty	8.96	8.55
2	Excise Duty	3,476.69	3,296.34
3	Sales Tax / VAT	145.62	358.91
4	Entry Tax	26.10	11.42
5	Service Tax	2,856.80	1,363.99
	Total	6,514.17	5,039.21

- Miscellaneous claims of ₹ 160.81 crore (Previous Year: ₹ 162.84 crore)

The movement of above contingent liabilities from (i) to (iv) under various categories is tabulated below:

Categories	Opening Bal.	Additions	Deletions	Closing Bal.
Central Govt.	6,521.90	1,969.01	263.31	8,227.60
State Govt.	427.67	28.37	222.60	233.44
CPSEs	2.15	-	-	2.15
Others	1,629.29	364.79	164.26	1,829.82
Total	8,581.01	2,362.17	650.17	10,293.01

- Some of the customers have submitted counter claims amounting to ₹ 15,028 crore against Ship or Pay charges / consequential losses for not supplying gas. As per legal opinion such claims are not arbitrable / barred by limitation
- Share in Contingent Liabilities of Group Companies based on their audited / unaudited financial statement are as follows:-

(₹ in Crore)

Particular	2017-18	2016-17
a) Subsidiaries	6,860.87	6,765.45
b) Joint Ventures	321.99	335.75
c) Associates	819.52	621.88

II. Capital Commitments:-

- Estimated amount of contracts (Net of advances) remaining to be executed on capital account as at 31st March 2018 is ₹ 7,472.82 crore (Previous Year: ₹ 3,128.92 crore).
- Company's share in estimated amount of contracts remaining to be executed on capital account and not provided for based on audited / unaudited financial statement of Group Companies:-

(₹ in Crore)

Particular	2017-18	2016-17
a) Subsidiaries	455.19	280.54
b) Joint Ventures	154.39	414.21
c) Associates	303.68	205.74

- c) Other commitments:-
- i. The Company has commitment of ₹ 771.56 crore (Previous Year: ₹ 740.15 crore) towards further investment and disbursement of loan in the subsidiaries, Joint Ventures, Associates and other companies.

32) Pending court cases in respect of certain customers for recovery of invoices raised by the company for use of APM gas for non-specified purposes by fertilizer companies pursuant to guidelines of Ministry of Petroleum & Natural Gas (MOP&NG), the Company has issued claim letters amounting to ₹ 2990.39 crore on the basis of information provided to Company by FICC.

33) Pricing and Tariff:-

- a) Petronet LNG Ltd (PLL), a supplier of R-LNG, has been raising invoices on the company on provisional basis on certain matters and considering the same the Company has been raising provisional invoices for sale of R-LNG to its customers. Impact of any changes in such provisional invoices is taken as and when settled. In view of the Management, the differential amount will not be material.
- b) With effect from 1st April 2002, Liquefied Petroleum Gas (LPG) prices has been deregulated and is now based on the import parity prices fixed by the Oil Marketing Companies. However, the pricing mechanism is provisional and is yet to be finalized by the MoPNG. Impact on pricing, if any, will be recognized as and when the matter is finalized.
- c) Natural Gas Pipeline Tariff and Petroleum and Petroleum Products Pipeline Transportation Tariff are subject to various Regulations issued by Petroleum and Natural Gas Regulatory Board (PNGRB) from time to time. Impact on profits, if any, is being recognized consistently as and when the pipeline tariff is revised by orders of PNGRB.
- d) As per directions of Appellate Tribunal (APTEL), till date, PNGRB has issued 06(Six) final tariff orders applicable from financial year 2016-17. The Company has filed appeal(s) before Appellate Tribunal (APTEL), against various moderations done by PNGRB in these tariff orders. Aforesaid appeals are pending for disposal. Nonetheless, impact on profits, if any, is being recognized consistently as and when the pipeline tariff is revised by orders of PNGRB. As regards rest of the provisional orders, PNGRB is yet to issue its final orders.
- e) The Company has filed a Writ Petition, during the financial year 2015-16, before the Hon'ble Delhi High Court challenging the jurisdiction of PNGRB on fixation of transmission tariff for pipelines. The Hon'ble Delhi High Court has dismissed the aforesaid Writ Petition vide its Order dated 11.04.2017. In this regard, the Company has filed a Review Petition before the Hon'ble Delhi High Court on 12th May 2017 against the said Order which has been admitted by the Hon'ble Court for review.

34) Earmarked Balances

- a) The balance retention from Panna Mukta Tapti (PMT) JV consortium amounting to ₹ 22.80 crore (Previous Year: ₹ 21.80 crore) (shown in Note No 11A) is kept as Earmarked Balance in short term deposit in banks. It includes interest accrued but not due amounting to ₹ 0.20 crore (Previous Year: ₹ 0.15 crore). This interest income does not belong to the Company and not accounted for as income

- b) Liability on account of "Gas Pool Account" amounting to ₹ 299.93 crore (Previous Year: ₹ 268.56 crore) (shown in Note No. 11A) represents amount held by the Company as custodian pursuant to directions of MOPNG. The amount received is kept as Earmarked Fund in the form of Short Term Deposits in banks (shown in Note No 11A). It includes interest accrued but not due amounting to ₹ 7.79 crore (Previous Year: ₹ 4.55 crore). This interest does not belong to the Company and not accounted for as income.
- c) Gas Pool Money (Provisional) shown under "Other Long Term Liabilities" amounting to ₹ 654.83 crore (Previous Year: ₹ 655.48 crore) (shown in Note No 16) with a corresponding debit thereof under Trade Receivable (after reversal during the year in case of certain customers) will be invested/paid as and when said amount is received from the customers.
- d) Liability on account of Pipeline Overrun and Imbalance Charges amounting to ₹ 112.30 crore (Previous Year: ₹ 99.74 crore) (shown in Note No 11A) represents amount held by the Company as custodian pursuant to directions of PNGRB. The amount received is kept as Earmarked Fund in the form of Short Term Deposits in banks (shown in Note No.11A). It includes interest accrued but not due amounting to ₹ 3.21 crore (Previous Year: ₹ 3.82 crore) on short term deposits. This interest income does not belong to the Company and not accounted for as income.

35) The Company has an equity investment amounting to ₹ 974.31 crore, in a joint venture company, Ratnagiri Gas and Power Pvt. Ltd. (RGPPPL), which is equivalent to ~25.50% of the paid-up equity capital of RGPPPL.

During the year the Demerger Scheme of RGPPPL was approved by NCLAT vide its order dated 28.02.2018. Pursuant to the scheme, the assets and liabilities of LNG business stands transferred to the demerged entity Konkan LNG Pvt. Ltd. (KLPL) and paid up share capital of RGPPPL was reduced with a corresponding issue of shares of KLPL to shareholders of RGPPPL. Accordingly, a sum of ₹ 139.75 crore was transferred to investment in KLPL out of total investment of ₹ 974.31 crore in RGPPPL by the Company.

- 36)** a) GAIL is acting as pool operator in terms of the decision of Government of India for pooling of natural gas for Urea Plants. The scheme envisages uniform cost of gas for urea production by settlement of difference in weighted average price of gas of each plant to the weighted average price for the industry. Accordingly, an amount of ₹ 368.37 crore (Previous Year ₹ 78.34 Crore) is payable to and correspondingly receivable from Urea Plants, as on 31st March 2018. After netting of the payable and receivable amounts, there is no impact in the financial statements.
- b) GAIL is acting as pool operator in terms of the decision of the Government of India for capacity utilisation of the notified gas based power plants. The Scheme, which was applicable till 31st March 2017, envisaged support to the power plants from the Power Sector Development Fund (PSDF) of the Government of India. The gas supplies were on provisional / estimated price basis which were to be reconciled based on actual cost. Accordingly, current liabilities include a sum of ₹ 87.63 crore (Previous Year ₹ 87.63 Crore) on this account, as on 31st March 2018 which is payable to the above said power plants and /or to the Government of India.

37) During the year the Company has entered into settlement in respect of its disputed claim of ship or pay charges amounting to ₹ 255.36 crore with Indian Oil Corporation Ltd. According to the settlement the company shall receive a sum of ₹ 175 crore against aforesaid amount and has

issued credit notes for balance amount of ₹80.36 crore and adjusted the same in income for the year.

- 38)** As per the provision of IND AS 109 (Financial instruments), the Company has adopted Hedge Accounting for derivative contracts entered on or after 1st October 2017 due to substantial increase in commodity hedging transactions. Derivative contracts prior to 1st October 2017 will continue to be accounted as Derivative. Pursuant to changes as referred above, Mark to Market losses of ₹ 150.90 crore net of deferred tax of ₹ 81.05 crore pertaining to derivative contracts entered from 1st Oct 2017 onwards are recognized in the Other Comprehensive Income as on 31st March 2018.
- 39)** PNGRB on 19.02.2014 notified insertion of Regulation 5A in the Amended Affiliate Code of Conduct Regulations that an entity engaged in both marketing and transportation of natural gas shall create a separate legal entity on or before 31.03.2017 so that the activity of transportation of natural gas is carried on by such separate legal entity and the right of first use shall, however, remain with the affiliate of such separate legal entity. The Company has challenged the said PNGRB Regulations before Hon'ble Delhi High Court by way of writ and the same is pending adjudication.
- 40)** During the year the Company has been entrusted with developing 6 CGD projects in cities of Varanasi, Bhubaneswar, Cuttack, Jamshedpur, Ranchi and Patna. Authorization letter has already been issued by PNGRB to the Company for these 6 CGDs and these CGDs are to be developed as per Minimum Work Program (MWP) set by PNGRB following a defined timeline.
- 41)** TAPI Pipeline Company Limited (TPCL), a Joint Venture of the Company was incorporated in November, 2014 to construct, operate and maintain Turkmenistan-Afghanistan-Pakistan-India (TAPI) Gas Pipeline. GAIL currently holds 265,000 equity shares of USD 10 value per share and 25 equity shares of USD Nil value in TPCL as shown in Note no.5(a)10.
- As at 31st March 2018, the Company has made a total payment of ₹26.87 crore, equivalent to USD 4.15 million (Previous Year ₹ 26.87 crore, equivalent to USD 4.15 million) towards Pre Project Expenditure of the aforesaid project, out of which shares of ₹17.70 crore equivalent to USD 2.65 million as aforesaid have been allotted during the year and the balance of ₹ 9.17 crore equivalent to USD 1.5 million has been shown as Advance against Equity in Note no.8.
- 42)** Advance against equity pending allotment paid to South East Asia Gas Pipeline (SEAGP) in earlier years was ₹105.70 crore equivalent to USD 22,528,552. The Board of Directors and Shareholders of SEAGP in meeting held on 11.4.2018, approved refund of partial amount of such advance against equity. Accordingly, the amount recoverable by the Company of ₹14.48 crore equivalent to USD 2,240,334.80 is shown as current financial assets as at the end of the year and balance amount of ₹95.78 crore equivalent to USD 20,282,217.20, has been shown as advance against equity pending allotment in Note no.8. Further, the Board of Directors and Shareholders of SEAGP has decided that subsequent refund will be determined based on their future cash flows and shall be subject to approval of Board and Shareholders of SEAGP.
- 43)** In settlement for recovery of bridge loan of ₹ 120 crore (Principle ₹ 75 crore along with accrued interest of ₹ 45 crore) due from Joint Venture Company, Bhagyanagar Gas Limited (BGL), the Company has received 2,11,50,000 equity shares of ₹ 10 each at a premium of ₹ 40 per share amounting to ₹ 105.75 crore of BGL during the year and balance amount of ₹14.24 crore was refunded by BGL.
- 44)** Interest free advance has been given to Petronet LNG Ltd. (PLL) for booking of regasification capacity to the tune of ₹ 561.80 crore upto

31.03.2018 (Previous year ₹ 561.80 crore). The said advance is to be adjusted within 15 years against regasification invoices of PLL. Out of above advance, PLL has adjusted ₹38.20 crore during the year (Previous year ₹ 9.55 crore). Balance amount of ₹ 514.04 crore (Previous year ₹ 552.25 crore) has been carried over as advance in Note No 12 and 12A.

- 45)** Cabinet Committee on Economic Affairs (CCEA), Government of India in its meeting held on 21st September 2016 has approved 40% capital grant of estimated capital cost of ₹12,940 crore i.e. ₹ 5,176 crore to the Company for execution of Jagdishpur Haldia Bokaro Dhamra Pipeline Project (JHBDPL). The Company has received ₹850 crore (Previous year ₹ 450 crore) towards Capital Grant on above ground till 31.03.2018. During the year, the Company has amortised the capital grant amounting ₹0.24 crore (Previous year nil) based on the life of the asset capitalized.
- 46)** Other relevant notes may be referred in the standalone financial statements of the Company, as only selective notes are repeated in the consolidated financial statements of group.
- 47)** In respect of Subsidiary and Joint Ventures/Associate Companies, the following salient notes to accounts are disclosed.

