



Fostering Responsible Growth



GAIL (India) Limited



Foreword

Good companies have great purpose at their core. Great purposes are more transcendent than others. While profits are important and necessary for sustaining growth, it is the purpose beyond profits that differentiates and distinguishes companies that are good from companies that are great.

At GAIL, our success and progress over the last years has always centred on Fostering Responsible Growth. As India's youngest Maharatna PSU operating across the critical gas value chain that is vital for the country's economic progress, we have demonstrated our success. With success comes responsibility, and at GAIL, we believe that as a successful organisation, we have both a responsibility and an opportunity to share our success by making a difference.

Fostering Responsible Growth is the theme of our Annual Report this year, and reflects our continued focus on making a difference in three key areas: People-Planet-Profit. True sustainability can only emanate by pursuing not just economic growth, but inclusive growth that binds and bonds environment, ecology, society and community.

Today, GAIL is at the forefront in fostering innovation, productivity and progress with a greater emphasis on employee safety, environment protection and social emancipation. As we continue with our ambitious growth plans by expanding our footprint to Singapore and the USA, we remain committed to our employees and partners, our shareholders and investors, our customers and consumers. We remain committed to our environment and ecology. We remain committed to our society and community. We remain committed to our nation.

We remain committed to growth.

We remain committed to Fostering Responsible Growth.

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Message from **CMD**

“Maintaining strong relationships with customers, Vendors, Partners, communities and regulators is intrinsic to our progressive ethos along with a proactive engagement with other Stakeholders, Central and State Governments as we pursue the path of expanding vital energy infrastructure and business surrounding Natural Gas value chain to aid India’s advancement”

Dear Shareholders,

GAIL is committed to the pursuit of creating enduring value for its stakeholders. GAIL maintains leadership position by serving the country's need for cleaner energy through its largest network of transmission services and also by marketing Natural Gas to various utilities. We endeavour to succeed through our project management, financial prudence, world-class assets and operational practices backed by a young motivated workforce. During the year GAIL undertook multiple initiatives for accelerating programmes under 'Make in India', 'Swachh Bharat', 'Skill and Digital India' for shaping a strong India in addition to strengthening core businesses. The financial year 2014-15 begun with renewed hope and brisk economic activity picking-up pace. Tender shoots of growth were evident in the economic indicators of the first quarter. The encouraging momentum remained through the fiscal's second quarter for GAIL as well with robust year-on-year growth reflected in its financial performance. Turbulence gripped global macro-environment along with a free fall in crude oil / commodity prices impacting growth prospects and put cash flow positions under tremendous stress for corporates. GAIL continues to judiciously invest in expanding its core area of operations even though the energy outlook remains volatile.

GLOBAL ENVIRONMENT

Global growth remained muted during the last year vis-à-vis the previous fiscal and the outlook for the current year is scaled back by 50

basis points to 3.5 % GDP growth rate as per IMF's revised projection. Growth for some of the emerging economies led by China continues to be on a downward draft. Major economies of North America witnessed growth contraction attributed to significant downsizing of capital expenditure by the oil industry in the USA. Measures of a devalued Yuan could fuel a near term volatility in commodity prices. Major Euro zone economies and U.K are broadly on a tepid growth track and the likes of Greece, Spain etc. of the region continue with their economic hardship. Liquidity positions have continued to remain edgy with a growing uncertainty over the timing of interest rate hike by the U.S. Federal Reserve, adding to the volatility and bear trend in the global commodity trade cycle. Measures initiated by the Indian Government for the domestic market can help revive growth and the country remains poised for better growth prospects over other emerging market economies.

Rapid slide in crude oil spot prices from October'14 onwards with a drag in demand growth, inventory write-offs, crude inventory surpluses accompanied by OPEC's resistance to cut-back production has all led to global economic scenario being jittery and volatile. Lifting of economic sanctions on Iran may possibly trigger a further round of pull down of crude oil/commodity prices in the short to medium term. Improvements in consumption growth and cranking up of the investment cycle can only expected to be but gradual if volatility persists.

RESULTS

Your Company worked towards managing momentum in the core business areas in spite of a volatile macro environment and explored newer opportunities for aiding future growth. Despite operating in a harsh environment led by a steep fall in underlying crude oil prices by nearly 50% from \$109/bbl. and with a year on year decline in domestic gas availability by 10% plus, your company managed a ROCE of 11% which is comparable to many of its global peers during the period. Challenging though it may be, your company holds shareholders' interest paramount and has committed 60% dividend for FY 2014-15. The turnover for the year (net of excise duty) was ₹56,569 crore compared to ₹57,245 crore in the previous fiscal period. Profit Before Tax (PBT) for the year was ₹4,284 crore against ₹6,402 crore, whereas Profit After Tax (PAT) clocked ₹3,039 crore vis-à-vis ₹4,375 crore of the previous fiscal year. Under the prevailing circumstances triggered by low availability of domestic gas and subdued crude oil price regime, your Company launched project 'Sanchay' to embark on various modules for maximizing profit. Cost optimization in the feed gas mix for petrochemicals manufacturing is being worked upon with a simultaneous focus on enhancing value addition from the product slate apart from taking up other improvement measures in the medium term.

BUSINESS EXPANSION

Your Company has commenced execution of the 2050 kilometre Jagdishpur-Haldia Pipeline project. During the first phase of its execution, the fertilizer units under revival at Gorakhpur and Barauni in Eastern India would be connected. Additionally, pipeline connectivity to other industrial units and upcoming city gas projects at Varanasi, Allahabad, Patna etc., would be hooked up enroute to maximize usage of Natural Gas. Further, Gol has entrusted GAIL to model the 500 kilometre Ranchi-Talcher gas pipeline project under Public-Private Partnership mode as a pilot case before spreading such Natural Gas based infrastructure development projects in other parts of the Country. During the year, your company commissioned the 400,000 tonne per annum petrochemical expansion project at Pata under PC-II phase. Full-fledged production of petrochemicals products from the subsidiary company in Assam and also from PC-II, Pata is expected within a quarter.

Your Company has started marketing long-term LNG internationally. This is the first for any Indian company to market LNG overseas. Further, your Company is nominated by Gol as the gas pool operator to manage procurement and supply of R-LNG for stranded power plants in the country. Based on the successful commencement of the same, GAIL has been assigned responsibility to play a similar role for the fertilizer sector also.

In step with the Central Government's mission to accelerate usage of gas in the piped natural gas segment for households, the subsidiary and Joint venture enterprises under your company were coordinated to provide around 2.5 lac PNG connections during the year creating an unprecedented record. In tune with the Government's thrust to expand natural gas infrastructure to provide access of clean energy to the masses, your company's subsidiary is authorised by the regulator to set-up city gas projects at Bengaluru and Haridwar. Better utilization of trunk pipeline infrastructure of GAIL in these regions can be expected over time with these initiatives fructifying.

Your company is working to commence phase-II Pipeline project activity in the Kerala State post this monsoon to connect Mangalore with the Kochi end. Pre-project activities are progressing.

During the year, GAIL's U.S.A. based subsidiary tied-up 2.3 MMTPA equivalents Henry Hub linked natural gas with M/s WGL Midstream Inc., in North America for a 20 year period to feed the liquefaction capacity booked at Maryland, U.S.A. It is also shared that all condition precedents have been met upon in respect of both the Sabine Pass and Dominion Cove Point LNG projects providing requisite firmness to 5.8 MMTPA supplies being on stream from early 2018.

Under the 'Make in India' initiative of Gol, GAIL with the guidance provided by nodal Ministry is finalizing the modalities for inviting participation of reputed international shipyards to collaborate with their Indian counterparts to build LNG vessels for charter hire by GAIL.

CROSS-BORDER PIPELINE & LNG PROJECT

During the year, TAPI Pipeline Company Limited was incorporated by the member companies involved from respective countries under the transnational pipeline project for constructing Natural Gas pipeline connecting Turkmenistan to India via Afghanistan and Pakistan and your Company is a consortium member representing India. Dialogue has also been initiated with Iranian counterparts to revive the LNG supply long-term SPA.

SUSTAINABLE LIVING & SOCIAL WELLBEING

You would be glad to know that your Company has been progressively working to reduce carbon footprints under its manufacturing and processing facilities in relation to the baseline targets volunteered under 'Sustainability Aspirations 2020' project. During the year, GAIL reduced GHG emission and fresh water consumption intensity by 41.5% and over 40% respectively vis-à-vis the base year and also registered a reduction on a year-on-year basis of around 8% for discharging treated waste water.

On a clarion call by the Hon'ble Prime Minister, GAIL pursued several "Swachh Bharat" mission projects including adoption of the popular monuments - 'Purana Quila' and 'Safdarjung's Tomb' at New Delhi and is managing upkeep of the Bhikaiji Cama Place surroundings where your Company operates its registered office. Under this mission, GAIL has also helped 2722 Schools by constructing 3871 functional toilet facilities (9% higher than target) across fourteen districts of three states, thereby touching the lives of over one lac school going children by equipping them with better sanitation infrastructure backed by sustainable provision for water supply.

'Utkarsh' a flagship CSR programme of your company has uplifted many families over the years and is growing in its popularity for not just leapfrogging the careers of the economically deprived meritorious students but has also been successful in changing the destiny of their families towards a better future. This year 80% of the enrolled students under 'Utkarsh' have made it to the prestigious IITs/NITs and other institutions of technology.

RECOGNITION

Your Company has maintained its streak of being rated as an 'Excellent' performer under the MoU 2013-14 with the Government.

Your Company is acknowledged amongst India's leaders during 2014 under Climate Disclosure Leadership programme Index and has the distinction of being featured amongst the Top 22 Leaders in the Utilities category. GAIL is also featured in "India's 100 Best Companies to Work" by Great Place to Work Institute in its 2014 study and this honour for your Company has been bestowed for third year in succession.

Being sixth year in a row, your Company received "NIL" comments from the Comptroller & Auditor General of India for FY 2014-15. Your Company's adherence to the best accounting practices is reassured.

Maintaining strong relationships with Customers, Vendors, Partners, Communities and Regulators is intrinsic to your Company's progressive ethos along with a proactive engagement with other Stakeholders, Central and State Governments as your company pursues the path of expanding vital energy infrastructure and business surrounding Natural Gas value chain to aid India's advancement.

Thank you, shareholders for your conviction to invest in GAIL.


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.

Straddling the Gas Value Chain

Natural Gas



- Over 11,000 kms of network
- Expanding to 15,000 kms
- Sophisticated Gas management System
- Pursuing for expansion of markets
- Participation in RGPPL (5 MMTPA LNG Regasification Facility)

Petrochemicals



- Domestic market share – 14%
- Petrochemical Plant in Pata (UP) with capacity of 0.81 MMTPA
- Participation in BCPL & OPaL



Liquid Hydrocarbons



- 7 Gas Processing units producing LPG, Propane, Pentane & Naphtha etc.
- LPG Transport Capacity 3.8 MMTPA (2038 Kms.)



Exploration & Production



- A part of vertical integration
- Participation in 15 blocks (Operator – 3 blocks)
- Presence in Myanmar & US

Power & Renewables



- Commissioned 118 MW Wind Power Plant and 5 MW Solar Power Plant
- Participation in RGPPL (Capacity 1967 MW)

City Gas Distribution

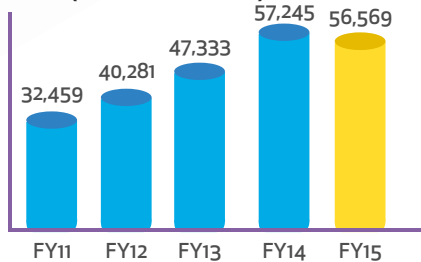


- Serving over 10 lakh vehicles & 10 lakh households through Subsidiary & Joint Ventures
- GAIL Gas Limited, 100% subsidiary, has setup CGD Network in Dewas, Sonapat, Kota, Meerut & Taj Trapezium zone

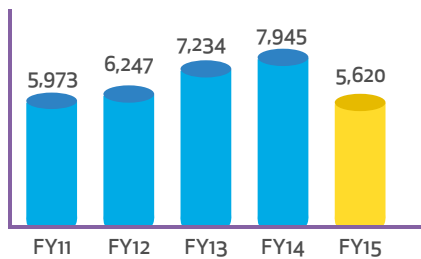
Highlights of the Year

Financial Performance (Standalone)

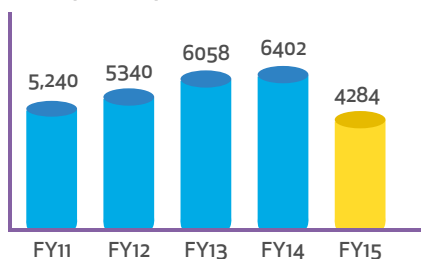
Sales (net of ED, in ₹ Cr.)



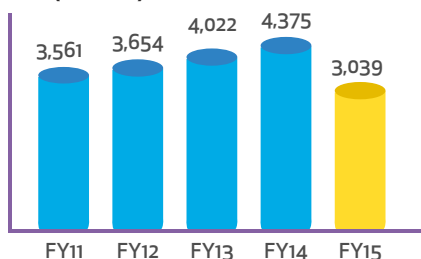
Gross Margin* (PBDIT, in ₹ Cr.)



PBT* (in ₹ Cr.)



PAT (in ₹ Cr.)



Financial Highlights

SALES

₹56569 Crore

PBDIT

₹5620 Crore

PBT

₹4284 Crore

PAT

₹3039 Crore

DIVIDEND

₹761.05 Crore

NET WORTH

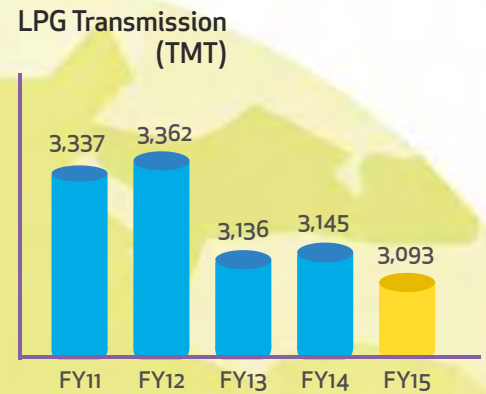
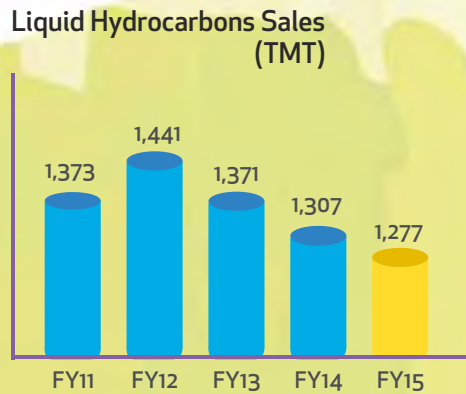
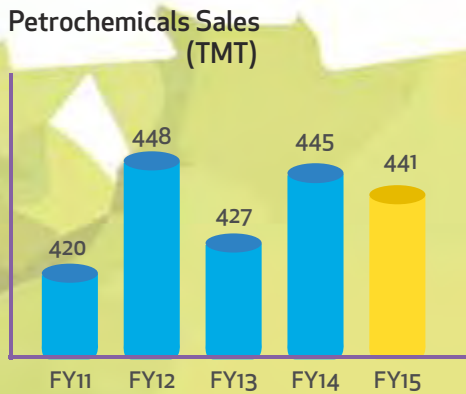
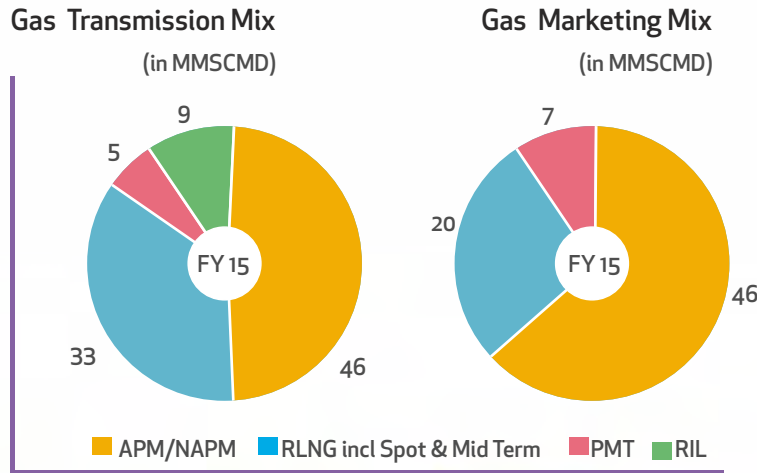
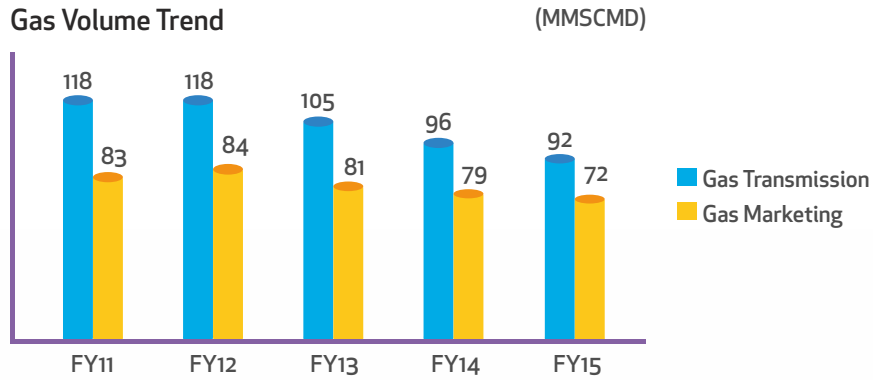
₹28888 Crore

DIVIDEND per share

₹6.00

* Incl. exceptional items

Operational Performance Highlights



Tree of GAIL



Joint Ventures

Aavantika Gas Limited

Bhagyanagar Gas Limited

ONGC Petro-additions Limited

Maharashtra Natural Gas Limited

Mahanagar Gas Limited

Tripura Natural Gas Company Ltd

Central U.P. Gas Ltd.

Petronet LNG Limited

Ratnagiri Gas and Power Pvt. Limited

Indraprastha Gas Limited

Green Gas Limited

GAIL China Gas Global Energy Holdings Ltd.

TAPI Pipeline Company Limited



Subsidiaries

GAIL Gas Limited

Brahmaputra Crackers and
Polymers Ltd.

GAIL (Global) Singapore
Pte Ltd.

GAIL (Global) USA Inc.

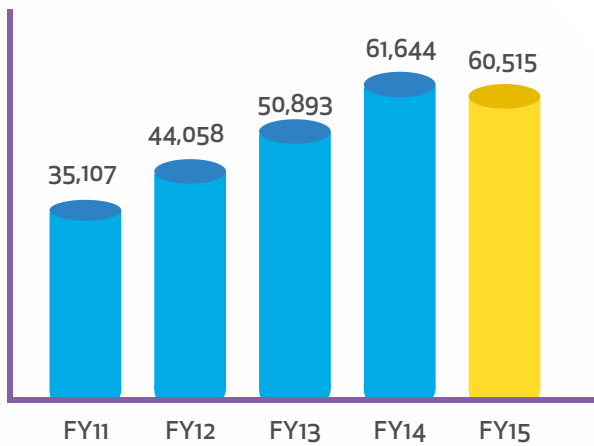
GAIL Global (USA) LNG LLC



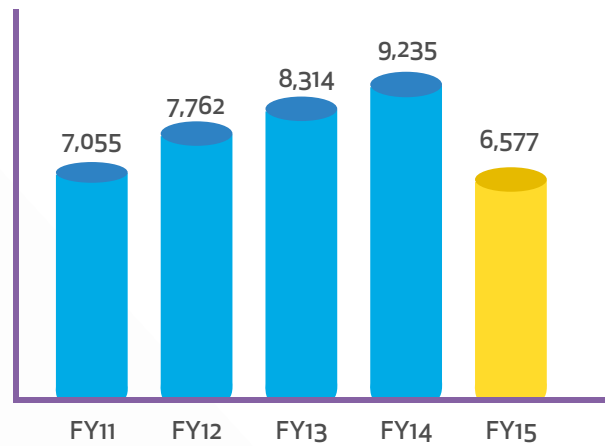
Financial Performance on Consolidated basis

(₹ in Crore)

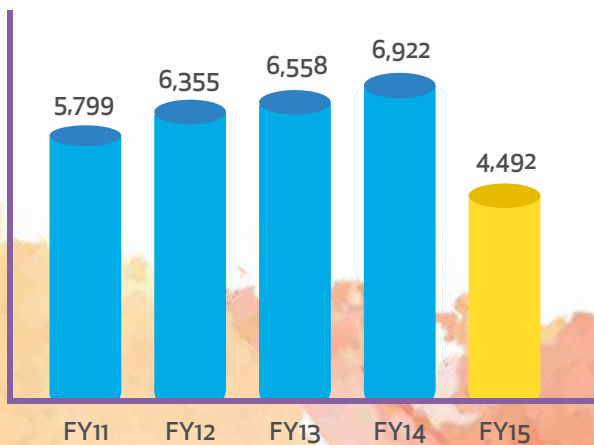
Sales(net of ED)



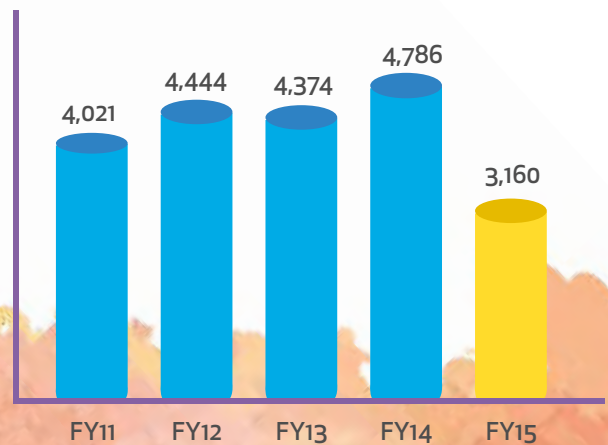
Gross Margin (PBDIT)



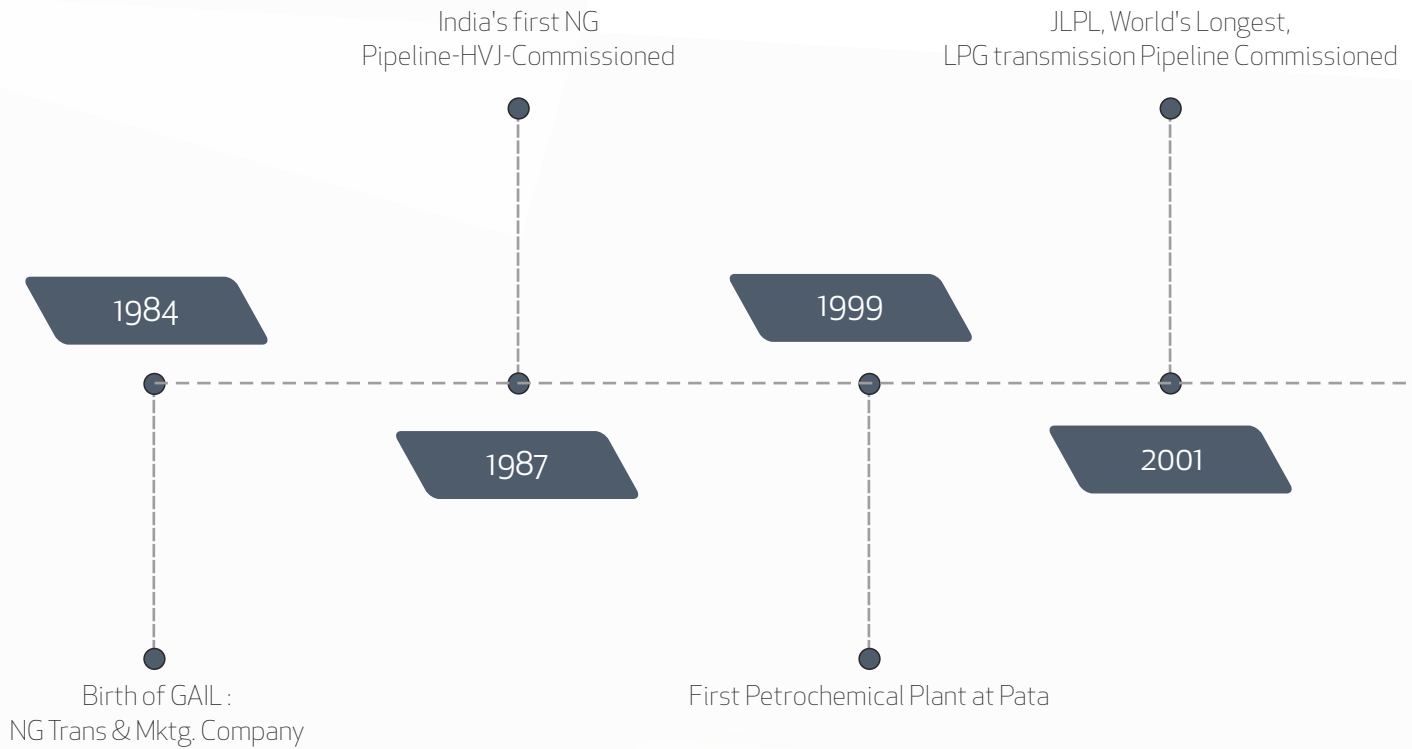
Profit before Tax



Profit after Tax



3 Decades of



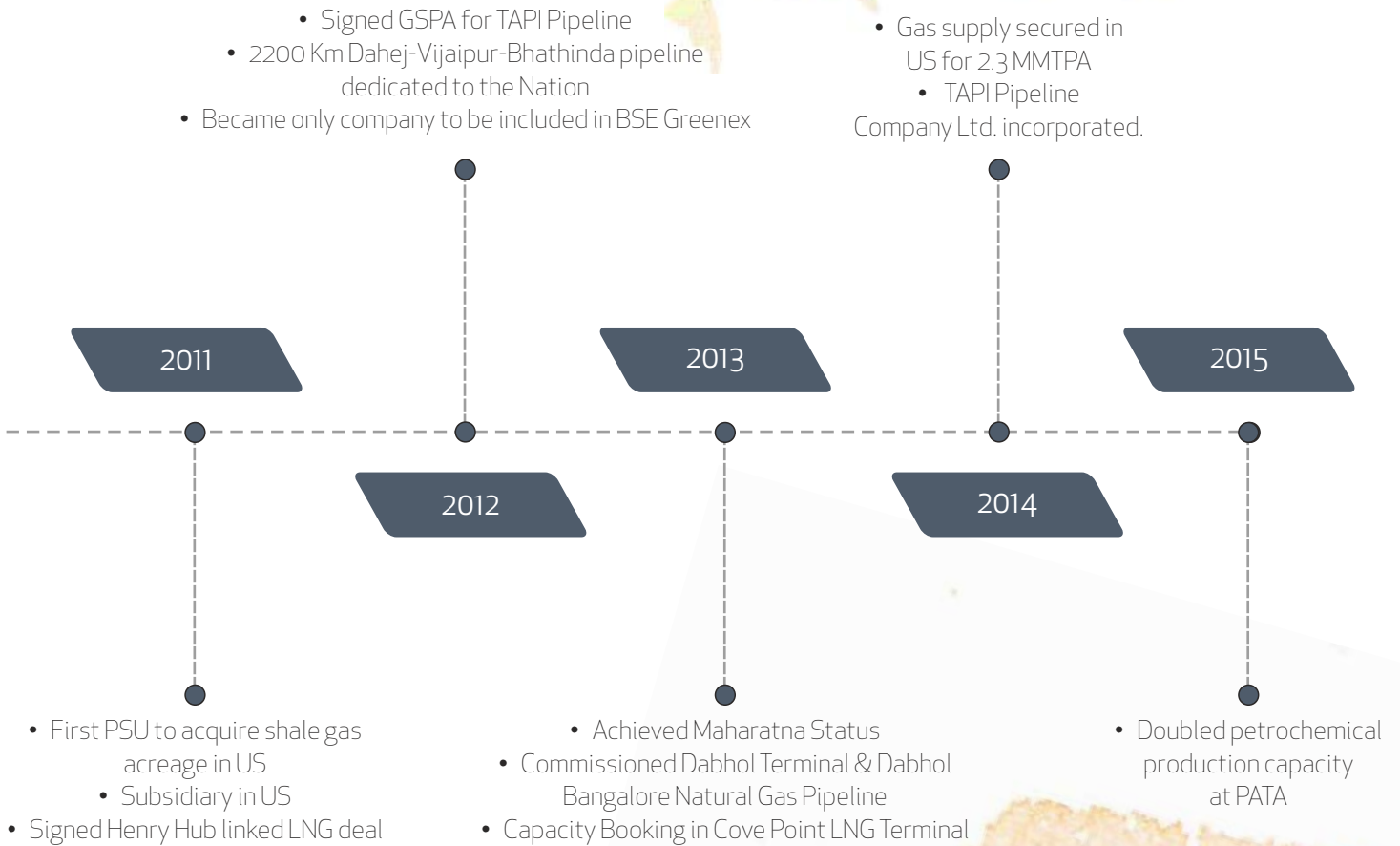
Operates
3/4th
of the total NG
transmission
in India

Contribute to
more than
1/2 of the
natural gas
sold in India

Produces
1/5th
of the
polyethylene
produced in India

Responsible
for **1/4th**
of India's
total LPG
transmission

Consistent Performance



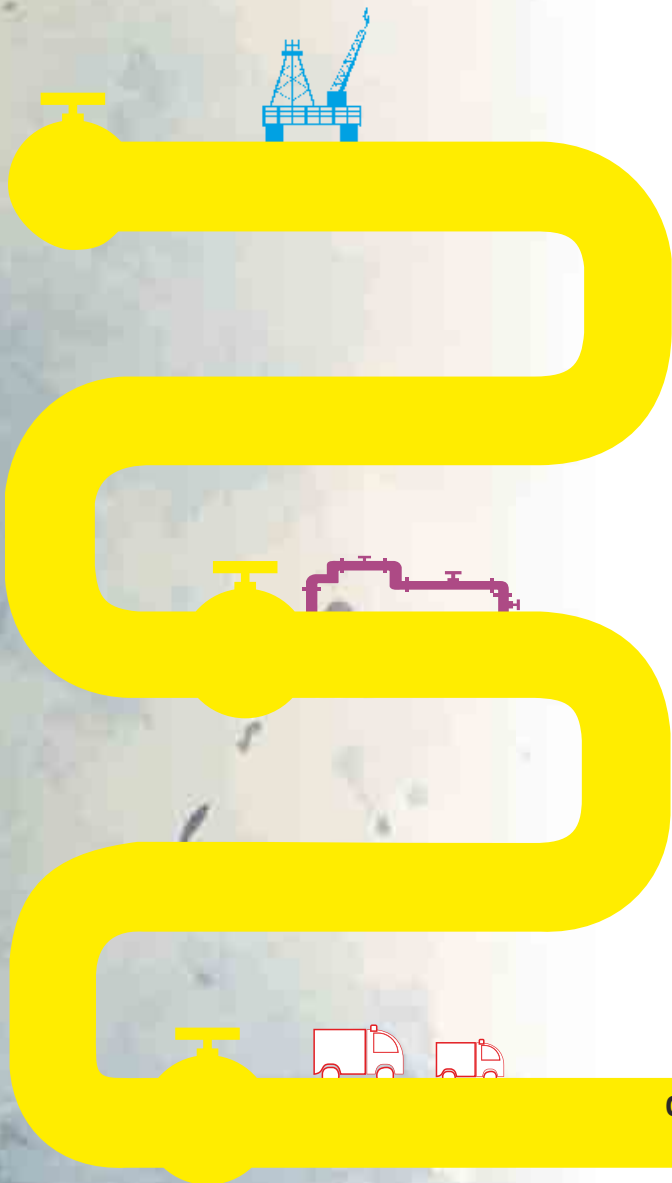
Produces every
12th
LPG Cylinder
in India

Supplies gas for about
1/2 of
India's fertilizer
produced

Supplies gas for about
1/2
of India's gas
based power

As India's
youngest
Maharatna,
we have created
a strong
Foundation for
Long-term
growth.