I) GAIL Gas Limited

- a) Company has sold Kota CGD Business (dealing in Natural Gas Business) to M/s Rajasthan State Gas Ltd. (RSGL) on 31.07.2017, a joint venture company of GAIL Gas Ltd and Rajasthan State Petroleum Corporation Ltd., at a total consideration of ₹. 80 Crores as per Business Transfer Agreement (BTA). Company has transferred all the assets including Land, Building, Plant & Machinery, CWIP etc. to the joint venture company on 31.07.2017 and net profit (net of tax) of ₹. 4.71 Crores has been shown as Income from discontinued operation in the Statement of Profit & Loss for the period ended 31.03.2018, an analysis of the same as required by Ind-AS 105 is given below:-

(₹ in Crore)

Particular	Year Ended 31st March 2018	Year Ended 31st March 2017
I. Revenue from Operations (Gross)	8.21	22.15
II. Other Income	0.03	0.06
III Total Income (I+II)	8.24	22.21
IV Expenses		
Gas Consumed	4.50	12.10
Excise Duty	0.72	1.86
Employee Benefit Expenses	0.38	1.74
Finance Cost	0.37	2.05
Depreciation and Amortization		
Expenses	0.65	1.94
Other Expenses	1.58	3.28
Total Expenses	8.20	22.97
V Profit before tax from discontinued Operations	0.04	(0.76)
VI Gain(Loss) before tax on discontinued operation	12.53	-
Total	12.57	(0.76)
VII Tax Expenses		
Discontinued operations		
-Current	0.01	-
-Deffered		
-Disposal of discontinued operation	7.85	
Total	7.86	-
VIII Profit after tax from discontinued operation	4.71	(0.76)

The details of sales are as under:

Description	31.03.2018	31.03.2017
Cash Received	40.00	-
Equity Share Received	40.00	-
Total Consideration Received	80.00	-
Carrying amount of net assets on date of sale	67.47	-
Gain on sale before Income tax	12.53	-
Income Tax on Gain on sale of Business	7.85	-
Gain on sale after Income tax	4.68	-

The details of carrying amount of assets and liabilities as on date of sales (31.07.2017) are as under :-

Description	Amount
Property Plant and Equipment	53.91
Capital Work in Progress	11.69
Inventories	0.08
Other Current Assets	1.79
Total Assets	67.47
Other Current Liabilities	-
Net Assets	67.47

Further, other activities pertaining to the BTA are in process including transfer of security deposits of ₹.0.92 Crores received by the company from the various customers to the RSGL.

- Company has pre-paid the entire term loan during the year amounting to ₹.61.33 Crores availed from HDFC Bank as per terms of Loan Agreement which was secured against all the assets of Sonepat, Meerut, Dewas and Kota
- During the year, PNGRB en-cashed the Bank Guarantee amounting to ₹.0.74 Crores for not meeting the Minimum Work Commitment Programme for TTZ CGD in terms of Court Order dated 03.11.2017 and the same has been accounted for in Capital work in progress.
- Investments include a sum of ₹.11.93 Crores as equity investment in Kerala Gail Gas Ltd (KGGL), one of the joint venture company, by the company which is in the process of voluntary winding up and reduction of equity share capital. No diminution in value of the investment has been considered and the investment has been valued at cost as the assets of KGGL mainly consists of current assets in the form of deposits with Schedule Commercial Banks and there is no diminution in the value of such deposits on the reporting date.

II) Mahanagar Gas Ltd.

- On January 5, 2016, existing shareholders were offered 94,92,545 Unsecured Compulsorily Convertible Debentures (UCCDs) (Face Value ₹10/- each), on a rights basis in the proportion of 17 (seventeen) Unsecured CCDs for every 160 (one hundred and sixty) equity shares of face value of ₹10 each. 94,36,178 Unsecured CCDs were allotted to Government of Maharashtra against their application and the balance 56,367 Unsecured CCDs were cancelled. These Unsecured CCDs allotted to Government of Maharashtra were converted at par into equity shares of same number on June 7, 2016

III) Indraprastha Gas Limited

- During the previous year ended 31st March 2017, an amount of ₹ 31.51 crores was provided in the books of account towards estimated revision in trade margin and facility charges payable to Oil Marketing Companies (OMCs) for the sale of CNG from their respective outlets based on the ongoing negotiations with them in the previous year. During the current year, the rates for the aforementioned trade margin and facility charges have been finalised retrospectively and accordingly, an amount of ₹ 15.92 crores and ₹ 0.30 crores pertaining to previous years has been written back from the respective heads.

IV) ONGC Petro additions Limited

- M/s Fernas Construction India Private Limited was awarded contract based on evaluation done by Engineers India Limited (EIL) for ₹1,910/- crore (including approved change order) for integrated utilities and offsite (IU&O). The matter of qualification and award of IU&O package on Fernas has been investigated by the competent authority at the instance EIL. The investigation has established that the completion certificate submitted by Fernas for qualification is bogus as the same was obtained in connivance with the officer and employee of EIL. As per the information, criminal proceedings have been initiated against representatives of Fernas and EIL and the matter is sub judice. The company has expelled the contractor vide its letter no. Opal/BDA/CEO/PCC/325/16-17 dated 27th April 2017 pursuant to remedies available in the contract on account of breach of contract. The company has invoked the bank guarantee of ₹ 184.44 crore in its possession against the contractor. The management does not envisage any material financial liability in this regard.

V) Brahmaputra Cracker and Polymer Ltd.

- During the year the Company has received the balance equity contribution of ₹ 14.87 crore from Government of India (GOI) against revised project cost (₹ 9,965.00 Crore) of Assam Gas Cracker Project. With this contribution, the equity portion of the approved funding for enhanced cost of ₹ 1,045.00 crore has been completed. However, the Company has received only ₹ 100.00 crore in FY 2017-18 against the balance Capital Subsidy (₹ 549.45 crore) and balance is expected to be allocated in the RE for FY 2018-19
- Based on the initial condition of approval of the project and recommendation of the Inter-Ministerial Committee (IMC) of the Government of India (GoI), the Company has submitted its claim for sanction of Feed Stock subsidy of 40% of Natural gas price. The exact amount will be determined after in principle approval and actual claim basis, necessary accounting will be given effect

VI) Green Gas Limited

- The company's contractor M/s Torrent Project Limited was awarded three contracts for steel pipeline laying and associated work at Agra. Contractor had subsequently raised a claim of ₹ 5.32 crore towards misl. charges related to the said project. Company is of the view that said claims are not tenable and are based on arbitrary and imaginary facts. Further company had lodged a counter claim of ₹ 10.32 crore on the contractor for delay in project and loss of profit to the company and the case is under arbitration with sole arbitrator. The proceedings are continuing since December 2016.

VII) Bhagyanagar Gas Limited

- a) Repayment of unsecured Bridge loan borrowed from related parties GAIL (India) Ltd. and HPCL
- i) Bridge loan borrowed at simple interest rate is to be repaid along with interest in five equal monthly instalments commencing from 30.04.2017 and ending with 31.08.2017 or upon conversion of debt into equity, whichever is earlier.
- ii) Bridge loan borrowed at compounding interest rate is to be repaid after a moratorium period of 2 years, in maximum two installments.
- iii) During Jan 2018, both the promoters i.e. GAIL and HPCL agreed and requested to adjust the Bridge loan amount including accrued interest against the right issue of equity capital by BGL and consequently the entire bridge loan from Both GAIL and HPCL was settled along with interest by issue of equity shares on right basis and the balance amount of loan and interest up to the date of adjustment against equity has been settled by BGL in cash.

VIII) Konkan LNG Pvt. Ltd.

- a) KLPL (erstwhile LNG Terminal of RGPPL) has incurred losses in last few years which has resulted in erosion of net worth of the Company. Also, value of KLPL's assets has declined during the period significantly more than what would have been expected as a result of the passage of time or normal use. Further, LNG Terminals of KLPL are operating at a capacity lower than their installed one from last many years. The recoverable amount of this investment has been assessed at ₹ 3442.90 crore and accordingly the Company has recognized an impairment loss of ₹ 509.90 crore in respect of such investment and disclosed the same as "Impairment loss" in the Statement of Profit and Loss

- 48)** In compliance of Ind – AS 108 on "Operating Segments" as notified under section 133 of the Companies Act 2013, the required information is given as per Annexure – C to this schedule.

Operating Segments: The operating segments have been identified as:-

- (i) Transmission services
 - a) Natural Gas
 - b) LPG
- (ii) Natural Gas Trading
- (iii) Petrochemicals
- (iv) LPG and other Liquid Hydrocarbons
- (v) City Gas Distribution
- (vi) Other Segment (includes GAIL TEL, E&P, and Power Generation)

There are no geographical segments in the Company.

- 49)** In compliance of Ind – AS 24 on "Related party Disclosures", the name of related parties, nature of relationship and details of transaction entered therewith are given in Annexure – D.
- 50)** In compliance to Ind AS – 33 on "Earning per Share" Basic and Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year. Diluted EPS are calculated by dividing the profit for the year attributable to the equity holders of the company by weighted average number of Equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particular	2017-18	2016-17
Net Profit after tax from continuing operation - (₹ crores)	4794.36	3,368.92
Net Profit/(Loss) after tax from discontinued operation – (₹ crores)	4.71	(0.76)
Weighted average numbers of equity shares used as denominator*	2,25,50,70,933.00	2,25,50,70,933.00
Face value of each equity share	10	10
Earnings per share from continuing operation (Basic and Diluted) – (₹)	21.26	14.94
Earnings per share from Discontinued operation (Basic and Diluted) – (₹)	0.02	0.00
Earnings per share from continuing and Discontinued operation (Basic and Diluted) – (₹)	21.28	14.94

*Earning per share has been restated for all comparative periods presented as per Ind AS 33 on account of Bonus Issue of Equity Shares in ratio of one equity share for every three shares held.

- 51)** Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiaries / Associates / Joint Ventures is given as per Annexure – E.

52) Financial Risk management

The company is exposed to a number of different financial risks arising from natural business exposures as well as its use of financial instruments including market risks relating to commodity prices, foreign currency exchange and interest rates, credit risk, and liquidity risk..

1) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk, interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, and derivative financial instruments.

a) Interest Rate Risk:-

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the long-term foreign currency loans with floating interest rates. The Company manages its interest rate risk according to its Board approved Foreign Currency and Interest Rate Risk Management policy'. Market interest rate risk is mitigated by hedging through appropriate derivatives products such as interest rate swaps & full currency swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

Interest rate sensitivity

With all other variables held constant, the following table demonstrates the sensitivity to a reasonably possible change in interest rates on floating rate portion of forex loans and borrowings after considering the impact of swap contracts.

For GAIL:-

Particulars	31/03/2018			31/03/2017		
	US Dollar	(LIBOR)	Others	US Dollar	(LIBOR)	Others
Increase/decrease (in Basis Points)	10	-10	Nil	10	-10	Nil
Effect on profit before Tax (₹ in Cr)	-0.11	0.11		-0.49	0.49	

*LIBOR- London Interbank Offer Rate

With all other variables held constant, the following table demonstrates the sensitivity to a reasonably possible change in interest rates on Corporate Linked Deposit Scheme (CLTD):-

Particulars	31-03-2018			31-03-2017		
	INR (MIBOR)		Others	INR (MIBOR)		Others
Increase/decrease (MIBOR)	+100	-100	Nil	+100	-100	Nil
Effect on profit before Tax (₹ in Cr)	8.66	-8.66		1.36	-1.36	

The table below summarizes the impact of a potential increase or decrease on the Group's profit before tax, as applied to the variable element of interest rates on loans and borrowings. The increase/decrease is based on management estimates of potential interest rate movements in INR loans.

For GAIL Gas Limited:-

Particulars	31/03/2018		31/03/2017	
	Increase	Decrease in IR basis point	Increase	Decrease in IR basis point
Increase/decrease (in Basis Points)	+100	-100	+100	-100
Effect on profit before Tax (₹ in Crs.)	NIL	NIL	(0.81)	0.81

For TNGCL:-

Particulars	31/03/2018		31/03/2017	
	Increase	Decrease in IR basis point	Increase	Decrease in IR basis point
Increase/decrease (in Basis Points)	+100	-100	+100	-100
Effect on profit before Tax (₹ in Crs.)	(0.07)	0.07	(0.08)	0.08

b) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Company transacts business in local currency and in foreign currency, primarily U.S. dollars. Company has obtained foreign currency loans and has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk. As per its Board approved policy, Company may mitigate its foreign currency risk through plain vanilla derivative products such as foreign exchange option contracts, swap contracts or forward contracts towards hedging such risks. These foreign exchange contracts, carried at fair value, may have varying maturities depending upon the underlying contract requirement and risk management strategy of the Company.

Foreign Currency Sensitivity

The following table demonstrates the sensitivity in the USD, Euro, and other currencies to the functional currency of Company, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including foreign currency derivatives.