The Way Forward & Action



Upstream

Forward

- Thrust on global sourcing & acquisitions
- LNG from traditional sources & equity linked LNG; Renewal of expiring sourcing contracts
- Sourcing through transnational pipelines
- Domestic tie-ups with operators of NELP-blocks

Action

- Long-term Import Portfolio: ~24 MTPA
- (13.2- LNG/Sea Route, 10- Cross Border pipeline/Land route)
- 75 no. of spot/mid-term cargos imported during 2011-15
- 20% equity stake in Eagle Ford Shale from Carrizo Oil & Gas

Midstream

Forward

- Maintain leadership position in midstream sector
- Continue pipeline expansion
- Set up LNG regasification terminals & book re-gas capacities
- Unlock demand across customer segments
- Focus on Last Mile Connectivity

Action

- More than 2800 Km P/L added from FY11 (DVPL-II, BNPL, DBPL)
- Dabhol LNG terminal commissioned as Owner's Engineer
- Additional re-gas capacity tie-up in Dahej & Dabhol
- International Trading desk set up at Singapore

Downstream

Forward

- Become diversified hydrocarbon major
- Continue expansion of petrochem capacities
- Petrochemical product optimization
- JVs/subsidiaries for CGD expansion to 40-60 cities
- Reduce carbon footprint – Create renewable portfolio

Action

- 0.81 MTPA Petrochem from Pata & 0.28 MTPA from BCPL by 2015
- 118 MW wind and 5 MW solar power plant set up
- Upcoming projects: East Coast FSRU, PBR, Shipping, etc.
- Participation in PNGRB's bidding rounds for CGD Network

GAIL aspires to emerge as integrated Hydrocarbon Major with significant upstream & downstream presence

Caring for People and Planet

CSR initiatives

GAIL remains committed to the principles of Corporate Social Responsibility (CSR) which it strongly believes play a defining role in the development of the country. Your Company's vision of "value creation" for all stakeholders remains the guiding force behind the social interventions. A top-to-bottom, robust governance structure with a dedicated team of CSR professionals, helps in evaluating and selecting meaningful social programmes which are in alignment with the areas of intervention specified under the Companies Act 2013.

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 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.

Details of initiatives under each of these broad areas are provided in the Management Discussion & Analysis.

A flagship programme of your Company Utkarsh, aimed at meritorious children from marginalized communities; provides all-expense paid, specialised residential coaching/intensive mentoring so that they can compete for engineering entrance examinations such as IIT/JEE, AIEEE and UPTU. For the year 2014-15, 100 students were identified for this programme through a meticulous selection process. Of these, 92 have qualified IIT Mains and 50 have also passed the advanced stage.

GAIL is operating 18 Mobile Medical Units under *Arogya* (Healthcare initiatives) across the states of Madhya Pradesh, Uttar Pradesh, Gujarat, Haryana, Uttarakhand, Andhra Pradesh and Punjab, covering 374 villages and a population of almost 3,20,000.

Under *Kaushal* (Skill Development and Livelihood Enhancement initiatives), GAIL is operating 3 Skill Schools in Guna (MP), Dediapada (Narmada, Gujarat), Tandur (Rangareddy, Telangana) for imparting job linked skills training in service sector trades such as retail/sales, hospitality management, basic engineering etc., to rural and semi urban youth in the remote/backward districts. More than 3380 students were trained in the last FY 2014-15 in these skill schools. In addition to these 3 skill schools, a GAIL Institute of Skills has been established Nagaram, East

Godavari, Andhra Pradesh, where 49 students were imparted Skill Development Training in Web Designing, Auto CAD and Industrial Electrician courses. Training was given to 60 beneficiaries from the underprivileged community in Plastic industry related trades through Central Institute of Plastics Engineering and Technology (CIPET), Ahmedabad. 500 people were given Agri based training through the Farmers advisory centre in Tamil Nadu and Pondicherry.

Under GAIL *Unnati* (Rural Development), the hugely successful Integrated Watershed Development and Management Programme, Project Jaldhar has resulted in functioning of over 48 Self Help Groups which have in turn facilitated Income generation and promote saving among tribal women of Jhabua, creation of 15 Watershed Structures and plantation of over 3500 trees/saplings. All these activities have been undertaken after comprehensive assessment and creation of database for Jhabua watershed, soil quality, water quality and topography of the project area as also regular interactions and meetings with the community.

Under GAIL *Saksham* (Care of the elderly and the disabled) Skill based training was provided to 1500 Persons with Disabilities in various trades in nearly 48 districts of 18 states of India in partnership with National Handicapped Finance and Development Corporation, under Project Swadheen.

Awards and Accolades



Ranked among the top 100 global companies and 2nd in Gas Utilities industry in Asia/ Pacific Rim region in "Platts 250" Global Energy Company Rankings for 2014.



Ranked 11th amongst India's Best Companies for CSR 2014 by ET together with Futurescape and IIM Udaipur among top 115 Indian companies.



GAIL adjudged 'Best Performing Company' (Maharatna category) at the India Today PSU Awards 2014.



GAIL India Limited has been ranked No. 2 as "Fastest Growing Company" in Business World - under "The Super Heavyweights" category.



Corporate Governance & Sustainability Vision Awards 2015 by Indian Chamber of Commerce.



GAIL declared the top Indian company in the 'Gas-Processing, Distribution and Marketing' Sector in Dun & Bradstreet Corporate Awards 2014.



ACCGH 2014 Award for Recognizing Outstanding Contribution in the Energy Sector.



Board Structure



Functional Directors

- Shri B.C. Tripathi**
Chairman & Managing Director
DIN No. 01657366
- Shri Prabhat Singh**
Director (Marketing)
DIN No. 03006541
- Shri M Ravindran**
Director (HR)
DIN No. 02309551

- Dr. Ashutosh Karnatak**
Director (Projects)
DIN No. 03267102
- Shri Subir Purkayastha**
Director (Finance)
DIN No. 06850526

Government Nominee Directors

- Shri Ashutosh Jindal**
Government Nominee
DIN No. 05286122
- Smt Anuradha S.Chagti**
Government Nominee
DIN No. 07191011

Committees of the Board

- Audit Committee**
 - Director (HR) - Chairperson
 - Director (Marketing)
 - Director (Projects)
- Business Development & Marketing Committee**
 - Director (Marketing)-Chairperson
 - Director (Finance)
 - Director (HR)
 - JS, MoP&NG
- Corporate Social Responsibility Committee**
 - CMD- Chairperson
 - Director (HR)
 - JS, MoP&NG
- Empowered Contracts & Procurement Committee**
 - CMD- Chairperson
 - All the Functional Directors
- Empowered Committee (Natural Gas, LNG & Polymers) for import of Natural Gas/LNG/Polymers**
 - CMD – Chairperson
 - Director (Marketing)
 - Director (Finance)
 - Director(HR)
 - JS, MoP&NG
- Finance Committee**
 - Director (Marketing) – Chairperson
 - Director (Finance)
 - Director (Projects)
- H.R. Committee**
 - CMD- Chairperson
 - All the Functional Directors
- Project Appraisal Committee**
 - CMD- Chairperson
 - Director (Finance)
 - Concerned Functional Director
 - JS, MoP&NG
- Nomination and Remuneration Committee**
 - JS, MoP&NG - Chairperson
 - Director (Marketing)
 - Director (Projects)
- Stakeholders Relationship Committee**
 - JS, MoP&NG - Chairperson
 - Director (HR)
 - Director (Projects)
- Stakeholders' Grievance Redressal Committee**
 - Director (Finance)-Chairperson
 - Director(Marketing)
 - Concerned Functional Director not involved w.r.t. subject disputes
- Sustainable Development Committee**
 - Director (Projects) - Chairperson
 - Director (HR)
 - Director (Finance)
 - Director (Marketing)



Board of Directors



B. C. Tripathi
Chairman & Managing Director



Prabhat Singh
Director (Marketing)



M. Ravindran
Director (Human Resources)



Dr. Ashutosh Karnatak
Director (Projects)



Subir Purkayastha
Director (Finance)
(w.e.f 01.05.2015)



Ashutosh Jindal
Director
(w.e.f 24.02.2015)



Anuradha Sharma Chagti
Director
(w.e.f 21.05.2015)



Sh. S Venkatraman
Director (B D)
(upto 30.09.2014)



Sh. P.K. Jain
Director (Finance)
(upto 30.04.2015)



Sh. Rajive Kumar
Director
(upto 01.12.2014)



Smt. Shyamala Gopinath
Director
(upto 28.02.2015)



Dr. A. K. Khandelwal
Director
(upto 28.02.2015)

Directors' Report



DIRECTORS' REPORT

DEAR SHAREOWNERS,

On behalf of the Board of Directors of your Company, it is my pleasure to present the 31st Annual Report of your Maharatna Company, along with Audited Financial Statements for the financial year 2014-15.

PARTNER GROWTH WITH INDIA'S NATURAL GAS LEADER

With a turnover of ₹56,569 Crores, GAIL (India) Limited, is India's largest natural gas Company and ranked among the top gas utilities in Asia. Your Company has a presence across the entire gas value chain with activities ranging from Gas Transmission and Marketing to Processing (for fractionating LPG, Propane, SBP Solvent and Pentane), transmission of LPG, and production and marketing of Petrochemicals like HDPE and LLDPE. Your Company has extended its presence in Power, LNG re-gasification, City Gas

Distribution and Exploration & Production through equity and joint venture participations and also diversified into solar and wind power generation.

Gas transmission is one of the core competencies of GAIL and it draws strength from about 11,000 km of natural gas pipeline network and 2,038 km of LPG pipeline transmission network.

With a lean work force of 4,266 employees, your Company plays a meaningful role in social and economic development of the country and makes a substantial contribution towards its energy security.

FINANCIAL HIGHLIGHTS

Your Company's key financial parameters during the year 2014-15 and important financial highlights are as under:

Particulars	2014-15		2013-14	
	US \$ Million	(₹ in Crores)	US \$ Million	(₹ in Crores)
Turnover (Net of ED)	8,952	56,569	9,445	57,245
Other income (incl. Exceptional Items)	173	1,096	249	1,506
Cost of sales (excluding interest and depreciation)	8,236	52,045	8,383	50,806
Gross Margin (incl. Exceptional Items)	889	5,620	1,311	7,945
Interest	57	361	60	366
Depreciation	154	975	195	1,177
Profit before tax	678	4,284	1,056	6,402
Provision for tax	197	1,245	334	2,027
Profit after tax	481	3,039	722	4,375
Appropriations				
Interim dividend	60	381	94	571
Proposed final dividend	60	381	123	748
Corporate dividend tax	24	154	37	224
Net transfer to/from bond redemption reserve	6	37	(1)	(6)
Transfer to CSR reserve	(5)	(30)	3	18
Transfer to general reserve	48	304	72	438
Net surplus after Appropriations	287	1814	393	2,382
1 US \$ in INR converted at the exchange rate as on 31 st March of the respective financial year	63.19		60.61	



Shri B.C. Tripathi, CMD, GAIL interacting with Investors and Analysts at Mumbai

DISINVESTMENT BY PRESIDENT OF INDIA

The Government of India (GoI) has disinvested 15,672,024 shares on 27th March, 2014 through CPSE ETF. Further, GoI has disinvested 37,819 shares on 8th April, 2015 through CPSE ETF as Bonus Units. After disinvestment, the President of India holds 711,695,832 equity shares, representing 56.11% of paid-up share capital of GAIL.

DIVIDEND

Your Company has a consistent track-record of dividend payment. So far, your Company has disbursed dividend of over ₹13,043 Crores to the shareholders including ₹7,925 crores disbursed as dividend to Government of India.

The Board of Directors of your Company had earlier approved payment of an interim dividend @ 30% (₹3 per equity share) on equity share of ₹10 each amounting to ₹380.54 Crores, which was paid in March, 2015. Further, the Board has recommended payment of final dividend @ 30% (₹3 per equity share) on equity share of ₹10 each for 2014-15 amounting to ₹380.54 Crores.

With this, the total dividend payment for the fiscal year 2014-15 will be 60% (₹6 per equity share) on equity share of ₹10 each amounting to ₹761.09 Crores on its paid-up equity capital of ₹1,268.48 Crores and dividend distribution tax of ₹153.56 Crores. The total dividend pay-out including corporate dividend tax accounts for 30.10% of Profit After Tax.

CONTRIBUTION TO EXCHEQUER

Your Company has contributed over ₹5,788 Crores in 2014-15 to the exchequer through dividend, duties, taxes and others, as compared to ₹6,993 Crores in 2013-14.

CREDIT RATING

Your Company has been reaffirmed the highest domestic credit rating of AAA from ICRA, CARE, CRISIL and India Ratings, which carry the lowest credit risk. The international rating agency, Moody's International, Hong Kong, has also reaffirmed the corporate issuer rating of Baa2, which is one notch higher than sovereign rating. Further, Fitch Ratings has also assigned a long-term foreign currency issuer default rating of BBB- with a Stable outlook, which is equal to sovereign rating.

CORPORATE STRATEGY

In order to make a quantum leap in its growth trajectory, your Company has developed its corporate strategy for the period 2011-2020. This strategy is currently under execution and the Company is closely monitoring progress on various strategic initiatives as well as continually assessing the macro environment to evaluate its impact on GAIL's businesses. The management of your Company has been playing a crucial role to achieve the strategic objectives and to ensure that it emerges as an integrated hydrocarbon major with significant upstream, midstream and downstream interests by 2020.

In the upstream segment, your Company plans to increase LNG imports through conventional route as well as through terminal capacity booking. It also plans to acquire equity in producing assets/liquefaction facilities to source equity-linked LNG. It has made remarkable progress in sourcing LNG by finalising several long-term deals with suppliers, like Sabine Pass Liquefaction LLC (USA), Gazprom (Russia) and WGL Midstream Inc. (USA). GAIL Global (USA) LNG LLC, a subsidiary of your Company in the United States of America (USA), has booked LNG capacity in Dominion Cove Point's LNG liquefaction terminal in the state of Maryland. In addition, your Company is pursuing LNG shipping business by charter hiring LNG ships to transport LNG from the USA to India and other global markets. Your Company has also ventured into LNG trading business through its wholly owned subsidiary, GAIL Global Singapore Pte Limited.

To facilitate increase in LNG volumes, your Company plans to set up land based LNG terminals and Floating Storage and Regasification Units (FSRUs). It is also booking additional regasification capacities in existing and new terminals being set up by other companies. Your Company has tied-up additional regasification capacities at Dahej LNG terminal with Petronet LNG Limited (PLL). Further, in-line with the LNG sourcing efforts, your Company has intensified its domestic gas market development efforts in India to attract and retain more customers.

In order to bridge the demand-supply gap of natural gas as well as to address the energy security needs of the country, your Company is aggressively pursuing the transnational Turkmenistan-Afghanistan-Pakistan-India (TAPI) pipeline project. Bilateral GSPA with Turkengas has already been signed to import 38 MMSCMD gas into the country through this pipeline. Further, the TAPI Pipeline Company Limited has been incorporated as a Special Purpose Vehicle in the Isle of Man by the four TAPI entities.

In the midstream segment, your Company aspires to retain its leadership position through a continuous pan-India expansion of pipeline networks in synchronisation with customer readiness along the pipeline networks. Your Company now has approximately 11,000 km network of natural gas pipeline in the country. To further cater to the growing demand and to increase its geographic reach, various pipeline projects are at different phases of execution which will take the network size to around 15,000 km.

In the downstream segment, your Company aspires to be amongst the top petrochemical players in the country by expanding existing capacities, setting up new plants, acquiring equity stakes in upcoming projects along with product off-take rights for marketing. It has doubled existing petrochemical production capacity at Pata by commissioning the second petrochemical unit Pata. A Greenfield Petrochemical plant is also being setup in Assam through your Company's subsidiary, Brahmaputra Cracker & Polymer Limited (BCPL). Another petrochemical plant at Dahej is being set up through a JV, ONGC Petro-additions Limited (OPaL). By 2016, your Company is expected to have 1.7 MMTPA polymer volume for marketing.

On the retail side, your Company is targeting additional 40-50 Geographical Areas (GAs) through its subsidiaries and JVs for city gas distribution (CGD) in the coming years. Your Company's wholly owned subsidiary, GAIL Gas Limited, is progressing on track with respect to CGD projects in the cities of Kota, Dewas, Meerut and Sonapat. Further, GAIL Gas Limited has won the authorization from Petroleum & Natural Gas Regulatory Board (PNGRB) in 4th round of CGD bidding to develop CGD network for the city of Bengaluru.

Your Company aims to reduce its carbon footprint in a phased manner and contribute positively towards a low carbon economy. Accordingly your Company has set targets for renewable energy projects and significant progress has been made so far. Your Company has 118 MW installed capacity of wind energy. It has also established a 5 MW solar power project. Further, your Company is a stakeholder in an SPV created under the aegis of Ministry of Petroleum & Natural Gas (MoP&NG) & Ministry of New and Renewable

Energy (MNRE) for setting up of grid connected Renewable Energy Power Projects.

In order to achieve the strategic goals efficiently and in a time bound manner, a major thrust is being given to strengthen and enhance the capabilities of human resource of your Company. Accordingly, recruitment, training and development policies are being suitably aligned with strategic objectives to enable your Company to implement and achieve its strategic goals by 2020.

BUSINESS PERFORMANCE

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

• Natural Gas Marketing

Natural gas continues to constitute your Company's core business. During 2014-15, gas sales clocked 72 MMSCMD, compared to 79 MMSCMD in the previous financial year. Major supplies of natural gas are made as fuel to power plants, as feedstock for gas-based fertilizer plants and for LPG extraction. Your Company holds around 60% market share in India.

• Transmission

♦ Natural Gas

Your Company owns and operates a network of about 11,000 kms of high pressure trunk pipelines with a pan-India capacity to transport around 206 MMSCMD of natural gas. Average gas transmission during the year was 92 MMSCMD compared to 96 MMSCMD in the previous financial year.

♦ LPG

Your Company has the distinction of being the only company in India, to own and operate exclusive pipelines for LPG transmission for third-party usage. It owns and operates two LPG Pipeline transmission systems with a total length of 2038 kms. Of this, 1415 km of pipeline network transports LPG from western to northern parts of India (Jamnagar – Loni LPG Pipeline) and the remaining 623 kms of pipeline network transports LPG in the country's southern part (Vizag-Secunderabad LPG Pipeline). The LPG transmission system has a capacity to transport up to 3.8 MMTPA of LPG. In 2014-15, the LPG transmission throughput achieved was about 3.09 Million MT.

• Petrochemicals

During 2014-15, your Company has produced 447 Thousand MT of polymers and sold 441 Thousand MT of polymers.

• LPG and Other Liquid Hydrocarbon Production

Your Company has seven LPG plants in the country. USAR LPG Plant is in complete shutdown condition and is being kept under preservation mode. In 2014-15, the total liquid hydrocarbon production was about 1,276 Thousand MT, which mainly comprised of 1,039 Thousand MT of LPG, 115,81 Thousand MT of Propane, 22,76 Thousand MT of Pentane and 98,75 Thousand MT of Naphtha.

• Exploration and Production (E&P)

The E&P portfolio of your Company is as follows:

	India	Overseas	Total
Onshore blocks	8	-	8
Shallow water blocks	3	2	5
Deepwater blocks	2	-	2
Total	13	2	15



Shri Dharmendra Pradhan, Hon'ble Minister of State (IC), Petroleum & Natural Gas inaugurating the Gas supply to Hubballi-Dharwad City, Karnataka

During the year 2014-15, E&P business has generated sufficient revenue to be self-sustainable. Production of gas from its A-1 & A-3 block in Myanmar has reached peak production of 14 MMSCMD. In 2014-15, revenue of approximately ₹663.10 Crore has been generated from sale of hydrocarbon from its 4 producing blocks namely A-1 & A-3, Myanmar and Cambay Onland blocks CB-ONN-2000/1 (Ahmedabad) & CB-ONN-2003/2 (Ankleshwar) in Gujarat. The Field Development Plan (FDP) has been submitted for gas resource of 71 BCF in Tripura block.

Your Company is an Operator in three onland blocks viz. (i) RJ-ONN-2004/1 in Rajasthan basin (Ganganagar) awarded during NELP-VI bidding round, ii) CY-ONN-2005/1 in Cauvery basin, Tamil Nadu (Thanjavur and Thiruvavur) awarded during NELP-VII bidding round and (iii) CB-ONN-2010/11 in Cambay basin, Gujarat (Anand and Ahmedabad) awarded during NELP-IX bidding round. Your Company is non-operating partner in remaining 12 blocks.

During the year 2014-15, preparation for drilling of exploratory wells in block CY-ONN-2005/1 was in progress. Actual drilling shall start after land acquisition. In block CB-ONN-2010/11, during the year 2014-15, acquisition, processing and interpretation (API) of 131 KM² 3D Seismic Data has been completed. Drilling of exploratory wells is planned during 2015-16.

INITIATIVES FOR FUTURE GROWTH

• Global Initiatives

In November 2014, GAIL Global (USA) LNG LLC (GGULL), wholly-owned subsidiary of your Company in the US, signed a 20 year gas sourcing agreement with WGL Midstream Inc. (USA) for procuring natural gas required to feed the 2.3 MMTPA Dominion Cove Point LNG Terminal. Earlier in 2013, GGULL has signed Terminal Service Agreement (TSA) with Dominion Cove Point LNG LP for booking 2.3 MMTPA liquefaction capacity in the Cove Point LNG liquefaction project located at Lusby in the state of Maryland in the US.

Your Company is constantly pursuing a leading role in the TAPI Pipeline project to receive Natural Gas from the Galkynysh fields in Turkmenistan. The Pipeline Consortium Company TAPI Pipeline Company Limited (TPCL) was incorporated on 11th November 2014 in 'Isle of Man', a British Crown dependency located in the Irish Sea. TAPI has a mandate to build, own and operate the proposed TAPI Pipeline.

• Domestic initiatives

The domestic business initiatives of your Company were as follows:

♦ LNG Regasification Terminals

Your Company is planning to set up a Floating Storage & Re-

gasification Unit (FSRU) / Re-gasification terminal on the East coast of India. In this regard, discussions are on with Adani Ports and Special Economic Zone Ltd. (APSEZ) for equity participation and booking of capacity in the proposed regasification terminal at Dhamra port in Odisha.

♦ LNG Shipping

In 2011, your Company contracted 3.5 MMTPA of LNG from Cheniere Energy, USA on FOB basis for an initial period of 20 years. Further, in 2013 your Company has also signed a Terminal Service Agreement (TSA) for booking of 2.3 MMTPA of liquefaction capacity in Dominion Cove Point terminal for 20 years. The initial supplies from both these contracts are expected to commence from December 2017. Currently, your Company is in the process of long term Charter hiring of LNG ships through international bidding route.

♦ Natural Gas Pipeline Projects

During the year, your Company has completed 36 number of 'Last Mile Connectivities' covering 129 km approx. of pipeline to increase the commercial utilization of various pipeline networks in 11 states- Uttar Pradesh, Uttarakhand, Punjab, Haryana, Rajasthan, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Andhra Pradesh and Kerala.

♦ Non-Conventional Energy

Your Company has a total installed capacity of 118 MW of Wind Energy Generation Projects (WEG). Your Company had started with a modest capacity of 4.5 MW wind energy in the state of Gujarat in March 2010 for captive use. After the success of the first WEG project, an additional capacity of 14.7 MW of WEG was installed in January 2012 in the state of Gujarat for captive use. Your Company graduated to commercial production after commissioning 98.75 MW of WEG projects in the states of Tamil Nadu and Karnataka in March 2012.

During the year, your Company also entered into generation of solar power by setting up a 5 MW Solar Power Plant in the state of Rajasthan under the Jawaharlal Nehru National Solar Mission, through bidding.

♦ Coal Gasification

Your Company is entering into a joint venture for Coal Gasification cum Fertiliser production at Talcher, Odisha, with Rashtriya Chemicals and Fertilizers Limited (RCF), Fertilizer Corporation of India Limited (FCIL) and Coal India Limited (CIL). It is proposed to setup Coal Gasification unit based on Coal supplied from a coal block allocated for the plant.

The project envisages production of 3,850 MT urea per day. The success of this project shall pave the way forward for production of fertilizer from the abundantly available domestic coal, resulting in lesser dependency on import of fertilizers.

RELATED PARTIES - SUBSIDIARIES/ ASSOCIATES/ JOINT VENTURES

Your Company has formed subsidiaries and joint venture companies for CGD, petrochemicals, LNG, gas trading, power generation and shale gas. Your Company is one of the pioneers introducing city gas projects in India for natural gas supplies to households, commercial and transport sectors

through its subsidiary and joint venture companies. The details of these subsidiary and joint venture companies are mentioned hereunder:

NATURAL GAS, LNG AND POWER

• GAIL Global (Singapore) Pte. Limited (wholly owned subsidiary)



GAIL Global (Singapore) Pte. Ltd. (GGSPL), primarily started as an overseas investment arm of your Company and was operationalized for LNG trading in 2012. It commenced its business operations in May 2012. GGSPL is now actively involved in business activities in the area of LNG Trading. Till 31st March, 2015, GGSPL has traded eight LNG cargoes out of which three have been traded during the financial year 2014-15.

GGSPL has also been mandated by your Company to market upto 3 MMTPA of its USA sourced LNG in the international market. GGSPL is already marketing such volumes in the international markets. The supplies against the said volumes are expected to start from the year 2018.

GGSPL is also targeting LNG third-party trades, ship chartering and risk management activities along with supplying LNG cargoes to GAIL.

• GAIL Global (USA) Inc (wholly owned subsidiary)



GAIL Global (USA) Inc. (GGUI), was incorporated as a wholly owned subsidiary of your Company to undertake investment in the Eagle Ford shale gas asset. The primary objective behind this investment was to enter into the US Shale Gas market and to bring the Shale Gas technology to India. GGUI executed a definitive agreement with M/s Carrizo Oil & Gas Inc., USA (Carrizo) on September 28, 2011, to enter into an unincorporated Joint Venture (JV) in the Eagle Ford Shale asset in Texas. GGUI acquired a 20% participating interest in this joint venture. Carrizo, with the remaining 80% participating interest, is functioning as the Operator for the JV.

During the year, 12 wells came online, taking total online wells to 79 as on December 31, 2014. In addition, 16 wells were under different stages of Drilling & Completion as on that date. The gross production volume of GGUI during 2014 was 978.5 Mboe.



Shri Dharmendra Pradhan, Hon'ble Minister of State (IC), Petroleum & Natural Gas in discussion with GAIL Management

- **GAIL Global (USA) LNG LLC (wholly owned subsidiary of GGUI)**



GAIL Global (USA) LNG LLC (GGULL) was formed during March 2013 for entering into contractual agreements with Dominion Cove Point LNG, LP (DCP) for booking of LNG Tolling capacity of 2.3 MMTPA in its DCP LNG terminal. GGULL has signed Gas Sales & Purchase Agreement (GSPA) on

November 30, 2014 with WGL Midstream, Inc. for sourcing of gas on delivered basis at the inlet of Cove Point pipeline / terminal for a term of 20 years to produce about 2.3 MMTPA of LNG at the Cove Point Terminal. GGULL and DCP have satisfied all the Condition Precedents in the Terminal Service Agreement (TSA) making the TSA effective with effect from December 19, 2014.

- **GAIL China Gas Global Energy Holdings Limited**

The joint venture company, GAIL China Gas Global Energy Holdings Limited, was formed with an objective to pursue gas sector opportunities, mainly in China. Potential gas sector projects are being identified for implementation by the company. Your Company has a 50% equity stake with China Gas Holdings Limited as an equal partner.

- **Petronet LNG Limited (PLL)**



PLL, which was formed for setting up of LNG import and re-gasification facilities, currently owns and operates an LNG re-gasification terminal of 10 MMTPA capacity located at Dahej, Gujarat. PLL has a long term LNG supply contract with RasGas, Qatar for import of 7.5 MMTPA of LNG. PLL is undertaking capacity expansion of LNG re-gasification terminal to 15 MMTPA at Dahej which is expected to be completed by end of 2016. PLL has also setup up an LNG re-gasification terminal at Kochi, Kerala with a capacity of 5 MMTPA. PLL also has a long term LNG supply contract with Exxon Mobil's Gorgon Project for supply of 1.44 MMTPA of LNG for its Kochi terminal.

Your Company has 12.5% equity stake with Bharat Petroleum Corporation Ltd. (BPCL), Oil and Natural Gas Corporation (ONGC) and Indian Oil Corporation Limited (IOCL) as equal partners.

- **Ratnagiri Gas and Power Private Limited (RGPP)**



RGPP was formed as a joint venture with NTPC for taking over and operating the erstwhile Dabhol Power Project assets consisting of 1967.08 MW gas-based combined cycle Power Block and 5 MMTPA LNG Block. The assets were transferred to RGPP in October 2005.

The power block has been revived and is under commercial operation since 19th May 2009. The power block was not operated due to non-availability of domestic gas in 2014-15 and paucity of funds.

The gas delivery to LNG Terminal through high pressure delivery system was started in January 2013 and commissioned with effect from 22nd May 2013. Since the power generation is envisaged to entirely use available domestic gas, the integrated LNG terminal is also utilized for tolling purposes. RGPP has already entered into a long-term framework agreement with GAIL for commercial utilization of LNG terminal and commenced tolling operations. 25 cargos have been successfully unloaded since commissioning. 10 cargos were unloaded during 2014-15.

RGPP is in a difficult financial position due to non-liquidation of high receivables from its beneficiaries and non-availability of domestic gas

for power generation leading to inability in meeting its debt servicing obligations for the year 2014-15.

To avoid being a Non Performing Asset, RGPP has converted lenders' outstanding dues into equity. As a result, your Company has 25.51% equity stake in RGPP with NTPC holding 25.51%, MSEB Holding Company Limited holding 13.51% and Indian Financial institutions holding 35.47%.

CITY GAS DISTRIBUTION (CGD)

- **GAIL Gas Limited (wholly owned subsidiary)**



GAIL Gas was incorporated with the objective of focused implementation of City Gas Distribution (CGD) projects in the country. GAIL Gas has been authorized by Petroleum and Natural Gas Regulatory

Board (PNGRB) for implementing City Gas Distribution Projects in Dewas, Kota, Sonipat, Meerut, Vadodara and Taj Trapezium Zone. In addition, GAIL Gas is pursuing City Gas Business in the state of Kerala, Andhra Pradesh, Karnataka, Rajasthan and West Bengal etc. through its joint ventures. It has won authorization from PNGRB in 4th round of CGD bidding to develop CGD network for the city of Bengaluru. It has signed MoU with Bharat Petroleum Corporation Limited for joint participation under 5th round of CGD bidding and have been authorized by PNGRB for the implementation of City Gas Distribution in Haridwar District (GA).

Compressed Natural Gas (CNG)

During the year, GAIL Gas augmented its CNG distribution infrastructure by enhancing the capacity of existing stations and adding new stations at Sonipat. CNG sales increased to 31 MMSCM in 2014-15.

Piped Natural Gas (PNG)

In PNG business, GAIL Gas is supplying PNG to domestic customers progressively in its authorized cities. Presently, the company is catering to 8,700 households.

GAIL Gas has maintained its focus on the PNG industrial and commercial segment as one of the potential growth areas. With its concentrated efforts in the year 2014-15, the total number of commercial and industrial customers increased to 503 in 2014-15.

GAIL Gas has commissioned the steel networks in the geographical area (GA) of Sonapat, Dewas, Kota and Meerut. Further, the steel network augmentation is under progress in the Taj Trapezium Zone (TTZ). For reaching more charge areas for domestic connections, the steel grid network and MDPE pipeline network has been extended to 374.21 kms and 586.74 kms respectively in 2014-15 in the cities of Sonapat, Meerut, Dewas, Kota and Taj Trapezium zone.

During the year, the sales volume from industrial and commercial customers grew to 526 MMSCM.

- **Aavantika Gas Limited (AGL)**



AGL was incorporated to implement CGD Projects in Madhya Pradesh. As on 31st March 2015, AGL operated 18 CNG stations including 7 daughter stations, 8 online stations and 3 mother stations.

Further, as on 31st March 2015, AGL supplied PNG to around 2500 Domestic, 32 Commercial and 52 Industrial customers in its authorized geographical regions. AGL is also catering to the fuel requirement of around 20,000 CNG vehicles operating in the region. Your Company has a 22.5% stake with HPCL as an equal partner.

- **Bhagyanagar Gas Limited (BGL)**



Bhagyanagar Gas Ltd.

BGL was incorporated to implement CGD projects in Andhra Pradesh. As on 31st March 2015, BGL operated 32 CNG stations including 3 daughter booster stations, 8 online stations and 7 mother stations

Further, as on 31st March 2015, BGL supplied PNG to over 3,100 Households, 46 Commercial & 3 Industrial customers in its authorized geographical regions. BGL is also catering to the fuel requirement of around 31,600 CNG vehicles operating in the region. Your Company has a 22.5% stake with HPCL as an equal partner.

- **Central U.P. Gas Limited (CUGL)**



CUGL

CUGL was incorporated to implement CGD projects in Uttar Pradesh. As on 31st March 2015, CUGL operated 16 CNG stations including 4 mother stations, 9 online stations and 3 daughter booster stations.

Further, as on 31st March 2015, CUGL supplied PNG to over 8300 domestic, 119 commercial & 39 Industrial customers in its authorized geographical regions. CUGL is also catering to the fuel requirement of around 46,600 CNG vehicles operating in the region. Your Company has a 25% stake with BPCL as an equal partner.