For GAIL :-

Particulars	31-03-2018				31-03-2017			
	USD		Other Currency		USD		Other Currency	
Increase/decrease in Exchange Rate (%)	1%	-1%	1%	-1%	1%	-1%	1%	-1%
Effect on profit before Tax (₹ in Crs)	-15.91	15.91	-0.98	0.98	-45.62	45.62	-1.86	1.86

For GGSPL:-

Particulars	31/03/2018				31/03/2017			
	EGP		SGD		EGP		SGD	
Increase/decrease in Exchange Rate (%)	-3%	3%	-6%	6%	-51%	51%	-4%	4%
Effect on profit before Tax (₹ in Crs)	0.00	(0.00)	0.03	(0.03)	11.76	(11.76)	0.01	(0.01)

c) Commodity price risk

Company imports LNG for marketing and for its internal consumption on an on-going basis and is not exposed to the price risk to the extent it has contracted with customers in India on back to back basis. However, a part of imported volume is not contracted on back to back basis. As most of the LNG purchase contract prices are based on crude based index, therefore Company is exposed to volatility in crude prices. In order to mitigate this crude linked price risk, Company has been taking appropriate derivative products in line with the Board approved 'Natural Gas Price Risk Management Policy'

As on 31st March 2018, there is no significant risk with respect to the open derivative contract.

d) Equity Price Risk

The Company's listed and non-listed equity investments are susceptible to market price risk arising from uncertainties about future values of these investments. The Company manages the equity price risk through review of investments by Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all the equity investment decisions of the Company.

At the reporting date, the exposure to unlisted equity investments at fair value was ₹172.90 Crore (Previous Year ₹188.07 Crore).

At the reporting date, the exposure to listed equity investments at fair value was ₹ 5488.92 Crore (Previous Year ₹ 5712.87 Crore). A variation of (+/-) 10% in share price of equity investments listed on the stock exchange could have an impact of approximately (+/-) ₹ 549 Crore (Previous Year ₹ 571 Crore) on the OCI and equity investments of the Company. These changes would not have an effect on profit or loss.

II) Liquidity Risk

Liquidity is the risk that suitable sources of funding for Company's business activities may not be available. The Company's objective is to maintain optimum level of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It also maintains adequate sources to finance its short term and long term fund requirement such as overdraft facility and Long term borrowing through domestic and international market.

For GAIL**Liquidity risk - Maturity profile as on 31.03.2018**

(₹ in Crore)

Particulars	On demand	Less than 3 months	3 to 12 months	>1 to 5 years	> 5 years	Total
Borrowings (Non-current) #	-	-	-	727.66	266.20	993.86
Borrowings (current) #	-	47.56	1086.55	-	-	1134.10
Interest on Borrowings##	-	30.79	102.89	228.31	31.82	393.82
Trade Payables	-	3881.55	-	-	-	3881.55
Other Financial Liabilities (Current)	-	3983.89	-	-	-	3983.89
Other Financial Liabilities (Non-Current)	-	-	-	775.59	-	775.59
Total	-	7943.79	1189.44	1731.56	298.02	11162.81

Borrowings include impact of derivative contracts.

includes interest accrued but not due as on 31.03.2018 as well as interest to be paid till maturity.

Liquidity risk - Maturity profile as on 31.03.2017 (₹ In Crore)

(₹ in Crore)

Particulars	On demand	Less than 3 months	3 to 12 months	>1 to 5 years	> 5 years	Total
Borrowings (Non-current) #	-	-	-	2652.22	391.20	3043.42
Borrowings (current) #	-	235.97	1837.86	-	-	2073.83
Interest on Borrowings##	-	126.47	239.72	499.82	62.95	928.96
Trade Payables	-	2716.01	-	-	-	2,716.01
Other Financial Liabilities (Current)	-	1744.48	-	-	-	1744.48
Other Financial Liabilities (Non-Current)	-	-	-	609.45	-	609.45
Total	-	4822.93	2077.58	3761.49	454.15	11116.15

Borrowings include impact of derivative contracts.

includes interest accrued but not due as on 31.03.2017 as well as interest to be paid till maturity.

For GAIL Gas:-
Liquidity risk - Maturity profile as on 31.03.2018

(₹ in Crore)

As at 31.03.2018	On demand	Less than 3 months	3-12 months	1-5 years	More than 5 years	Total
Interest-bearing loans and borrowings	-	3.08	12.48	72.22	65.90	153.68
Trade and other payables	-	235.72	-	-	-	235.72
Other financial liabilities	72.48	0.34	31.44	-	-	104.26

Liquidity risk - Maturity profile as on 31.03.2017

(₹ in Crore)

As at 31.03.2018	On demand	Less than 3 months	3-12 months	1-5 years	More than 5 years	Total
Interest-bearing loans and borrowings	9.48	17.02	38.81	167.37	36.98	269.66
Trade and other payables	-	111.29	-	-	-	111.29
Other financial liabilities	43.40	4.63	17.90	-	-	65.93

For GGSPL
Liquidity risk - Maturity profile(In ₹ Crore)

(₹ in Crore)

Particulars	Less than 1 Year	Between 1 and 5 years	Total
For FY 2017-18			
Trade and other payable	583.39	-	583.39
Borrowings	299.84	10.18	310.02
Total undiscounted financial liabilities	883.23	10.18	893.41
For FY 2016-17			
Trade and other payable	270.33	-	270.33
Borrowings	0.39	16.69	17.09
Total undiscounted financial liabilities	270.72	16.69	287.42

For TNGCL:-
Liquidity risk - Maturity profile as on 31.03.2018

(₹ in Crore)

Particulars	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Interest-bearing loans and borrowings-Interest Payable	-	0.10	0.43	0.31	-	0.84
Interest-bearing loans and borrowings-Principal Payable	-	0.30	1.57	4.93	-	6.80
Trade and other payables	-	1.29	-	-	-	1.29
Expenses Payable	-	1.76	-	-	-	1.76
Liability For Capital Expenditure	-	0.64	-	-	-	0.64
Security Deposit (From Major Industrial Consumers)	0.15	-	-	-	-	0.15
Security Deposit Collected from the Consumers	8.48	-	-	-	-	8.48
Security Deposit Collected from Contractors	-	3.39	0.71	-	-	4.10
Earnest Money Deposit (EMD)	-	-	0.32	-	-	0.32
Security Deposit (Galileo)	0.35	-	-	-	-	0.35
Security Deposit/Retention Money(Suppliers)	-	0.25	0.16	-	-	0.41
Total	8.97	7.73	3.19	5.24	-	25.14

Liquidity risk - Maturity profile as on 31.03.2017

(₹ in Crore)

Particulars	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Interest-bearing loans and borrowings-Interest Payable	-	0.19	0.47	-	-	0.66
Interest-bearing loans and borrowings-Principal Payable	-	0.60	1.82	6.07	-	8.49
Trade and other payables	-	1.10	-	-	-	1.10
Expenses Payable	-	1.13	-	-	-	1.13
Security Deposit (From Major Industrial Consumers)	0.15	-	-	-	-	0.15
Security Deposit Collected from the Consumers	6.52	0.02	0.03	0.25	-	6.81
Security Deposit Collected from Contractors	3.25	-	-	-	-	3.25
Earnest Money Deposit (EMD)	0.36	-	-	-	-	0.36
Security Deposit (Galileo)	0.35	-	-	-	-	0.35
Security Deposit/Retention Money(Suppliers)	0.58	-	-	-	-	0.58
Total	11.20	3.03	2.32	6.32	-	22.87

III) Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or fail to pay amounts due, causing financial loss to the company and arises from cash and cash equivalents, derivative financial instruments and deposits with financial institutions and principally from credit exposures to customers relating to outstanding receivables. Credit exposure also exists in relation to guarantees issued by company. Each segment is responsible for its own credit risk management and reporting. Credit risk is considered as part of the risk-reward balance of doing business. On entering into any business contract the extent to which the arrangement exposes the company to credit risk is considered

Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date on an individual basis for major clients.

Aging Analysis GAIL:-

(₹ in Crore)

Particulars	Neither past due not impaired	Past due but not impaired				Total
		Less than 30 days	30 to 60 days	60 to 90 days	Above 90 days	
As on 31 March 2018	2,855.46	213.17	34.66	-	948.21	4051.50
As on 31 March 2017	2,259.71	153.46	311.37	-	1,103.66	3,828.20

Provision for Doubtful Debts

The following table summarizes the changes in the allowances for doubtful accounts for trade receivables:

(₹ in Crore)

Particulars	31st March 2018	31st March 2017
Start of the year	703.52	797.63
Provision for Impairment		
Receivables written off during the year as uncollectible	-33.02	-94.12
Unused amounts reversed		
End of year	670.50	703.52

For GAIL Gas:- Aging Analysis

(₹ in Crore)

Trade receivables	Neither past due nor impaired	Past due but not impaired				Total*
		Less than 30 days	30-60 days	60-90 days	Above 90 days	
31.03.2018	257.81	2.90	3.13	0.63	6.03	270.50
31.03.2017	103.63	3.32	0.55	0.49	3.60	111.59

Provision for Doubtful Debts

(₹ in Crore)

Provisions	31st March 2018	31st March 2017
Start of the year	1.25	1.08
Provision for Doubtful Debt	0.32	0.17
Receivables written off during the year as uncollectible	-	-
Unused amounts reversed	-	-
End of year	1.57	1.25

Financial Instruments and Cash Deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with approved limits of its empanelled bank for the purpose of Investment surplus funds and foreign exchange transactions. Foreign exchange transaction and Investments of surplus funds are made only with empanelled Banks. Credit limits of all Banks are reviewed by the Management on regular basis

IV) Capital management

For the purpose of the capital management, capital includes issued capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders, or issue new shares. No changes were made in the objectives, policies or processes during the reporting years.

53) The Company is evaluating applicability of provisions of Ind AS 109 w.r.t certain contracts of the Company with vendors awarded through ICB (International competitive bidding) which are denominated in third currency (i.e. a currency which is not the functional currency of any of the parties to the contract). In this regard, in line with other PSU, the Company has sought opinion from the Expert Advisory Committee (EAC) constituted by The Institute of Chartered Accountants of India on the above matter vide letter no GAIL/ND/F&A/CO/EAC Opinion/2018-

19 dated 21st May 2018. On receipt of opinion / clarification from EAC, the Company will take necessary action in the matter.

Further the Company has sought opinion of the EAC of ICAI on the following issues during the financial year 2017-18 for which opinion is awaited:

- Disclosure in Notes to Financial Statements / inclusion under contingent liabilities of Corporate Guarantees issued by parent company to a bank for issuance of Performance Bank Guarantee on behalf of its wholly owned subsidiary company.
- Disclosure of impairment loss on long term investment as Exceptional Items in the statement of profit and loss.

Pending opinion, the Company has considered same accounting treatment in respect of these matters in consistent with the previous financial year.

54) Accounting classifications and fair value measurements

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
- Level 3: Technique which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

For GAIL:-

As at 31st March 2018, the Company held the following financial instruments carried at fair value in the statement of financial position:

Provision for Doubtful Debts

(₹ in Crore)

Particulars	Carrying Amount	Fair value		
	31 March 2018	Level 1	Level 2	Level 3
Financial assets at amortised cost:				
Non-current				
Loans	291.02	-	-	261.31
Current				
Loans	72.64	-	-	74.98
Financial assets at fair value through profit and loss account:				
Non-current				
Derivative instruments	3.31	-	3.31	-
Investments				
Current				
Derivative instruments	11.10	-	11.10	-
Investments	381.47	381.47		
Financial assets at fair value through other comprehensive income:				
Investments	5661.82	5488.92	-	172.90
Financial liabilities at amortised cost:				
Non-current				
Interest-bearing loans and borrowings:				
Fixed	807.28			821.45
Floating	167.99			167.99
Current				
Interest-bearing loans and borrowings:				
Fixed	75.82			88.55
Floating	1028.51			1028.51
Financial liabilities at fair value through Profit and loss account:				
Non-current				
Derivatives instruments	39.01		39.01	
Current				
Derivatives instruments	316.09		316.09	

Note:

- 1) The carrying cost of Interest-bearing loans & borrowings is approximately equal to their Fair Market Value
- 2) The carrying amount of trade receivables, cash and cash equivalents, other bank balance, other receivables, trade payables, interest accrued and due, other payables and other financial liabilities are considered to be same as their fair value due to their short term nature.
- 3) With respect to loans, the fair value were calculated based on cash flows discounted using the current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

As at 31 March 2017, the Company held the following financial instruments carried at fair value on the statement of financial position:

(₹ in Crore)

Particulars	Carrying Amount 31 March 2017	Fair value		
		Level 1	Level 2	Level 3
Financial assets at amortised cost:				
Non-current				
Loans	291.74	-	-	291.74
Current				
Loans	68.77	-	-	68.77
Financial assets at fair value through profit and loss account:				
Non-current				
Derivative instruments	6.87	-	6.87	-
Investments	-	-	-	-
Current				
Derivative instruments	57.39	-	57.39	-
Investments	-	-	-	-
Financial assets at fair value through other comprehensive income:				
Investments	5900.94	5712.87	-	188.07
Financial liabilities at amortised cost:				
Non-current				
Interest-bearing loans and borrowings	3003.71	-	-	3003.71
Current				
Interest-bearing loans and borrowings	2058.43	-	-	2058.43
Financial liabilities at fair value through Profit and loss account:				
Non-current				
Derivatives instruments	75.18	-	75.18	-
Current				
Derivatives instruments	59.28	-	59.28	-