- **Green Gas Limited (GGL)**



GREEN GAS LIMITED

GGL was incorporated to implement CGD projects in Uttar Pradesh. As on 31st March 2015, GGL operated 14 CNG stations including 5 daughter stations, 5 online stations and 4 mother stations.

Further, as on 31st March 2015, GGL supplied PNG to over 7,800 Domestic, 9 Commercial & 4 Industrial customers in its authorized geographical regions. GGL is also catering to the fuel requirement of around 33,400 CNG vehicles operating in the region. Your Company has a 22.5% stake with IOCL as an equal partner.

- **Indraprastha Gas Limited (IGL)**



IGL was incorporated to implement CGD projects in Delhi's National Capital Territory (NCT) and cities in adjoining National Capital Region (NCR). As on 31st March, 2015, IGL operated 326 CNG stations including 68 mother stations, 228 online stations and 30 daughter stations.

Further, as on 31st March 2015, IGL supplied PNG to over 5.6 Lac Domestic, 1,560 Commercial and 717 Industrial customers in its authorized geographical region, which includes the entire public transport of the national capital and also the world's largest bus fleet on CNG. IGL is also catering to the fuel requirement of around 7.6 lac CNG vehicles in the Delhi/NCR. Your Company has a 22.5% stake with BPCL as an equal partner.

- **Mahanagar Gas Limited (MGL)**



MAHANAGAR GAS

MGL was incorporated to implement CGD projects in Mumbai and its adjoining areas. As on 31st March 2015, MGL operated 180 CNG stations including 19 mother stations, 137 online stations and 24 daughter stations.

Further, as on 31st March 2015, MGL supplied PNG to over 8 Lac Domestic, 2607 Commercial and 57 Industrial customers in its authorized geographical region. MGL is also catering to the fuel requirement of around 4.2 lac CNG vehicles operating in the region. Your Company has a 35% stake with British Gas as an equal partner.

- **Maharashtra Natural Gas Limited (MNGL)**



MNGL

MNGL was incorporated to implement CGD projects in and around Pune. As on 31st March 2015, MNGL operated 30 CNG stations including 5 mother stations, 11 online stations and 14 daughter stations.

Further, as on 31st March 2015, MNGL supplied PNG to over 16147 Domestic, 47 Commercial and 97 Industrial customers in its authorized geographical region. MNGL is also catering to the fuel requirement of around 79,400 CNG vehicles operating in the region. Your Company has a 22.5% stake with BPCL as an equal partner.

- **Tripura Natural Gas Company Limited (TNGCL)**



TNGCL

TNGCL was incorporated to implement CGD projects in Agartala. As on 31st March 2015, TNGCL operated 5 CNG stations including 3 mother stations and 2 daughter stations.

Further, as on 31st March 2015, TNGCL supplied PNG to over 18000 Domestic, 294 Commercial and 47 Industrial customers in its authorized geographical region. TNGCL is also catering to fuel requirement of around 6986 CNG vehicles operating in the region. Your Company has 29% stake in the joint venture.

- **Vadodara Gas Limited (VGL)**

Shareholders approved the transfer of your Company's CNG stations and associated pipeline in Vadodara to the proposed joint venture company of GAIL Gas Limited with Vadodara Municipal Sewa Sadan in the year 2011.

Accordingly, VGL was incorporated as joint venture company (JVC) of GAIL Gas Limited and Vadodara Mahanagar Seva Sadan (VMSS) for the supply of Compressed Natural Gas ("CNG") and Piped Natural Gas ("PNG") in the city of Vadodara. Your Company has signed the Business Transfer Agreement (BTA) with VGL and transferred its assets to VGL. VGL is operating the CGD business w.e.f. 1st January 2014 in Vadodara. Consequent upon transfer of assets to VGL, your Company has a 32.93% stake, GAIL Gas Ltd. holding 17.07% stake and VMSS holding 50% stake.

VGL operates nine CNG stations in Vadodara and is dispensing more than 65,000 kg/day CNG. The CNG network in the city of Vadodara includes 2 mother stations, 1 on-line station and 6 daughter booster stations as well as 13 km steel pipelines.

VGL also caters to the Piped Natural Gas (PNG) requirements of its consumers in Domestic and Commercial sectors. VGL supplies PNG to 76,000 houses and 2,800 commercial in the city through a 750 km long PE Pipeline Distribution Grid and 07 District Pressure Regulating System.

PETROCHEMICALS

- **Brahmaputra Cracker and Polymer Limited (BCPL) (Subsidiary)**



BCPL is setting up a 2,80,000 TPA polymer plants in Dibrugarh, Assam. The Company is now in the final phase of project execution and has achieved an overall physical progress of 99.6% and financial progress of 96% till the end of the financial year. The commissioning of the project is expected in the near future.

Your Company has a 70% equity stake in Brahmaputra Cracker and Polymer Limited (BCPL), with Oil India Limited (OIL), Numaligarh Refinery Limited (NRL) and the Government of Assam having 10% equity share each.

- **ONGC Petro-additions Limited (OPaL)**



OPaL is implementing a Greenfield petrochemical complex of 1.4 MMTPA Polymer capacity at Dahej, Gujarat. Your Company is a co-promoter of OPaL, having a 15.5% equity stake, with an investment of ₹994.95 crore. Oil and Natural Gas Corporation Limited (ONGC) and Gujarat State Petroleum Corporation Limited (GSPC) are the other promoters of OPaL.

OTHERS

- **TAPI Pipeline Company Limited**

Your Company is pursuing the Turkmenistan–Afghanistan–Pakistan–India (TAPI) Pipeline project to receive Natural Gas supply from the Galkynysh fields of Turkmenistan. The Pipeline Consortium Company (TPCL) was incorporated on 11th November 2014 in 'Isle of Man', to build, own and operate the proposed TAPI Pipeline. Presently it is formed with equal participation by the four nominated entities (GAIL, ISGS, AGE, and Turkmengaz) of India, Pakistan, Afghanistan and Turkmenistan respectively. A Consortium Leader shall be inducted in due course.

- **South-East Asia Gas Pipeline Company Limited (SEAGP)**

SEAGP was formed to transport natural gas from A1/A3 blocks in Myanmar to Myanmar-China border. This pipeline is currently transporting nearly 15 MMSCMD of natural gas. Your Company has a 4.17% equity stake in SEAGP.

LOAN, INVESTMENTS AND CORPORATE GUARANTEE

A statement containing the salient feature of the financial statement of your Company's Subsidiaries, Associate Companies and Joint Ventures as per first proviso of section 129(3) of the Companies Act, 2013 is included in the consolidated financial statement. Further, details of Loans and Investments covered under the provisions of Section 186 of the Companies Act, 2013 forms part of financial statement, a separate section in the Annual Report FY 2014-15.

Your Company has given corporate guarantees to its subsidiaries only, for availing loan, as per provisions of section 186 of the Companies Act, 2013, the details of the same are as under:

- ₹504.34 Crores given to Oil Industrial Development Board on behalf of Brahmaputra Cracker and Polymer Limited.



Shri M. Ravindran, Director (HR), GAIL speaking during workshop on learning from GRI G4 Reports in India

- ₹118 Crores given to Oil Industrial Development Board on behalf of GAIL Gas Limited.
- USD 114.1 million given to State Bank of India, New York Branch on behalf of GAIL Global (USA) Inc.
- USD 100 million given to Mizuho Bank Ltd. on behalf of GAIL Global (Singapore) Pte. Ltd.

IT ADVANCEMENTS

Your Company has been very IT-savvy and has always been at the forefront in leveraging various technologies for transparent, efficient and effective execution of businesses and underlying operations. With a young workforce, faster technology curve adoption is but natural to your Company. Today, your Company's transactional engagements with customers, vendors, employees, business associates and partners remain on electronic platform through various ERP modules.

Some of the initiatives such as e-tendering, e-auction/reverse auction, e-recruitment, Bill Watch System, e-payments were adopted by your Company quite some time back thus facilitating transparent dealings with the stakeholders concerned. By adopting the latest and state-of-the-art IT solutions, your Company is keeping pace with the fast changing industry environment. It strives continually for efficiency enhancement of employees and has enabled access of required information to the right person, using the latest IT security solutions.

All the three datacentres of your Company have been certified for ISO 27001:2013 for Information Security Management Framework (ISMS). This certification shall provide recognition to your Company datacentres as secured datacentres in the industry. The ISO 27001 ISMS Framework ensures highest security levels for information assets available in the datacentres of your Company. The implementation of ISO 27001 based ISMS framework has also helped in implementing Crisis Management Plan for countering Cyber Attacks and Cyber Terrorism.

Your Company has implemented centralized Pipeline Integrity Management System for its cross-country pipeline network to ensure continuous updation of O&M data and elimination of aging effect on pipelines. Your Company has also implemented an automated GPS based system for monitoring of pipeline patrolling.

Your Company has implemented Biometric based Access Control system to prevent unauthorized access to plant premises and office buildings at Petrochemical and LPG Plants, Compressor Stations and Pumping Stations.

Your Company is implementing Manufacturing Integration & Intelligence to integrate plant systems with enterprise application for generating alarms and root cause analysis alongwith the latest version of Environment Health & Safety Management for monitoring various processes. Your Company is also implementing a mobility solution for its field engineers to run plant maintenance application on mobile device.

Your Company is implementing Enterprise Analytics for the Top Management to provide the latest business metrics or key performance indicators accessible anytime, anywhere on any device. Your Company is also upgrading its SAP systems for mitigating any risk and maintaining readiness for innovation.

MOVING TOWARDS EXCELLENCE

Your Company as a continually improving organization, believes in raising the bars of performance levels in steps to achieve functional excellence. With this objective, your Company has taken various initiatives during 2014-15.

Your Company has taken an initiative to integrate all departments and its employees with digital services with an objective to reduce paperwork. Your Company has been at the forefront of leveraging information technology for running its business process. With 2020 vision in sight, your Company needed robust processes, structure and most importantly prompt decision making to act as the key enablers and accelerators.

As part of e-enablement, your Company is planning to deploy cell phone application for its pipeline maintenance personnel, so that the information related to safety, procedures, spares etc. is readily available even when in the field. Globally, the worlds of IT and Operational Technology are converging and hence, your Company intends to improve the overall asset management and safety across the organization by leveraging these technologies and has initiated integration of IT with Plant systems, which will deliver enhanced information for better decisions, reduced costs, lower risks etc.

With the rapid urbanization throughout the country, Integrity Management of Cross Country Pipelines is not just a maintenance activity anymore and requires focus on various other elements as they have direct impact on the integrity Management and your company focus on multiple requirements of the present day Integrity Management i.e. Safety, Operations, Maintenance, Environment, Stakeholders, Technology and Education.

All the activities executed in your Company are being monitored and controlled for timely completion. Improvement Audits are being conducted by team members to identify the lapses / deviations, if any, for taking corrective actions.

Your Company views suppliers/contractors/consultants as critical partners in growth. A symbiotic relationship with these key Stakeholders not only ensures economic gains, higher quality, improved planning and timeliness of project but also ensures greater long term support and value. Your Company developed an effective Stakeholder Management Mechanism wherein regular meetings are held with key Suppliers / Contractors / Consultants to understand their issues / concerns and address them appropriately in time-bound manner. Further, your Company is currently in the process of developing a pre-dispute resolution mechanism, through which post closure legal disputes/arbitrations are targeted to be minimized to a large extent.

HEALTH, SAFETY AND ENVIRONMENT

Your Company's HSE policy is to conduct business with a robust and integrated Health, Safety and Environment (HSE) Management System focused on improving harmony with the environment through sustainable development. Safety and Health of its people is of paramount importance for your Company and these attributes are embedded in the core organizational values of your Company. Employees and Contract Workers in your Company are strongly encouraged to adopt safe working culture and behaviour to ensure effective implementation of the HSE Policy. Your Company identifies all the Health, Safety and Environment hazards, evaluates the associated risks and manages these through effective and appropriate control programs and deployment of latest technology.

Your Company primarily operates in the hydrocarbon sector which is inherently very hazardous. Your Company regularly identifies the hazards and evaluates their risk potential in various areas of its operations. While on the one hand, your Company takes adequate preventive measures to minimise risks during design, construction, operations & maintenance activities, on the other hand, your Company takes measures to mitigate the consequences in case of any undesirable incident. Your Company employs best-in-class technologies and supplements safety through a robust HSE

Management System. Stringent SOPs (Standard Operating Procedures), Work Permit Systems, Process Safety Management, Safety Audits are some key elements of HSE Management System which are monitored rigorously and regularly, and reviewed at the highest level in your Company. This year, your Company reviewed SOPs of all locations and standardised the SOPs through international experts in safety and process licensors. Your Company has adopted the practice of observing 10th of every month as Monthly Safety Day when the Officer-in-charge at all locations devote half-a-day to review safety issues. Exceptions noted are brought to the immediate notice of top management.

A massive exercise has been taken up to develop systems, procedures & SOP for each activity that is taken up on regular basis and which being vetted by internationally reputed consultants to align with global best practices. Parallely, web/online portals have been developed for various new application for ease in data access and data archiving.

Sustainable Development (SD) Committee of Board of Directors is the apex body in your Company to review HSE performance and emergency preparedness and met 3 times during the year.

Your Company has an Emergency Response and Disaster Management Plan (ERDMP) in place for all of its installations, which has been accredited by Petroleum and Natural Gas Regulatory Board (PNGRB) approved third party accreditation agencies and submitted to PNGRB after approval from your Company's Board. Your Company has also prepared a Disaster Management Plan (DMP) as per instruction of the Ministry to deal with disasters.

Your Company has implemented a Behaviour Based Safety (BBS) Program at all locations to foster the culture of safety amongst all the stakeholders. Lead trainers have been developed and various monitoring committees have been formed at all locations to ensure that the BBS culture is nurtured on sustainable basis.

Safety audits were carried out in your Company during the year by various authorities, reputed third parties and in-house safety audit teams to evaluate implementation of safety systems. Timely compliance of recommendations of the safety audits are monitored and reviewed at various levels including by the top management of your Company.

Safety Training and unit specific training through well-structured modules is imparted to all employees in your Company at the time of induction as well as transfer to a new location as per job profile. In addition, periodic refresher training and specialised training related to specific work area are also provided.

The Safety performance in your Company is measured through "HSE Index" which is evaluated on the basis of important HSE Management System elements. To make the safety performance evaluation more objective, HSE Index system was reviewed by a senior level committee and has been made more comprehensive and stringent by including additional elements of HSE Management System in the evaluation system. The revised parameter, named the HSE Score has been implemented since September 2014.

Corporate level Occupational Health Committee in your Company met on quarterly basis during the year to monitor the implementation of occupational health and hygiene program. Occupational Health Audit of two process plants at Usar and Gandhar were carried out this year by members of the corporate occupational health committee. Occupational Health check-ups of employees and contract workers were carried out in your Company to assess the occupational health parameters and take corrective measures.



Shri Ashutosh Karnatak, Director (Projects), GAIL addressing the Delegates of Industry Meet of C&P Heads of CPSEs

SUSTAINABILITY INITIATIVES

Your Company published its fifth Sustainability Report – 'Fostering Responsible Growth' for 2014-15 based on the Global Reporting Initiative (GRI) Guidelines. Sustainability reporting has helped us in measuring and monitoring our Company's performance and moving beyond the mandatory requirements to ingrain sustainability within the organization in letter and spirit. It has served as an important management tool helping us re-look at our Company's systems, policies and procedures.

Taking a step ahead, from measuring to taking concrete actions in the right direction is also important. Your Company has been among the very few companies to have set voluntary targets through Sustainability Aspirations 2020 and transparently disclose it in the public domain. Your Company has disclosed additional targets through the revised Sustainability Aspirations 2020 in the Sustainability Report. The targets are in the area of Specific Energy Reduction, Specific GHG Emission Reduction, Specific Fresh Water Consumption Reduction and Zero Waste Water discharge.

Since inception, your Company has been guided by the principles of accountability and transparency. In 2011, your Company formally began its sustainability journey. Your Company believed that although it was a few steps behind, taking small yet strategic steps in right direction was more important. Your Company has a Sustainable Development Committee comprising the Functional Directors as members to regularly monitor its sustainability initiatives and performance. Your Company has strengthened its data management systems to capture credible and authentic data and information from its various sites.

For the first time, your Company has been acknowledged among CDP's India Leaders 2014 and featured in the Climate Disclosure Leadership Index (CDLI). Your Company is the only Company in Utilities category featuring in the top 22 India Leaders.

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. Its focus has remained on collaborating with various external stakeholders such as TERI, CII, GRI, UNGC, FICCI and CDP among others, to gain from their knowledge and experience in the area of sustainability. Your Company conducted workshops in collaboration with organizations such as GRI Focal Point India and CDP during the year.

In line with the Listing Agreement requirements, Business Responsibility Report (BRR) 2014-15 is contained in a separate section in the Annual Report. Your Company was placed at 2nd position in the Environmental Social and Governance (ESG) Score of India Inc. Study (2014) based on the BRR of 2013-14 conducted by Sustainable Business Leadership Forum.

VIGILANCE

The Vigilance department of your Company is ISO-9001:2008 certified for having adopted Quality Management System in compliance with the requirements of ISO. Various e-initiatives and system improvements were implemented in your Company for effective utilization of systems, which helps in preventing corruption and ensures all round good governance. Some of these improvements are:

- Introduction of Percentage Mark-up Model for O&M, ARC and Civil contracts works tenders.
- Monitoring timely release of retention money of contractors by implementing automatic MIS Alert to the respective OICs of all the units.
- Fraud Prevention Policy hosted on your Company's website.
- Standardization of procedure for the generation of Minimum Guaranteed Offtake (MGO) invoice through SAP in GAIL Gas Ltd.
- All Vigilance and CVC Circulars uploaded on Intranet portal for awareness of employees.

The Vigilance Awareness Week-2014 was observed on the theme "Combating Corruption – Technology as an enabler" at the Corporate Office and also at all work centers of your Company from 27th October to 1st November 2014. It encompassed various activities to spread anti-corruption drive, brainstorming sessions for interweaving enabling technologies and applications for creating a transactional backbone. This is a step towards increasing transparent and efficient decision making and improving process performance.

A magazine "JAGROOK", containing CVC circulars, articles and case studies on corruption was also published. To evaluate our systems and procedures, a Customer Interactive Meet was organized. Customers were also apprised about e-initiatives taken by your Company to make the system transparent with minimum human intervention. Customers have shared their experience with your Company, put forward their feedback, suggestions and grievances. Vendor Interactive meets were organized at your Company's petrochemical plant at Pata.

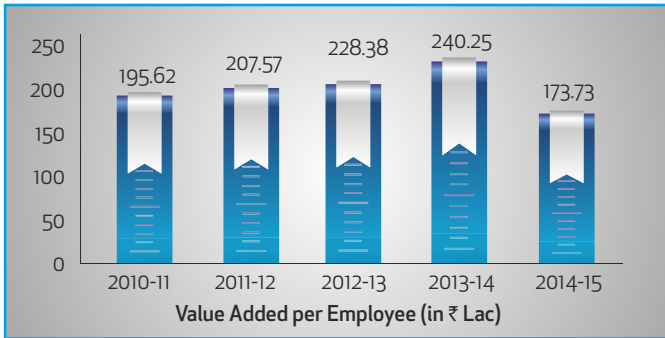
CAPABILITY BUILDING

• Human Capital

Your Company lays strong emphasis on attracting and acquiring best talent and also on efficient deployment of manpower on right jobs as per business requirements of the Company. Value Added per Employee gives an account of efforts of your Company's emphasis to make the best and most productive use of the resources and business opportunities available. For the year under review, value added per employee was ₹173.73 Lacs.

• Leadership Development Program

Your Company realizes that it is critical to continually strive to develop and enhance the capability and competence of its senior level executives in order to prepare them for future leadership positions. As part of the Leadership Development Program, Senior Management Development Centre (SMDC) exercise has been undertaken. SMDC has been



conducted for senior executives in Chief Manager and above grades and as of now around 670 senior executives have been covered under this exercise. During the year under review, more than 95% of the executives who got promoted to the level of Chief Manager were covered under the SMDC Exercise.

In order to fill in the developmental gaps of such executives identified through SMDC exercise, a comprehensive Individual Development Plan (IDP) has been drawn up for all the participants of SMDC exercise. The IDP consists of customized training programmes at premier business schools, e-learning courses and distribution of books.

● 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 employees and the representation of SCs, STs, OBCs and PWDs amongst them in your Company as on 31st March 2015 are given in the table below:

GROUP	EMPLOYEES ON ROLL	SC	ST	OBC (NCL)	PWD
A	3081	478	191	557	40
B	576	117	68	100	12
C	551	97	22	165	35
D	52	17	5	14	2
CMD, Whole-Time Directors & CVO	6	-	-	-	-
TOTAL	4266	709	286	836	89

During the year under review, total of 314 new employees joined your Company. The total manpower of your Company as on 31st March 2015 stood at 4266 (including CMD, Whole-time Directors and CVO) with 16.62% of Company's employees belonging to SC category, 6.70% to ST category, 19.60% to OBC (NCL) category, 8% to Minorities and 2.09% to PWDs category. Your Company's workforce comprised of 5.98% women employees as on 31st March 2015.

● Capability Development

Your Company believes that its human resource is one of the most vital assets for achieving its Vision, Mission and Objectives. Therefore,

Capability Building and Talent Development of its human resources has been the key focus area for your Company.

The GAIL Training Institute (GTI) is organizing systematic and structured programs for capability building across all levels within the organization. In recognition of the initiatives taken by it, GTI has received the prestigious Golden Peacock National Training Award - 2014. GTI has maintained the track record of excellent MOU performance in all the parameters in the MoU signed with the administrative ministry.

Some of the salient achievements/initiatives for talent development are as under:

- Various certification Training Programme from NACE, ASME, OEMs and technology licensors for gaining state-of-the-art expertise for its technical human resources.
- Specialized Training Programme on new business areas in line with Company's strategy 2020 such as Shale Gas, Energy Trading Hedging and Risk Management etc. were organized.
- For executives of the level Chief Manager and above, Individual Development Plan (IDP) based on the SMDC exercise were executed. The IDP comprised distribution of competency based books, access to e-learning modules from Harvard Manage Mentor (HMM) and Customised Management Development Programmes through IIM Bengaluru and Kolkata.
- Customised Management Development Courses from leading management institutes specifically for executives from HR discipline.
- Mentorship programme established for all new joining executives.
- Training mandays per employee more than 5 for the year under review.
- Healing with nutrition programme organised for employees for staying fit & reducing stress.
- Awareness programs on sustainable development organised for employees at sites.
- Knowledge sharing seminar for motivating employees to share best practices across all sites.
- For creating knowledge based and competitive environment, in-house business quizzes and business simulations organized to keep the employees updated with latest developments in the business areas.

In its pursuit of offering training programs to external organizations and to convert itself into a revenue generating centre, GTI has successfully organized training programs for participants from several organizations like RGPPL, HPCL, BCPL, IGL, MGL, MNGL, GSPL, HMEL etc. Further, in collaboration with American Society of Mechanical Engineers (ASME), U.S.A., GTI is successfully running certificate courses in ASME B31.8 for various external organizations.

Your Company is also playing an active role in formation of hydrocarbon skill council to carry forward of skill building in hydrocarbon sector to support the National Skill Development Mission.

● Official Language

Your Company is continuously endeavouring for the propagation and successful implementation of the Official Language Policy of the Union. The Official Language Implementation Committees at Corporate as well as work centre level held their quarterly meetings regularly to monitor and review the progress made in achieving the targets fixed in the Annual Programme issued by the Government of India.

Hindi Workshops/Trainings are being organized on regular basis at GTI, Jaipur and Noida as well as the other work-centres. Hindi Computer Training sessions are integral part of these programmes. During the year 2014-15, a total of 65 workshops were organized where 865 employees were given training. All the computers of the Company are equipped with the Unicode Hindi fonts with transliteration key-board typing facility.

With a view to create greater awareness and consciousness among employees, Hindi Fortnight was celebrated from 15-29 September, 2014 across the Company. Every Monday/first working day of the month is being observed as Hindi Diwas across the Company.

A unique initiative has been taken to implement the special software to generate Pay Slip, CPF Card, Pension Card, Promotion Order, Transfer Order, Reliving Order etc. in bi-lingual version from SAP. Your Company is one of the few PSUs to implement this facility.

As a unique initiative, names of all employees of your Company in official e-mail IDs are being displayed in Hindi also. The terminology being used across your Company has been standardized and circulated.

The bilingual website of your Company is regularly updated with latest news and press releases. Intranet of your Company is also available in bilingual format.

Your Company has published an issue of Hindi magazine 'Rajbhasha Sahyog' for propagation of Hindi among the employees. In order to cultivate the habit of reading in Hindi, motivational and inspirational books were distributed to the employees of your Company and their family members.

During the year 2014-15, the 1st Sub-Committee of Parliament on Official Language inspected the Bengaluru and Noida offices of your Company to review the progress of Official Language. The Sub-Committee appreciated the efforts and sincerity of your Company to implement the Official Language. MoP&NG has also recognized the efforts of your Company for effective and wide implementation, and propagation of Hindi among Oil PSUs and awarded your Company under Rajbhasha Shield Yojana.

● Sexual Harassment of Women at Workplace

The 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. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All concerned persons as per the Act are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the year 2014-15:

-- No of complaints received:	Nil
- No of complaints disposed off:	Nil

INNOVATION, RESEARCH AND DEVELOPMENT

Your Company is committed to address the challenges of ever changing business scenario through innovation. Your Company has made enduring efforts to encourage innovation and creativity of employees through its Suggestion Scheme. The Suggestion Scheme helps to promote organization-wide idea generation for incremental innovation. All employees of your Company are motivated to suggest improvements in their respective areas

of work. The suggestions are evaluated in a timely manner for implementation and the best suggestion is awarded with the CMD trophy.

Your Company is also the co-ordinator for mid-stream sector of Oil & Gas industry for promoting industry-wide innovation in the sector. Innovation workshops were held as part of this initiative where the Best and innovative practices adopted by various departments are shared for due recognition and further propagation.

Your Company has set-up a Pilot Land Fill Gas (LFG) Project at Ghazipur in Delhi to reduce the GHG emissions. A further initiative is being taken-up to utilize the low quality LFG to produce power. A 30 KW micro turbine based power plant is being installed to generate power with LFG after its partial upgradation. The successful fruition of this endeavour shall demonstrate the use of LFG as a source of renewable energy. This also demonstrates the commitment of your Company towards sustainable utilization of waste energy and reduction of its carbon footprint.

Your Company is aggressively pursuing many R&D projects in its identified thrust areas with a focus on developing high-impact innovative technologies to conduct the existing businesses in a more optimal and sustainable manner. Your Company has a judicious mix of various basic, applied and pilot projects encompassing the natural gas value chain in its R&D portfolio. In addition, few projects are also being pursued in upcoming areas like Underground Coal Gasification, Fuel Cells, Hydrogen and Gas Hydrates. These R&D projects are being pursued in association with reputed research organizations / institutes. Your Company has also implemented many developmental projects to improve efficiency of existing operations and to conserve the Environment by utilizing better technologies.

TOTAL QUALITY MANAGEMENT

Your Company continues to focus on continual and sustainable improvement in the process, system and functional areas. Customer satisfaction is the top priority of your Company and is being continuously monitored through regular interactions. Major achievements of your Company in TQM are as under:-

- Customer Satisfaction Index achieved during 2014-15 is 89.72%.
- 105 Nos. of quality circle projects were undertaken by your Company during FY 2014-15 at various work centres resulting in tangible benefits of ₹278.65 lakhs in addition to the recurring intangible benefits.
- Gas Processing Unit, Vaghodia of your Company has been recommended for certification of Energy Management System (EMS) ISO:50001-2011.

PROCUREMENT FROM 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, the total eligible value of annual procurement of goods produced and services rendered by MSEs (including MSEs owned by SC/ST entrepreneurs) during the year 2014-15 is about ₹1380 crores of which the total procurement made from MSEs (including SC/ST entrepreneurs) directly or indirectly is ₹260 crores which is approximately 19% of ₹1380 crores.

MOU PERFORMANCE

A Memorandum of Understanding (MoU) is signed every year between your Company and its administrative ministry i.e. MoP&NG, to enhance the performance level of the Company through the targets set therein. The MoU for the year 2014-15 was signed between the Chairman & Managing Director and the Secretary (P&NG), Government of India on 21st March, 2014.

The thrust while fixing MoU targets was more towards improving Performance on critical aspects of the Company which include gas marketing, gas transmission, project implementation, capital expenditure, new business areas etc. Significant thrust has also been given on Corporate Social

Responsibility, Research & Development Projects and Human Resource Management.

Your Company has been consistently achieving excellent MoU rating since the inception of MoU system i.e. from 1989-90 to 2013-14. In spite of the economic slowdown and relatively unfavourable business environment compared to preceding years, your Company achieved MoU composite score of 1.288 for the year 2013-14 which is considered as Excellent MoU rating.

In the financial year 2014-15, there is a gap between MoU targets and actual achievement primarily due to fall in domestic gas availability, decrease in Spot/ RLNG prices, decrease in petrochemical and LHC prices and sharp decline in crude oil prices. The final evaluated MoU score and rating for FY 2014-15 is expected to be announced in December 2015.

The MoU for the year 2015-16 was signed between the Chairman & Managing Director and the Secretary (P&NG), Government of India on 31st March, 2015.

LAURELS

Corporate

- Your Company featured amongst "India's 100 Best Companies to Work For 2014 Study" conducted by Great Place to Work Institute for the third consecutive year.
- Sustainability Report for FY 2013-14, received the coveted 'A+ Application Level' statement by international organization Global Reporting Initiative (GRI).
- Company of the Year' in the Project Management category for its Dabhol - Bengaluru natural gas pipeline project at the Petroleum Federation of India (PetroFed) Oil & Gas Industry Awards 2013

HSE

- International Safety Award - 2014 from the British Safety Council, UK to GAIL Pata and GAIL NCR.
- International Safety Award - 2015 by the British Safety Council, UK to HVJ Compressor Station, Vijapur.
- "Suraksha Puraskar (Bronze Trophy) -2013" by the National Safety Council of India, Mumbai to LPG Recovery Plant, Vijapur.
- "Prashansa Patra (Certificate) Safety Award -2013" by the National Safety Council of India, Mumbai to HVJ Compressor Station, Vijapur (M.P).
- Shreshtha Suraksha Puraskar (Second Level - Silver trophy) for year 2014 from the National Safety Council, Mumbai to GPU, Vijapur.
- Suraksha Puraskar (Third level - Bronze trophy) for year 2014 from National Safety Council, Mumbai to HVJ Compressor Station, Vijapur.
- Golden Peacock Environment Management Award 2014 by the Institute of Directors, New Delhi to GAIL, Vijapur.
- Golden Peacock Occupational Health & Safety Award 2014 by the Institute of Directors, New Delhi to GAIL NCR.
- Safety Innovation Award-2014 by the Institution of Engineers (India), Delhi State Centre to Maharashtra region pipeline system.
- National Safety Award from DGFASLI for year 2012 to GAIL Pata.
- NSC Safety Award-2013 as Sarvashreshtha from NSC MP-Chapter to GAIL Vijapur.

RIGHT TO INFORMATION

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 ACPIOs/CPIO/ Appellate Authorities at its units/offices across the country to provide information to citizens under the provisions of RTI Act.



GAIL Management at the 3rd World Energy Day Celebrations

MANAGEMENT DISCUSSION AND ANALYSIS

The detailed Management Discussion and Analysis forms a part of this report at **Annexure-A**.

CORPORATE GOVERNANCE

Your Company believes that good corporate governance is critical in establishing a positive organizational culture. It is evident by responsibility, accountability, consistency, fairness and transparency towards its stakeholders. Pursuant to the revised clause 49 of the Listing Agreement with the Stock Exchanges 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 remuneration etc. and other matters, details of establishment of whistle blower mechanism etc. forming part of report on Corporate Governance.

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

The statutory auditors of the Company have examined and certified your Company's compliance with respect to conditions enumerated in revised clause 49 of the Listing Agreement and DPE guidelines on Corporate Governance. The certificate forms 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 G.S. Mathur & Co., Chartered Accountants, New Delhi and M/s S.K. Mittal & Co., Chartered Accountants, New Delhi appointed as Joint Statutory Auditors of your Company for 2014-15.

Review and Comments of CAG on the Company's Financial Statement for the financial year ending 31st March, 2015 by CAG, if any, forms part of Financial Statement. Notes on Financial Statement referred to in the Auditors' Report are self-explanatory and, therefore, does not call for any further comment.

• Cost Auditors

Your Company has appointed M/s Rohit & Associates for Pondicherry, Rajamundry & Bangalore unit(s); M/s R Nanabhoy & Co. for Hazira, Vaghodia, Vadodra, Jhabua, Khera, Vijapur, Auraiya, Agra, Kailaras,

Chiansa & Noida (NCR) unit(s); M/s M Goyal & Co. for Mumbai & Vadodra unit(s); M/s Dhananjay V. Joshi & Associates for VSPL & JLPL unit(s) and M/s DGM & Associates for Agartala & Lakwa unit(s) as cost auditors for FY 2014-15. M/s Chandra Wadhwa & Co. is the lead cost auditor.

The due date for filing Cost Audit Reports for the financial year ended 31st March, 2014 was 27th September, 2014 and the same were filed to Registrar of Companies on 26th September, 2014.

● 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 2014-15. Secretarial Audit Report confirming compliance by Practising Company Secretary to the applicable provisions of the Companies Act, 2013, Listing Agreement and other applicable laws, forms part of this Report at **Annexure-D**.

The observations made by secretarial auditor in his Audit report are as under:

- Proviso to Section 149(1) read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014 i.e. Appointment of at least one woman Director.
- Section 149(4) of Companies Act, 2013, Clause 49(II)(A) of the Listing Agreement and Clause 3.1.4 of the Guidelines on Corporate Governance for Central Public Sector Enterprises i.e. Optimum Combination of Executive and non-Executive Directors.
- Sections 135(1), 177(2) and Section 178(1) of the Companies Act, 2013 and Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014, regarding composition of CSR Committee, Audit Committee and Nomination and Remuneration Committee.
- Section 149(8) read with Schedule IV (VIII) and Section 178(2) of Companies Act, 2013, w.r.t. performance evaluation of Independent Directors.

Explanation on observations made by secretarial auditor in serialim are as under:

- As on 31st March, 2015, your Company's Board comprised of five whole-time Directors including CMD and one Government Nominee Director. GAIL does not have any woman Director. The term of Independent Director(s) on your Company's Board including woman Director expired on 28th February, 2015. Subsequently with the appointment of a woman Director, Smt. Anuradha Sharma Chagti as Government Nominee Director by MoPNG on the Board w.e.f. 21st May, 2015 the requirements of Section 149(1) has been fulfilled.
- Your Company is a Government Company, appointment/nomination of all the Directors is being done by the President of India, through the Ministry of Petroleum & Natural Gas (MoP&NG). Your Company is continuously pursuing with MoP&NG for appointment of requisite number of Independent Directors on the Board of the Company.
- Your Company was in compliance of composition of CSR Committee, Audit Committee and Nomination and Remuneration Committee till 28.02.2015. However, after cessation of Independent Directors w.e.f. 28.02.2015, the Company was not in compliance with the aforementioned provisions of the Companies Act, 2013, as stated at b) above.
- Your Company is a Government Company, appointment/nomination of all the Directors is being done by the President of India, through the MoP&NG and performance evaluation of individual Directors including Independent Directors is to be done by Government of India being appointing authority.



Shri Prabhat Singh, Director (Marketing) interacting with Mr. Michael Meehan CEO GRI Neatherland

The Compliance to observations of the secretarial auditor at s. no. ii) and iii) as stated above shall be met once the requisite numbers of Independent Directors are appointed by Government of India on your Company's Board.

CORPORATE SOCIAL RESPONSIBILITY

Your Company believes that Corporate Social Responsibility (CSR) plays a major role in the development of any country. Therefore, it has made Corporate Social Responsibility (CSR) an integral part of its ethos and culture. 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

Details of conservation of energy and technology absorption in accordance with section 134(3) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 forms a part of this report at **Annexure-F**.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

As per requirement of 134 (3) of the Companies Act, 2013 read with Rule 8 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 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.

However, 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 197 of the Companies Act, 2013. Your Company is a Government Company, therefore, such particulars have not been included as part of Directors' Report.

EXTRACT OF ANNUAL RETURN

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

ISSUE OF SHARES AND FIXED DEPOSITS

Your Company has not issued equity shares with differential rights as to

dividend, voting or other wise and issue of shares (including sweat equity shares) to employees of the Company under any scheme.

Your Company has not accepted any fixed deposits and, as such, no amount of principal or interest was outstanding as of the Balance Sheet date.

FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, foreign exchange earnings were ₹644.49 Crores and foreign currency outgo was ₹8088.49 Crores.

During the year under review, there was an outgo of ₹2.20 Crores on foreign tours and training.

KEY MANAGERIAL PERSONNEL AND DIRECTORS

During the year, the following ceased to be Key Managerial Personnel on the Board of your Company:

- Shri S. Venkatraman, Director (BD) w.e.f. 30th September, 2014 upon attaining the age of superannuation.
- Shri P.K. Jain, Director (Finance) w.e.f. 30th April, 2015 upon attaining the age of superannuation.

During the year, the following ceased to be Directors on the Board of your Company:

- Shri P.K. Singh, Government Nominee Director w.e.f. 26th September, 2014 upon ceasing to official of MoPNG.
- Shri Rajive Kumar, Government Nominee Director w.e.f. 1st December, 2014 upon ceasing to official of MoPNG.
- Smt. Shyamala Gopinath and Dr. A.K. Khandelwal, Independent Director(s) w.e.f. 28th February, 2015 consequent upon completion of tenure for 3 years.

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

Shri Ashutosh Jindal was appointed as Part-time Director (Government Nominee) on the Board of your Company w.e.f. 24th February 2015. Shri Subir Purkayastha was appointed as Director (Finance) and Chief Financial Officer by the Board of your Company w.e.f. 1st May, 2015. Smt. Anuradha Sharma Chagti was appointed as Government Nominee Director by the Board of your Company w.e.f. 21st May, 2015.

The tenure of Shri Prabhat Singh as Director (Marketing) was extended for a period of beyond 24.02.2015 till 30.11.2016 i.e. the date of his superannuation, or until further orders, whichever is earlier by Government of India.

Further, Shri M. Ravindran, Director (HR) and Dr. Ashutosh Karnatak, Director (Projects) are retiring by rotation and being eligible have offered themselves for re-appointment.

None of the Director is in receipt of any commission from any subsidiary Company of your Company.

PERFORMANCE EVALUATION

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

However, 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. Your Company is a Government Company and the appointment, tenure, performance evaluation etc. of Directors is done by

Government of India, therefore, such particulars have not been included as part of Directors' Report. Remuneration of CMD, Whole-time Directors and its employees is determined by Government of India. As per requirement of clause 49 of Listing Agreement, evaluation criteria for the Board is being formulated.

CODE OF CONDUCT

Pursuant to the requirements of clause 49 of Listing Agreement, the Board Members and Senior Management Personnel, have affirmed compliance with the Code of Conduct for the financial year ending 31st March, 2015.

DIRECTORS RESPONSIBILITY STATEMENT

Yours Directors confirmed that:

- In the preparation of the annual accounts for the financial year ending 31st March, 2015, the applicable accounting standards have been followed, along with proper explanation relating to material departures;
- 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;
- 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;
- prepared the annual accounts for the financial year ending 31st March, 2015 on a going concern basis;
- had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively and
- laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

ACKNOWLEDGMENT

Your Directors express their gratitude for continuance guidance and support by the Government of India, especially the Ministry of Petroleum and Natural Gas, various state governments, and regulatory and statutory authorities.

Your Directors acknowledge the wise counsel received from Statutory Auditors, Secretarial Auditor and CAG for their consistent support and cooperation.

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

On behalf of your Directors, I would like to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

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

For and on behalf of the Board



B.C. Tripathi
Chairman & Managing Director

Place: New Delhi

Dated: 5th August, 2015

Management Discussion & Analysis



MANAGEMENT DISCUSSION AND ANALYSIS

1. ENERGY SECTOR : AN OVERVIEW

Global energy consumption is growing continuously despite slowdown in economic growth in many developed countries. As per BP Statistical Review 2015, global primary energy consumption increased by nearly 0.9% in 2014 over the previous year.

Energy consumption worldwide continues to be dominated by oil which remains the world's leading fuel, contributing to 32.6% of global energy consumption. There is a marginal decrease in the share of natural gas in global energy mix for 2014 as compared to 2013 from 23.8% to 23.7%. Global natural gas consumption in 2014 increased by a meagre 0.4% over the previous year.

The year 2014 was a very significant year for the energy sector due to the drastic and unexpected fall in oil prices. The price of a barrel of crude oil crashed over the second half of the year from about \$110 to about \$48, which is the lowest in last six years. It was a result of multiple factors like massive growth in crude oil supply from the US, growing supply from Russia and other Middle-East countries, unwillingness of OPEC to cut production, and a general slowdown in the global economy. Despite unpredictable headwinds, the global economic recovery is gaining momentum.

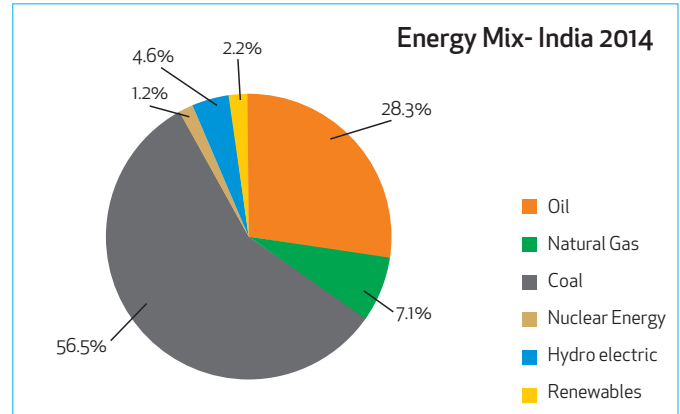
The crash in oil prices brought mixed results for markets in India. The Government utilized this opportunity to eliminate or reduce fuel subsidies and raise taxes. It scrapped the diesel subsidy last year. However, high volatility in energy prices has become a critical concern for both consumers and suppliers. Further, crash of crude prices has led to a peculiar situation in which spot prices of LNG are way below the price of long term LNG imported into India. As a result, domestic customers have been shying away from meeting their long term contractual obligations under the LNG supply contracts. The depressed offtake of long term LNG and a preference for spot LNG is creating several attendant challenges for gas suppliers, transporters and marketers alike, due to back-to-back tie-ups committed by them in the entire gas value chain.

Energy Sector in India

India has emerged as one of the fastest growing economies in the world. Energy sector holds the key in accelerating India's economic growth. The rapidly growing industrial base, urbanization, as well as improvement in the standard of living have widened the gap between energy demand and supply. With a growing economy and 1.26 billion people aspiring for a better quality of life, energy demand growth is inevitable in India. During 2014, India was the 4th largest consumer of energy in the world after China, USA and Russia. It consumes more than 4.9% of the world's energy consumption. By 2025, it is expected that China and India will emerge as biggest energy consumers after the USA.

India is now 3rd largest coal market in the world. The share of coal in its energy mix grew by approx. 2% (54.5% to 56.5%) from the previous year, with a record increase in consumption by 35.9 mtoe for 2014. With the fresh supply from newly allocated coal blocks, pressure is being felt on the already squeezed natural gas market of India. In the power sector, more coal is supplied for power production, on the other side many natural gas based power plants are idle.

In the present energy basket, share of coal is 56.5%, oil 28.3%, natural gas 7.1%, hydroelectric 4.6%, renewable 2.2% and nuclear 1.2%. Because of limited domestic production, India has become increasingly dependent on energy imports. It has 5.7 billion barrels of oil reserves (0.3% of global oil reserves), 1.4 trillion cubic meters of gas reserves (0.8% of global gas reserves), along with almost 6.8% of global coal reserves. India imported 77% of its oil and 37% of its natural gas for consumption in the year 2014.

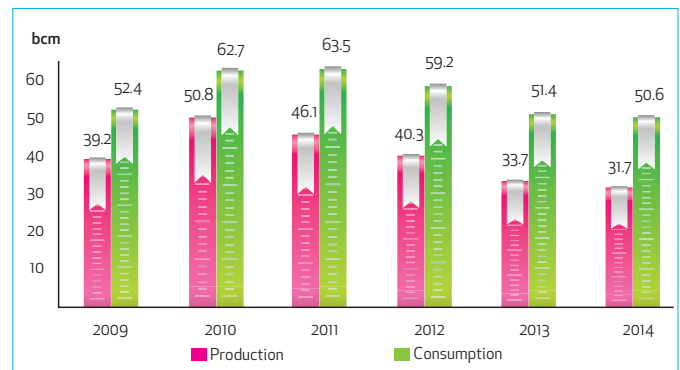


2. NATURAL GAS SECTOR: AN OVERVIEW

Demand and Supply

India's natural gas consumption has consistently exceeded domestic production. LNG imports have historically helped to meet the rising demand supply gap. In recent years, the Indian natural gas sector has faced a significant downturn due to low availability of domestic gas. Gas production in India has declined by 5.9% and gas consumption has declined by 1.5% in 2014 compared to 2013. In absolute terms, the country's production and consumption of natural gas in the year 2014 was 31.7 and 50.6 bcm respectively.

India-Natural Gas Statistics



Source: BP Statistical review of World Energy 2015

Natural gas sales to different sectors have seen a decrease in the current year as compared to last year. There has been a decrease in gas supply to power, fertiliser and other sectors so far whereas sectors like city gas and self-consumption have seen an increase during the year.

Policy Initiatives

The Government of India initiated new policies to attract investments and trigger demand in the gas sector with an aim to boost domestic production in the country. Some of the key policy initiatives taken were:

- **New Gas Pricing Formula**

The Government approved a New Gas Pricing Formula in October 2014 and released the New Gas Pricing Guidelines, 2014. The new formula has fixed price of almost all domestically produced natural gas at 4.66 US \$/MMBTU - GCV until September 30, 2015. The formula uses average price at Henry Hub of USA, National balancing point of the UK, rates in Alberta (Canada) and Russia with a lag of one quarter.

- **Gas Grid Infrastructure**

In addition to the existing 15,000 km gas pipeline network, another 15,000 km has been planned for completion of the National Gas Grid.

- **Innovative mechanism for utilization of stranded gas based generation capacity**

To revive stranded power projects with investment worth ₹60,000 Crores, Government of India approved an innovative policy and tax support package for power generating companies to enable them to use costly imported gas (LNG) for generating electricity.

On 27th March 2015, Ministry of Power notified a Scheme for utilisation of gas based power generation capacity in the country for the years 2015-16 and 2016-17. Your Company is the designated agency for procurement of e-bid RLNG under the proposed scheme. The scheme envisages supply of Spot RLNG "e-bid RLNG" to stranded plants as well as plants receiving domestic Gas to be selected through a reverse e-bidding process.

Separate bidding rounds will be conducted for the monsoon period (May to September) and non-monsoon period (October to April) during each financial year. The volumes expected to be supplied are in the range of 8-10 MMSCMD during Monsoon period and 15-18 MMSCMD during the non-monsoon period.

- **Innovative mechanism for uniform delivered prices for Fertilizer units**

Government of India has also approved a scheme for Gas Pooling in Fertilizer Sector, which was notified by MoP&NG on 20th May 2015. As per the scheme, domestic gas will be pooled with RLNG to provide natural gas at a uniform delivered price to all the gas-based urea plants for the purpose of manufacturing urea. The scheme envisages pooling of gas to be implemented in two phases:

- Phase-I - From 2015-16 to 2017-18 for existing urea plants, and
- Phase-II - From 2018-19 onwards which shall also include Brownfield/Greenfield projects.

Your Company has been appointed as the Pool Operator and has been entrusted with the responsibility of undertaking bidding process to source additional RLNG to meet the requirement of about 4-5 MMSCMD gas for fertilizer Sector.

- **Allocation of domestic gas for CGD business**

Various guidelines have been issued by MoP&NG since November 2013 for allocation / supply of domestic natural gas to meet the gas requirement of CGD entities for CNG (transport) and PNG (domestic) segments based on their actual consumption level. At present, domestic gas is being allocated to CGD entities by your Company as per their actual consumption at the end of every six months. In terms of these Guidelines, your Company has been authorized to supply domestic gas 10% over and above the 100% requirement of CNG (transport) and PNG (domestic) of individual CGD entity.

- **Revival of Fertiliser Plants**

Government of India has initiated the revival of fertilizer plants of FCI-Gorakhpur, FCI-Sindri and HFC-Barauni. The agreement for revival of these plants by the selected bidder is expected by the end of current financial year. The revival of FCI, Gorakhpur and HFC Barauni and new matix, fertiliser plant at Panagarh is expected to result in higher gas demand of around 6-7 MMSCMD. The gas shall be supplied through your Company's Jagdishpur-Haldia Pipeline once the gas supply agreements are in place.

Outlook

- **Gas Consumption**

As per IEA Energy Outlook 2014 for India, natural gas market remains restrained over the next few years, after which rising LNG imports and higher domestic production sustain demand growth. However, with an improvement in the supply situation, consumption is forecast to pick up in the latter part of the decade. India's gas consumption is estimated to increase from 57 bcm in 2012 to 82 bcm in 2020 and about 200 bcm in 2040, driven by higher demand from the power sector (although the share of gas reaches only 12% by 2040) and for road transport. The power sector is expected to lead the way accounting for almost half of total gas use by 2040.

3. BUSINESS OVERVIEW

- **Global footprints**

2014 was a turbulent year for the industry and your Company. After several years of high prices, oil and gas prices fell dramatically in the international markets and returned to their familiar pattern of volatility. The domestic gas scenario was also erratic. Indian energy sector is still searching for competitive fuels despite the downward trend in international oil and gas prices. Your Company is constantly expanding its global presence through its participation along the natural gas value chain. It is also evaluating various global opportunities with the prime objective of securing gas supplies for the energy security of the country.

Making the right investment choices continues to be the highest priority. Your Company continues to actively manage its portfolio, focusing on assets which play to its strengths and divesting assets that no longer fit its strategy. In 2014, GGULL signed Gas Sales & Purchase Agreement (GSPA) with WGL Midstream, Inc. for sourcing of gas on delivered basis at the inlet of cove point pipeline / terminal for a term of 20 years to produce about 2.3 MMTPA of LNG at the cove point terminal. Earlier in 2011, your Company contracted 3.5 MMTPA of LNG from Cheniere Energy, USA on FOB basis for an initial period of 20 years. In 2013, your Company also signed a Terminal Service Agreement (TSA) for booking of 2.3 MMTPA of liquefaction capacity in dominion cove point terminal for 20 years.

Shale gas has already had a significant impact on the US gas prices and demand, and is expected to contribute a major share of global natural gas supplies in future. GGUI, a wholly owned subsidiary of your Company, has undertaken an investment in the Eagle Ford shale gas asset by executing a definitive agreement with Carrizo Oil & Gas Inc., USA (Carrizo) to enter into an unincorporated Joint Venture (JV) in the Eagle Ford Shale asset in Texas. GGUI has acquired a 20% participating interest in the JV. During the year 12 wells came online, making total online wells to 79 as on December 31, 2014.

Your Company expects the growing population and rising per capita incomes in India will continue to drive demand for energy upwards. Natural gas, in particular, is likely to play an increasing role in meeting domestic demand. Your Company is making all efforts to market the gas sourced globally to cater to the domestic requirement. The primary purpose of your Company's shipping and chartering activities is to transport the Group's natural gas sourced globally by group companies using a combination of time-chartered and spot-chartered vessels. In order to transport LNG from the USA to India, your Company is in the process of Charter hiring of LNG ships through an international competitive bidding process.

Your Company is steadfastly pursuing the TAPI Pipeline project to receive Natural Gas supply from the Galkynsh fields in Turkmenistan. The pipeline consortium Company, TAPI Pipeline Company Limited was incorporated on 11th November 2014 in 'Isle of Man', a British Crown dependency located in the Irish Sea, with a mandate to build, own and operate the proposed TAPI Pipeline.

Your Company holds equity interest in two retail gas companies in Egypt, namely Fayum Gas Company (FGC) and National Gas Company (Natgas). These city gas distribution companies are involved in the supply of gas to residential, commercial and small industrial customers in Egypt. 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.

- **Domestic Presence**

- ◆ **Natural Gas Transmission**

Your Company is the market leader in the transmission of natural gas with a network of almost 11,000 km. Based on feedback received from existing shippers, your Company has taken steps to make transmission services more user friendly. Further, your Company also sought Expression of Interest from potential shippers for booking of capacity in its various upcoming natural gas pipelines to ensure utilization of its pipeline infrastructure. It has also taken a number of initiatives to broaden the natural gas market in India including hiring of specialized agencies to carry out demand estimation exercise in various states. Your Company has developed Gas Transmission Agreement meeting specific requirement of all type of Shippers (small, medium and large). It has a Last Mile Connectivity policy under which faster decisions are taken for providing pipeline connectivity to the customers which ensure increase in pipeline utilization capacity.

Agreements were executed with various shippers in Andhra Pradesh to transport and supply gas through swapping mechanism to meet their shortfall of gas for power production. Besides, new tie-ups (on upcoming pipelines) were executed to ensure utilization of pipelines owned and operated by your Company. With respect to LNG, execution of GTAs with number of shippers is under progress to transport the gas.

- ◆ **Inter-State Gas Grid**

Your Company is implementing three major natural gas pipelines:

- Kochi – Koottanad Bengaluru/Mangalore Pipeline (Phase-II)
- Jagdishpur -Haldia Pipeline (JHPL)
- Vijapur-Auraiya-Phulpur Spurline (VAPPL)

Construction activities for JHPL will be taken in phases and presently, is being taken up for Patna-Dobhi-Barauni section and thereafter Phulpur-Dobhi section including spurlines to Gorakhpur and Varanasi. VAPPL will be executed to cater to the additional demand of existing customers enroute, upcoming fertilizer plants and city gas distribution projects envisaged along JHPL.

Your Company has been identified as 'Sponsoring Authority' for implementation of Ranchi- Talcher-Paradip pipeline (approximate length 670 km) for transmission of natural gas under 'Public Private Partnership' mode.

Additionally, your Company is also executing spurlines for connectivity to Chittorgarh in Rajasthan. It is also upgrading its pipeline network in the KG Basin, Cauvery Basin and in Gujarat region.

To make effective use of the commissioned trunk pipelines, execution of the last mile consumer connectivity is also being carried out. During the year 2014-15, approximately 128.90 kms of last mile pipeline connectivity has been extended to 36 consumers for supplying 2.43 MMSCMD of Natural Gas. Under the Last Mile connectivity plan for the year 2015-16, your Company has a target for laying around 130 km pipelines.

- ◆ **Sourcing and Trading of Gas**

Your Company's efforts towards meeting long-term energy requirements have yielded positive results. The long-term LNG supply projects from the USA, namely Sabine Pass and Dominion Cove Point, have achieved significant project milestones and are on course to commence supplies between fourth quarter of 2017 to first quarter of 2018. During the year, your Company executed an agreement with WGL Midstream Inc. to provide gas supply for liquefaction under its tolling capacity agreement at Dominion Cove Point. Your Company has also made progress in the Turkmenistan-Afghanistan-Pakistan-India (TAPI) pipeline project with the formation of TAPI Pipeline Company Limited (TPCL) by member countries to build, own and operate the planned 1800 km transnational pipeline. This combined with its LNG supply agreements from Qatar, Australia, and Russia has propelled your Company on the global stage. This diversified portfolio provides your Company the flexibility to serve its customers in the best possible manner in a competitive business environment over the long-run.

To meet the short/medium-term demand, your Company has executed a one-year supply contract with Petronas LNG, Malaysia to supplement its existing short/medium-term portfolio. Your Company has imported 23 LNG cargoes (equivalent to approximately 1.40 MMTPA of LNG) during the financial year from various international sources on short term and spot basis to meet immediate domestic gas requirement.

Considering the various upstream tie-ups made by your Company, which are expected to commence supplies from 2018 onwards, access to Dabhol LNG terminal of RGPPL provides greater operational flexibility to your Company in spot LNG business. This terminal is well located with ready access to an extensive network of gas infrastructure for distribution to high demand western/northern regions and upcoming southern markets. Further the construction of breakwater will assure that the terminal is operational throughout the year in its full capacity. During the year, ten LNG cargoes were unloaded at Dabhol terminal. RGPPL's is working with all stakeholders to its long-term viability, which includes demerger of LNG terminal and power plant.

Your Company has also been trading some of its LNG portfolio in the international market through its Singapore subsidiary in line with globalization strategy to evolve as a leading LNG player in the world. It is also focusing on making upstream investments in gas assets, liquefaction facilities and LNG shipping to build a presence across the entire LNG value chain. This will enable it to achieve the twin objectives of enhancing the nation's energy security and creating flexibility for providing better value to its customers.

Your Company is planning to set up an FSRU/Re-gasification terminal on east coast of India. In this regard, discussions are on with M/s Adani Ports and Special Economic Zone Ltd (APSEZ) for equity participation and booking of capacity in the proposed regasification terminal at Dhamra port in Odisha.

● Petrochemicals

The robust growth in petrochemicals business in India provides an opportunity for your Company to expand its petrochemical business further. Over the last 15 years, your Company has emerged as one of the leading petrochemical companies with a pan-India marketing network. In order to strengthen the petrochemical business, it is proposed to increase petrochemical capacity through brown and green field projects, in addition to expansion of the product portfolio.

The year witnessed a sharp decline in feedstock and product prices. Polymer prices also declined on an absolute basis, with year-end prices 15-19% lower than prices at the beginning of the year.

Entry and Exit prices for FY 2014-15

\$/MT	Entry price 01 st April, 2014	Exit price 31 st March, 2015
Oil - Dubai (\$/bbl)	104	53
Ethylene	1,430	1,260
Propylene	1,320	990

Your Company has doubled the petrochemicals production capacity of Pata plant to 900,000 TPA. The mechanical completion of the project has already been achieved. All the utilities are successfully commissioned. The gas cracking and polymer production has started in March 2015.

The green field petrochemical projects promoted by your Company through Brahmaputra Cracker and Polymer Limited (BCPL) and ONGC Petro-additions Limited (OPaL) are in advanced stage of completion. With the commissioning of these plants, your Company would be able to achieve a petrochemical portfolio of 1.7 MMTPA for marketing in India and abroad.

● LPG and Other Liquid Hydrocarbons

Your Company has 7 LPG plants in the country having a production capacity of 1.40 Million MT of LPG and other liquid hydrocarbons viz. Propane, Pentane and Naptha.

Your Company also owns and operates exclusive pipelines for LPG transmission for third-party usage. It operates 2 LPG Pipeline transmission systems with a network length of 2,038 km and a capacity to transport up to 3.8 MMTPA of LPG.

● Exploration & Production

Your Company is participating in 15 E&P blocks (13 in India and 2 overseas in Myanmar). While production is in progress in 4 blocks, development and appraisal activities are in progress in 2 blocks, where hydrocarbon discoveries have been made.

Low prospective exploration assets have been further reviewed during this year to balance the portfolio mix and gradually shift towards more assets under production and development. The mix of stages of E&P blocks has already improved to reduce the risk perception of E&P business as a whole and also resulting in E&P being self-sustainable.

● Renewables

With technological advances, government incentives and environmental imperatives driving rapid growth in renewable energy, your Company is taking a keen interest, particularly in wind and solar energy. Your Company has a total installed capacity of 123 MW of which 118 MW is wind

and 5 MW is solar energy plant. Your Company intends to expand its wind and solar energy portfolio in the coming years.

4. FINANCIAL PERFORMANCE

Indian natural gas sector faced a considerable downturn due to low availability of domestic gas. The volume of RIL KGD6 gas has reduced from an average 30.50 MMSCMD in 2010-11 to 8.77 MMSCMD in 2014-15. The domestic production of natural gas has kept moving on a downward trend in the last few years. The fall in crude oil prices to the levels of US\$ 50 - 55 per barrel has resulted in reduced spot LNG price to less than US\$ 10 per MMBTU which is much lower than long term contracted LNG price due to which many consumers are not off taking the contracted quantity of LNG from Rasgas. The fall in crude oil prices has also resulted in lower price realization in LHC and polymers.

The reduction in pipeline tariffs by PNGRB has been putting additional pressure on the profitability of Your Company. The borrowing has increased substantially during previous year due to large Capex in pipelines and petrochemical plants, resulting in increase in depreciation and interest expenses.

The petrochemical plant at Pata is operating predominantly on RLNG due to declining supplies of domestic gas. As a result cost of production has gone up to an average of ₹1,05,000/MT in 2014-15 from ₹75,000/MT in 2013-14.

● Sales (Net of ED)

Sales (net of ED) decreased by 1% from ₹57,245 crores during 2013-14 to ₹56,569 crores in 2014-15.

● Profit after Tax (PAT)

Profit after Tax has decreased by 31% from ₹4,375 crores during 2013-14 to ₹3,039 crores in 2014-15.

● Earnings per Share (EPS)

In view of decrease in PAT, EPS has come down from ₹34 as on 31st March, 2014 to ₹24 per share as on 31st March, 2015.

● Price Earning (PE) Ratio

Price Earnings ratio of the Company was 16 as on 31st March, 2015 and was 11 as on 31st March, 2014, indicating investors' sustained confidence in the long-term growth of your Company

● Shareholders' Funds

The Reserves and Surplus increased to ₹27,851 Crores at the end of the current financial year as compared to ₹25,804 Crores in the corresponding previous year. As on 31st March 2015, the Net Worth of the Company stood at ₹28,888 Crores, as compared to ₹26,858 Crores as on 31st March 2014.

● Debt and Interest

The Debt-Equity ratio is at a very comfortable position of 0.33 as on 31st March, 2015. The Debt Service Coverage Ratio was at 3 times at the year end.

● Ratio Analysis

Return to Net Worth (PAT/Net Worth) for the Company as on 31st March 2015 stood at 10.52%. Return on Capital Employed (PBIT/Capital Employed) was 11.07% as on 31st March 2015.

● Cash Flow (₹ In Crores)

Particulars	2014-15	2013-14
Cash Flow from Operating Activities	2,499.32	4,921.57
Cash Flow from Investing Activities	(1,019.68)	(3231.73)
Cash Flow from Financing Activities	(2988.98)	(1396.80)
Net Increase in Cash & Cash Equivalents	(1509.34)	293.04

● Segment-Wise Performance

Turnover (Net of ED)		(₹ In Crores)	
S. No.	Particulars	2014-15	2013-14
1	Transmission Services		
	a) Natural Gas	3,049	3,828
	b) LPG Transmission	440	418
2	Gas Trading	42,686	42,623
3	Petrochemicals	4,595	4,537
4	LPG & Other Liquid Hydrocarbons	5,053	5,462
5	Unallocated	746	377
	Total Sales	56,569	57,245

● Physical performance

Particulars	2014-15	2013-14
Natural Gas Throughput (MMSCMD)	92.10	96.22
Natural Gas Trading (MMSCMD)	72.07	79.18
Liquid Hydrocarbon Sales (TMT)	1,277	1,307
Polymers Sales (TMT)	441	445
LPG Transported (TMT)	3,093	3,145

● Consolidated Financial Statements

In accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India, your Company has prepared the Consolidated Financial Statements of its subsidiaries and joint venture entities. The highlights of the Consolidated Financial Results are as follows:

(₹ In Crores)		
Particulars	2014-15	2013-14
Turnover	60,515	61,644
Profit Before Tax	4,492	6,922
Profit After Tax*	3,071	4,728

* Before adding share of profit from associates and eliminating minority interest.

● Project Profit Maximization (Sanchay)

Your Company is gearing for challenges to sustain profitability which may be under stress in the next few years due to external factors like volatility in gas business, fall in domestic gas volumes, decrease in prices of petrochemical etc. Hence, a comprehensive initiative has been launched across all the business segments of your Company to optimize existing resources, improve operational and process efficiencies, reduce costs

and maximize profitability, Project Sanchay, as it is called, has identified 5 profit maximization levers:

- i. Gas sourcing, sales and marketing
- ii. Plants operations (Petrochemical and LPG)
- iii. Pipeline Operations
- iv. Petrochemical and LHC marketing and sales
- v. Optimizing finance, HR and C&P process and costs

5. RISKS, CHALLENGES AND MITIGATION

● Sharing of Under Recoveries

The Government of India (GoI) is a major shareholder of your Company. The decisions on sharing of under recoveries on petroleum products given as a discount to Oil Marketing Companies (OMCs) are governed by the GoI.

As per the GoI's directives, in order to make sensitive petroleum products affordable to domestic consumers, your Company has shared the under-recovery of OMCs since 2003-04, aggregating to an amount of ₹19,419 Crores. During the year under review, your Company has provided ₹1,000 Crores (previous year: ₹1,900 Crores) on account of sharing under-recovery of OMCs. Your Company has been requesting MoP&NG from time to time for exemption from the burden of sharing the under-recoveries claimed by the OMCs.