Note:

1. The carrying cost of Interest-bearing loans and borrowings is approximately equal to their Fair Market Value
2. The carrying amount of trade receivables, cash and cash equivalents, other bank balance, other receivables, trade payables, other payables and other financial liabilities are considered to be same as their fair value due to their short term nature
3. With respect to loans, the fair value were calculated based on cash flows discounted using the current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Description for significant unobservable inputs to valuation:

The following table shows the valuation techniques and inputs used for financial instruments:

	As at 31st March 2018	As at 31st March 2017
Investments	Discounted Cash flow method using risk adjusted discount rate	

The following table shows a reconciliation of opening balances to the closing balances for Level 3 fair values:

Particulars	Amount (₹ In Crore)
Balance as at 31 March 2017	188.07
Add: Additional investment during the year	2.02
Less: Fair Value loss recognized in Other Comprehensive Income	17.19
Balance as at 31 March 2018	172.90

For TNGCL:-

As at 31 March 2018, the Company held the following financial instruments carried at fair value in the statement of financial position:

(₹ in Crore)

Particulars	Carrying amount 31 March 2018	Fair value 31 March 2018	Fair value		
			Level 1	Level 2	Level 3
Financial assets at amortised cost:					
Non current					
Loans and receivables	0.01	0.01			
Other Financial assets	0.87	0.87			
Total	0.88	0.88	-	-	-
Financial liabilities at amortised cost:					
Non current					
Borrowings	4.40	4.40			
Total	4.40	4.40			-

The carrying amounts of trade receivables, cash and cash equivalents, other bank balances, loans, bank deposits, trade payables and other financial liabilities are considered to be same as their fair values, due to their short term nature

As at 31 March 2017, the Company held the following financial instruments carried at fair value in the statement of financial position:

Particulars	Carrying amount 31 March 2017	Fair value 31 March 2017	Fair value		
			Level 1	Level 2	Level 3
Financial assets at amortised cost:					
Non current					
Loans and receivables	0.01	0.01			
Other Financial assets	-	-			
Total	0.01	0.01	-	-	-
Financial liabilities at amortised cost:					
Non current					
Borrowings	0.24	0.24			
Total	0.24	0.24			-

The carrying amounts of trade receivables, cash and cash equivalents, other bank balances, loans, bank deposits, trade payables and other financial liabilities are considered to be same as their fair values, due to their short term nature

For GAIL Gas

As at 31st March 2018 the Company held the following financial instruments carried at fair value on the statement of financial position:

(₹ in Crore)

Financial assets	Carrying amount	Fair value		
		Level -1	Level-2	Level-3
Financial Assets at amortised cost:				
Loans and Other Receivables	10.21	-	-	-
Trade Receivables	270.50	-	-	-
Cash and Cash Equivalents	269.56	-	-	-
At Fair value through profit and loss	-	-	-	-
At Fair value through OCI	-	-	-	-
Total Financial Assets	550.27	-	-	-
Financial Liabilities at amortized cost				
Borrowings	138.12	-	-	-
Trade Payables	235.72	-	-	-
Other Financial Liabilities	119.82	-	-	-
At Fair value through profit and loss	-	-	-	-
Total Financial Liabilities	493.66	-	-	-

As At 31st March 2017 the Company held the following financial instruments carried at fair value on the statement of financial position:

(₹ in Crore)

Financial assets	Carrying amount	Fair value		
		Level -1	Level-2	Level-3
Financial Assets at amortised cost:				
Loans and Other Receivables	8.90	-	-	-
Trade Receivables	111.59	-	-	-
Cash and Cash Equivalents	2.76	-	-	-
At Fair value through profit and loss	-	-	-	-
At Fair value through OCI	-	-	-	-
Total Financial Assets	123.25	-	-	-
Financial Liabilities at amortized cost				
Borrowings	178.70	-	-	-
Trade Payables	111.29	-	-	-
Other Financial Liabilities	106.93	-	-	-
At Fair value through profit and loss	-	-	-	-
Total Financial Liabilities	396.92	-	-	-

55) Hedging activities and derivatives**Derivatives not designated as hedging instruments**

The Company uses forward currency contracts, interest rate swaps, cross currency interest rate swaps, commodity swap contracts to hedge its foreign currency risks, interest rate risks and commodity price risks. Derivative contracts not designated by management as hedging instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value on each reporting date. Such contracts are entered into for periods consistent with exposure of the underlying transactions.

Derivatives designated as hedging instruments:**Cash flow hedges**

The Company enters into hedging instruments in accordance with policies as approved by the Board of Directors with written principles which is consistent with the risk management strategy of the Company. Company has decided to apply hedge accounting for certain derivative contracts that meets the qualifying criteria of hedging relationship entered into post October 01, 2017.

Foreign currency risk

Foreign exchange forward contracts are designated as hedging instruments in cash flow hedges of firm commitment of capital purchases in US dollar and existing borrowings e.g. US dollars/ Japanese Yen etc.

Commodity price risk

The Company purchases and sells natural gas on an ongoing basis as its operating activities. The significant volatility in natural gas prices over the years has led to Company's decision to enter into hedging instruments through swaps transactions including basis swaps. These contracts are designated as hedging instruments in cash flow hedges of forecasted sales and purchases of natural gas.

The table below shows the position of hedging instruments and hedged items (underlying) as of the balance sheet date.

Details relating to hedging instrument for March 2018:

(₹ in Crore)

Cash flow hedge	Nominal amount/ Qty. of the hedging instrument	Carrying amount of hedging instrument		Changes in fair value	Line item in balance sheet where hedging instrument is disclosed
		Asset (₹ in crore)	Liabilities (₹ in crore)		
Foreign currency risk					
Forward liabilities- contracts - Borrowings	USD 20102042.26		0.34	-0.34	liabilities- Non Current Other Financial Liabilities- Current - Note 15A
Forward contracts - Purchases of capital	USD 70000000		0.35	-0.35	Liabilities- Non Current goods liabilities- Other Financial Liabilities- Current - Note 15A
Commodity price risk					
Commodity swap - Forecasted purchase & sell of natural gas	MMBTU 41692792	5.62	148.75	-143.13	Liabilities- Non Current & Current liabilities & - Other Financial Liabilities- Current & Non- Current- Note 15 & 15A

Details relating to hedged item for March 2018:

(₹ in Crore)

	Change in fair value	Balance in cash hedge flow reserve		
		For continuing hedges	For hedges no longer applied	Total balance
Foreign currency risk				
Borrowings	0.77	0.34	0	0.34
Firm commitment for capital goods purchase	0.35	0.18	0.17	0.35
Commodity price risk				
Highly probable forecasted sale and purchase of natural gas	143.09	143.09	0	143.09

- 56) The comparative financial information of the Company for the year ended 31st March 2017 included in the Consolidated Ind AS financial statements, are based on the previously issued statutory financial statements audited by G.S. Mathur & Co. and O.P. Bagla & Co. vide their unmodified audit report (Revised) dated July 20, 2017 whose audit report has been relied upon by the newly appointed auditors.
- 57) Previous year's (PY) figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

A.K. Jha
Company Secretary

Subir Purkayastha
Director (Finance)

Dr. Ashutosh Karnatak
Director (Projects)

B. C. Tripathi
Chairman & Managing
Director

As per our separate Report of even date

For O P Bagla & Co LLP
(Formerly O P Bagla & Co.)
Chartered Accountants
Firm No.00018N/N500091

Rakesh Kumar
(Partner)
Membership No.087537

For ASA & Associates LLP
Chartered Accountants
Firm No.009571N/N500006

Parveen Kumar
(Partner)
Membership No.088810

Place: **New Delhi**
Dated: **24th May, 2018**

A) Information About Partially owned Subsidiaries having material non controlling interest:-

The following table summarises the informations relating to TNGCL that has material Non controlling interest before any intra group elimination for the Financial year ending 31st March 2018:-

(₹ in Crore)

Particulars	31st March, 2018	31st March, 2017
A.) Proportion of equity Interest held by non controlling Interest		
Tripura Natural Gas Limited	51.02%	51.02%
B) Summarised financial Information of partly owned subsidiary		
Balance Sheet		
Non-Current Assets	71.46	73.63
Current Assets (Other than cash and cash equivalent)	41.38	18.14
Cash and Cash Equivalent	11.89	18.70
Non-Current Liabilities	26.48	22.54
Current Liabilities	21.97	23.23
Equity	76.28	64.69
Attributable to non controlling interest	38.92	33.00
Profit and Loss		
Revenue	76.00	66.98
Expenses	57.04	49.81
Pre-tax Profit / (Loss)	18.96	17.17
Income Tax expenses	7.24	5.87
Post-tax Profit / (Loss)	11.72	11.30
Other Comprehensive Income	(0.14)	-
Total comprehensive profit / (loss)	11.58	11.30
Attributable to non controlling interest	5.91	5.76
Dividend paid to Non controlling interest	-	-
Summarised Cash Flow Information		
Operating Activities	22.68	25.00
Investing Activities	(27.11)	(9.08)
Financing Activities	(2.38)	(3.26)
Net increase / (decrease) in cash and cash Equivalents	(6.81)	12.67

A) Summarised financial information of joint ventures for the Financial year ending 31st March 2018:-

Annexure-B

(₹ in Crore)

Particulars	Total	Central UP Gas Limited	Green Gas Limited	Mahanagar Natural Gas Ltd.	Avantika Gas Limited	Bhayanagar Gas Ltd.	Ratnagiri Gas and Power Pvt. Ltd.*	Konkan LNG Pvt. Ltd.*	Talcher Fertilizers Ltd.	TAPI Pipeline Company Ltd.	Vadodara Gas Limited
Status of Accounts		Audited	Audited	Unaudited	Audited	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
Assets											
Non-Current Assets	7,520.32	205.78	292.08	786.99	297.19	390.85	2,330.43	2,937.89	6.81	-	272.30
Current Assets											
Cash and cash Equivalents	803.53	4.12	2.40	25.29	63.64	1.74	431.06	100.10	8.49	160.45	6.24
Other Current Assets (Excluding cash and cash equivalents)	1,054.26	99.38	70.85	82.89	24.71	30.24	443.28	246.97	0.65	6.32	48.97
Total current assets	1,857.79	103.50	73.25	108.18	88.35	31.97	874.34	347.07	9.14	166.78	55.20
Liabilities											
Non-Current Liabilities											
Non Current Financial Liabilities (Other than trade and other payables and provisions)	5,779.45	0.22	18.26	195.61	168.48	50.85	1,633.06	3,699.68	-	-	13.29
Other Non Current Liabilities	117.26	14.56	19.30	50.86	9.18	11.20	7.81	0.01	-	-	4.35
Total non current liabilities	5,896.71	14.78	37.55	246.47	177.66	62.05	1,640.87	3,699.69	-	-	17.64
Current Liabilities											
Current Financial Liabilities (Other than trade and other payables and provisions)	4,838.89	38.00	19.69	211.78	29.89	37.21	4,210.04	251.52	0.83	4.33	35.60
Other Current Liabilities	456.26	15.78	17.28	175.3	8.99	12.52	253.71	88.48	0.03	30.65	11.28
Total Current Liabilities	5,295.15	53.78	36.97	229.31	38.88	49.73	4,463.75	340.00	0.86	34.98	46.88
Equity	(1,813.75)	240.73	290.80	419.40	169.00	311.04	(2,899.85)	(754.73)	15.09	131.80	262.97
Percentage of Group's ownership interest		25.00%	49.97%	22.50%	49.98%	49.97%	25.50%	25.50%	33.32%	5.00%	50.00%
Interest in joint venture	(290.90)	60.18	145.32	94.37	84.47	155.43	(739.57)	(234.20)	5.03	6.59	131.48
Carrying amount of interest in Joint Venture	(290.90)	60.18	145.32	94.37	84.47	155.43	(739.57)	(234.20)	5.03	6.59	131.48
Revenue	4,277.38	268.79	285.08	660.64	148.46	156.59	2,302.68	317.10	-	-	138.03
Interest Income	26.60	-	3.59	-	0.85	1.78	20.30	-	0.08	-	-
Depreciation	683.30	10.42	9.05	37.98	9.64	9.80	492.11	110.50	0.00	-	3.79
Finance Cost	515.20	-	-	28.05	10.44	15.15	161.16	298.87	0.00	0.01	1.52
Income tax expenses	118.98	23.63	22.91	54.92	8.08	5.28	-	-	-	-	4.17
Other Expenses (Net)	3,569.79	188.64	213.70	442.01	96.87	118.98	1,604.97	674.94	0.01	108.59	121.09
Profit for the year	(583.31)	46.10	43.01	97.69	24.28	9.16	64.74	(767.21)	0.07	(108.60)	7.46
Other Comprehensive Income	0.36	(0.27)	0.52	0.07	(0.01)	0.05	-	-	-	-	-
Group's share in joint venture's profit for the year	70.25	11.46	21.76	22.00	12.13	4.59	-	-	0.02	(5.43)	3.73
Consolidation adjustments	(11.40)	(3.06)	(2.79)	(2.38)	-	-	-	-	-	(5.68)	2.51
Group's share in joint venture's profit recognised	58.85	8.39	18.97	19.62	12.13	4.59	-	-	0.02	(11.11)	6.24
Dividends received from Joint Venture's	6.82	2.55	2.30	1.97	-	-	-	-	-	-	-