● Regulatory Framework

Since 1st October, 2007, the Petroleum & Natural Gas Regulatory Board (PNGRB) has been established by the Central Government 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 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 2014-15, PNGRB has notified Regulations/Amendments in respect of Natural Gas Pipelines. Regulations/Amendments in respect of CGD networks 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/decisions are available in the official web-site of PNGRB (www.pngrb.gov.in) and have varying implications on respective entities/business activities.

The regulations/amendments/authorizations/orders/decisions of PNGRB are appealable before PNGRB Bench/Appellate Tribunal/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 participation in public consultation exercises conducted by the Regulatory Board and making submissions to the Regulator in writing helps us to anticipate or to minimize our risks associated with any sudden or unforeseen changes in regulations.

- **Natural Gas Prices**

Your Company is currently marketing natural gas procured from domestic as well as international sources.

Till October 2014, the price of domestic natural gas was either approved by GOI or as per the provisions of Production Sharing Contracts (PSCs). The GOI, vide its order dated October 25, 2014, has notified the New Domestic Natural Gas Pricing Guidelines, 2014. As per the notification, w.e.f. November 1, 2014, gas prices shall be determined as per the specific formula which is essentially the twelve month average price of natural gas traded in the major hubs worldwide. Prices will be valid for six months. The first price notified under New Domestic Natural Gas Pricing Guidelines, 2014 was effective from November 1, 2014 and subsequent revisions shall take place every six month starting from April 1, 2015. Petroleum Planning and Analysis Cell (PPAC) has been appointed as the nodal agency to calculate and publish the price as specified in the formula.

The New Domestic Natural Gas Pricing Guidelines, 2014 are applicable uniformly to all sectors of the economy, nominated fields to ONGC and OIL, NELP blocks, Pre-NELP blocks that require Government approval as per PSC and CBM blocks, whereas these will not apply in case of small and isolated fields in nomination blocks which are covered under Pricing Guidelines of 2013, such contracts where prices have been fixed contractually for a certain period, till the end of such period, where PSC provides for specific formula and Pre-NELP blocks that do not require Government Approval as per PSC.

The selling price of such domestic natural gas is equal to the purchase price. Your Company earns marketing margin on the sale of domestic natural gas.

In addition to above, your Company purchases imported natural gas mainly from Petronet LNG Limited (PLL) at Dahej, Gujarat. The purchase price and the selling price of such Natural Gas (RLNG) is based on international crude price. Further, it also directly imports natural gas through cryogenic ships (LNG) 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 based on the purchase price. However, under spot cargo imports the selling price is dependent upon demand and supply scenario within the country and customer affordability. The import of spot cargo is made based on thorough assessment of the affordability of the customer, availability of natural gas in international as well as domestic market and customer's natural gas requirement.

- **Polymer, LPG and other LHC**

Your Company is also marketing own produced products like Petrochemical, LPG and other LHC products. The prices of these products are influenced and determined by global and national demand supply position and vary from time to time.

- **Foreign Exchange Fluctuation Risk**

Your Company is exposed to the foreign exchange markets by way of

imports of capital goods for various new projects, import for operation & maintenance, loans for meeting the capex requirement and investments abroad. This has increased your Company's exposure to the foreign exchange variation and interest rate risk.

To manage the forex exposure, your Company has an approved Forex & Interest Rate Risk Management policy in line with the changing market dynamics. The policy is reviewed on a continuous basis.

- **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 the organization;
- ◆ to establish ownership throughout the organization and embed risk management as an integral part of the business rather than a stand-alone function in the system;
- ◆ to help the decision makers of the organization explicitly take account of uncertainty, the nature of that uncertainty, and work towards a solution to address it;
- ◆ to ensure that all the current and expected risk exposures of the organization are identified, qualitatively and quantitatively evaluated, analyzed and appropriately managed;
- ◆ to enable compliance with the relevant legal and regulatory requirements and international norms, and
- ◆ to assure demonstrable achievement of objectives and improvement of financial stability of the organization.

The risks are evaluated, quantified and prioritized and mitigation plans are reviewed and monitored at various stages. The Corporate Level Risk Steering Committee has been established to oversee the implementation of the Risk Management Policy and Procedures which are periodically reviewed and monitored by the Risk Management Committee, the Audit Committee and the Board.

Key Corporate Level Risks have been identified. Mitigation plans to control these risk are being ratified/updated/re-rated from time to time. The key risks are related to natural gas sourcing, Logistics & Port facilities, natural gas demand sensitivity and market affordability, and polymer marketability. Regulatory framework, E&P, forex exposure, force majeure in project execution etc. are deliberated in various Committees as stated above.

6. INVESTOR RELATIONS AND ENGAGEMENT

The objectives of Company's investor relations activities are to develop a long-term relationship of trust with stakeholders by fulfilling its responsibilities not only to shareholders but also to all other stakeholders including investors and analysts, through fair disclosure of information, and also to obtain their confidence and esteem through bilateral communication. In order to pursue these objectives at all times, your Company continuously discloses necessary information and conducts various investor relations

activities. The investor presentation(s) are placed on the website of your Company and the stock exchanges are also informed.

One of the highlight of 2014 calendar year is the Investor Relation Survey conducted by the Company with respondents from Analyst and Investor community. This initiative has been appreciated and commended by analyst community as a very proactive approach to investor relations management.

In 2014, to pursue the objective of effective communication with investors, your Company organized Analyst Meet for 2013-14 and Conference Call immediately after announcement of the financial results for H1 2014-15 and Q3 2014-15. Besides organizing such meets and arranging regular meetings with investors, your Company also attended 4 domestic investor conferences organized by top brokerage houses of the country and 1 international meet in Hong-Kong and Singapore. 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, your 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**)

These are available on the website of the Company.

Your Company will continue with its endeavor to provide world class investor relations services in disseminating information to Investors & Analysts at right time and from the right people. In view of the above, Investor Zone section of corporate website has been reviewed and made more informative and investor friendly. Your Company believes that it must provide to capital market participants (including shareholders, investors, and securities analysts) accurate information that meets their requirements.

7. HUMAN RESOURCE AND INDUSTRIAL RELATIONS

Your Company looks at diversity from various dimensions, viz., gender, religion, caste and community. It gives equal opportunity to all the citizens in regard to employment & career opportunities within the organization. As a result, the employee composition is a heterogeneous mix, comprising people from almost all the regions of the country and sections of society.

The Industrial/Employee 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 an endeavor to meet the ever changing business requirements and to maintain sustainable competitive advantage, your Company has been continuously aligning its Corporate HR Strategy in alignment with the Organizational Strategy.

Your Company is making a concerted effort to attract, acquire and deploy the best human capital and keep them motivated and engaged. Your Company has been constantly focusing on identifying and bridging the skill gaps of its talent pool. Your Company constantly reviews its HR processes & policies to benchmark them vis-à-vis the best process & policies in the industry. During the year, your Company undertook the review of HR policies with respect to employee's compensation, welfare, recruitment, and general terms and conditions of service, Conduct Discipline & Appeal Rules and Whistle Blower Policy. Further, the provisions of Lokpal and Lokayuktas Act, 2013 were also implemented.

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

Your Company is committed to Environment Protection and always strives for continuous development of the communities in which it operates. Health, Safety and Environment are embedded in "Core Organization Values" of your Company to promote highest level of safety in our operations, health of our employees and a clean environment. Your Company has an elaborate and comprehensive Environment Management System in place.

Your Company has adopted various measures across business lines for environment protection and its conservation. Since its inception, your Company has been guided by the objective to be a caring and responsible corporate citizen with the essence of sustainability ingrained in its Vision and Mission statement. Your Company's business philosophy stresses on fostering responsible growth that is sustainable and inclusive for the economy, the stakeholders, the community and the environment. Your Company has strived to align with the principle of triple bottom line by being a committed corporate citizen balancing the growing energy demands for its customers, creating value for all stakeholders and ensuring its responsibility towards environment.

Your Company owns many interstate as well as regional natural gas pipeline networks of more than 11,000 km across India. Through this network it supplies natural gas to many industries in the power, Fertilizers Sugar, Paper and Steel sectors helping them in the cause of environment protection. Adequate supply of affordable and clean energy is a pre-requisite for sustainable growth. Natural gas has emerged as most benign fuel in this regard. Natural Gas is a new age fuel. Having the lowest carbon to hydrogen ratio, hence it burns completely, making it the cleanest of fossil fuels.

Natural gas satisfies most of the requirements from fuels in a modern day industrial society, being efficient, non-polluting and relatively economical. natural gas is used in power utilities, fertilizer industry, industrial sectors, domestic & commercial uses, automotive industry and petrochemical industry as non-polluting fuel and feed stock. Pipeline transportation of gas offers a safe, economic and environmentally sound alternative to most other modes of energy transport. LPG transmitted through pipelines is source of clean fuel to millions of houses. The pipelines have helped the cause of environment to a great extent by reducing the tanker traffic on roads creating better environment and promoting higher safety.

● Water and Wastewater Management

Your Company's operations do not involve complex chemical reactions generating difficult to treat wastewaters. Physical separation of heavier hydrocarbons from natural gas is achieved by the cooling and condensation technique. The raw material used for recovery of LPG and Propane is clean and eco-friendly natural gas which is received through pipe line. After recovery, it is transported to downstream customers through pipeline. The only process effluent at most of the installations are floor wash, cooling water blow down and sewage water.

The gas processing plants have Effluent Treatment Plant for necessary treatment of effluent water generated in the process. No effluent water is discharged outside the premises. The treated effluent water is recycled and used in-house for horticulture purposes inside the plant and township premises. The treated wastewater is of the highest quality and ensures conservation of this precious resource.

Water is a precious natural resource and hence its consumption is closely monitored and controlled. Technologies have been adopted to reduce the wastewater generation and treat whatever is generated. Thus, special care is taken to maximize reuse and recycle. Discharge at all locations is compliant to respective state pollution control board norms.



Signing of Joint Ventures Agreements (JVAs) to set up an Integrated Coal Gasification cum Fertilizer and Ammonium Nitrate complex at Talcher in Odisha.

● Air Quality Management

In line with its commitment towards sustainable development, your Company has given topmost priority to environmental considerations throughout the various phases of the project such as technology selection, process design and project execution.

All the plants of your Company namely the Gas Processing Unit, the Gas Cracking Unit, the High Density Polyethylene Unit and the Linear Low Density Polyethylene Unit (HDPE and LLDPE) are state of the art and from world renowned process licensors.

Your Company uses one of the cleanest fuels available, which happens to be its raw material as well as feedstock i.e. Sulphur free natural gas. 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.

All the boiler and furnace stacks are also equipped with on-line analyzers for monitoring stack air quality on continuous basis. Adequate stacks height has been provided for effective dispersion of pollutants. Low NOx burners are used in all the furnaces. Loading facilities are provided with vapour return circuits. Gas detectors have been installed to ensure quick detection of any gas leak.

● Solid Waste Management

Your Company manages its waste in the best possible ways. Its first priority is to ensure minimum generation of waste. If the generation of any waste is inevitable, it focuses on the prevention of harm to the environment, possible onsite treatment and disposal based on the type of waste. Your Company also focusses on segregation of hazardous wastes from non-hazardous wastes. In your Company's process plants, hazardous solid waste is stored and disposed-off as per the best available environment practices. The solid wastes are collected, stored and

handled, in a manner which has no detrimental effect on the ground water and the environment.

● Green Belt

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's single largest land holding, the Petrochemical unit at Pata, has every significant greenbelt having more than 5 lakh plants. Varieties of butterflies, peacocks, turtles, ducks, hares, reptiles and other rare species have made this site as their natural habitat. The migratory birds visiting this site points towards the humble contribution made by this installation to the cause of environment protection.

● Environment Monitoring

Your Company monitors environmental parameters to assess the environmental quality on regular basis through in-house as well as by Independent third party agencies. All the latest and sophisticated instruments are used for monitoring of environmental quality. The monitoring of environmental quality is done regularly and reports are sent to 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 regular basis.

Some of the environmental initiatives which your Company has embarked upon recently are as below:

- **HSE Signature:** Your Company has formulated its HSE Signature which was launched on January 14, 2015. The HSE Signature of your Company is: "Plantation of a Tree, Undergoing one Safety Training and Measurement of Body Mass Index (BMI) for good health each year by every employee". It has been chosen with respect to each of the element of HSE i.e. Health, Safety and Environment.

- ◆ **Health:** Measurement of Body Mass Index (BMI) of each employee to monitor and improve health.
 - ◆ **Safety:** Undergoing a focused Safety Training to improve safety perception and enhance skill building to create a safe work environment.
 - ◆ **Environment:** Plantation of a tree each year by every employee to contribute towards greener environment
- Your Company has undertaken Global Methane Initiative (GMI) program at Vijaipur, Jhabua and Hazira through the signing of a MoU with the United States Environment Protection Agency (US-EPA). Your Company has become a partner in the Natural Gas STAR Program so as to carry out study regarding fugitive and vented Methane emissions. The study has been taken up for Vijaipur, Hazira and Jhabua facilities by US EPA. Your Company's Vijaipur facility has been able to reduce 2.89 MMSCM (million m³)/year methane emission over its baseline of 2010-11 which is equivalent to reducing 41,225 ton of CO₂e. The recurring fugitive emission due to Compressor wet seal degassing vents are to be addressed by a Seal Gas Recovery Project that will recover the fugitive gas emission and cycle it back to the suction of the compressor thereby eliminating its discharge into atmosphere.
 - Your Company has set up Membrane Bio Reactor (MBR) based Sewage Treatment Plant (STP) in the GAIL Gaon Township. Treated water from MBR is suitable for horticulture works like irrigation of lawns etc. The efficient sewage treatment process, ensures an odorless and clean environment. Improved quality of treated water also adds to the hygiene level. The benefit of having a MBR based STP is that the entire effluent is useable and there is zero wastage of sewage water. The irrigation of lawns and green belts which was earlier done by bore wells is being prevented, saving precious groundwater and improving the water footprint.
 - Your Company has embarked upon conserving water by implementing Rainwater Harvesting measures. At GAIL Vijaipur, there has been construction of structures (check dam) and lagoons to assist water conservation and enhance the ground water table by making rain water harvesting pits in complexes and township.
 - Your Company recovers waste heat from the exhaust of Gas Turbine Compressor (GTC) at Vaghodia through Waste Heat Recovery Steam Generation system (WHRSG). This project was implemented to supply steam to M/s. Apollo Tyres. The Heat Recovery Steam Generation System utilizes the flue gas energy from the exhaust gases from the gas turbines which drive their respective compressors in open cycle for steam generation. This reduces the flue gas current temperature of 450°C going in open atmosphere to about 240°C, thus reducing thermal pollution as well as saving energy required for the steam generation.
 - Your Company has installed an improved automated burner management system in hot oil heaters to replace the earlier inefficient burners with manual control at Vaghodia. The hot oil system is used for re-boiling of LHC in the distillation columns during the fractionation process for the recovery of LPG. The hot oil supplied in these re-boilers is heated in hot oil heater. The hot oil heater had conventional type of gas fired heater having pilot operated four natural draft burners. The new system has changed the

present furnace from natural draft to forced draft having proper control system for maintaining air to fuel ratio thus eliminating excess air as well as wastage of sensible heat loss. This retrofitting in hot oil heaters has improved the combustion efficiency, reducing the fuel gas consumption. Besides, it enhances operational safety. The reduction in fuel gas consumption is 12% which corresponds to energy saving of 2,957 MWH/annum.

9. CORPORATE SOCIAL RESPONSIBILITY

In alignment with the vision of your Company, the CSR initiatives strive to enhance value creation in the society and in the community in which it operates, through its services, conduct and initiatives, to promote sustained growth for the society and community. The Annual Report on CSR activities as per requirement of the Companies Act, 2013 is forming part of the Directors' Report.

10. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has developed Internal Control System in its various business processes/segments, commensurate with the size and nature of business.

Your Company has an in-house Internal Audit Department functionally reporting to Audit Committee (Sub-committee of Board), and administratively reporting to Chairman & Managing Director which is considered as a global best practice. The Internal Audit carries out risk-based audit covering various business processes/segments/functions of the Company as per the annual audit plan approved by Audit Committee. Further, the Internal Audit Department is ISO 9001 certified ensuring standardization of system and procedures.

The Internal Audit Department consists of professionally qualified executives from various disciplines who carry out audit of financial, commercial, technical and other business activities of your Company besides reviewing the adequacy of Internal Control Systems. It regularly appraises risk management in line with Board approved Internal Audit Charter/Manual which contains best global practices in the profession of Internal Auditing. The Internal Audit Department also has a system of apprising top management and the Audit Committee on status of compliance of significant internal audit issues from time to time.

The Company has in place adequate internal financial controls with reference to financial statements.

CAUTIONARY STATEMENT

Statements in the Directors' Report and Management Discussion & Analysis, describing the Company's objectives, projections and estimates, expectations, predictions etc. may be "forward looking statements" within the meaning of the applicable laws and regulations. Forward looking statements contained herein are subject to certain risks and uncertainties that could cause actual results to differ materially from those reflected in the forward-looking statements. Actual results, performances or achievements may vary materially from those expressed or implied, economic conditions, Government policies and other incidental factors such as litigation and industrial relation. Stakeholders are cautioned not to place undue conviction on the forward looking statements.

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance is an ethically driven business process that is committed to values and conduct aimed at improving an organization's culture. The cardinal principles of Corporate Governance such as accountability, responsibility, transparency and fair disclosure serve as important tools for developing best corporate practices within the Company.

Your Company constantly strives towards imbibing these aspects in the business thereby generating long term sustainable value. The Company's philosophy of Corporate Governance is based on preserving core values, practicing ethical conduct and committing to maximize the value for all the stakeholders. It is reflected in your Company's culture, policies, commitment to values and its relationship with stakeholders.

The risk management is at the core of governance framework in your Company. The Board and the Management of your Company therefore strives to create and maintain robust internal control systems while adopting best practices in the organization.

In commitment to practice strong governance principles, your Company is guided by the following core principles of corporate governance:

1. Strategy deployment and oversight by the Board of Directors.
2. Building robust internal control processes & systems for enhancing accountability and responsibility.
3. Transparency and openness in the communication of the information with various stakeholders.
4. Compliance with the statutory requirements under the applicable laws.
5. Conducting business in fair and ethical manner.

The Board of your Company constantly endeavors to set goals and targets

aligned to the Company's vision and mission.

2. BOARD OF DIRECTORS

The Board is entrusted with the ultimate responsibility of the management, direction and performance of the Company. The Board of your Company has a combination of Executive (Functional) and Non-executive (Part-time) Directors. Whole-time Directors are involved in day-to-day management of the Company, whereas Part-time Director(s) (Government Nominee) are representative(s) of administrative Ministry of Government of India and Part-time Non-official (Independent) Director(s) are appointed to take care of interest of stakeholders including minority shareholders.

• Terms of Reference

In line with sound Corporate Governance framework all the statutory, significant and material information including as enlisted in the Listing Agreement, The Companies Act, 2013, Guidelines on Corporate Governance for CPSEs (DPE Guidelines on Corporate Governance) etc. is periodically placed before the Board.

• Composition

Your 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 (three) and not more than 20 (twenty).

As on 31st March, 2015, there were 6 (Six) Directors on the Board comprising of 5 (Five) Whole-Time Directors including the Chairman & Managing Director and 1 (One) Part-time Director. The details wrt attendance, number of other Directorships and Chairmanship/ Membership of Committees of each Director are as under:

Name and Designation of the Director	No. of Board Meetings attended during the Tenure	Attendance at last Annual General Meeting	Directorships held in other Public Limited Companies	Committee Membership in other Companies	Chairperson of Committees of other Companies
I. Whole-time Directors					
Sh. B. C. Tripathi Chairman and Managing Director	14	Yes	03	Nil	Nil
Sh. Prabhat Singh Director (Marketing)	12	Yes	02	01	Nil
Sh. P.K. Jain Director (Finance)	14	Yes	02	01	01
Sh. M. Ravindran Director (HR)	14	Yes	05	01	Nil
Dr. Ashutosh Karnatak Director (Projects)	13	Yes	01	01	Nil
S. Venkatraman (Upto 30.09.2014)	7	Yes	N.A.	N.A.	N.A.

Name and Designation of the Director	No. of Board Meetings attended during the Tenure	Attendance at last Annual General Meeting	Directorships held in other Public Limited Companies	Committee Membership in other Companies	Chairperson of Committees of other Companies
II. Part-time Directors (Government Nominee)					
Rajive Kumar (upto 30.11.2014)	09	No	N.A.	N.A.	N.A.
P.K. Singh (Upto 25.09.2014)	06	No	N.A.	N.A.	N.A.
Sh. Ashutosh Jindal (w.e.f. 24.02.2015)	02	NA	01	Nil	Nil
III. Part-time non-official (Independent) Directors					
Smt. Shyamala Gopinath (upto 28.02.2015)	11	Yes	N.A.	N.A.	N.A.
Dr. A.K. Khandelwal (upto 28.02.2015)	13	Yes	N.A.	N.A.	N.A.

Notes:

1. 30th Annual General Meeting was held on 17.09.2014.
2. Based on disclosures received from concerned Director(s):
 - i. Directors inter-se are not related to each other.
 - ii. 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 in Committee is reckoned considering Audit Committee and Stakeholders Relationship Committee.
 - iii. None of non-executive Directors hold any Equity Shares in the Company.
 - iv. None of the non-executive Directors had any pecuniary relationship or transactions with the Company during the FY ending on 31st March, 2015.

● Meeting Details

During 2014-15, 14 (Fourteen) meetings of the Board were held - 4th April, 26th May, 18th July, 23rd July, 1st August, 11th August, 26th September, 31st October, 14th November, 28th November, 10th December, 6th February, 26th February, and 9th March.

● Independent Directors Meeting

The independent Directors meet from time to time without the presence of executive Directors or management representatives. In addition to this formal meeting, interactions outside the Board meetings also take place between Chairman and independent directors.

● Board induction, training and evaluation

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. Strategy meets are also held where functional heads share with the Board their short term and long term plans.

In addition, your Company has formulated a Training Policy for Board

Members of your Company. Your Company's Directors are nominated to attend conferences on corporate governance and other industry related matters conducted by DPE, SCOPE and other reputed Institutes at regular intervals.

The Directors of your Company are appointed by the Government of India therefore the evaluation is not required. 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. However, a policy is being framed for evaluation by the Board of its own performance.

3. COMMITTEES OF THE BOARD

The Board has constituted various statutory and non-statutory Board Level Committees to take informed decisions within the framework of delegated authority, and make specific recommendations to the Board on matters in their areas or purview. 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 informed to the Committee, is also put up to the Committee periodically.

There are 12 Committees of the Board including statutory committees viz. Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee. The Board has empowered Chairman & Managing Director to re-constitute the Committees of the Board. Details of sub-Committees of the Board are forming part of Annual Report separately.

A. AUDIT COMMITTEE
● Terms of Reference

The terms of reference of the Audit Committee is in accordance with

provision of the Companies Act, 2013, Listing Agreement and the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Department of Public Enterprises. It, inter-alia, includes oversight of financial reporting process, appointment, remuneration and terms of appointment of auditors, reviewing annual and quarterly financial statements, reviewing performance of statutory/internal auditors, evaluation of internal financial control and risk management system, approval and modification of related party transactions, reviewing adequacy of internal audit function, discussion with internal auditors, reviewing findings of internal investigations, discussion with statutory auditors and reviewing whistle blower mechanism etc.

● Composition

As on 31st March, 2015, the Audit Committee comprised of Sh. M. Ravindran as the Chairman, Sh. Prabhat Singh, Dr. Ashutosh Karnatak as the members. All members of the Committee have requisite experience in financial matters.

Director (Finance), Statutory Auditors and Head of Internal Audit are the permanent invitees to the meetings of Audit Committee. Other Functional Directors and other senior functional executives are also invited, as and when required, to provide necessary information/clarification to the Committee. The Committee hold post-audit discussions jointly with statutory auditors on accounting practice, policies followed by the Company, etc. 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.

● Meeting Details

During 2014-15, 08 (Eight) meetings of Audit Committee were held: 26th May, 27th May, 1st August, 11th August, 11th September, 31st October, 6th February and 12th February. The attendance of the Members at the meetings was as follows:

S. No.	Members	No. of Meetings	
		Held during the tenure	Attended
1.	Sh. Prabhat Singh	08	07
2.	Smt. Shyamala Gopinath (Upto 28.02.2015)	08	08
3.	Dr. A.K. Khandelwal (Upto 28.02.2015)	08	08
4.	Sh. M. Ravindran (wef 05.03.2015)	-	-
5.	Dr. Ashutosh Karnatak (wef 05.03.2015)	-	-

● Risk Management

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. 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.

● Vigil Mechanism - Policy on Whistle Blower and Fraud Prevention

Your 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, your Company has framed the Fraud Prevention Policy to prevent, detect and allow for speedy disposal of fraud or suspected fraud.

Audit Committee reviews the complaints received under whistle blower mechanism and status of fraud on quarterly basis. During the year under review, no complaints were received under Whistle Blower Mechanism and Fraud Prevention Policy.

B. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Board of Directors at their meeting held on 26th May, 2014, changed the nomenclature and scope of the Shareholders'/ Investors' Grievance Committee as the Stakeholders Relationship Committee in order to align with the requirements of the Companies Act, 2013.

● Terms of Reference

The terms of reference of the Committee is to, inter-alia, look into the redressal of complaints of security holders of the company and matters relating to R&TA. Further, the Committee shall approve issuance of duplicate share certificate.

Role of Stakeholders Relationship Committee is as per Listing Agreement and Companies Act, 2013 as amended from time to time.

● Composition

As on 31st March, 2015, the Stakeholders Relationship Committee comprised of Sh. Ashutosh Jindal, as the Chairman, Sh. M. Ravindran and Dr. Ashutosh Karnatak as the member(s). The Company Secretary acts as the Compliance Officer of the Company.

● Meeting & Other Details

During 2014-15, a meeting of Committee was held on 31st October, 2014, which was attended by all the members.

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 Ltd., R&TA directly and are not included in the complaints. Status of the Complaints received and redressed during the respective quarters is being placed to the Audit Committee and Board.

During the year 2014-15, 19 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 19 complaints were resolved.

R&TA/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.

To facilitate the member(s) to register their requests, if any, designated e-mail ID of the R&TA and Company are mcsgail@mcsdel.com and shareholders@gail.co.in. Further, there is a separate dedicated section on

the Company's website www.gailonline.com captioned 'Investor Zone' to make aware the shareholders about latest developments and updated information about shareholding pattern, dividend declaration, IEPF transfer, unpaid dividend etc.

C. NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors at their meeting held on 26th May, 2014, changed the nomenclature and scope of the Remuneration Committee as the Nomination & Remuneration Committee in order to align with the requirements of the Companies Act, 2013.

Your Company is a Government Company, therefore, 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 ₹40,000/- and ₹30,000/- (approved in the Board meeting held on 26.05.2014) for attending each meeting of the Board and Committee respectively in addition to expenses incidental thereto.

• Terms of Reference

The terms of reference of this Committee is to:

1. deliberate and decide on PRP pool and policy of distribution of Performance Related Pay (PRP) to employees.
2. examination of issues relating to pay and perks other than PRP prior to consideration by the Board.

3. to identify the persons qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance and formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

Role of Nomination and Remuneration Committee is as per Listing Agreement; The Companies Act, 2013; DPE guidelines as amended from time to time.

• Composition

As on 31st March 2015, the Nomination and Remuneration Committee of the Company comprised of Sh. Ashutosh Jindal as the Chairman, Sh. Prabhat Singh and Dr. Ashutosh Karnatak, as the member(s). Director (Finance) and Director (HR) are the permanent invitees to the meetings of Nomination and Remuneration Committee.

• Meeting & Other Details

During 2014-15, a meeting of Nomination and Remuneration Committee was held on 17th September, 2014, which was attended by then members, i.e. Dr. A.K. Khandelwal, Chairman and Smt. Shyamala Gopinath, member.

The details of remuneration paid to Whole-time Directors of the Company for 2014-15, are as below:

(₹ in lacs)

Sr. No.	Name of the Director	Salary & Allowances	Contribution to PF	Other Benefits and Perquisites	Performance Related Payment	Total
1.	Sh. B. C. Tripathi Chairman and Managing Director	38.87	5.78	8.62	20.41	73.68
2.	Sh. Prabhat Singh Director (Marketing)	25.17	2.37	5.32	13.54	46.40
3.	Sh. S. Venkatraman Director (Business Development) (upto 30.09.2014)	44.13	2.52	4.4	13.92	64.97
4.	Sh. P.K. Jain Director (Finance)	39.02	5.14	7.19	13.64	64.99
5.	Sh M. Ravindran Director (HR)	26.33	5.09	7.63	12.04	51.09
6.	Dr. A. Karnatak Director (Projects)	24.88	4.92	5.40	5.71	40.91

The payment made to Whole-time Directors did not include provision for leave, gratuity and post retirement benefits as per AS-15 since the same were not ascertained for individual employee (Refer note no. 41 to the accounts in Annual Report). During the year under review, your 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 years

period by Government of India. Further, Part-time Director (Government Nominee) representing administrative Ministry of the Government of India ceases to be the Director of the Company on ceasing to be an official of the Ministry.

During the year, the details of sitting fees paid to the Part-time non-official (Independent) Directors, excluding service tax paid as reverse charge mechanism by the Company, for attending the meetings of the Board of Directors and Committee(s) thereof, is given below:

(₹ in lacs)

S. No.	Name of the Independent Director(s)	Amount
1.	Smt. Shyamala Gopinath	10.30
2.	Dr. A.K. Khandelwal	13.50

D. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

• Terms of Reference

To formulate and recommend to the Board, a CSR Policy, recommend the amount of expenditure to be incurred, monitor the CSR Policy of the Company from time to time and any other activity delegated by the Board.

Role of CSR Committee is as per The Companies Act, 2013; DPE guidelines as amended from time to time.

• Composition

As on 31st March, 2015, the CSR Committee of the Company comprised of Sh. B.C.Tripathi as the Chairman, Sh. M. Ravindran, and Sh. Ashutosh Jindal as the member(s).

• Meeting & Other Details

During 2014-15, 05 (Five) meetings of CSR Committee were held: 27th May, 5th September, 31st October, 29th January and 26th February. The attendance of the Members at the meetings was as follows:

S. No.	Members	No. of Meetings	
		Held during the tenure	Attended
1.	Sh. B. C. Tripathi	5	5
2.	Sh. M. Ravindran	5	5
3.	Smt. Shyamala Gopinath (Upto 28.02.2015)	5	5
4.	Dr. A.K. Khandelwal (Upto 28.02.2015)	5	5
5.	Sh. Ashutosh Jindal (w.e.f. 05.03.2015)	-	-

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

4. SUBSIDIARY COMPANIES- MONITORING FRAMEWORK

Your 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 Clause 49 of the Listing Agreement and DPE guidelines on Corporate Governance, performance of the subsidiary companies is, inter-alia, reviewed by the Audit Committee and the Board as under:

- investments made by unlisted subsidiary companies;
- consolidated financial statements comprising of financial statements of subsidiary companies etc.,
- statement of significant transactions and arrangements periodically entered into by the subsidiary companies

The Company has formulated a 'Policy for Material Subsidiary Company(s)'. The same is available at the website of the Company at http://www.gailonline.com/final_site/pdf/GAIL_Material_Subsiary_policy.pdf. The Company does not have any material unlisted subsidiary companies in terms of the Clause 49 of the Listing Agreement and DPE guidelines on Corporate Governance.

The same is available at the website of the Company at http://www.gailonline.com/final_site/pdf/GAIL_Material_Subsiary_policy.pdf. The Company does not have any material unlisted subsidiary companies in terms of the Clause 49 of the Listing Agreement and DPE guidelines on Corporate Governance.

5. DISCLOSURES

A. COMPANY POLICIES

- The Company has formulated a Related Party Transactions policy in terms of Clause 49 of the Listing Agreement. The policy is available at website of the Company at http://www.gailonline.com/final_site/pdf/GAIL_Related_Party_Transaction_Policy.pdf.
- In pursuance of the Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, the Board has laid down "Code of Conduct for Prevention of Insider Trading" 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.

B. AFFIRMATION & COMPLIANCE

- Annual Financial statements 2014-15 are in conformity with applicable Accounting Standards. During the year, there have been no materially 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 to the accounts 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 AS-18 on related party transactions.
- Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct of your Company for the financial year ending on 31st March, 2015.
- Your Company has filed report on Corporate Governance in specified format(s) to Stock Exchanges, MoPNG/DPE within stipulated time.
- 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 clause 49 of the Listing Agreement.
- Your Company has implemented online legal compliance management system covering the compliance of the applicable laws to your Company. A compliance Report is generated and the same is put up bi-annually for review of the Board.
- During the year under review, no Presidential Directives have been received by your Company.
- No item of expenditure has been debited in books of accounts, which are not for the purposes of the business and no expenses, which are personal in nature, have been incurred for the Board of Directors and top management.