*Share of Profit from RGPLL, KLPL is not recognised as unabsorbed loss has not been recovered



A) Summarised financial information of joint ventures for the Financial year ending 31st March 2017:-

Annexure-B
(₹ in Crore)

Particulars	Total	Central UP Gas Limited	Green Gas Limited	Mahanagar Natural Gas Ltd.	Aavantika Gas Limited	Bhagyanagar Gas Ltd.	Ratnagiri Gas and Power Pvt. Ltd.*	ONGC Petro-Additions Ltd.	Talcher Fertilizers Ltd.	Vadodara Gas Limited
		Audited	Audited	Unaudited	Audited	Audited	Unaudited	Unaudited	Unaudited	Unaudited
Status of Accounts										
Assets										
Non-Current Assets	36,271.59	153.07	223.63	650.00	254.97	336.66	6,497.17	28,156.08	0.01	261.78
Current Assets										
Cash and cash Equivalents	507.25	87.05	4.65	13.57	1.59	44.44	350.67	5.24	0.05	12.83
Other Current Assets (Excluding cash and cash equivalents)	2,159.47	14.45	79.47	86.34	22.17	40.19	687.34	1,229.49	0.01	39.56
Total current assets	2,666.72	101.50	84.12	99.91	23.76	84.63	1,038.01	1,234.74	0.05	52.39
Liabilities										
Non-Current Liabilities										
Non Current Financial Liabilities (Other than trade and other payables and provisions)	25,091.11	-	-	249.89	157.25	53.95	5,519.19	19,110.84	-	13.17
Other Non Current Liabilities	451.18	12.58	15.71	33.15	7.85	8.55	9.09	364.24	-	15.33
Total non current liabilities	25,542.29	12.58	15.71	283.04	165.10	62.50	5,528.28	19,475.08	-	28.49
Current Liabilities										
Current Financial Liabilities (Other than trade and other payables and provisions)	11,283.12	26.60	30.66	111.02	19.41	262.38	2,487.75	8,345.29	0.02	5.62
Other Current Liabilities	2,885.72	8.20	8.56	23.66	4.46	6.19	2,415.94	418.69	0.01	29.55
Total Current Liabilities	14,168.84	34.80	39.22	134.68	23.87	268.58	4,903.69	8,763.98	0.03	35.17
Equity	(772.83)	207.18	252.83	332.20	89.75	90.21	(2,896.79)	1,151.76	0.03	250.50
Percentage of Group's ownership interest		25.00%	49.97%	22.50%	49.97%	49.97%	25.50%	49.21%	30.00%	50.00%
Interest in joint ventures	170.83	51.80	126.35	74.74	44.85	45.08	(738.79)	566.78	0.02	125.25
Carrying amount of interest in Joint Venture	170.83	51.80	126.35	74.74	44.85	45.08	(738.79)	566.78	0.02	125.25
Revenue	3,736.31	240.61	219.50	535.83	131.44	131.21	2,368.27	109.45	-	124.61
Depreciation	3,225.98	9.37	6.80	28.48	7.29	8.22	2,828.63	337.19	-	3.37
Finance Income	114.68	-	-	-	-	-	-	114.68	-	-
Finance Cost	1,488.56	-	-	17.03	7.29	17.58	749.30	697.35	-	2.01
Income tax expenses	425.74	26.35	24.07	41.37	13.76	5.26	-	314.93	-	7.79
Other Expenses	2,850.81	156.40	143.83	372.39	84.03	87.05	1,871.47	135.65	-	108.70
Profit for the year	(4,369.46)	48.49	44.80	76.56	19.07	13.10	(3,081.13)	(1,490.35)	-	2.74
Other Comprehensive Income	(0.40)	(0.12)	(0.02)	(0.28)	0.01	(0.00)	-	-	-	-
Group's share in joint venture's profit for the year	(712.70)	12.09	22.38	17.16	9.54	6.54	(47.02)	(733.40)	-	1.37
Consolidation adjustments	(10.84)	(3.97)	-	(6.87)	-	0.01	-	-	(0.01)	-
Group's share in joint venture's profit recognised	(723.55)	8.12	22.38	10.29	9.54	6.56	(47.02)	(733.40)	(0.01)	1.37
Dividends received from Joint Venture's	9.02	3.30	-	5.72	-	-	-	-	-	-

* Unrecognised Loss amount restriction for RGPPL

B) Summarised financial information of Associates for the Financial year ending 31st March 2018:-

(₹ in Crore)

Particulars	Total	China Gas Holding Ltd.		Mahanagar Gas Limited		Indraprastha Gas Limited		Petronet LNG Ltd.		Fayoum Gas Company		ONGC Petro-Additions Ltd.		BCPL	
		Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited		
Assets															
Non-Current Assets	88,212.37	37,568.83	2,034.74	3,313.88	8,717.43	49.18	28,293.83	8,234.48							
Current Assets															
Cash and cash Equivalents	6,867.15	5,640.61	91.88	203.68	855.30	49.26	11.38	15.04							
Other Current Assets (Excluding cash and cash equivalents)	22,647.98	10,669.31	883.62	1,578.91	6,171.80	120.23	2,157.04	1,067.07							
Total current assets	29,515.13	16,309.92	975.50	1,782.59	7,027.10	169.49	2,168.42	1,082.11							
Liabilities															
Non-Current Liabilities															
Non Current Financial Liabilities (Other than trade and other payables and provisions)	42,595.36	11,965.87	2.05	0.81	2,017.04	48.10	21,591.58	6,969.90							
Other Non Current Liabilities	2,124.13	589.88	189.58	272.40	1,055.98	0.06	12.78	3.45							
Total non current liabilities	44,719.49	12,555.75	191.64	273.21	3,073.02	48.16	21,604.36	6,973.36							
Current Liabilities															
Current Financial Liabilities (Other than trade and other payables and provisions)	22,712.49	9,598.17	608.08	836.82	1,278.22	1.71	9,257.22	1,132.26							
Other Current Liabilities	15,817.78	12,060.51	115.17	339.49	1,582.00	146.76	860.85	712.99							
Total Current Liabilities	38,530.27	21,658.68	723.25	1,176.31	2,860.22	148.47	10,118.08	1,845.25							
Equity	34,477.74	19,664.31	2,095.35	3,646.95	9,811.29	22.05	(1,260.19)	497.99							
Percentage of Group's ownership interest		3.02%	32.50%	22.50%	12.50%	19%	49.21%	70.74%							
Interest in Joint associate	2,983.05	518.76	680.99	820.56	1,226.41	4.19	(620.14)	352.28							
Carrying amount of interest in associates	2,983.05	518.76	680.99	820.56	1,226.41	4.19	(620.14)	352.28							
Revenue	83,026.13	37,529.25	2,452.92	5,071.57	30,598.62	33.27	5,591.82	1,748.68							
Interest Income	5,634.71	-	-	21.89	-	553	5,607.29	-							
Depreciation	2,244.81	-	111.18	181.29	411.65	0.57	1,152.29	387.83							
Finance Cost	3,325.44	729.48	0.09	1.69	162.99	3.08	2,152.22	278.89							
Income tax expenses	827.24	-	248.64	374.22	977.26	3.38	(725.42)	(50.85)							
Other Expenses (Net)	75,465.82	31,019.87	1,615.13	3,814.54	26,936.26	27.24	10,839.58	1,213.19							
Profit for the year	6,797.54	5,779.90	477.87	721.72	2,110.46	7.53	(2,219.56)	(80.39)							
Other Comprehensive Income	1.63	-	1.03	(0.28)	0.52	-	0.36	(0.00)							
Group's share in associates profit for the year	(391.18)	174.50	155.64	162.32	263.87	1.43	(1,092.07)	(56.87)							
Consolidation adjustments	(732.13)	(64.30)	(72.65)	(0.09)	(59.77)	(0.16)	(525.29)	(9.87)							
Group's share in associates profit recognised	(88.98)	93.93	82.99	162.24	204.11	1.27	(566.78)	(66.74)							
Dividends received from associate	158.01	34.38	61.00	15.75	46.88	-	-	-							
Market Value of Quoted Investments	15,331.75	3,524.50	3,075.60	4,401.34	4,330.31	-	-	-							

C) Summarised financial information of Associates for the Financial year ending 31st March 2017:-

(₹ in Crore)

Particulars	Total	China Gas Holding Ltd.	Mahanagar Gas Limited	Indraprastha Gas Limited	Petronet LNG Ltd.	Fayoum Gas Company	National Gas Company	BCPL
Assets								
Non-Current Assets	56,850.81	34,352.37	1,828.32	2,742.90	9,010.96	1.24	214.02	8,701.00
Current Assets								
Cash and cash Equivalents	4,889.93	3,880.85	146.66	496.10	320.99	12.21	33.08	0.04
Other Current Assets (Excluding cash and cash equivalents)	15,128.15	7,728.20	6,49.27	852.34	4,581.64	101.58	480.58	734.54
Total current assets	20,018.08	11,609.05	795.93	1,348.44	4,902.63	113.79	513.67	734.58
Liabilities								
Non-Current Liabilities								
Non Current Financial Liabilities (Other than trade and other payables and provisions)	20,347.39	10,417.73	2.90	1.58	2,835.79	-	-	7,089.40
Other Non Current Liabilities	1,809.13	653.48	151.63	202.86	736.74	0.04	-	64.37
Total non current liabilities	22,156.52	11,071.21	154.53	204.44	3,572.53	0.04	-	7,153.77
Current Liabilities								
Current Financial Liabilities (Other than trade and other payables and provisions)	12,691.96	9,162.26	427.89	685.02	1,208.63	1.26	134.13	1,072.77
Other Current Liabilities	11,853.76	9,264.29	201.80	275.91	954.04	98.37	309.56	749.79
Total Current Liabilities	24,545.72	18,426.56	629.68	960.93	2,162.67	99.63	443.69	1,822.56
Equity	30,166.65	16,463.65	1,840.04	2,925.97	8,178.39	15.36	284.00	459.25
Percentage of Group's ownership interest		3.02%	32.50%	22.50%	12.50%	19%	5%	70.74%
Interest in associate	3,045.48	424.83	598.01	658.34	1,022.30	2.92	14.20	324.88
Carrying amount of interest in associates	3,046.76	424.83	598.01	658.34	1,022.30	2.92	14.20	324.88
Revenue	57,581.19	25,327.73	2,239.07	4,222.51	24,616.03	43.31	354.05	778.49
Depreciation	1,013.47	-	95.13	193.57	369.07	0.35	3.66	351.68
Finance Income	21.23	-	-	16.33	-	4.90	-	-
Finance Cost	1,174.84	659.01	1.02	1.21	209.65	0.05	1.13	302.77
Income tax expenses	1,140.31	-	207.23	288.83	654.52	2.75	51.52	(64.54)
Other Expenses	49,182.81	21,923.92	1,542.26	3,151.61	21,659.66	26.34	143.04	735.98
Profit for the year	5,048.53	2,744.80	393.43	570.96	1,723.13	8.91	154.70	(547.40)
Other Comprehensive Income	(3.51)	-	(0.66)	(0.87)	(1.79)	-	-	(0.19)
Group's share in associates profit for the year	176.00	82.87	127.65	128.27	215.17	1.69	7.74	(387.38)
Consolidation adjustments	(530.96)	(56.88)	(377.23)	(36.02)	(25.68)	(3.01)	(32.14)	-
Group's share in associates profit recognised	(354.96)	25.99	(249.59)	92.25	189.49	(1.32)	(24.41)	(387.38)
Dividends received from associate	160.39	2517	81.86	29.93	23.44	-	-	-

INFORMATION ABOUT BUSINESS SEGMENTS FOR FINANCIAL YEAR 2017-18

SL NO	SEGMENTS	TRANSMISSION SERVICES *		NATURAL GAS MARKETING* Note 1	PETRO-CHEMICALS	LPG & LIQUID HYDROCARBONS	CITY GAS Note 2	OTHER SEGMENT** Note 3	UN-ALLOCABLE	TOTAL	ELIMINATION	CONSO-LIDATED TOTAL	
		NATURAL GAS	LPG										
1	REVENUE#												
	External Sales/Other Income	4,486.63	558.56	38,024.46	5,842.14	4,183.21	753.21	842.21	3.89	54,694.31	-	54,694.31	
	Intersegment sales	487.53	6.24	8,459.45	13.31	146.62	3,925.25	20.08	80.30	13,138.78	13,138.78	-	
	Total revenue	4,974.16	564.80	46,483.91	5,855.45	4,329.83	4,678.46	862.29	84.19	67,833.09	13,138.78	54,694.31	
2	RESULTS												
	Segment Result (Profit before Interest & Tax)	2,920.53	272.61	1,171.79	266.68	2,304.25	140.30	233.28	-	7,309.44	-	7,309.44	
	Unallocated expenses (Net)	-	-	-	-	-	-	-	-	646.98	-	646.98	
	Operating Profit	2,920.53	272.61	1,171.79	266.68	2,304.25	140.30	233.28	(646.98)	6,662.46	-	6,662.46	
	Interest Expenses	-	-	-	-	-	-	-	-	294.91	-	294.91	
	Interest/Dividend Income	-	-	-	-	-	-	-	-	555.64	-	555.64	
	Provision for Taxation	-	-	-	-	-	-	-	-	2,122.85	-	2,122.85	
	Profit/(Loss) from Ordinary Activities	2,920.53	272.61	1,171.79	266.68	2,304.25	140.30	233.28	(2,509.10)	4,800.34	-	4,800.34	
	Extra Ordinary Items	-	-	-	-	-	-	-	-	-	-	-	
	Discontinuing Operation	-	-	-	-	-	4.71	-	-	-	4.71	-	4.71
Net Profit/(Loss)	2,920.53	272.61	1,171.79	266.68	2,304.25	145.01	233.28	233.28	(2,509.10)	4,800.34	-	4,805.05	
3	OTHER INFORMATION												
	Segment Assets *	29,240.48	991.50	-	10,004.87	1,012.82	887.08	2,616.00	-	44,752.75	-	44,752.75	
	Unallocated Assets	-	-	-	-	-	-	-	-	16,581.39	-	16,581.39	
	Total Assets	29,240.48	991.50	-	10,004.87	1,012.82	887.08	2,616.00	353.93	16,581.39	61,334.14	-	61,334.14
	Segment Liabilities*	7,754.37	131.49	-	670.78	229.60	408.61	-	-	-	-	-	9,548.78
	Unallocated Liabilities	-	-	-	-	-	-	-	-	10,067.87	-	-	10,067.87
	Total Liabilities	7,754.37	131.49	-	670.78	229.60	408.61	-	-	10,067.87	-	-	19,616.65
	Cost to acquire fixed assets	3,044.38	77.77	-	192.87	58.36	281.35	221.45	46.90	46.90	3,923.08	-	3,923.08
	Depreciation	712.81	54.20	-	421.30	67.43	317.4	195.67	43.74	43.74	1,526.89	-	1,526.89
	Non Cash expenses other than Depreciation	63.81	0.46	104.28	(1.11)	20.04	-	123.53	(25.02)	(25.02)	285.99	-	285.99

Note: Consequent upon implementation of Goods and Services Tax (GST) Act w.e.f. 1st July 2017, total income excludes GST

Segment Revenue includes Other Operating Income

* Assets & Liability of Gas Trading Business included in Gas Transmission Business

** other Segment includes GAIL Tel, E&P, & Power Generation.

Notes (to the extent information available at the time of consolidation)

1: Includes subsidiary GAIL Global Singapore Pte. Ltd.

2: Includes Subsidiaries GAIL Gas Ltd. and Tripura Natural Gas Company Ltd.

3: Includes Subsidiary GAIL Global (USA) Inc.

Annexure-C
(₹ in Crore)

INFORMATION ABOUT BUSINESS SEGMENTS FOR FINANCIAL YEAR 2016-17

Sl NO	SEGMENTS	TRANSMISSION SERVICES *		NATURAL GAS MARKETING* Note 1	PETRO-CHEMICALS	LPG & LIQUID HYDROCARBONS	CITY GAS Note 2	OTHER SEGMENT** Note 3	UN-ALLOCABLE	TOTAL	ELIMINATION	CONSO-LIDATED TOTAL
		NATURAL GAS	LPG									
1	REVENUE											
	External Sales/Other Income	4,666.38	86.38	34,639.68	5,647.18	3,139.04	318.17	809.02	5.81	49,311.66	-	49,311.66
	Intersegment sales	411.31	-	5,974.62	20.44	53.96	2,543.13	17.77	-	9,021.23	9,021.23	-
	Total revenue	5,077.69	86.38	40,614.30	5,667.62	3,193.00	2,861.30	826.79	5.81	58,332.89	9,021.23	49,311.66
2	RESULTS											
	Segment Result (Profit before Interest & Tax)	2,684.92	19.10	1,555.30	477.23	1,246.27	134.95	(39.17)	-	6,078.60	-	6,078.60
	Unallocated expenses (Net)	-	-	-	-	-	-	-	1,029.26	1,029.26	-	1,029.26
	Operating Profit	2,684.92	19.10	1,555.30	477.23	1,246.27	134.95	(39.17)	(1,029.26)	5,049.34	-	5,049.34
	Interest/Dividend Income	-	-	-	-	-	-	-	-	510.99	-	510.99
	Interest/Dividend Expense	-	-	-	-	-	-	-	-	644.93	-	644.93
	Provision for Taxation	-	-	-	-	-	-	-	-	1,809.36	-	1,809.36
Profit/(Loss) from Ordinary Activities	2,684.92	19.10	1,555.30	477.23	1,246.27	134.95	(39.17)	(2,704.68)	3,373.92	-	3,373.92	
Extra Ordinary Items	-	-	-	-	-	-	-	-	-	-	-	-
Profit/(Loss) from Discontinuing Operation	-	-	-	-	-	-	-	-	-	-	-	-
Net Profit/(Loss)	2,684.92	19.10	1,555.30	477.23	1,246.27	134.95	(39.17)	(2,704.68)	3,373.92	-	-	3,373.92
3	OTHER INFORMATION											
	Segment Assets *	28,480.41	374.77	-	10,363.07	962.42	635.38	2,774.90	-	43,590.95	-	43,590.95
	Unallocated Assets	-	-	-	-	-	-	-	14,680.12	14,680.12	-	14,680.12
	Total Assets	28,480.41	374.77	-	10,363.07	962.42	635.38	2,774.90	14,680.12	58,271.07	-	58,271.07
	Segment Liabilities*	5,002.76	14.04	-	688.97	195.39	192.30	181.00	-	6,274.46	-	6,274.46
	Unallocated Liabilities	-	-	-	-	-	-	-	12,658.72	12,658.72	-	12,658.72
	Total Liabilities	5,002.76	14.04	-	688.97	195.39	192.30	181.00	12,658.72	18,933.18	-	18,933.18
	Cost to acquire fixed assets	1,015.10	44.98	-	173.07	54.08	248.38	42.53	33.18	1,611.32	-	1,611.32
	Depreciation	723.45	51.44	0.05	414.80	46.36	20.97	239.43	44.57	1,541.07	-	1,541.07
	Non Cash expenses other than Depreciation	63.81	0.46	104.28	(1.11)	20.04	4.98	140.16	(25.02)	307.60	-	307.60

Sales Including Excise Duty

* Assets & Liability of Gas Trading Business included in Gas Transmission Business

** other Segment includes GAIL Tel, E&P, & Power Generation.

Notes (to the extent information available at the time of consolidation)

1. Includes subsidiary GAIL Global Singapore Pte. Ltd.

2. Includes Subsidiaries GAIL Gas Ltd. and Tripura Natural Gas Company Ltd.

3. Includes Subsidiary GAIL Global (USA) Inc.

RELATED PARTY DISCLOSURES

(Annexure -D)

I) Relationship

A) Joint Venture Companies/Associates/ Employees trust

Details of Subsidiary Companies

- 1) GAIL Global (Singapore) Pte. Ltd.*
- 2) GAIL Gas Ltd.*
- 3) GAIL Global (USA) Inc. *
- 4) Tripura Natural Gas Corporation Limited*
- 5) GAIL Global USA LNG LLC*

Details of Joint Venture Companies

- 6) Ratnagiri Gas & Power Pvt. Ltd.*
- 7) Konkan LNG Private Limited*
- 8) Central UP Gas Limited
- 9) Green Gas Limited
- 10) Maharashtra Natural Gas Limited
- 11) Aavantika Gas Ltd.
- 12) Bhagyanagar Gas Limited
- 13) Vadodara Gas Limited*
- 14) Talcher Fertilizers Limited*
- 15) Tapi Pipeline Company Ltd
- 16) GAIL China Gas Global Energy Holding Ltd.
- 17) Andhra Pradesh Gas Distribution Corporation Limited
- 18) Kerala GAIL GAS Limited
- 19) Rajasthan State Gas Limited
- 20) Haridwar Gas Private Limited
- 21) GOA Natural Gas Private Limited

Details of Associate Companies

- 22) China Gas Holdings Ltd.
- 23) Petronet LNG Limited
- 24) Mahanagar Gas Limited
- 25) Indraprastha Gas Limited
- 26) Brahmaputra Cracker and Polymer Limited*
- 27) Fayum Gas Company Limited
- 28) ONGC Petro Additions Ltd (OPAL)*

Details of Trusts

- 29) GAIL Employees Superannuation Benefit Fund
- 30) GAIL (India) Ltd. Employees Provident Fund Trust
- 31) GAIL (India) Ltd. Employees Death-cum- Superannuation Gratuity Scheme

* Transactions with these companies excluded as Government-related entity defined in IndAs 24

B) Key Management Personnel

i) Whole time Directors:

- 1) Shri B C Tripathi ,Chairman and Managing Director
- 2) Dr. Ashutosh Karnatak, Director (Projects)
- 3) Shri Subir Purkayastha, Director (Finance) and CFO
- 4) Shri P K Gupta, Director (HR)
- 5) Shri Gajendra Singh, Director (Marketing) w.ef. (05.04.2017)

ii) Independent Directors:

- 1) Shri S.K. Srivastava
- 2) Shri Anupam Kulshreshtha
- 3) Shri Sanjay Tandon
- 4) Shri Dinkar P Srivastava
- 5) Dr. Anup K Pujari
- 6) Shri Jayanto Narayan Choudhury
- 7) Dr. Rahul Mukherjee

iii) Executives on the Board of Group Companies:-

- 1) Shri Pankaj Patel
- 2) Shri Vinay Kumar Shukla
- 3) Shri A K Das
- 4) Shri Arivind Madhukar Tambekar
- 5) Shri N Gangopadhyay

- 6) Shri Jiledar
- 7) Shri Anil Kumar
- 8) Shri V Shivasankar
- 9) Shri Amarendra Kumar
- 10) Shri Harish Kumar Srivastava

iv) Company Secretary

- 1) Shri Anil Kumar Jha

C) Unincorporated Joint venture for Exploration & Production Activities:

- 1) NEC - OSN - 97/1 (Non-operator with participating interest: 50%, GAIL has relinquished from the Block)
- 2) A-1, Myanmar (Non-operator with participating interest: 8.5%)
- 3) A-3, Myanmar (Non-operator with participating interest: 8.5%)
- 4) SHWE Offshore Pipeline (Non-operator with participating interest: 8.5%)
- 5) CY-OS/2 (Non-operator with participating interest: 25%)
- 6) RM-CBM-2005/III (Non-operator with participating interest: 35%
GAIL has relinquished from the Block)
- 7) TR-CBM-2005/III (Non-operator with participating interest: 35%
GAIL has relinquished from the Block)
- 8) MR-CBM-2005/III (Non-operator with participating interest: 45%
GAIL has relinquished from the Block)
- 9) AD-7, Myanmar (Non-operator with participating interest: 10%
GAIL has relinquished from the Block)
- 10) BLOCK-56, Oman (Non-operator with participating interest: 25%
GAIL has relinquished from the Block)

II) The following transactions were carried out with the related parties in the ordinary course of business:

A) Details relating to parties referred to in item no. I (A) above:

(₹ in Crore)

	2017-18	2016-17
1) Sales		
Indraprastha Gas Limited	2,151.97	1,870.08
Mahanagar Gas Limited	912.74	964.86
Maharashtra Natural Gas Limited	317.64	254.99
Green Gas Limited	113.65	90.82
Central UP Gas Limited	96.32	94.53
Aavantika Gas Ltd.	67.62	59.62
Bhagyanagar Gas Limited	56.92	42.10
Rajasthan State Gas Limited	5.85	-
2) Amount receivable as at Balance Sheet Date for (1) above		
Indraprastha Gas Limited	39.00	82.57
Mahanagar Gas Limited	157.20	160.97
Maharashtra Natural Gas Limited	6.51	13.91
Green Gas Limited	5.19	4.72
Central UP Gas Limited	4.48	6.22
Aavantika Gas Ltd.	3.62	2.16
Bhagyanagar Gas Limited	2.48	1.86
Rajasthan State Gas Limited	0.71	-
3) Purchases		
Petronet LNG Limited	15,394.24	13,078.18
Others	3.62	2.19
4) Amount payable as at Balance Sheet Date for (3) above		
Petronet LNG Limited	702.32	675.16
Others	0.45	0.07
5) Reimbursement for other expenditure received/receivable	25.06	13.80
6) Amount receivable as at Balance Sheet Date for (5) above	-	0.61
7) Dividend Income		

	2017-18	2016-17
Mahanagar Gas Limited	61.00	81.86
Indraprastha Gas Limited	15.75	29.93
Petronet LNG Limited	46.88	23.44
China Gas Holdings Ltd.	34.38	25.17
Others	6.82	9.02
8) Other Income		
Bhagyanagar Gas Limited	6.38	8.40
China Gas Holdings Ltd.	0.33	0.34
Others	0.47	3.54
9) Amount receivable as at Balance Sheet Date for (8) above		
Bhagyanagar Gas Limited	-	8.40
Others	-	0.06
10) Provision Created against Debtors	2.42	2.64
11) Investment as at Balance Sheet date	520.82	377.38
12) Advances for allotment of Equity as at Balance Sheet date	9.18	26.87
13) Advances / loan given as at Balance Sheet date	520.58	702.72

Apart from transactions reported above, the company has transactions with other Government related entities, which includes but not limited to the following:

Name of Government: Government of India

Nature of Relationship: Control

(₹ in Crore)

Nature of Transactions:	2017-18	2016-17
1) Sale of Products and Services		
Ratnagiri Gas & Power Pvt. Ltd. (Joint Venture of Central PSU)	1,444.30	1,646.87
Brahmaputra Cracker and Polymer Limited (Associate of Central PSU)	122.03	64.51
2) Amount receivable as at Balance Sheet Date for (1) above		
Ratnagiri Gas & Power Pvt. Ltd.	184.27	234.87
Brahmaputra Cracker and Polymer Limited	27.27	0.65
3) Purchase of Products		
Ratnagiri Gas & Power Pvt. Ltd. (Joint Venture of Central PSU)	340.32	289.50
4) Amount payable as at Balance Sheet Date for (3) above		
Ratnagiri Gas & Power Pvt. Ltd.	-	22.09

Note:-

These transactions are conducted in the ordinary course of the Company's business on terms comparable to those with other entities that are not Government-related.