Further, the administrative & office expenses and financial expenses constitutes 2.62% and 0.68% respectively of total expenses for 2014-15 as against 2.38% and 0.70% in 2013-14.

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

- GAIL is complying with the mandatory requirements of Clause 49 of the Listing Agreement and the Companies Act, 2013 except the requirement



Shri Narendra Modi, Hon'ble Prime Minister of India, Inaugurating the first phase construction of Jagdishpur-Haldia Pipeline Project at Patna, Bihar

pertaining to composition of Board of Directors with respect to requisite number of Independent Directors. Further, your Company is also complying with requirement of woman Director, the composition of Audit Committee, Nomination & Remuneration Committee and CSR Committee as per requirement stipulated in the Listing Agreement and the Companies Act, 2013 till 28.02.2015 i.e. the date of cessation of then two independent Directors including woman Director.

Besides the mandatory requirement of Clause 49 of the Listing Agreement, the following non-mandatory requirements 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 2014-15.
- The Company has an in-house Internal Audit Department functionally reporting to Audit Committee & administratively reporting to CMD.

Ministry of Petroleum & Natural Gas, Government of India is seized of the matter pertaining to appointment of requisite number of Independent Directors including woman Director on the Board of the Company. The Government of India is in process of selecting requisite number of Independent Directors including woman Director.

There has been no instance of non-compliance with any stock exchange, SEBI on any matter relating to capital market over the last 3 years.

- b. Department of Public Enterprise has formulated Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010. Your Company is complying with these guidelines except composition of Board of Directors. Further, your Company is also complying with requirement of composition of Audit Committee and Remuneration Committee till 28.02.2015 i.e. the date of cessation of then two independent Directors.

6. INVESTOR RELATIONS

Timely disclosure of relevant and reliable information on financial

performance is at the core of good governance. Towards this end, major steps taken are as under:

- **Quarterly/ Annual Results:** The unaudited quarterly results and audited yearly results of the Company were announced within stipulated 45/60 days respectively from the end of respective quarter. In order to attain maximum shareholder reach, the financial results of the Company during the year 2014-15 were published in leading English dailies (The Hindu, Business Line, Economic Times and Times of India) and Vernacular (Hindi) dailies (Business Standard, Dainik Jagran and Navbharat Times) having wide circulation across the country. Further, these were also hosted on the website of the Company.
- **News Release, Presentation etc.:** Official news/press releases and presentations made to 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, Audited Accounts, Consolidated Financial Statements, Directors' Report, Management Discussion and Analysis, Auditors' Report, Corporate Governance Report is circulated to the members and others entitled thereto and uploaded on the website of the Company.
- Regular reminders are being sent to Shareholders for claiming unpaid/unclaimed dividend every year.
- In terms of the Green initiative launched by the Ministry of Corporate Affairs, to allow service of documents to the members through electronic mode, your Company from the last few years has been sending various communications/documents like Annual Report, Notice of AGM, NECS intimation etc. through e-mail to those shareholders who have registered their email id with the DP/R&TA.

7. GENERAL BODY MEETINGS

- **Location and Time – Last Three AGMs**

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

Year	2011-12	2012-13	2013-14
AGM	28th	29th	30th
Date & Time	05.09.2012 at 10.30 a.m.	25.09.2013 at 10.30 a.m.	17.09.2014 at 10.30 a.m.
Venue	Air Force Auditorium, Subroto Park, New Delhi-110010	Manekshaw Centre, Parade Road Delhi Cantonment, New Delhi-110010	Manekshaw Centre, Parade Road Delhi Cantonment, New Delhi-110010
Special Resolution passed	None	None	Borrowing of INR Debt through secured/ unsecured, redeemable, taxable Non- convertible Bond(s) upto ₹2000 crore till the conclusion of next AGM, in one or more tranches on private placement basis.
Details	N.A.	N.A.	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 ₹2000 crore and upto USD 70 million through Foreign Currency Bonds (Reg S Bonds)

No item warranted the postal ballot as stipulated under the Companies Act, 2013. No special resolution is proposed to be passed by postal ballot at the ensuing Annual General Meeting.

8. GENERAL SHAREHOLDER INFORMATION

● Forthcoming AGM: Date, Time and Venue

31st Annual General Meeting of the Company is scheduled for **Wednesday, the 16th day of September, 2015 at 10.30 a.m. at Manekshaw Centre, Parade Road, Delhi Cantonment, New Delhi - 110010.**

● Tentative Calendar for financial year ending 31st March, 2016

Particulars	Tentative date
First Quarter results	August 12, 2015
Approval of Cost Audit report	September 23, 2015
Second quarter and half yearly results	November 9, 2015
Third quarter results	February 10, 2016

● Dividend

During 2014-15, 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	Dividend (%)	Record Date / Book Closure	Dividend Payment Date
1.	Interim Dividend	30% (₹3/- per share)	03.03.2015	07.03.2015
2.	Final Dividend (Proposed)	30% (₹3/- per share)	29.08.2015 to 16.09.2015	24.09.2015

With this, your Company has proposed a total dividend of 60% (₹6/- per equity share) on the paid-up equity share capital, for FY 2014-15.

● 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, your Company has transferred an amount of ₹5.49 lacs and ₹13.14 lacs in the IEPF for unclaimed/unpaid final dividend for FY 2006-07 and interim dividend for FY 2007-08 respectively. Till date ₹1.61 crores has been transferred to IEPF.

The subsequent due dates of transfer of unpaid/unclaimed dividend to IEPF for the imminent financial year are as under:

FY	Type of Dividend	Dividend (%)	Last date for claiming Unpaid Dividend	Due date for transfer to IEPF
2007-08	FINAL	60	03.09.2015	03.10.2015
2008-09	INTERIM	40	27.01.2016	27.02.2016

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/Company 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.

The Company has uploaded the information in respect of the Unclaimed Dividends till the date of the 30th 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-

- i) if shares are held in **physical mode**, to the R&TA/Company.
- ii) 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 9-digit 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 Electronic Clearing Service (NECS), wherever applicable. A detailed reference note on dividend related activities is also available at Company's website under 'Investor Zone'.

Listing on Stock Exchanges

Stock Exchange	Security Code	Type of Security
BSE Limited (BSE)	532155	Equity Shares
National Stock Exchange of India Limited	GAIL-EQ	Equity Shares
London Stock Exchange	GAIDL I GAILY US	GDRs

Further, the Non-Convertible Redeemable Bonds - Series - I (6.10%), Bond Series - I, 2010 (8.80%), Bond Series - I, 2012 (9.14%) and Bond Series - I, 2015 (8.30%) of the Company are listed at the Wholesale Debt Market (WDM) segment of NSE. State Bank of India, Delhi is the Bond Trustee for the Bonds - Series - I (6.10%) and IDBI Trusteeship Services Limited, Mumbai is the Bond Trustee for the Bond Series - I, 2010 (8.80%), Bond Series - I, 2012 (9.14%) and Bond Series - I, 2015 (8.30%).

During the year, fourth series of Bond Series - I (6.10%) having ISIN code INE129A07040 was redeemed on 22nd August, 2014.

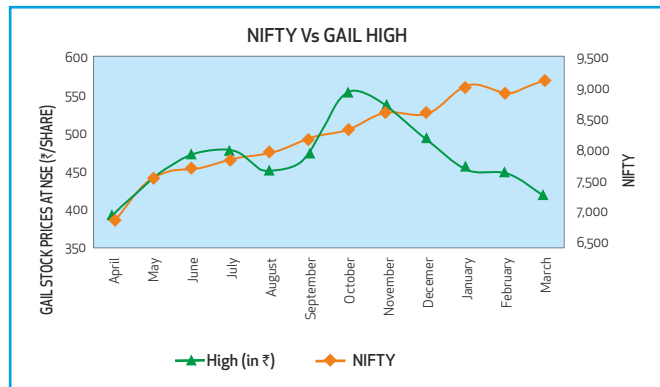
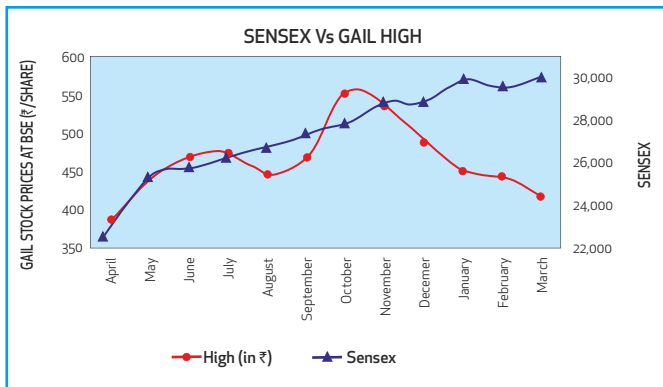
The Annual listing fees for the listed equity shares and Bonds of your Company, pertaining to the year 2014-15 has been paid to the concerned Stock Exchanges on demand. Your Company has also made the payment of the Annual Custody Fees to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), for the FY 2014-15, based on the average folio/ISIN positions during 2014-15.

Market Price Data

Market Price Data: High, Low during each month in the financial year 2014-15

Months	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	388	357	1322794	389	357	32474768	46858	46946	22939	6870
May	439	357	3208593	437	357	43361049	47847	47923	25376	7564
June	470	378	3937154	469	377	52363470	58648	58737	25725	7700
July	475	421	2102624	474	420	27238177	55350	55299	26300	7841
August	445	387	1798143	447	387	29187054	56295	56244	26674	7968
September	469	435	1619563	470	435	22642837	56936	57012	27355	8180
October	551	432	2135498	552	431	30938907	67121	67077	27894	8331
November	536	469	3116732	534	469	31481647	61895	61927	28822	8617
December	490	405	5283733	490	405	33945458	56441	56422	28810	8627
January	451	413	3076162	451	413	36855456	53815	53657	29844	8997
February	443	392	3219898	443	391	28460340	52452	52420	29560	8941
March	415	373	2146776	415	372	31276925	49325	49192	30025	9119

There was no increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer.



• Share Transfer System

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

Your Company has a Share Transfer Committee in place 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.

• Distribution of Shareholding

The distribution of shareholding of the Company as on 31st March, 2015 is detailed below:

No. of Equity shares held	No. of Shares	% to Total	No. of Shareholders	% to Total
1	6701	0.00	6701	4.02
2-10	134052	0.01	19825	11.88
11-50	2023481	0.16	63550	38.10
51-100	2574104	0.20	31336	18.78
101-200	3425928	0.27	22302	13.37
201-750	6577313	0.52	19012	11.40
751-5000	5332100	0.42	3321	1.99
5001-10000	1583183	0.12	220	0.13
10001-15000	990327	0.08	78	0.05
15001 and above	1245830211*	98.22	475	0.28
TOTAL	126,84,77,400	100.00	166820	100.00

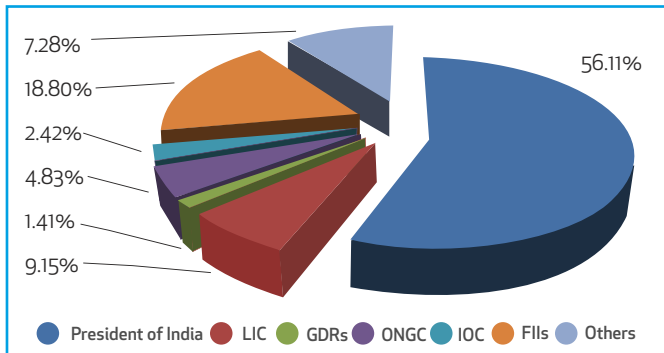
* includes 711,733,651 equity shares held by President of India

• Top 10 Shareholders as on 31st March, 2015

S. No.	Name of Shareholder(s)	Share(s)	%
1	PRESIDENT OF INDIA	711733651	56.11
2	LIFE INSURANCE CORPORATION OF INDIA	116105407	9.15
3	OIL AND NATURAL GAS CORPORATION LIMITED	61259323	4.83
4	INDIAN OIL CORPORATION LIMITED	30629661	2.42
5	MATTHEWS PACIFIC TIGER FUND	24282108	1.91

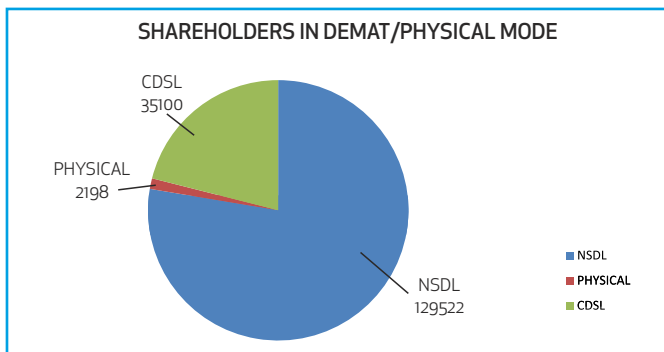
S. No.	Name of Shareholder(s)	Share(s)	%
6	DEUTSCHE BANK TRUST COMPANY AMERICAS	17947026	1.42
7	LIFE INSURANCE CORPORATION OF INDIA P & GS FUND	17863260	1.41
8	GOVERNMENT PENSION FUND GLOBAL	12401862	0.98
9	ORBIS SICAV - ASIA EX-JAPAN EQUITY FUND	9179383	0.72
10	ABERDEEN GLOBAL INDIAN EQUITY (MAURITIUS) LIMITED	9007302	0.71

Shareholding Profile as on 31st March, 2015



Dematerialization of Shares and Liquidity

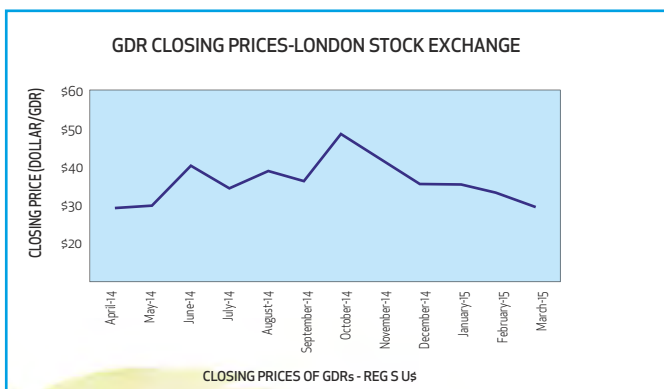
As on 31st March, 2015, your Company had 1,66,820 shareholders, out of which 1,64,622 shareholders were holding equity shares in demat mode and 2198 shareholders were holding equity shares in physical mode. The demat ISIN of your Company's equity shares is INE129A01019 and Corporate Identification Number of Company is L40200DL1984G01018976.



Outstanding GDRs/ADRs/Warrants or Convertible Instruments

As on 31st March, 2015, a total number of 29,91,171 GDRs representing 1,79,47,026 (1.41%) 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 your Company:

U.P. Petrochemical Complex, PATA
P.O. Pata – 206241
Distt. Auraiya (U.P.)

LPG Recovery Plant, Usar
P.O. Malyan – 402203
Tal. Alibagh
Distt. Raigad (Maharashtra)

LPG Recovery Plant, Vijapur
GAIL Complex
Vijapur – 473112
Distt. Guna (M.P.)

LPG Recovery Plant, Vaghodia
GIDC Industrial Estate
Vaghodia – 391760
Distt. Baroda (Gujarat)

LPG Recovery Plant, Lakwa
Sivasagar – 785688 (Assam)

LPG Recovery Project, Gandhar
Village Rozantankaria Tal. Amod
Distt. Bharuch – 392140
(Gujarat)

Address for correspondence

GAIL (India) Limited
16, Bhikaji 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 Ltd.

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.mcsdel.com

E-mail: mcsgail@mcsdel.com

9. COMPLIANCE CERTIFICATE

The statutory auditors of the Company have examined and certified your Company's compliance with respect to conditions enumerated in clause 49 of the Listing Agreement and DPE guidelines on Corporate Governance. The certificate forms part of the Directors' Report.

Secretarial Compliance Report confirming compliance by Practicing Company Secretary of the applicable provisions of the Companies Act, 2013, Listing Agreement, DPE guidelines on Corporate Governance and other related rules and regulations relating to capital market 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, 2015, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges and guidelines on corporate governance for Central Public Sector Enterprise, 2010 issued by DPE.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement and DPE guideline except relating to composition of Board of Directors as to the requirement of independent Directors throughout the year and composition of Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Woman Director since 28-02-2015. We state that no investor grievance(s) is pending for a period exceeding one month against the company as per the records maintained by the company.

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

For S. K. Mittal & Co.
Chartered Accountants
Firm No. 001135N

For G.S. Mathur & Co.
Chartered Accountants
Firm No.: 008744N

M. K. Juneja
Partner
Membership No.: 013117

Rajiv Kumar Wadhawan
Partner
Membership No. : 091007

Place : New Delhi
Date : 14.07.2015

Place : New Delhi
Date : 14.07.2015

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2015

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
GAIL (India) Limited

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by GAIL (India) Limited (hereinafter 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 my 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial period ended on 31st March, 2015 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.

I 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, 2015 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 thereunder;
- (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, 1992;
 - (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (d) 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;
 - (e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **NOT APPLICABLE**
 - (f) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **NOT APPLICABLE**

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **NOT APPLICABLE** and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **NOT APPLICABLE**
- (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/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

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India. (Not mandatory for the Audit period).
- (ii) Equity Listing Agreement with NSE & BSE, Debt Listing Agreement with NSE, GDR Listing Agreement with London Stock Exchange and DPE Guidelines on Corporate Governance for CPSE.

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 observations:

Observation No. 1. Non-compliance of Proviso to Section 149(1) read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014, w.r.t. appointment of at least one woman Director on the Board of the Company.

Company's Response: As on 31.03.2015, there was no woman Director on the Board of the Company. However, during the year, there was a Woman Director on the Board of the Company who ceased to be the Director w.e.f. 28.02.2015 after completing her tenure of 3 Years.

Observation No. 2. Non-compliance of Section 149(4) of Companies Act, 2013, Clause 49(II)(A) of the Listing Agreement and Clause 3.1.4 of the Guidelines on Corporate Governance for Central Public Sector Enterprises w.r.t. composition of the Board of Directors of the Company.

Company's Response: As on 31.03.2015, GAIL's Board comprised of five whole-time Directors including CMD and one Government nominee Director. The term of two Independent Director(s) on GAIL's Board expired on 28.02.2015. The Company has also received notice in this regard from the Stock Exchanges from time to time based on submission of Quarterly Compliance Report on Corporate Governance to stock exchanges.

GAIL is a Government Company under the administrative control of the Ministry of Petroleum and Natural Gas, Government of India, the Directors are nominated/appointed by the Government of India. The Company is continuously pursuing with the Government of India for the appointment of requisite number of Independent Directors and Woman Director on their Board in order to comply with the provisions of the Clause 49, DPE Guidelines & Companies Act, 2013.

Observation No. 3. Non-compliance of sections 135(1), 177(2) and Section 178(1) of the Companies Act, 2013 and Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014, regarding composition of CSR Committee, Audit Committee and Nomination and Remuneration Committee.

Company's Response: Company was in compliance of composition of CSR Committee, Audit Committee and Nomination and Remuneration Committee till 28.02.2015. However, after cessation of Independent

Directors w.e.f. 28.02.2015, the Company was not in compliance with the aforementioned provisions of the Companies Act, 2013.

Observation No. 4. Non-compliance of Section 149(8) read with Schedule IV (VIII) and Section 178(2) of Companies Act, 2013, w.r.t. performance evaluation of Independent Directors.

Company's Response: GAIL is a Government Company, therefore, tenure, performance evaluation and extension of term of Independent Directors is not within the control of the Company.

I further report that

GAIL is a Government Company under the administrative control of the Ministry of Petroleum and Natural Gas, Government of India, the Directors are nominated/ appointed by the Government of India. The Government of India is in process of selecting requisite number of Independent Directors including woman Director. In absence of requisite no. of Independent Directors, the Company has not complied with mandatory requirement pertaining to composition of Board of Directors for the year 2014-15. Subsequent to cessation of term of two Independent Director(s) on GAIL's Board w.e.f. 28.02.2015, the Company was not complying with provisions of appointment of a woman Director, Independent Directors, Qualified and Independent Audit Committee and Composition of the Nomination & Remuneration Committee and CSR Committee as specified in clause 49 of the Listing Agreement and Companies Act, 2013.

Generally, adequate notice is 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 exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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.

I 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.

I further report that during the audit period, there were no specific events/ actions having a major bearing on the Company's affairs in pursuance of the above referred laws.

For Agarwal S. & Associates,
Company Secretaries,

Sachin Agarwal
FCS No. : 5774
C.P No. : 5910

Place: New Delhi
Date: 11th June, 2015

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.

Annexure - 1

To,
The Members,
GAIL (India) Limited

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

1. Maintenance of secretarial record 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. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.
5. The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards are 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,**

**(Sachin Agarwal)
FCS No. : 5774
C.P No. : 5910**

Place: New Delhi

Date: 11th June, 2015

ANNUAL REPORT ON CSR ACTIVITIES

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) which it strongly believes, play a defining role in the development of the country. Your Company's vision of "value creation" for all stakeholders remains the guiding force behind the social interventions. A top-to-bottom, robust governance structure with a dedicated team of CSR professionals, helps in evaluating and selecting meaningful social programmes which are in alignment with the areas of intervention specified under the Companies Act 2013.

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 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. Details of initiatives under each of these broad areas are provided in the Management Discussion & Analysis.

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. In terms of the provisions of Section 135 of the Companies Act, 2013 and the CSR Rules therein, the CSR Policy of your Company was revised in March 2015 and has accordingly been 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. As mandated in the Companies Act 2013, your Company allocates two percent of Average Net Profit (Profit Before Tax) of the previous three financial years for CSR interventions on an annual basis.

● 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:

Joining hands in Swachh Bharat Abhiyaan of Govt. of India

As part of the Hon'ble Prime Minister's call for "Swachh Bharat, Swasth Bharat" mission, your Company has joined the campaign and is playing an active role in providing hygienic sanitation facilities for all. In significant move towards fulfilling Hon'ble Prime Minister Shri Narendra Modi's commitment towards providing hygienic sanitation facilities, your Company is constructing as well as supporting construction/functionality of nearly 3500 toilets with water facility, under "Swachh Bharat, Swachh Vidyalaya" program.

Relief and Rehabilitation for victims of Uttarakhand flashfloods - Project Srijan

In the aftermath of the devastating flashfloods that took place in Uttarakhand, your Company undertook a critical initiative for the rehabilitation and long term rebuilding of the community. In light of the massive devastation caused and the loss - human, material and financial, the pressing need was to ensure the long term survival. This was done by providing food and nutrition, security, creating income generation opportunities, and most importantly, empowering the most vulnerable groups - women and children (young adults). Project Srijan (creation) was undertaken for a period of 4 years, with the major components of the project being Capacity Building, Livelihood sustenance, Infrastructure/Asset Creation, Disaster management and Mitigation. Under Project Srijan, nearly 1000 women were trained in alternate livelihood generation, training to masons provided for disaster proof construction in disaster prone region of Rudraprayag and Uttarakhand, a Community Resource Centre is being set up, 36 Self Help Groups and Farmer Interest Groups formed included in the project, shop for selling produce of SHGs/Individuals, is being setup Disaster Proof Household based on Pre - Fabricated technology and Bamboo material set up as a pilot and multiple Gharraats - Hydroelectricity based Grinding and Electricity Generation Units were set up, 6,000 people. Additionally 53 workshops for awareness generation and sensitization on the project has also disaster management and mitigation were organized which saw participation of over 800 people.

Additionally Integrated Healthcare Services for affected people of Uttarakhand floods and aged population in Rudraprayag Region extended in the form of 2 Mobile Medical units covering over 45 villages and 6000 people.

● Major projects under Identified Focus Areas

Your Company CSR Projects undertaken within the ambit of the broad areas of intervention, have been aptly named/captioned to reflect the spirit and objective they seek to achieve. Highlights of some of these projects are given below:

UJJWAL - Education Centric Initiatives

To boost the outreach of education among the lesser privileged, your Company has contributed for creation of school infrastructure like class rooms, IT facilities, libraries, science labs, provision of equipment and stationery to schools to enhance creativity among students and improve attendance of children. Your Company's inclusive development philosophy makes education for children with special needs a possibility, through provisioning of hearing aids and other assisted aids to help such special children join the mainstream. Breaking away from social stigmas, your Company has also introduced social interventions like Project **UDAAY** wherein education and rehabilitation of High Risk Children/Children of Sex workers, was undertaken in Guna District of Madhya Pradesh.

A flagship programme of your Company **Utkarsh**, aimed at meritorious children from marginalized communities; provides all-expense paid, specialised residential coaching/intensive mentoring so that they can compete for engineering entrance examinations such as IIT/JEE, AIEEE and UPTU. For the year 2014-15, 100 students were identified for this programme through a meticulous selection process. Of these, 92 have qualified IIT Mains and 50 have also passed the advanced stage.

Apart from education centric interventions carried out under the Ujjwal thrust area, your Company has also set up the **GAIL Charitable and Education Trust** to extend financial assistance to needy children on merit basis. In the last Financial Year, your Company provided - financial assistance to 600

violence affected children in districts of Assam and Jammu & Kashmir, scholarship to 281 beneficiaries of Project Utkarsh, support for Schooling and IIT/JEE Coaching for 123 underprivileged children in Delhi/NCR for a period of 2 Years, scholarship to 370 meritorious children from various schools across your Company work centres, training to 40 meritorious underprivileged children from Government Schools of Delhi for Mathematical Olympiad and financial aid for procurement and distribution of school furniture, teaching aids, computers and projector, water coolers etc in government schools, in selected districts of Telangana, Punjab, Haryana and Rajasthan.

AROGYA- Overall Wellness, Covering Health & Sanitation, Drinking Water and Nutrition Related Initiatives

Your Company is making proactive efforts to address the issues of health and sanitation, by introducing interventions that make at least primary health care facilities accessible and affordable to the rural and marginalised communities. It is operating 18 Mobile Medical Units across the states of Madhya Pradesh, Uttar Pradesh, Gujarat, Haryana, Uttarakhand, Andhra Pradesh and Punjab, covering 374 villages and a population of almost 3,20,000. 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 running an STI Clinic in Uttar Pradesh. New medical equipments were also provided to PHC (Primary Health Centre), Nagaram (Village), Mamidikuduru Mandal and CHC, Razol. Your Company has been regularly organising outreach Medical/Health camps in rural areas.

Scarcity of water is a global concern, and therefore your Company places a premium on the value of water as a depleting natural resource. To enable access and increase the supply of potable water, your Company has adopted an integrated water management strategy that supports responsible water management and environmental stewardship. Your Company has facilitated installation of bore-wells, tube-wells, hand pumps, overhead tanks, submersible pumps as well as storage facilities and promoted rain water harvesting and check dams/ irrigation systems in villages, as part of this intervention.

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 in collaboration with IL & FS is operating 3 Skill Schools in Guna (MP), Dediapada (Narmada, Gujarat), Tandur (Rangareddy, Telangana) for imparting job linked skills training in service sector trades such as retail/sales, hospitality management, basic engineering etc., to rural and semi urban youth in the remote/backward districts. More than 3380 students were trained in the last FY 2014-15 in these skill schools. In addition to these 3 skill schools, a GAIL Institute of Skills has been established Nagaram, East Godavari, Andhra Pradesh, where 49 students were imparted Skill Development Training in Web Designing, Auto CAD and Industrial Electrician courses. Training was given to 60 beneficiaries from the underprivileged community in Plastic industry related trades through Central Institute of Plastics Engineering and Technology (CIPET), Ahmedabad. 500 people were given Agri based training through the Farmers advisory centre in Tamil Nadu and Pondicherry.

SASHAKT – Women Empowerment Initiatives

Your Company firmly believes that a woman's position is a true reflection of a society's progress. While women were always included as part of the beneficiaries, **your Company has now created a new thrust area specially focused for the empowerment of women.** This is also in line with the guidelines of DPE and the rules of the Companies Act, 2013. In, the last FY, training and placement support was provided to 480 Safai Karamchari women from the states of Assam and Tripura in BPO, Personality Development, Call Centre related skills in partnership with National Safai Karamcharis Finance and Development Corporation, 100 adolescent girls &

women from urban slums of Delhi were given Gender Sensitization, Legal Awareness and Employability Skill Training and support for strengthening Women's institutions for Community led Microfinance and developing a local cadre in Masuda and Pisangoan blocks of Ajmer districts in Rajasthan.

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. The hugely successful Integrated Watershed Development and Management Programme, Project Jaldhar has resulted in functioning of over 48 Self Help Groups which have in turn facilitated income generation and promote saving among tribal women of Jhabua, creation of 15 Watershed Structures and plantation of over 3500 trees/saplings. All these activities have been undertaken after comprehensive assessment and creation of database for Jhabua watershed, soil quality, water quality and topography of the project area as also regular interactions and meetings with the community. Your Company made investments in asset creation through constructions of roads, culverts, CC Roads, retaining walls in various villages of Auraiya (Uttar Pradesh), East Godavari (Andhra Pradesh) and Ernakulam (Kerala), community hall and a library at Mancotta Khanikar Village, Dibrugarh (Assam), and installation of over 1200 solar street lights in identified villages and promotion of non-conventional sources of energy in various villages of Uttar Pradesh, Madhya Pradesh and Andhra Pradesh.

SAKSHAM- Care of the Elderly and Differently abled

Your Company is sensitive to the fact that the interventions must address the needs of communities at the periphery of development and recognises its responsibility towards various stakeholder groups; for holistic development of all. Skill based training was provided to 1500 Persons with Disabilities in various trades in nearly 48 districts of 18 states of India in partnership with National Handicapped Finance and Development Corporation, under Project Swadheen. To address the issue of Abuse of the Elderly, an innovative project, captioned Project Return of a Million Smiles was launched. The project entailed launch of a holistic media campaign targeted at sensitizing youth and raising their levels of awareness towards the problems/ issues of the infirm and the elderly.

The social investment of your Company on CSR initiatives taken up in the last Financial Year, has been to the tune of ₹118 crore. Your Company CSR policy is hosted on website at http://www.gailonline.com/final_site/pdf/final_policy2010.pdf.

2. CSR COMMITTEE OF BOARD

In compliance with the provisions of Section 135(1) of the Companies Act, 2013, as on 31.03.2015, the CSR Committee of the Board comprised of Sh. B.C.Tripathi as the Chairman, Sh. M. Ravindran, and Sh. Ashutosh Jindal as the member(s).

Smt. Shyamala Gopinath and Dr. A.K. Khandelwal, Independent Directors were members of CSR Committee (upto 28.02.2015).

3. AVERAGE NET PROFIT FOR LAST THREE FINANCIAL YEARS

Financial Year	Net profit before tax (₹ in Crore)
2011-12	5340.01
2012-13	6057.77
2013-14	6402.32
Total (A)	17800.10
Average of 03 Financial Years = (A)/3	5933.37

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

The prescribed CSR expenditure for FY 2014-15 as per provisions of Companies Act, 2013 was ₹118.67 crores.

5. DETAILS OF CSR SPENDS DURING THE FINANCIAL YEAR

(a) Total amount to be spent for the financial year – ₹118.67 crores

(b) Amount unspent, if any – ₹77.31 crores approx* (₹71.69 crores were spent during the year, out of which ₹41.36 crores pertains to FY 2014-15)

(c) Manner in which the amount spent during the financial year is detailed below:

*For projects approved in FY 2014-15

(Amount in ₹)

S. No.	CSR Project or Activity Identified	Sector In Which The Project Is Covered (Activities as per schedule vii of the Companies Act, 2013)	Projects or Programmes (1) Local Area or Other (2) State or District Where Projects or Programme Was Undertaken	Amount Outlay (budget) Project or Programme Wise	Amount Spent on The Project or Programmes Subheads: (1) Direct Expenditure on Projects or Programs (2) Overheads [^]	Cumulative Expenditure Up To The Reporting Period	Amount Spent: Direct or Through Implementing Agency
1	GAIL Kaushal - Skill Development and Livelihood Generation initiatives	(ii) Enhancing Vocational Skills and Livelihood Enhancement (iii) Empowering women	Local Area East Godavari (Andhra Pradesh), Guna (Madhya Pradesh), Guwahati, Dibrugarh, Sivasagar (Assam), Agartala (Tripura), Narmada (Gujarat), Ranga Reddy (Telangana),	11,00,36,000	1,70,53,740	1,70,53,740	Implementing Agency - CPSE/Ltd. Company
2	GAIL Ujjawal - Education Initiatives including Infrastructure Development	(ii) Promoting Education	Mahabubnagar (Telangana), Kanpur (Uttar Pradesh)	5,79,64,000	2,76,50,869	2,76,50,869	Implementing Agency - Govt. Agency/NGO
3	GAIL Unnati - Rural Development initiatives including Infrastructure facilities	(x) Rural Development (ii) Enhancing Vocational Skills and Livelihood Enhancement	Local Area Auraiya (Uttar Pradesh), Jhabua (Madhya Pradesh) Others Rudraprayag (Uttarakhand) - Disaster effected	8,80,97,000	6,06,70,000	6,06,70,000	Implementing Agency - Govt. Agency/NGO
4	GAIL Arogya - Initiatives in Nutrition, Healthcare and provision of Drinking Water	(i) Promoting preventive healthcare (i) Provision of drinking water	Local Area East Godavari (Andhra Pradesh), Morena, Jhabua, Guna, Ujjain (Madhya Pradesh), Bharuch (Gujarat), Faridabad, Gurgaon (Haryana), Haridwar (Uttarakhand), Ludhiana (Punjab), Auraiya (Uttar Pradesh)	15,15,09,000	5,98,02,000	5,98,02,000	Implementing Agency - NGO/Trust
5	Swachha Bharat Swachha Vidyalaya - Provision of School toilets in various districts of Odisha, Andhra Pradesh and Madhya Pradesh	(i) Sanitation	Local Area East and West Godavari (Andhra Pradesh) Others Various Districts of Odisha	26,64,00,000	63,60,691	63,60,691	Implementing Agency - agencies identified through tendering

[^] No overhead has been considered.