Intergroup related transactions and outstanding balances with the subsidiary companies are eliminated in the preparation of Consolidated Financial Statement of the group, hence the same has not been disclosed in group related party transaction.

B) Details relating to parties referred to in item no.- 1 (B) above

(₹ in Crore)

		Key Management Personnel(KMP)		Relatives of KMP	
		2017-18	2016-17	2017-18	2016-17
1)	Remuneration	11.92	5.58	1.17	0.89
2)	Interest bearing outstanding loans receivable	0.30	0.30	0.06	0.11
3)	Interest accrued on loans given	0.23	0.26	0.11	0.12
4)	Self lease	0.08	0.07	-	-
5)	Sitting Fees (Independent Directors)	0.60	0.47		

* This does not include the impact of provision made on actuarial valuation of retirement benefit/ long term Schemes and provision made during the period towards Post Retirement Benefits as the same are not separately ascertainable for individual directors.

* Remuneration includes Basic, Allowances, reimbursements, contribution to PF and perquisites. In addition, whole time directors are allowed use of staff car including for private journeys up to a ceiling of 1000 kms per month on payment in accordance with the Bureau of Enterprises Circular

C) Details relating to parties referred to in item no. 1 (C) above:

(₹ in Crore)

	2017-18	2016-17
1) Minimum work program commitment	-	-
2) Survey, Production, Royalty and other expenses	178.44	198.58
3) CWIP & Other assets	4.55	(1.87)
4) Amount outstanding on Balance Sheet date (net of advance)	33.97	23.58
5) Amount written Off- Dry well expenditure	0.95	-
6) Sales/Income from operation	598.64	581.16
7) Amount outstanding on Balance Sheet date (against sales)	50.85	48.82

Annexure-E
(₹ in Crore)

Additional Information as Required by Schedule III of Companies Act 2013

SL NO	Name of the Entity (% of Share)	Proportion of ownership interest as on 31st March, 2018	Net Asset* (i.e., Total Asset minus Total Liabilities)		Share of Profit or Loss**		Share in other Comprehensive Income (OCI)		Share in Total Comprehensive Income	
			As % of Consolidated Net Asset	Amount (Rs. Crore)	As% of Consolidated Profit or Loss	Amount (Rs. Crore)	As % of Consolidated OCI	Amount (Rs. Crore)	As % of Total Comprehensive Income	Amount (Rs. Crore)
1	GAIL (India) Ltd. (Equity holders of Parent)		96.76%	40,328	95.53%	4,590.14	100.19%	(321.39)	95.19%	4,268.75
2	Subsidiaries									
A)	Indian									
i)	GAIL GAS Limited	100.00%	2.95%	1,231	1.54%	74.23	0.00%	-	1.66%	74.23
ii)	Tripura Natural Gas Limited	48.98%	0.09%	37	0.12%	5.74	0.02%	(0.07)	0.13%	5.67
B)	Foreign									
i)	GAIL Global (Singapore) PTE Ltd	100.00%	0.24%	100	0.04%	2.10	0.00%	-	0.05%	2.10
ii)	GAIL Global (USA) Inc.	100.00%	0.52%	218	-0.69%	(32.98)	0.00%	-	-0.74%	(32.98)
3	Minority interests in All subsidiaries									
4	Associates (Investment as per the Equity Method)									
A)	Indian									
i)	Mahanagar Gas Ltd.	32.50%	Equity Method	Equity Method	2.99%	143.66	-0.10%	0.33	3.21%	143.99
ii)	Petronet LNG Ltd.	12.50%	Equity Method	Equity Method	5.29%	254.27	-0.02%	0.07	5.67%	254.34
iii)	Brahmaputra Cracker & Polymer Ltd.	70.74%	Equity Method	Equity Method	-1.18%	(56.87)	0.00%	-	-1.27%	(56.87)
iv)	Indraprastha Gas Limited	22.50%	Equity Method	Equity Method	3.30%	158.74	0.02%	(0.06)	3.54%	158.68
v)	ONGC Petro Additions Ltd.	49.21%	Equity Method	Equity Method	-11.80%	(566.96)	-0.06%	0.18	-12.64%	(566.78)
B)	Foreign									
i)	Fayum Gas	19.00%	Equity Method	Equity Method	0.03%	1.43	0.00%	-	0.03%	1.43
ii)	China Gas Holding Limited	3.02%	Equity Method	Equity Method	3.29%	158.23	0.00%	-	3.53%	158.23
5	Joint Ventures									
A)	Indian									
i)	Bhayanagar Gas Limited	49.97%	Equity Method	Equity Method	0.10%	4.57	-0.01%	0.02	0.10%	4.59
ii)	Central UP Gas Limited	25.00%	Equity Method	Equity Method	0.23%	11.01	0.02%	(0.07)	0.24%	10.94
iii)	Green Gas Limited	49.97%	Equity Method	Equity Method	0.44%	21.01	-0.08%	0.26	0.47%	21.27
iv)	Maharashtra Natural Gas Limited (MNGL)	22.50%	Equity Method	Equity Method	0.45%	21.57	-0.01%	0.02	0.48%	21.59
v)	Avantika Gas Limited	49.98%	Equity Method	Equity Method	0.25%	12.13	0.00%	-	0.27%	12.13
vi)	Talcher Fertilizers Limited	33.32%	Equity Method	Equity Method	0.00%	0.02	0.00%	-	0.00%	0.02
vii)	Vadodara Gas Limited	50.00%	Equity Method	Equity Method	0.05%	2.46	0.00%	-	0.05%	2.46
viii)	Ratnagiri Gas Power Pvt. Ltd	25.50%	Equity Method	Equity Method	0.00%	-	0.00%	-	0.00%	-
ix)	Konkan LNG Pvt. Ltd.	25.50%	Equity Method	Equity Method	0.00%	-	0.00%	-	0.00%	-
B)	Foreign									
i)	TAPI Pipeline Company Limited	5.00%	Equity Method	Equity Method	-0.11%	(5.43)	0.00%	-	-0.12%	(5.43)
ii)	GAIL China Gas Global Energy Holdings Ltd.#	50.00%	NA	NA	-	-	NA	NA	NA	NA

* Net Assets in Group Companies is considered on basis of total net assets of Subsidiaries, on gross basis without eliminating common transactions among group companies, if any.

** Share of Profit from Parent company is shown after adjustment of consolidation adjustment of elimination transactions pertaining to consolidation

No equity infusion / investment has been made so far and hence financial statements have not been made.

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF GAIL (INDIA) LIMITED FOR THE YEAR ENDED 31 MARCH, 2018

The preparation of consolidated financial statements of GAIL (India) Limited for the year ended 31 March, 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013(Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) read with section 129(4) of the Act are responsible for expressing opinion on the financial statements under section 143 read with section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 24.05.2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) read with section 129(4) of the Act of the consolidated financial statements of GAIL (India) Limited for the year ended 31 March 2018. We conducted a supplementary audit of the financial statements of companies mentioned in Annexure-A, but did not conduct supplementary audit of the financial statements of companies mentioned in Annexure-B for the year ended on that date. Further, Section 139(5) and 143(6)(b) of the Act are not applicable to the companies mentioned in Annexure-C being private entities/entities incorporated in Foreign countries under the respective laws, for appointment of their Statutory Auditors and for conduct of supplementary audit. Accordingly, C&AG has neither appointed the Statutory Auditor nor conducted the supplementary audit of the companies. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

Place : **New Delhi**
Dated : **30.07.2018**

For and on behalf of the
Comptroller & Auditor General of India

(Nandana Munshi)
Director General of Commercial Audit
& Ex-officio Member, Audit Board-II
New Delhi

Name of the Company / Subsidiaries/JVs/associate Companies of which supplementary audit is conducted
(Annexure - A)

S.No.	Name of the Company	Relation
1	GAIL (India) Limited - Holding company	Holding Company
2	GAIL Gas Limited	Subsidiary
3	Indraprastha Gas Limited	Associate
4	Green Gas Limited	Joint Venture
5	Central UP Gas Limited	Joint Venture
6	Brahmaputra Cracker & Polymer Ltd.	Associate
7	ONGC Petro-additions Limited (OPAL)*	Associate
8	Bhagyanagar Gas Limited (BGL)	Joint Venture
9	Aavantika Gas Limited	Joint Venture
10	Talcher Fertilizers Limited	Joint Venture
11	Tripura Natural Gas Co. Ltd*	Subsidiary

* Audit in Progress

(Annexure - B)
Name of the Subsidiaries/JVs/associate companies of which supplementary audit not conducted due to non-receipt of annual accounts till 30.07.2018 being the date of certification of Consolidated Financial Statements of GAIL (India) Limited

S.No.	Name of the Company	Relation
1	Maharashtra Natural Gas Limited	Joint Venture
2	Ratnagiri Gas & Power (Private) Ltd. (RGPPL)	Joint Venture
3	Konkan LNG Pvt.	Joint Venture

(Annexure - C)
Name of all Subsidiaries/Joint Ventures/associate to which sec 139(5) and 143 (6) (b) of the Companies Act, 2013 are not applicable being

S.No.	Name of the Company	Relation
1	Mahanagar Gas Limited	Associate
2	Petronet LNG Limited	Associate
3	Vadodara Gas Limited	Joint Venture

Entities incorporated in foreign countries

S.No.	Name of the Company	Relation
1	GAIL Global (Singapore) PTE Ltd.	Subsidiary
2	GAIL Global (USA) Inc	Subsidiary
3	Fayum Gas Company	Associate
4	National Gas Company (NATGAS)	Associate
5	China Gas Holding Limited	Associate
6	TAPI Pipeline Company Limited	Joint Venture

GLOSSARY

Gas Industry Specific Terminologies

CBM	Coal Bed Methane
CGD	City Gas Distribution
CNG	Compressed Natural Gas
DUPL	Dahej Urvan Panvel Pipeline
DGH	Director General Hydrocarbons
DVPL	Dahej-Vijaipur Pipeline
E&P	Exploration and Production
ESA	External Safety Audits
GREP	Gas Rehabilitation & Expansion Project
GPU	Gas Processing Unit
GTI	GAIL Training Institute
HDPE	High Density Polyethylene
HVJ	Hazira Vijaipur Jagdishpur
JLPL	Jamnagar-Loni Pipeline
LLDPE	Linear Low Density Polyethylene
LHC	Liquid Hydrocarbons
LNG	Liquefied Natural Gas
LPG	Liquefied Petroleum Gas
MDPE	Medium Density Polyethylene
MSCM	Million Standard Cubic Meter
MMBTU	Million Metric British Thermal Unit
MMSCMD	Million Metric Standard Cubic Meters Per Day
MMT	Million Metric Tonne
MMTPA	Million Metric Tonne Per Annum
MOP&NG	Ministry of Petroleum and Natural Gas
MOU	Memorandum of Understanding
MT	Metric Tonne
NELP	New Exploration & Licensing Policy
O&M	Operation and Maintenance
OLHC	Other Liquid Hydro-Carbon
PE	Poly-Ethylene
PNG	Piped Natural Gas
PNGRB	Petroleum & Natural Gas Regulatory Board
SBP Solvent	Special Boiling Point Solvent
TPA	Tonnes Per Annum
VSPL	Vizag-Secundarabad Pipeline

General abbreviations

BD	Business Development
BIS	Business Information System
CSR	Corporate Social Responsibility
ERP	Enterprise Resource Planning
HR	Human Resource
HSE	Health Safety and Environment
HRD	Human Resource Development
JVCs	Joint Venture Companies
MW	Mega-Watt
PSU	Public Sector Unit
QC	Quality Circle
SCADA	Supervisor Control and Data Acquisition
TQM	Total Quality Management

Financial Terms

BSE	Bombay Stock Exchange
CAGR	Compounded Annual Growth Rate
CAPEX	Capital Expenditure
EBIDTA	Earnings Before Interest Depreciation Tax and Amortization
ED	Excise Duty
EPS	Earning Per Share
GDP	Gross Domestic Product
NSE	National Stock Exchange
PAT	Profit After Tax
PBIDTA	Profit Before Interest Depreciation Tax and Amortization
PBIT	Profit Before Interest and Tax
PBT	Profit Before Tax
ROCE	Return on Capital Employed
ROIC	Return on Invested Capital
RONW	Return on Net-Worth



GAIL (INDIA) LIMITED

ATTENDANCE SLIP

GAIL (INDIA) LIMITED

Registered Office: 16, Bhikaiji Cama Place, R.K. Puram, New Delhi – 110066

CIN: L40200DL1984G01018976 Website: www.gailonline.com E-mail: shareholders@gail.co.in

Phone: 011-26182955, Fax: 011-26185941

Folio No. /DP & Client ID :
Name :
Address :

No. of Shares :
Father's Name :

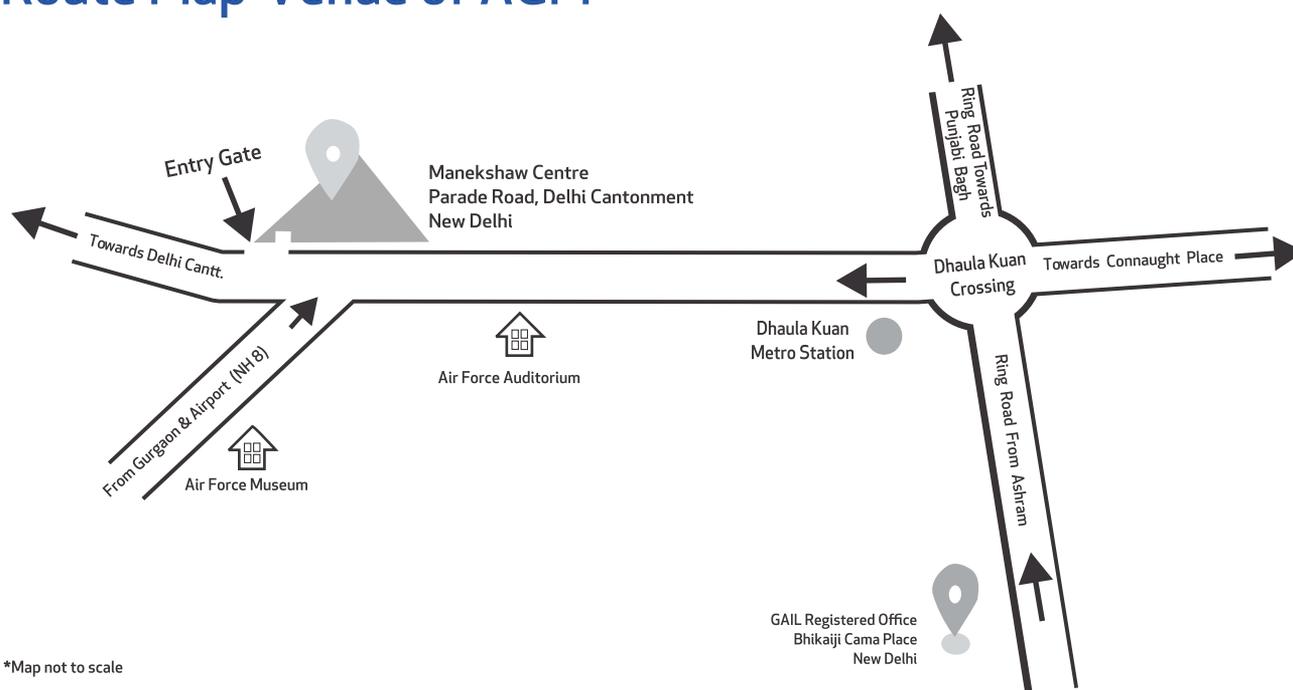
I hereby record my presence at the **Thirty- Fourth Annual General Meeting** of the members of GAIL (India) Limited on **Tuesday, the 11th day of September, 2018** at 10:30 a.m. at **Manekshaw Centre, Parade Road, Delhi Cantonment, New Delhi 110010**.

Signature of Shareholder/Proxy holder

NOTES:

1. The attendance slip should be signed as per the specimen signature registered with the R&TA/Depository Participant (DP). Such duly completed and signed Attendance Slip(s) should be handed over at the R&TA counter(s) at the venue against which R&TA will provide admission card. Entry to the hall will be strictly on the basis of admission card as provided by R&TA. Members in person and proxy holders may **please carry photo-ID card for identification/verification purposes**.
2. Member(s) present in person or through registered proxy shall only be entertained.
3. Briefcase, mobile phone, bag, eatables, helmets and other belongings **will not be allowed** to be taken inside the venue of the meeting for security purposes and member(s)/proxy holder(s) will be required to take care of their belonging(s).
4. **Nogifts** will be distributed at the Annual General Meeting

Route Map-Venue of AGM



PROXY FORM

GAIL (INDIA) LIMITED

Registered Office: 16, Bhikaiji Cama Place, R.K. Puram, New Delhi – 110066

CIN: L40200DL1984GO1018976 **Website:** www.gailonline.com **E-mail:** shareholders@gail.co.in

Phone: 011-26182955, **Fax:** 011-26185941

Name of the shareholder(s):

Folio No./DP ID & Client ID:

Registered address:

E-mail ID:

I/We, being the member (s) of shares of the GAIL (India) Limited, hereby appoint:

- 1) of having e-mail id or failing him
 2) of having e-mail id or failing him
 3) of having e-mail id

and whose signature(s) are appended below, as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **Thirty-Fourth Annual General Meeting** of the members of GAIL (India) Limited will be held on **Tuesday, the 11th day of September, 2018 at 10:30 a.m.** at Manekshaw Centre, Parade Road, Delhi Cantonment, New Delhi-110010 and at any adjournment thereof in respect of such resolutions as are indicated below:-

S. No.	Resolution	Vote	
		For	Against
ORDINARY BUSINESS			
1	Adoption of audited Financial Statements and audited consolidated financial statements of the Company for the year ended 31st March, 2018 and Report of the Board of Directors and Auditors		
2	Approval of Final Dividend for the financial year ended 31st March, 2018 and to confirm the payment of Interim Dividend already paid in January, 2018		
3	Appointment of Shri Subir Purkayastha, who retires by rotation, and being eligible, offers himself for re-appointment		
4	Appointment of Shri Ashish Chatterjee, who retires by rotation, and being eligible, offers himself for re-appointment		
5	Authorization to the Board of Directors to fix the remuneration of the Joint Statutory Auditors for FY 2018-19		
SPECIAL BUSINESS			
6	Approval for appointment of Dr. Rahul Mukherjee as Independent Director, not liable to retire by rotation		
7	Approval for appointment of Shri Jayanto Narayan Choudhury as Independent Director, not liable to retire by rotation		
8	Approval for appointment of Ms. Banto Devi Kataria as Independent Director, not liable to retire by rotation		
9	Approval for appointment of Shri Manoj Jain as Director (Business Development), liable to retire by rotation		
10	Approval for ratification of remuneration of the Cost Auditors for FY 2017-18 and authorization to the Board of Directors to fix the remuneration for FY 2018-19.		
11	Approval for Material Related Party Transactions with Petronet LNG Limited for FY 2018 -19		
12	Amendment in Object Clause of Memorandum of Association of the Company		
13	Approval for Private Placement of Securities		

Signed this..... day of..... 2018

Affix
Revenue
Stamp
Re.1/

Signature of Proxy holder(s)

First

Second

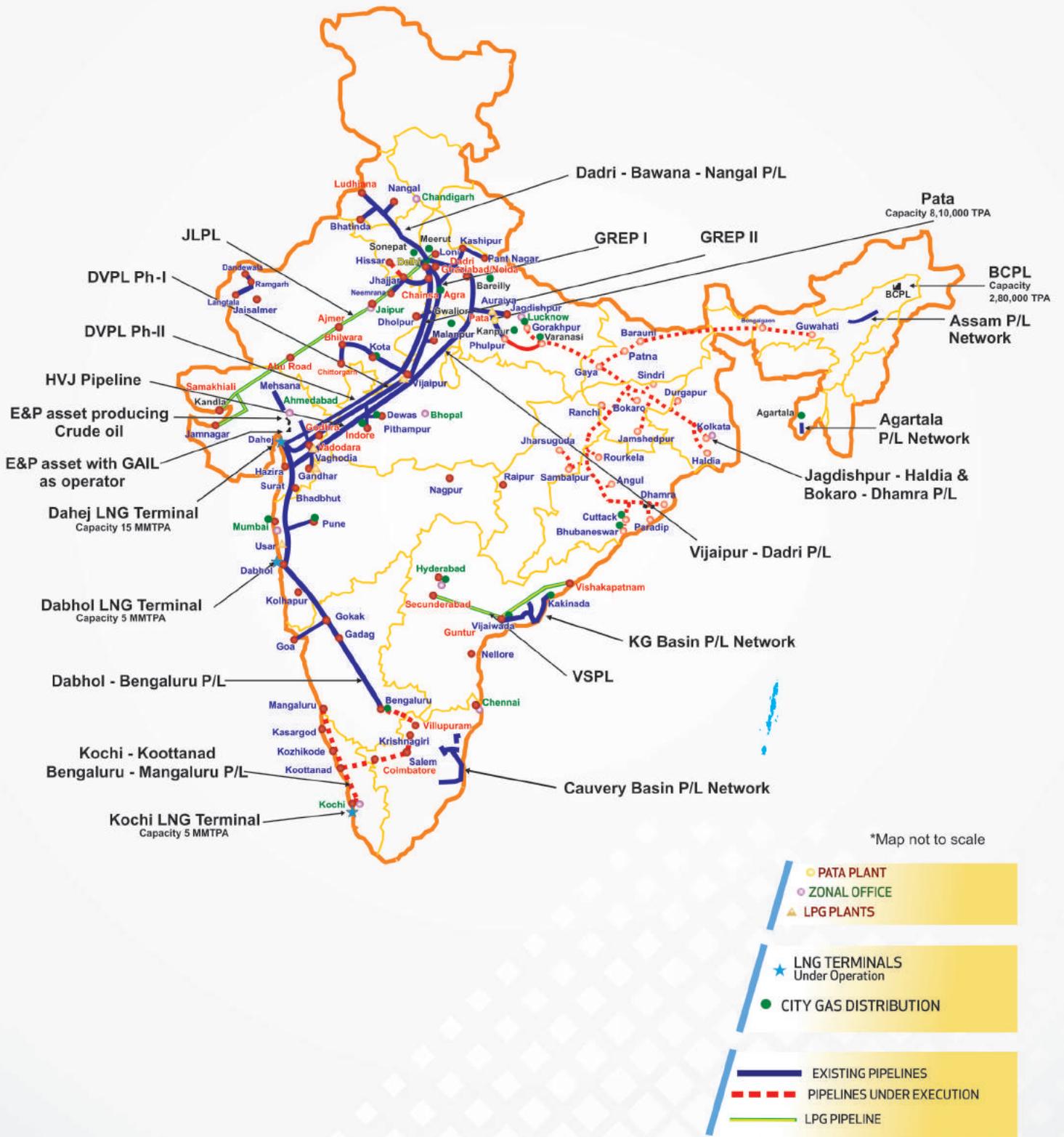
Third

Signature of Shareholder

NOTES:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
- The Proxy Form should be signed across the stamp as per specimen signature registered with the R&TA/Depository Participant (DP).
- Please put 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

GAIL's Pan India Presence



GAIL's Three-Fold Path to Success:

EXECUTION • EFFICIENCY • EXCELLENCE



Execution: Our continuous evolution has enabled us to efficiently execute the most difficult projects, respond quickly to market challenges and opportunities, and create social and natural capital.

Efficiency: By ensuring transparency and compliance across our operations, maintaining a laser focus on quality and following good management practices, we have been able to control our costs and optimize our assets to build a financially efficient and resilient organization that can withstand disruptive change.

Excellence: By focussing on life-cycle planning, control of operational costs, and innovative operating concepts and technologies, we have achieved operational excellence that has helped us to weather the downturns and capitalize on the upswings.

Over the years, we have experimented, taken the less trodden path, stood firm in the face of adversities, chartered new territories, and executed our business with efficiency, to achieve operational excellence and create a resilient organization committed to fulfilling the energy aspirations of the nation. Today, GAIL is India's No. 1 integrated Natural Gas company, with nearly 4,500 employees working across more than 170 locations in the country.



GAIL (India) Limited

Regd. Off.: 16, Bhikaiji Cama Place, R.K. Puram, New Delhi-110066

Website: www.gailonline.com

Corporate Identification No.: L40200DL1984G01018976