Note: This list includes only major projects approved for implementation in F/Y 2014-15, being continued in current year also.

It excludes (i) projects which have been dropped (ii) projects which have not taken off till date and (iii) Small projects of value < ₹1 crore



GAIL Management launching the book PANKH, the success story of GAIL UTKARSH beneficiaries

6. REASONS FOR LESS THAN STIPULATED EXPENDITURE

Against the stipulated 2% spends of the average net profit of the preceding three financial years (₹118.67 crores), Your Company had made commitments of a value of ₹118.06 crores (1.99% of the average net profit) to various CSR projects to be implemented across India. A significant proportion of this budget/allocation (nearly 23%) was committed towards Swachha Bharat Swachha Vidyalaya programmes of the Government, wherein construction/renovation of toilet units was taken up across Odisha (District Khordha and District Nayagarh) and Andhra Pradesh (District East Godavari and West Godavari).

Against the said commitment, your Company has incurred an expenditure of ₹71.89 crores approx. which translates to 1.21% of the average net profit of the last three financial years. The shortfall from the stipulated/prescribed spends is on account of the following reasons:

1. Nearly 23% of the budget was committed towards toilet construction as a part of Swachha Bharat Swachha Vidyalaya with milestones linked payment. Since the activities under Swachha Bharat Swachha Vidyalaya started in January – February 2015, with implementation spread over 4-6 months, major expenditure against the allocated budget shall be made in

the next three to four months upon achievement of project progress as detailed in the Agreement signed with the Implementing agencies.

2. A number of projects were approved by the Board in 2nd, 3rd and 4th quarter of the current Financial Year with implementation spread over one to two years. Since almost all CSR projects are executed in a projectile mode with payments being linked to achievement of milestones, the actual expenditure against them spill beyond the financial year and hence payments for projects committed during the course of the financial year, will be released over subsequent months.

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.



(M. Ravindran)
Director (HR)



(B. C. Tripathi)
Chairman, CSR Committee

Dated: 5th August, 2015

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

ANNEXURE - F

A. CONSERVATION OF ENERGY

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

1. **Modification for HRSG drums level control at Vaghodia:** A minor modification in HRSG drums level control has resulted in energy saving of 47 MWh per month. This has also reduced the incidents of leakage in economizer tubes by 80. Total tangible benefit from this modification is ₹42.30 lakh.
2. **Installation of ClO₂ System at Vijaipur:** More safe and Environment friendly Chlorine di oxide system was commissioned for water treatment at CT-1 and CT-2 by replacing earlier used chlorine gas dosing system.
3. **Up gradation of FGDCS in HVJ Compressors:** Fire and Gas Detection & Suppression Control Systems (FGDCS) are installed at all Gas Turbine Compressors (GTC) in HVJ Compressor stations which is one of the major safety system of GTCs. These systems have been upgraded with latest technological state of the art.
4. **Integration of Online Vibration Monitoring System of Rotating Equipment across all Compressor Station:** Rotating equipment plays a major role in natural gas transmission. Your Company has installed integrated online vibration monitoring system to monitor the health of rotating equipment centrally.
5. **Commitment towards Global Methane Initiative:** Your Company is one of the partners of USEPA Natural Gas Star Program under the global methane initiative. As part of this program we are committed to minimize our fugitive emissions. We have taken several initiatives under this program like procurement of Infrared camera for assessment of fugitive emissions and seal gas vent recovery system at Compressors.
6. **Up gradation of Obsolete technology with latest state of the art:** Your Company has taken various initiatives under Central region O&M to upgrade the obsolete technologies and replaced with latest systems like up-gradation of facility control panel at Jhabua, GEG Control System at Vaghodia, Up gradation of LPG Plant ESD system to SIL3 based PLC System at GPU Vaghodia etc.
7. **Flow Control through VFD:** As per system requirement, frequency of CW Make up pump frequency has been reduced through VFD to optimize the flow and head. This has resulted into saving of 39 MWH energy per year corresponding to ₹2.5 Lacs / Annum.
8. **Modification done in lighting system:** The replacement of conventional lighting systems (HPMV/HPSV/T8/GLS) with more energy efficient T5/LED lighting systems at various locations of your Company such as JLPL and Gandhar has been done to improve energy efficiency.

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

1. Solar based power panels are planned at JLPL SV stations as primary source of power for feeding various equipment's at SV stations. Already procurement action has been initiated for Solar based power at SV-60, 61 & SV-62. After implementation at these SV stations,

Solar based power panels shall also be installed at other SV stations in JLPL in phased manners.

2. Solar based power supply has been proposed for upcoming SCADA projects in Rajasthan Natural Gas pipeline network.

(iii) The capital investment on energy conservation equipment's:

Approx. capital investment of ₹90 Lacs towards solar panels at SV-60/61/62 in JLPL.

(B) TECHNOLOGY ABSORPTION:

(i) the efforts made towards technology absorption

1. An enterprise-wide software application in the form of Centralized Pipeline Integrity Management System (CPIMS) was taken up for implementation. The CPIMS comprises various modules viz., Data Base Module, Threat & Risk Assessment Module, Corrosion Analyst, Cathodic Protection Analyst, Geospatial Analyst, Pressure Testing Module, Task Manager, Reporting Module, Management Dashboard, which will facilitate integrated and detailed health status and analysis. The CPIMS has internationally accepted data base system i.e. Pipeline Open Database (PODS) for management of all the pipeline related data.
2. Your Company is in process of implementing the Geographical Information System (GIS) mapping of its all 13000 KM pipelines. GIS mapping is pipeline solution software where all the pipeline related information will be available online on a single platform on satellite imagery.
3. Your Company is utilising the GPS tracking solution for tracking of patrolman movement in pipeline route to improve the effectiveness of line patrolling.

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution

The implementation of above technologies will affect the following qualitative improvement in operation and maintenance practices:

- 1) Centralized Pipeline Integrity Management System (CPIMS) will provide the following advantages:
 - a. Ability to perform Risk Assessment of all Pipelines
 - b. Analytical tool for analysis of Integrity Assessment surveys
 - c. Integrates Integrity Management System with GIS database across the company.
 - d. Web based Management Dashboard with integrity and risk ranking.
 - e. Online & Single platform for Integrity data analysis & repository of all pipelines.
- 2) The implementation of Geographical Information System (GIS) mapping will provide following benefits:

- It will provide consolidated pipeline and other assets data related to all GAIL networks across country with geographical location coordinates including land records, population density along the pipeline, pipeline depth, emergency & disaster response information on a single online web platform.
- The online viewing of other points of interest such as nearest hospitals, police stations etc. and approach route to pipeline ROU from major roads for quick response in case of emergency situations will also be available.
- Base maps creation by High Resolution Satellite Imagery (HRSI) processing and Digital Elevator Model (DEM) of pipeline route terrain.

3) GPS tracking solution will help in tracking the movement of patrolman while carrying out the pipeline patrolling and control patrolman movement close to actual ROU so that potential threat to pipeline due to third party activities, encroachment or emergency situation such as leakages, soil washout etc. can be correctly identified and reported.

(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:**
- Ethylene Cracker Technology, from Shaw Energy & Chemicals International Inc. (now Technip Stone & Webster Process Technology), USA for GAIL Petrochemical Complex II at Pata for addition of 450 KTA ethylene capacity.
 - LLDPE/HDPE Swing Technology, from Univation Technologies, USA for GAIL Petrochemical Complex II at Pata for addition of 400 KTA polyethylene capacity

iii. Butene-1 Technology, from Axens (IFP Group Technologies), France for GAIL Petrochemical Complex II at Pata for addition of 20000 TA Butene-1 production capacity

b. Year of import: 2010-continued for (a)(i) and 2011-15 for (a)(ii) & (a)(iii)

c. Has technology been fully absorbed? In process for (a) (i). Fully absorbed and plant commissioned for (a)(ii) & (a)(iii)

d. If not fully absorbed, areas where this has not taken place, reasons therefore: N.A.

iv Expenditure on R&D

- Capital : ₹31.30 crores (**)
- Recurring/Revenue : ₹20.31 crores (***)
- Total : ₹51.61 crores

(**) This amount includes an expenditure of ₹3.56 Crores towards R&D in E&P as per DPE Guidelines.

(***) This amount includes an expenditure of ₹3.30 Crores towards R&D in E&P as per DPE Guidelines

(C) Foreign exchange earnings and Outgo-

During the year, foreign exchange earnings were ₹210.01 Crores and foreign currency outgo was ₹9,229.22 Crores.

Form No. AOC-2

(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 2014-15.
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 is a joint venture of GAIL.
 - 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** – Agreement(s) dated 26th September, 2003 and 26th August, 2009 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 2014-15 were ₹21,500 Crores approx.
 - 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

Place: New Delhi

Dated: 5th August, 2015

Form No. MGT-9

EXTRACT OF ANNUAL RETURN as on the financial year ended on 31.03.2015

[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 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 turnover 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	75

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 Buisness Centre # 43-01, Suntec Towser One, 7 Temasek, Boulevard, Singapore - 038987	NA	Wholly owned Subsidiary	100	2(87)
2	GAIL Global (USA) Inc.	333, Clay Street, Suite 3300, Houston, Texas - 77002	NA	Wholly owned Subsidiary	100	2(87)
3	GAIL Global (USA) LNG LLC (Wholly Owned Subsidiary Of GAIL Global (USA) Inc.	333, Clay Street, Suite 3300, Houston, Texas - 77002	NA	Subsidiary	-	2(87)

S. No.	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
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	U11101AS2007GOI008290	Subsidiary	70	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	2nd Floor, LIC Building, Jeevan Pradeep, 12-12a, Anoop Nagar, A.B. Road, Indore, Madhya Pradesh 452008	U40107MP2006PLC018684	Joint Venture/ Associate	22.5	2(6)
8	Tripura Natural Gas Company Limited	33 Office Lane Agartala, Tripura, 799001.	U23201TR1990SGC003451	Joint Venture/ Associate	29	2(6)
9	Bhagyanagar Gas Limited	Parishram Bhawan, Basheerbagh, Hyderabad, Telangana. 500004	U40200TG2003PLC041566	Joint Venture/ Associate	22.5	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	28.91	2(6)
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	22.5	2(6)

S. No.	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
13	Indraprastha Gas Limited	IGL Bhawan, Plot No 4, Community Centre, Sector 9, R K Puram New Delhi 110022	L23201DL1998PLC 097614	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	U40200MH1995PLC 088133	Joint Venture/ Associate	49.75	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	U1102PN2006PLC 021839	Joint Venture/ Associate	22.5	2(6)
16	ONGC Petro-additions Limited	1st Floor, Omkara Building, Sai Chokdi, Manjalpur, Vadodra Gujarat - 390011	U23209GJ2006PLC 060282	Joint Venture	15.50	2(6)
17	Petronet LNG Limited	First Floor World trade Centre Babar Road, New Delhi 110001	L74899DL1998PLC 093073	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	25	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)

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 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF									
b) Central Govt	711733651	0	711733651	56.11	711733651	0	711733651	56.11	0.00
c) State Govt(s)									
d) Bodies Corp.									
e) Banks / FI									
f) Any other									
TRUST									
SOCIETY									
EDUCATIONAL INSTITUTE									
Total shareholding of Promoter (A)	711733651	0	711733651	56.11	711733651	0	711733651	56.11	0.00
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	31351517	15100	31366617	2.47	11910546	15100	11925646	0.94	-1.53
b) Banks / FI	25855511	1050	25856561	2.04	27080330	1050	27081380	2.13	0.10
c) Central Govt	91888984	0	91888984	7.24	91888984	0	91888984	7.24	0.00
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies	139382059	0	139382059	10.99	140867506	0	140867506	11.11	0.12
g) FIs	220067635	2600	220070235	17.35	238376116	2600	238378716	18.79	1.44
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-	508545706	18750	508564456	40.09	510123482	18750	510142232	40.22	0.12
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	6818755	300	6819055	0.54	6294347	300	6294647	0.50	-0.04
ii) Overseas									
b) Individuals									

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
i) Individual shareholders holding nominal share capital upto ₹1 lakh	20503563	91055	20594618	1.62	19296557	84799	19381356	1.53	-0.10
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	991761	0	991761	0.08	1021861	0	1021861	0.08	0.00
c) Others (specify)									
Non Resident Indians	924302	5452	929754	0.07	752873	5452	758325	0.06	-0.01
Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members									
Trusts	1118185	0	1118185	0.09	1198302	0	1198302	0.09	0.01
Foreign Bodies - DR									
Sub-total (B)(2):	30356566	96807	30453373	2.40	28563940	90551	28654491	2.26	-0.14
Total Public Shareholding (B)= (B)(1)+ (B)(2)	538902272	115557	539017829	42.49	538687422	109301	538796723	42.48	-0.02
C. Shares held by Custodian for GDRs & ADRs	17725920	0	17725920	1.40	17947026	0	17947026	1.41	0.02
Grand Total (A+B+C)	1268361843	115557	1268477400	100	1268368099	109301	1268477400	100	0.00

(ii) Shareholding of Promoters

S. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding 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	711733651	56.11	0	711733651	56.11	0	0
	Total	711733651	56.11	0	711733651	56.11	0	0

(iii) Change in Promoters' Shareholding (please specify, if there is no change) - No Change

(iv) Shareholding Pattern of top ten Shareholders (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 (01/04/2014 to 31/03/2015)	
		No of shares at the beginning (01/04/14)/ end of the year (31/03/15)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	LIFE INSURANCE CORPORATION OF INDIA	95,906,319	7.56	1-Apr-14				
				4-Apr-14	(589,412)	Transfer	95,316,907	7.51
				9-May-14	147,197	Transfer	95,464,104	7.53
				23-May-14	7,455	Transfer	95,471,559	7.53
				7-Nov-14	(1,428,064)	Transfer	94,043,495	7.41
				14-Nov-14	(1,188,562)	Transfer	92,854,933	7.32
				21-Nov-14	(2,001,345)	Transfer	90,853,588	7.16
				28-Nov-14	(632,263)	Transfer	90,221,325	7.11
				5-Dec-14	(42,861)	Transfer	90,178,464	7.11
				12-Dec-14	2,431,788	Transfer	92,610,252	7.30
				19-Dec-14	1,850,918	Transfer	94,461,170	7.45
				31-Dec-14	3,100,547	Transfer	97,561,717	7.69
				9-Jan-15	1,919,924	Transfer	99,481,641	7.84
				16-Jan-15	1,715,747	Transfer	101,197,388	7.98
				23-Jan-15	1,310,938	Transfer	102,508,326	8.08
				30-Jan-15	1,594,280	Transfer	104,102,606	8.21
				6-Feb-15	2,003,336	Transfer	106,105,942	8.36
				13-Feb-15	673,910	Transfer	106,779,852	8.42
				20-Feb-15	1,376,811	Transfer	108,156,663	8.53
				27-Feb-15	1,387,874	Transfer	109,544,537	8.64
		6-Mar-15	1,666,864	Transfer	111,211,401	8.77		
		13-Mar-15	2,604,681	Transfer	113,816,082	8.97		
		20-Mar-15	1,605,482	Transfer	115,421,564	9.10		
		27-Mar-15	683,843	Transfer	116,105,407	9.15		
		116,105,407	9.15	31-Mar-15				
2	OIL AND NATURAL GAS CORPORATION LIMITED	61,259,323	4.83	1-Apr-14	Nil	Nil movement during the year	Nil	Nil
		61,259,323	4.83	31-Mar-15				

S. No.	Name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01/04/2014 to 31/03/2015)	
		No of shares at the beginning (01/04/14)/ end of the year (31/03/15)	% of total shares of the Company				No. of Shares	% of total shares of the Company
3	INDIAN OIL CORPORATION LIMITED	30,629,661	2.41	1-Apr-14	Nil	Nil movement during the year	Nil	Nil
		30,629,661	2.41	31-Mar-15				
4	MATTHEWS PACIFIC TIGER FUND	24,682,108	1.95	1-Apr-14				
				11-Apr-14	(400,000)	Transfer	24,282,108	1.91
		24,282,108	1.913	31-Mar-15				
5	DEUTSCHE BANK TRUST COMPANY AMERICAS	17,725,920	1.40	1-Apr-14				
				11-Apr-14	900,738	Transfer	18,626,658	0.00
				18-Apr-14	354,648	Transfer	18,981,306	1.50
				25-Apr-14	64,092	Transfer	19,045,398	1.50
				2-May-14	312,000	Transfer	19,357,398	1.53
				9-May-14	168,000	Transfer	19,525,398	1.54
				16-May-14	42,828	Transfer	19,568,226	1.54
				23-May-14	(288,954)	Transfer	19,279,272	1.52
				6-Jun-14	13,638	Transfer	19,292,910	1.52
				13-Jun-14	227,130	Transfer	19,520,040	1.54
				20-Jun-14	27,960	Transfer	19,548,000	1.54
				30-Jun-14	(81,678)	Transfer	19,466,322	1.53
				4-Jul-14	(70,098)	Transfer	19,396,224	1.53
				25-Jul-14	64,842	Transfer	19,461,066	1.53
				1-Aug-14	274,704	Transfer	19,735,770	1.56
				14-Aug-14	(363,720)	Transfer	19,372,050	1.53
				22-Aug-14	(69,126)	Transfer	19,302,924	1.52
		29-Aug-14	114,690	Transfer	19,417,614	1.53		
		5-Sep-14	1,110	Transfer	19,418,724	1.53		
		12-Sep-14	218,190	Transfer	19,636,914	1.55		
		19-Sep-14	119,178	Transfer	19,756,092	1.56		

S. No.	Name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01/04/2014 to 31/03/2015)	
		No of shares at the beginning (01/04/14)/ end of the year (31/03/15)	% of total shares of the Company				No. of Shares	% of total shares of the Company
				30-Sep-14	762	Transfer	19,756,854	1.56
				17-Oct-14	(51,846)	Transfer	19,705,008	1.55
				7-Nov-14	34,326	Transfer	19,739,334	1.56
				5-Dec-14	(106,098)	Transfer	19,633,236	1.55
				19-Dec-14	1,067,832	Transfer	20,701,068	1.63
				31-Dec-14	(941,040)	Transfer	19,760,028	1.56
				9-Jan-15	(62,976)	Transfer	19,697,052	1.55
				16-Jan-15	(149,454)	Transfer	19,547,598	1.54
				23-Jan-15	(337,884)	Transfer	19,209,714	1.51
				30-Jan-15	(71,646)	Transfer	19,138,068	1.51
				6-Feb-15	274,722	Transfer	19,412,790	1.53
				13-Feb-15	(123,036)	Transfer	19,289,754	1.52
				20-Feb-15	(258,300)	Transfer	19,031,454	1.50
				13-Mar-15	(502,146)	Transfer	18,529,308	1.46
				20-Mar-15	(413,688)	Transfer	18,115,620	1.43
				27-Mar-15	(168,594)	Transfer	17,947,026	1.41
		17,947,026	1.41	31-Mar-15				
6	LIFE INSURANCE CORPORATION OF INDIA P & GS FUND	8986812	0.71	1-Apr-14				
				30-Sep-14	1,261,369	Transfer	10,248,181	0.00
				10-Oct-14	852,082	Transfer	11,100,263	0.88
				17-Oct-14	159,204	Transfer	11,259,467	0.89
				12-Dec-14	220,000	Transfer	11,479,467	0.90
				31-Dec-14	300,000	Transfer	11,779,467	0.93
				9-Jan-15	220,687	Transfer	12,000,154	0.95
				16-Jan-15	674,471	Transfer	12,674,625	1.00
				23-Jan-15	916,474	Transfer	13,591,099	1.07
				30-Jan-15	817,966	Transfer	14,409,065	1.14
				6-Feb-15	1,099,266	Transfer	15,508,331	1.22
				13-Feb-15	364,303	Transfer	15,872,634	1.25

S. No.	Name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01/04/2014 to 31/03/2015)	
		No of shares at the beginning (01/04/14)/ end of the year (31/03/15)	% of total shares of the Company				No. of Shares	% of total shares of the Company
				13-Mar-15	418,821	Transfer	16,291,455	1.28
				20-Mar-15	865,622	Transfer	17,157,077	1.35
				27-Mar-15	706,183	Transfer	17,863,260	1.41
		17,863,260	1.41	31-Mar-15				
7	GOVERNMENT PENSION FUND GLOBAL	0	0	1-Apr-14				
				14-Nov-14	8,521,468	Transfer	8,521,468	0.00
				5-Dec-14	924,798	Transfer	9,446,266	0.74
				9-Jan-15	247,130	Transfer	9,693,396	0.76
				16-Jan-15	451,912	Transfer	10,145,308	0.80
				23-Jan-15	1,621,225	Transfer	11,766,533	0.93
				30-Jan-15	635,329	Transfer	12,401,862	0.98
		12,401,862	0.98	31-Mar-15				
8	ORBIS SICAV - ASIA EX-JAPAN EQUITY FUND	12,353,009	0.97	1-Apr-14				
				4-Apr-14	219,814	Transfer	12,572,823	0.00
				23-May-14	167,790	Transfer	12,740,613	1.00
				8-Aug-14	166,490	Transfer	12,907,103	1.02
				30-Sep-14	(362,753)	Transfer	12,544,350	0.99
				10-Oct-14	(1,213,028)	Transfer	11,331,322	0.89
				17-Oct-14	(1,164,609)	Transfer	10,166,713	0.80
				5-Dec-14	(152,349)	Transfer	10,014,364	0.79
				16-Jan-15	(261,108)	Transfer	9,753,256	0.77
				30-Jan-15	(7,405)	Transfer	9,745,851	0.77
				6-Feb-15	(433,622)	Transfer	9,312,229	0.73
				13-Feb-15	(104,941)	Transfer	9,207,288	0.73
				27-Feb-15	(12,156)	Transfer	9,195,132	0.72
				6-Mar-15	(15,749)	Transfer	9,179,383	0.72
		9,179,383	0.72	31-Mar-15				

S. No.	Name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01/04/2014 to 31/03/2015)	
		No of shares at the beginning (01/04/14)/ end of the year (31/03/15)	% of total shares of the Company				No. of Shares	% of total shares of the Company
9	ABERDEEN GLOBAL INDIAN EQUITY (MAURITIUS) LIMITED							
		15130000	1.19	1-Apr-14				
				2-May-14	(1,690,000)	Transfer	13,440,000	0.00
				16-May-14	(1,432,698)	Transfer	12,007,302	0.95
				31-Oct-14	(1,055,000)	Transfer	10,952,302	0.86
				7-Nov-14	(45,000)	Transfer	10,907,302	0.86
				20-Mar-15	(1,000,000)	Transfer	9,907,302	0.78
				27-Mar-15	(900,000)	Transfer	9,007,302	0.71
		9,007,302	0.71	31-Mar-15				
10	PLATINUM INTERNATIONAL FUND	0	0	1-Apr-14				
		0	0	17-Oct-14	255,492	Transfer	255,492	0.00
				31-Oct-14	1,175,474	Transfer	1,430,966	0.11
				7-Nov-14	1,314,676	Transfer	2,745,642	0.22
				14-Nov-14	1,400,000	Transfer	4,145,642	0.33
				21-Nov-14	418,366	Transfer	4,564,008	0.36
				28-Nov-14	143,050	Transfer	4,707,058	0.37
				12-Dec-14	248,459	Transfer	4,955,517	0.39
				19-Dec-14	1,142,583	Transfer	6,098,100	0.48
				31-Dec-14	342,707	Transfer	6,440,807	0.51
				30-Jan-15	279,000	Transfer	6,719,807	0.53
				13-Mar-15	262,997	Transfer	6,982,804	0.55
				20-Mar-15	701,256	Transfer	7,684,060	0.61
				27-Mar-15	445,922	Transfer	8,129,982	0.64
8,129,982	0.64	31-Mar-15						

(v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01/04/2014 to 31/03/2015)	
		No of shares at the beginning (01/04/14)/ end of the year (31/03/15)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Shri Prabhat Singh	300	0.00	1-Apr-14	Nil	Nil movement during the year	300	Nil
		300	0.00	31-Mar-15				
2	Shri M Ravindran	75	0.00	1-Apr-14	Nil	Nil movement during the year	Nil	Nil
		75	0.00	31-Mar-15				
3	Shri S Venkatraman	300	0.00	1-Apr-14	Nil	Nil movement during the year	Nil	Nil
		300	0.00	31-Mar-15				
4	Shri P K Jain	45	0.00	1-Apr-14				
				13-Mar-15	-45	Sale	0	0
		0	0	31-Mar-15				
5	Shri N. K. Nagpal	1	0.00	1-Apr-14				
				6-Jun-14	1	Purchase	2	0.00
		2	0.00	31-Mar-15				

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in Crores)

Particulars	Secured Loans excluding deposit	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	4680	5588	-	10268
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	83.44	95.42	-	178.86
Total (i + ii + iii)	4763.44	5683.42	-	10446.86
Change in Indebtedness during the financial year				
Addition	500	234	-	734
Reduction	-1529	-116	-	-1645
Exchange Rate Fluctuation	-	199	-	199
Net Change	-1029	317	-	-712

(₹ in Crores)

Particulars	Secured Loans excluding	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the end of the financial year				
i) Principal Amount	3651	5905	-	9556
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	76.27	102.39	-	178.66
Total (i + ii + iii)	3727.27	6007.39	-	9734.66

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in lacs)

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager						Total Amount
		Shri B.C. Tripathi (CMD)	Shri Prabhat Singh (WTD)	Shri P.K. Jain (WTD) & CFO	Shri M. Ravindran (WTD)	Dr. Ashutosh Karnatak (WTD)	Shri S. Venkatraman (WTD) (Till 30.09.14)	
	Gross salary							
1	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	44.65	27.54	44.16	31.42	29.80	46.65	224.22
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	8.62	5.32	7.19	7.64	5.40	4.40	38.57
	(c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961	20.41	13.54	13.64	12.03	5.71	13.92	79.25
2	Stock Option	0	0	0	0	0	0	0
3	Sweat Equity	0	0	0	0	0	0	0
4	Commission - as % of profit - others, specify...	0	0	0	0	0	0	0
5	Others	0	0	0	0	0	0	0
Total (A)		73.68	46.0	64.99	51.09	40.91	64.97	342.04
Ceiling as per the Act		Not Applicable						

B. Remuneration to other directors

(₹ in lacs)

S No.	Particulars of Remuneration	Name of Directors		Total Amount	
		Independent Directors	Smt. Shyamala Gopinath		Dr. A.K. Khandelwal
1.	Fee for attending Board and Committee meetings		10.30	13.50	23.80
	Commission		0	0	0
	Others, please specify		0	0	0
	Total (1)		10.30	13.50	23.80
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 lacs)

S. No.	Particulars of Remuneration	Key Managerial Personnel	
		Company Secretary (Shri N. K. Nagpal)	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	31.53	31.53
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	2.17	2.17
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	4.66	4.66
2.	Stock Option	0.00	0.00
3.	Sweat Equity	0.00	0.00
4.	Commission	0.00	0.00
	as % of profit	0.00	0.00
	Others, specify...	0.00	0.00
5.	Others, please specify	0.00	0.00
	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 2014-15 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, RK Puram, New Delhi - 110066
4. **Website**
<http://www.gailonline.com>
5. **E-mail id**
shareholders@gail.co.in
6. **Financial Year reported**
2014-2015
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 Marketing and Transmission
 2. Petrochemicals (Polyethylene and polypropylene)
 3. 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, LHC production, Gas imports etc. The major operation sites and offices of GAIL are as under:

- LPG plants (7): Two plants at Vijaipur (M.P), one each at Vaghodia (Gujarat), Lakwa (Assam), Auraiya (U.P), Gandhar (Gujarat) and Usar (Maharashtra)
- Petrochemicals Plant at Pata (U.P)
- Compressor stations at Vijaipur, Khera, Jhabua & Kailaras (M.P), Hazira, Vaghodia (Gujarat), Auraiya (U.P), Chhainsa (Haryana)
- 11 Zonal Marketing Offices at Delhi, Kolkata (W.B), Chennai (T.N), Bangalore (Karnataka), Bhopal (M.P), Chandigarh (Haryana), Jaipur (Rajasthan), Hyderabad (A.P), Lucknow (U.P), Mumbai (Maharashtra), Ahmedabad (Gujarat).
- 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 (INR)** : ₹1,268 crores
- 2 **Total Turnover (INR)** : ₹56,569 crores
- 3 **Total profit after taxes (INR)** : ₹3,039 crores
- 4 **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)**
Total Expenditure incurred in the FY 2014-15 was 1.64 % of PAT of FY 13-14 (previous year) i.e., ₹71.89 Crore
Further in line of requirement of Section 135 of Companies Act 2013 and CSR Rules thereof, the actual CSR Expenditure (tentative) incurred was

1.21 % of the average of net profit of preceding 3 financial years i.e., ₹71.89 Crore

- 5 **List of activities in which expenditure in 4 above has been incurred:**

- a. Construction and Supporting Construction and functionality of nearly 3500 toilets under "Swachh Bharat, Swachh Vidyalaya (Clean India, Clean School)
- b. Education
- c. Skill Development
- d. Health

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, 2015 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 (project under construction) 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 wellbeing 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	03006541
	Name	Shri Prabhat Singh
	Designation	Director (Marketing)
(ii)	DIN Number	03039646
	Name	Shri S. Venkatraman (upto 30.09.2014)
	Designation	Director (BD)
(iii)	DIN Number	02145534
	Name	Shri P.K. Jain
	Designation	Director (Finance)
(iv)	DIN Number	02309551
	Name	Shri M. Ravindran
	Designation	Director (HR)

(v)	DIN Number	3267102
	Name	Dr Ashutosh Karnatak
	Designation	Director (Projects)

b. Details of the BR head Director (HR)

1.	DIN Number (if applicable)	02309551
2.	Name	Shri M. Ravindran
3.	Designation	Director (HR)
4.	Telephone number	011-26102055
5.	e-mail id	mravindran@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 all the 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) Ltd. 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: A	Y Ref: D	Y Ref: E	N	Y Ref: F	Y Ref: A	
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 Agreement, PIDPI Resolution No. 89 of GOI, Transparency International 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 Redressed) Act, 2013 D: The Contract Labour (Regulation and Abolition) Act 1970, The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressed) Act, 2013 E: National Policy on Safety, Health and Environment at Work Place, Ministry of Labour and Employment, Government of India F: The Contract Labor (Regulation and Abolition) Act 1970 and DPE Guidelines on Corporate Social Responsibility (CSR) and Sustainability of 2014										
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	
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	Y Ref: D	Y Ref: F	Y Ref: D	N	Y Ref: E,D	Y Ref: D	
All policies relevant to External Stakeholders are hosted on GAIL Website- http://gailonline.com/final_site/index.html , on following addresses: A. Code of Conduct: http://www.gailonline.com/final_site/pdf/Code_of_Conduct_2014.pdf B. Fraud Prevention Policy: http://www.gailonline.com/final_site/pdf/DraftPolicy2012.pdf C. MoU between GAIL (India) Ltd and TII http://www.gail.nic.in/final_site/pdf/MOU-With-TII-23rd.July-2007.pdf D. Sustainable Development Policy: http://gailonline.com/final_site/pdf/GAIL_Sustainable_Development_PolicyEnglish.pdf E. GAIL CSR Policy: http://gailonline.com/final_site/pdf/final_policy2010.pdf 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/final_site/pdf/Sexual_Harassment_Women_Workplace.pdf All policies that are relevant to internal stakeholders are available at GAIL Intranet Portal.										

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									
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 14-15 total three meetings held by Sustainable Development Committee, further GAIL has various 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 14-15								
1	Corporate Social Responsibility Committee	5								
2	Audit Committee	8								
3	HR Committee	5								
4	Project Appraisal Committee	1								
5	Stakeholders Relationship Committee	1 (Refer footnote 1)								
6	Stakeholders' Grievance Redressal Committee	4								
7	Sustainable Development Committee	3								
Footnote 1: The Board of Directors at their meeting held on 26 th May, 2014, changed the nomenclature and scope of the Shareholders'/ Investors' Grievance Committee as the Stakeholders' Relationship Committee										
Does the Company publish a BR or a Sustainability Report?		Yes, GAIL publishes an Externally assured Sustainability Report annually as per the GRI guidelines.								
What is the hyperlink for viewing this report?		http://gailonline.com/final_site/Sustainable_Development.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 2014-15 may be referred which would be available at this link: http://gailonline.com/final_site/Sustainable_Development.html

Section E: Principle Wise Performance

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, it is also extended to GAIL Employees on secondment or deputation in any subsidiary or Joint Venture Company

The 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.

Further, Vigilance department is taking care of the bribery and corruption related issues based on the CVC guidelines and related circulars. Scope 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. GAIL adheres to the principles of United Nations Global Compact (UNGC) which also enlist principle on anti-corruption

- 2 How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

Stakeholders	Complaints Received	Complaints Pending	% Resolved
Shareholder/ Investors	19	0	100
Customers	58	1	98.28
Employees	10	1	90
Vigilances	103	46	55.34
Contractors & Suppliers (Relating to Integrity Pact)	4	0	100
Media, Advertising agencies	0	0	0
Total	194	48	75.25%

If so, provide details thereof, in about 50 words or so.

Note: The mentioned complaints are total complaints irrespective of the Principle under which they fall.

A 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 un-ethical 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.

- i. Natural Gas & LPG Transmission
- ii. Liquid Hydrocarbon
- iii. Petrochemicals (HDPE & LLDPE)

Note- Procedure for adopting 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 being 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

- 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?

- i. Natural Gas & LPG Transmission:

In the entire value chain, the company is having the responsibility of transmission of Natural Gas (NG) & LPG from source to customers through pipeline & Compressor/Pumping stations by following industry best practices, safety standards with integrated management.

GAIL's system of transmission of NG & LPG is supported by SCADA system with central control system for overall monitoring.

- NG Transmission - 7.37% Reduction in total energy consumption achieved in FY 2014-15 compared to FY 2013-14 for our operation.
- LPG Transmission - 0.5% Reduction in total energy consumption achieved in FY 2014-15 compared to FY 2013-14 for our operation.

- ii. 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 and other liquid hydrocarbon products are sold to industries for their usages.

1.6 % reduction in specific water consumption achieved in FY 2014-15 compared to FY 2013-14 for our operation.

- iii. 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 three polymer units.

The procedure followed results in optimisation of energy, raw material, water etc. for the desired level of production.

There has been 0.38 % Reduction in specific energy consumption achieved in FY 2014-15 compared to FY 2013-14 for our operation.

Refer to Note 2.

ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

In FY 14-15, GAIL sold or supplied approximately 72 MMSCMD of Natural Gas to its customers. 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 customers end.

Please also Refer to Note 3.

3 Does the company have procedures in place for sustainable sourcing (including transportation)?

GAIL has introduced e-tendering which is based on the principle of competitiveness and such procurement practices are executed in a manner that is transparent, fair, competitive and cost effective. This process also contributes towards saving of paper and is a green initiative of the organisation. GAIL's IT team continuously works with various departments to provide solutions to the internal and external customers, and extend IT enabled services across the entire process.

Further 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. Further, GAIL's tenders are hosted on its website which is available in public domain and whosoever is interested can participate in those tenders without even visiting the tender issuing site.

In order to procure energy efficient and sustainable products, GAIL has introduced the following provisions:

- i) Loading criteria is being kept in cases for procurement of pump/motor/generators and turbines. These 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 to procure fuel/ electricity efficient equipment.
- ii) Star rating electrical equipment.
- iii) Green building concept in all new building projects.

Further, GAIL has installed capacity of 118 MW (approx.) wind energy and 5 MW of solar energy generating projects.

3(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 sustainable sourcing. All the bidders are required to confirm acceptance to General Conditions of Contracts of GAIL's tenders, 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's procurement policy is based on least price approach for mentioned specifications in tender document. In addition, GAIL provides benefits to MSE (Micro, Small Enterprises) as per schemes of Govt. of India.

GAIL has implemented "Public Procurement Policy" for Micro and Small Enterprises (MSEs) which extends various benefits like waiver from tender fee and EMD, Purchase Preference etc. to 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. These industries are generally local & small producers from the surrounding communities near the place of work.

GAIL (India) Ltd, the flagship natural gas company of India has signed Memorandum of Understanding with UPSIDC for facilitating development of Plastic Park at Auraiya, Uttar Pradesh.

For the growth and development of these industrial units, GAIL shall contribute towards regular supply of raw material at competitive market price, provide technical support to plastic processors, establish polymer warehouse to cater to the needs of the industrial units.

4(i). If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

In order to encourage participation of small and micro enterprises, following facilities are extended:

1. (a) Issue of tender documents free of cost
(b) Exemption from payment of EMD/bid security etc.
2. Purchase preference granted to small and micro enterprises, thereby encouraging micro and small enterprises to participate and secure orders in GAIL's tenders.
3. Spot purchases done from the local market.

Further, GAIL has already introduced e-procurement to reduce the paper work and to speed up the tendering process. This also helps out 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/ pre-bid meeting is conducted to ensure wider participation and to educate vendors on the tendering process.

GAIL also interacts with the small and local vendors at various forums like vendors meet/ MSEs meet/ Industry Conclave etc. and the initiatives and makes them aware of GAIL's requirements.

In the reporting period, Vendor Development Program for MSEs have been conducted at Pata, Vijaipur, Jaipur, Corporate Office, Mumbai, Jhabua, Rajahmundry & Vadodara.

5 Does the company have a mechanism to recycle products and waste?

i. 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, Covered under Sustainable Development Policy.

Natural Gas (NG) is the major input component for GAIL's process plants. After processing NG, the same is sent to customers and only a small fraction NG is flared as per safety requirements so there is limited scope for reusing recycled NG as inputs as raw material. Further, design of products and processes are made in a manner for NIL/minimum wastage.

GAIL endeavours to optimise the resources 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. The Hazardous Waste has been disposed of through State Pollution Control Board approved agency across GAIL.

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.

33.9% of wastewater reused/recycled in FY 2014-15.

GAIL ensures usage of maximum amount of waste water in its installations.

Waste Management

Solid 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 returning through buyback mechanism, or disposed off through recyclers approved by the state agencies.

In FY 2014-15 6.79 MTE-Waste Recycled.

Refer to Note 2.

PRINCIPLE 3

Businesses should promote the wellbeing of all employees

- 1 **Please indicate the Total number of employees.**
4266 (as on 31.03.2015 including Board of Whole-Time Directors and CMD, including CVO)
- 2 **Please indicate the Total number of employees hired on temporary/contractual/casual basis.**
13400
- 3 **Please indicate the Number of permanent women employees.**
255
- 4 **Please indicate the Number of permanent employees with disabilities**
89
- 5 **Do you have an employee association that is recognized by management?**
Yes,
GAIL upholds the freedom of Association and effectively recognizes the right in collective bargaining by generously recognising and promoting the Workers' Unions, Officers' Associations, Women's Forums, SC/ST Employees etc.
In GAIL, there are two Unions representing the interests of their respective workmen/ staff. GAIL Employees Association (GEA) is a representative body of non-executives posted at various Field Offices/ Plants/ Installations across the Country except Corporate Office. Non-executives posted at Corporate Office are represented by GAIL Karamchari Sangh (GKS).
- 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 21.41%

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
Child labour/ forced labour/ involuntary labour	Nil	Nil
Sexual harassment	Nil	Nil
Discriminatory employment	Nil	Nil

8 What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

Permanent Employees	Total: 94.5%
Permanent Women Employees	Total: 96%
Casual/Temporary/Contractual Employees	Total: 25% (see Note-2 for boundary of this data) Sites/Projects: -100% safety awareness.
Employees with Disabilities	Total: 91%

Note – 95% Male Permanent Employees were given safety & skill up-gradation training in the last year

All employees who were posted at sites and projects are given mandatory Safety Awareness training. Apart from these scheduled trainings, employees are also imparted inputs regarding Safety & Skill up gradation in functional areas and behavioral aspects through knowledge sharing programs, online Quizzes and Competitive events organized on various occasions like Safety Week, National Safety Day etc. In FY 14-15 GAIL has further strengthened roll out Behavior Based Systems (BBS) to advance Health & Safety Culture.

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 internal and external stakeholders pertaining to CSR as a function of the company which include external stakeholders like Government/Regulators, implementing agencies, service providers, local communities, civil society, customers, investors, media, consumers, advocacy groups etc. and internal Stakeholders in the form of employees.
2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders**
Yes,
GAIL identifies disadvantaged, vulnerable & marginalized stakeholders as per the extant CSR Policy of the company. The same have been identified in terms of the provisions of the Section 135 of the Companies Act, 2013 and CSR Rules, thereof.
Further, the DPE CSR and Sustainability Guidelines of 2014 are also

followed. These include people affected by natural calamities, people with disabilities, women and children, tribal, SC/ST, OBCs, Minorities disadvantaged youth, senior Citizens, HIV afflicted people, people affected by violence. In addition to above a compassionate approach towards the community lies at the heart of operations at GAIL.

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,

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.

GAIL undertakes CSR projects in areas defined in Schedule VII of the Companies Act 2013, with focussed interventions in seven areas identified in the CSR policy of GAIL, which is in alignment with the Section 135 of Companies Act 2013 and CSR Rules thereof.

Special initiatives undertaken in 2014-15:

The hugely successful Integrated Watershed Development and Management Programme, Project Jaldhar implemented in the tribal area of Jhabua, Madhya Pradesh, has resulted in formation of over 48 Self Help Groups which has in turn facilitated income generation and promoted monetary saving among tribal women with creation of 15 watershed structures and plantation of over 3500 trees/saplings.

The 4 Skill Schools run by GAIL in collaboration with IL&FS has imparted job linked skills training in service sector trades such as retail/sales, hospitality management, basic engineering etc., to more than 3380 rural and semi urban youth. Training was given to 60 beneficiaries from the underprivileged community in Plastic industry related skill through CIPET, Ahmedabad.

Skill based training was provided to 1500 Persons with Disabilities in partnership with National Handicapped Finance and Development Corporation, under Project Swadheen. To address the issue of Elderly abuse Project Return of a Million Smiles was launched which is a holistic media campaign targeted at the young generation to raise awareness.

In the aftermath of the devastating flashfloods that took place in state of Uttarakhand, Project Srijan (creation) was undertaken for the rehabilitation and long term rebuilding of the community; the major components of the project being Capacity Building, Livelihood Sustenance, Infrastructure/Asset Creation, Disaster Management and Mitigation.

In a significant move towards fulfilling Hon'ble Prime Minister Shri Narendra Modi's commitment towards providing hygienic sanitation facilities, GAIL is constructing and supporting construction/functionality of nearly 3500 toilets under "Swachh Bharat, Swachh Vidyalaya" (Clean India, Clean School) program over FY 2014-15 and FY 2015-16.

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,

Complies to all the legal requirements pertaining to Human Rights and the same is also followed by its Joint Ventures, Subsidiaries, Contractors etc. in letter and true spirit.

At GAIL, it is always prioritized to uphold human rights across all our operations. A global commitment to support human rights by becoming a signatory to UNGC principles in May 2011 was made by GAIL. GAIL's

policies are suitably designed and fully conform to human right principles, the Constitution of India and labour laws. A dedicated grievance redressal system in place to address issues raised by all our stakeholders. GAIL supports the Government of India's efforts in development of minorities and economically underprivileged sections of the society. Gender mainstreaming, inclusiveness and affirmative programs are also introduced in the company.

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 their concerns including discrimination and sexual harassment at workplace. GAIL remains committed to equal rights for all gender and the same is reflected in our compensation policy for employees. Minimum wage requirements in accordance to the applicable norms in each state where of GAIL's operations are also ensured.

At GAIL work contracts and agreements are embedded with clauses to uphold human rights. At GAIL a non-tolerance approach is followed on Child or forced labour in any of its operations.

Collective Bargaining, an important worker right is upheld at GAIL across all our operations through recognition and promotion of worker unions. Several initiatives have taken by GAIL such as regular interaction with employee collectives, coordination with labour authorities, settlement of industrial disputes, recording and analysis of work center level issues and long term settlement with Unions.

GAIL management has approved the phase wise implementation of Social Accountability – SA -8000 across the GAIL. In phase -I Gap assessment w.r.t SA 8000 has been initiated at pilot site Hazira. Recently SA 8000 audit has been conducted by third party. The improvement areas and learnings will be shared across GAIL and suitable mechanisms or modifications will be carried out for further implementation of SA 8000.

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.

The policy not only covers the company but also 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.

Yes,

If yes, please give hyperlink for webpage etc.

GAIL's Sustainability Report 2014-15 may be referred for details which would be available at this link:

http://www.gailonline.com/final_site/Sustainable_Development.html

3 Does the company identify and assess potential environmental risks? Y/N

Yes,

Four process plant i.e. Pata, Vijaipur, Vaghodia, Gandhar and both the LPG Pipelines are already covered in GAIL's Risk Management Framework. Nominated Risk Officers are responsible to capture Environmental Risk for concerned site, identified Risks are validated by Site Level Risk Committee and Risk Owner (OIC).

All the mentioned sites have already captured Environmental risk which is accessible to all employees. Further, Risk Management department is in the process of reviewing risk database by consultant of repute.

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: The Pilot project for capturing and destroying the Land Fill Gas (LFG) from an active landfill site at Ghazipur, Delhi has been implemented.

About 125 M³/Hr of LFG with Methane content of about 25% is being extracted and flared thus leading to reduction in GHG emissions as Methane is 25 times more potent than CO₂ in causing Global Warming.

The project has been validated by the Designated Operational Entity (DOE) and successfully registered with UNFCCC for availing carbon credits under Clean Development Mechanism.

The project has improved the living conditions of the local populace and demonstrates GAIL's commitment to the Society. It is now planned to utilize the low quality LFG to produce about 30 KW of Power through installation of Micro Turbine.

Yes, environmental clearance was obtained for as 'Consent to Establish' and 'Consent to Operate' from has been granted by the Delhi Pollution Control Committee (DPCC).

ii) 5 MW Solar Power Plant Project installed by GAIL at Jaisalmer:

GAIL's Solar Power Plant has achieved 8.59 Million Units Net Export to Grid. This project was registered by UNFCCC as CDM project.

Yes, All the regulatory clearances was 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,

Clean technology, energy efficiency:

1. R&D Initiative on Conversion of CO₂ to Valuable Chemicals
2. R&D Initiative on Conversion of Waste Plastic To valuable Hydrocarbons (Diesel);
3. 4 Star GRIHA rating for green building at Chhainsa Unit.
4. Implementation of Energy Management System ISO 50001 at Gandhar Gas Processing Unit.
5. Implementation of LED based lighting systems, BEE Star rating air

conditioners at these GAIL sites Dibiyapur, Jhabua, Pata and Vijaipur.

(For more information Refer to Sustainability Report 2012-13, 2013-14, 2014-15).

GAIL's Sustainability Reports can be found at: http://www.gailonline.com/final_site/Sustainable_Development.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.

NIL

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,

- 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 Business Council for Sustainable Development
- f. Petrofed
- 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. India GHG* Program run by WRI*, TERI* & CII

*GHG – Green House Gas Emissions

*WRI – World Resources Institute

*TERI – The Energy and Resources Institute

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 being a Public Sector Enterprise, formal and informal feedbacks to various government bodies like MoP&NG, PPAC, OISD, PCRA etc. are provided on regular basis. This forms a significant basis for advancement of public good. In addition, GAIL also is a member of prestigious associations as listed above, to carry out advocacy for public good.

In FY 2014-15, GAIL has made the advocacies which are briefly specified as follows-

GAIL is a Governing Council member of the Petroleum Federation of India. The Petrofed functions as the facilitator for Oil industry in India. It coordinates with governments, regulatory agencies and other representative bodies in the petroleum industry to work on issues such as optimization of resources and integration effort, promoting Safety, Healthy Environment and Energy conservation among other issues related to industry. Further, GAIL management represents as a member in 'Education & Training Board' in International Project Management Association (IPMA)

CMD, GAIL is the Co-Chair of FICCI Hydrocarbon Committee. The committee endeavors 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. In addition, GAIL also represents in the FICCI Environment Committee that works on a broad spectrum of environmental issues like Municipal, Electronic and Hazardous Waste Management, Corporate Sustainability, Clean Technologies, Environment and Forest Clearances, Biodiversity etc.

GAIL also represents in the Oil Industry Development Board (OIDB). GAIL, along with other PSUs co-promotes the Rajiv Gandhi Institute of Petroleum Technology (RGIT) as an energy domain specific institute in association with OIDB.

GAIL became the founding member of the GRI (Global Reporting Initiative) Focal Point India's Sustainability & Transparency Consortium that helps us in engaging with business leaders, national governments, regulators, sustainability experts, think tank bodies and professional institutes to discuss issues related to sustainability reporting.

GAIL is also a member of TERI-BCSD (TERI- Business Council for Sustainable Development) which is an industry led consortium of sustainability practitioners. Further, GAIL is also a signatory to the United Nations Global Compact (UNGC) working in the domain of Human Rights, Labor standards, Environment and Anti-Corruption.

Considering the requirements of the new Companies Act 2013 on mandatory spend on CSR activities, an amendment request in the Income Tax Act 1961 specifically allowing for deduction on CSR Expenditure was submitted to the Government of India.

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. GAIL's affirmative policies which are in compliance

with Government of India guidelines promote diversity and equity and recognize people on their merits and skill sets irrespective of their race, caste, religion, colour, ancestry, marital status, gender, age and nationality. It also follows strict regulations related to industry in terms of minimum wage compensation for semi - skilled and non- skilled contract personnel.

GAIL's social investment has been in 7 identified thrust areas, 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 Centric 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. The CSR interventions are designed to address the various needs of the marginalised sections and are in adherence to the goals of inclusive growth and equitable development.

A key intervention introduced under Arogya (Wellness) are the 18 Mobile Medical Units running across the states of Madhya Pradesh, Uttar Pradesh, Gujarat, Haryana, Uttarakhand, Andhra Pradesh and Punjab, covering 374 villages and a population of almost 3, 20,000. Free medicines are provided through these Mobile Medical Units (MMUs) as also facilities of Mobile Pathology Laboratory in the form of Swasthya Jaanch (Health Check-up) Machine. 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 running an STI Clinic in Uttar Pradesh.

GAIL's flagship programme Utkarsh (Excellence) which provides 9 months residential holistic mentorship programme for bright students without financial means has enabled a record 92 students out of 100 to qualify IIT-Mains exams and 50 of them have cleared the advanced level as well in the year 2014-15. Over the years, more than 90% of the beneficiaries have successfully secured admissions in premier engineering colleges of India.

Project Srijan (creation), undertaken post the devastating floods in Uttarakhand, has provided training for alternate livelihood generation to nearly 1000 women, training to masons for disaster proof construction, and facilitated formation of 36 Self Help Groups and Farmer Interest Groups. Efforts toward rehabilitation of the people of the region have also been made through construction of households using Disaster Proof Technology.

Training and placement support has been extended to 480 Safai Karamchari women from the states of Assam and Tripura in BPO, Personality Development, Call Centre related skills etc. in partnership with National Safai Karamcharis Finance and Development Corporation. A long term integrated watershed management programme Project Jaldhar (Conserving Water), is operational in the tribal region of Jhabua, addressing the critical issue of water scarcity along with livelihood enhancement and community development.

GAIL's CSR goal is to identify answers to social challenges and to actively contribute to the development of sustainable solutions.

2 Are the programmes/ projects undertaken through in-house team/ own foundation/ external NGO/ government structures/ any other organization?

In an effort to attain its social commitments, GAIL adopts a multi-

stakeholder approach for implementation of its interventions: collaborating with communities, governmental and nongovernmental organisations, academic institutions and others to identify emerging issues, develop projects and effectively respond to 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, GAIL through its GAIL Charitable and Education Trust has undertaken many education centric initiatives over the last few years, in partnership with Government bodies and NGOs etc. A special mention is warranted by Project Assist of National Foundation for Communal Harmony, under Ministry of Home Affairs, wherein GAIL had partnered to support/provide scholarship to 600 violence affected children in districts of Assam and Jammu & Kashmir. Scholarships have also been extended to 370 children studying in various schools around GAIL work centres under GAIL Scholarship Scheme.

3 Have you done any impact assessment of your initiative?

Yes,

GAIL carries out an annual exercise of Third Party Impact Assessment Study of CSR projects included in the MOU signed with Ministry of Petroleum and Natural Gas. For the year 2014-15, third party impact assessment studies were conducted for 03 flagship programmes of GAIL. In addition to these Annual Studies for specific flagship long-term projects, GAIL has conducted 03 Independent Impact Assessment Studies for its CSR Projects in the last decade from Institutes and Consultancies of repute which include Tata Institute of Social Sciences (Mumbai, Maharashtra), Soul Ace Consultants (Gurgaon, Haryana), Delhi School of Social Work and Jamia Millia Islamia (Delhi).

The CSR projects are evaluated on milestones achieved by the Cross Functional CSR Committee formulated at every GAIL work centre. At the end of the project, the implementing partner submits a report pertaining to the programme, specifically highlighting the project milestones achieved and the quantitative and qualitative benefits generated.

4 What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

As identified in terms of the provisions of the Section 135 of the Companies Act, 2013 and CSR Rules, GAIL has chalked out 7 different thrust areas for its CSR interventions. However compliance to mandates apart, all social investments of GAIL arise out of a feeling of genuine empathy for the community. In essence, all the interventions have been directed towards one culminative goal- the overall upliftment of the marginalized sections of the community.

Specific interventions under the thrust areas Kaushal (Skill)-Livelihood Generation and Skill Development Initiatives, Sashakt (Empowerment)- Women Empowerment Initiatives, Saksham (Capable) - Care of the Elderly and Differently abled, Integrated Watershed Management programmes like Jaldhar, are directed towards predefined stakeholder groups with precise goals and objectives.

Apart from long term interventions that focus on human development, GAIL has also invested in physical asset creation under the thrust area Unnati (Progress)-Rural development. Total Commitment for these initiatives in the year 2014-15 is nearly ₹118.07 crores.

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 try and incorporate a dimension of community involvement/interaction, awareness generation, engagement, stakeholder interaction and capacity building. The initiatives are taken up through a collaborative effort and a process of engagement with the local community, including local governance structures and institutions. The company also insists on the implementing agency participating in the community in a phase wise manner, while simultaneously building the community motivation and capability to operate the programme or the service on their own.

After completion of the project, hand holding support is extended to the agencies in case of Community Development Initiatives with handing over of assets to the Local Government Representatives/Village Representatives. In case of skill development projects, placement support is extended to large number of beneficiaries with regular follow up on their employment status (Wage/Self employment).

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
	58	1	1.72%

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/petrochemical_overview.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. Being liquid hydrocarbon products in bulk, there are no separate labels for display of product information.

When LHC is transported through road tankers. If the product is inflammable it is clearly written on the tankers (nominated by the customers). Product name, Safety Signage, Hazardous chemicals signage, Emergency contact no, Transporters name and Contact no are displayed on the tankers.

Further, the Company tries to voluntarily engage customers in various forums such as meets, one to one interaction, and telephonic conversation to provide product information, over and above mandatory requirement. Customers concerns regarding Polymer

product quality are also addressed by GAIL Polymer Technology Centre (GPTC) by providing quality certificate on the 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,

The status of the cases which were settled/pending with regard to unfair trade practices, anti-competitive behaviour, monopolization as identified against GAIL are as follows:

- i) GSPCL filed a case against GAIL before PNGRB claiming Restrictive Trade Practice (RTP), which has been upheld by PNGRB in their favor. GAIL appealed against the judgment in APTEL and APTEL reversed PNGRB judgment and held that there is no RTP on part of GAIL. Now, GSPCL has challenged before Supreme Court and the same is pending for disposal before Supreme Court.
- ii) GSPC Gas filed a case against GAIL claiming RTP before PNGRB but the same was held in favor of GAIL. GSPC Gas has filed appeal against the said order before APTEL and same 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 said order before APTEL. APTEL upheld the order of PNGRB. GAIL has challenged the said order in Supreme Court which is pending for disposal.
- 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. have filed complaint before PNGRB alleging RTP against GAIL which is pending for disposal.

4 Did your company carry out any consumer survey/ consumer satisfaction trends?

Yes,

Customer Satisfaction Index (CSI) is the tool to obtain the customer perspective on company products. The CSI campaign is being launched on half yearly basis during the FY 2014 - 15. GAIL has an on-line SAP system for obtaining Customer Satisfaction Index. CSI is calculated online based on the feedback submitted by the customers electronically.

The weightage average CSI score for FY 2014 - 15 is 89.72%.

Note 2:

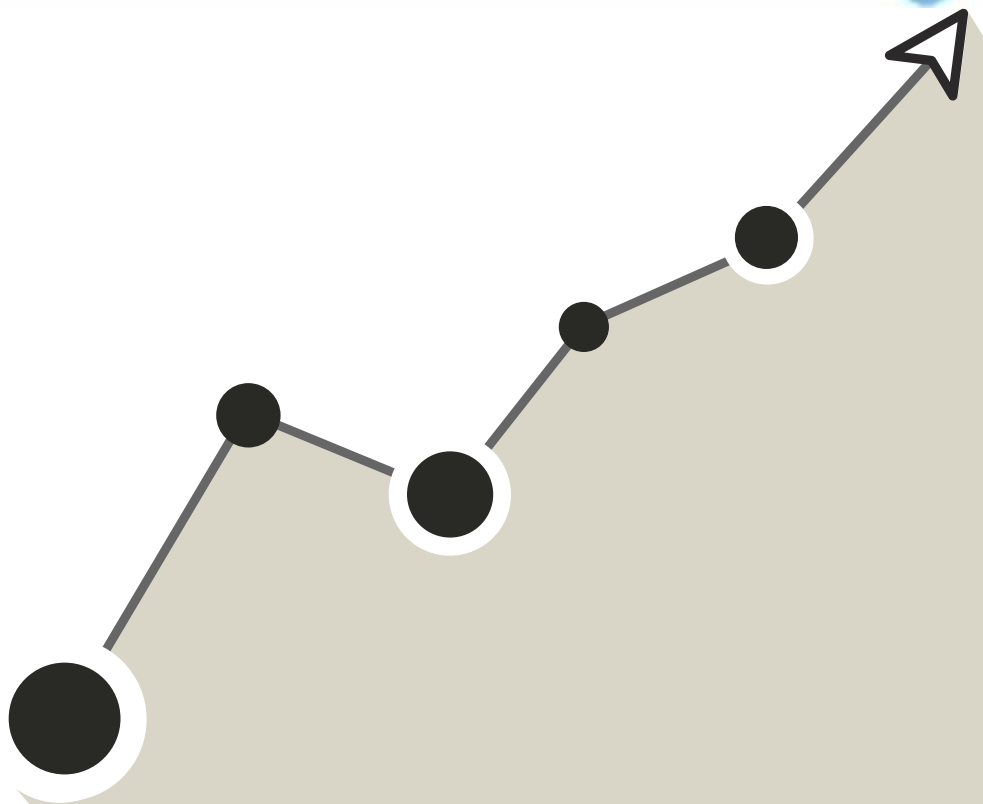
The data presented covers the following GAIL units:

- Gas Processing Units (GPUs) at Gandhar, Pata, Usar, Vaghodia and Vijaipur;
- Petrochemical unit at Pata;
- Natural Gas compressor stations at Dibiyapur, Hazira, Jhabua, Khera, Vaghodia and Vijaipur;
- 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, Puducherry and Rajahmundry;
- GAIL Training Institute (GTI) at Jaipur and Noida;
- Corporate Office at New Delhi; and
- Info Hub at Noida.
- 11 Zonal Marketing Offices at Delhi, Kolkata (W.B), 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 not detailed out because currently GAIL doesn't have mechanism to track reduction in energy, material, and water usage at consumer end.

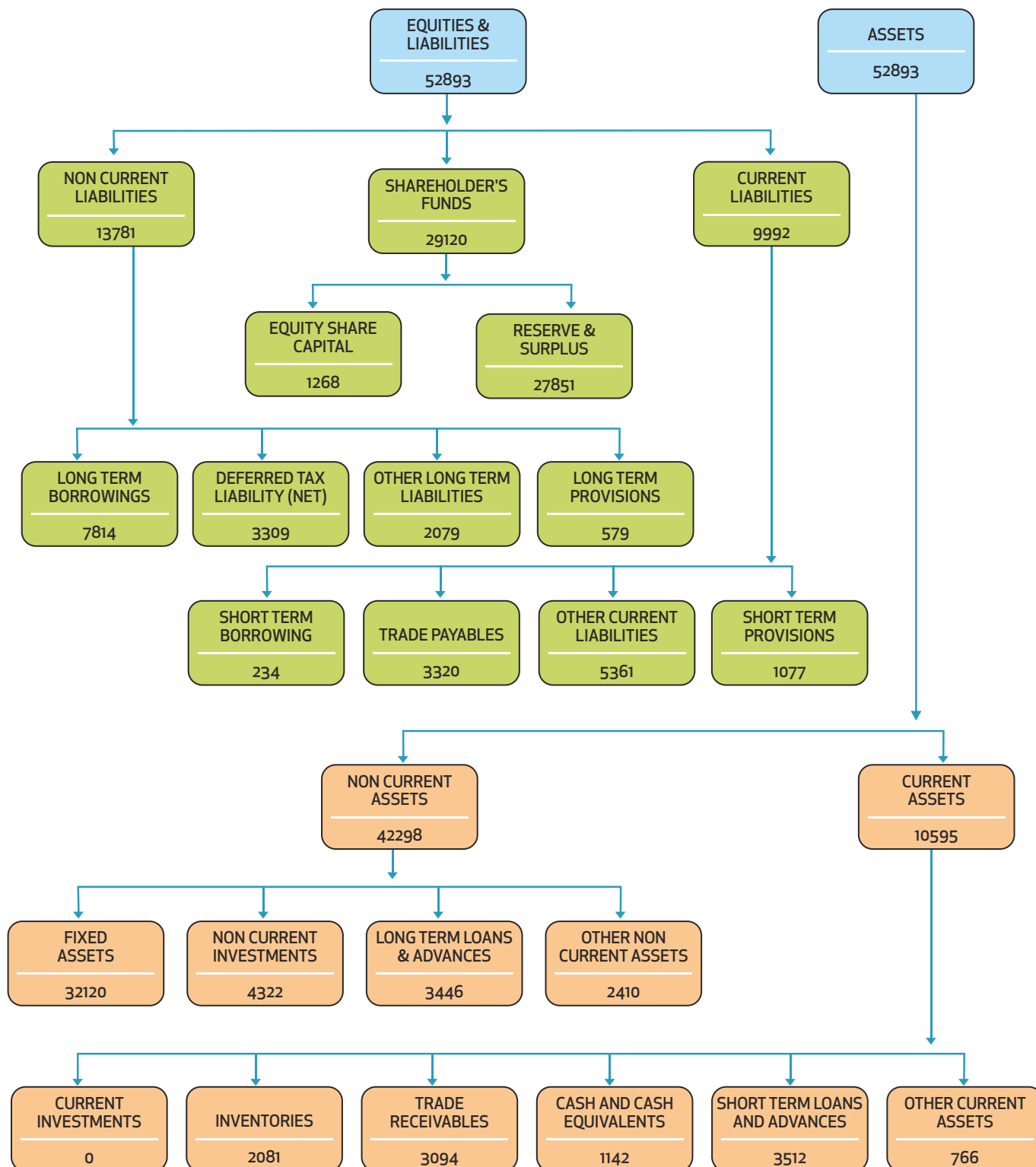


Five Year Profile



STATEMENT OF ASSETS AND LIABILITIES

(₹ in Crores)

AS AT 31ST MARCH 2015

FIVE YEAR PROFILE (STANDALONE)

(A) FINANCIAL

(₹ in Crores)

	2010-11	2011-12	2012-13	2013-14	2014-15
PAID-UP CAPITAL	1,268.48	1,268.48	1,268.48	1,268.48	1,268.48
RESERVES & SURPLUS	17,984.86	20,357.35	22,959.32	25,803.85	27,851.04
SECURED LOANS	2,310.00	3,023.50	4,106.00	4,679.75	3,651.00
UNSECURED LOANS	-	2,323.35	4,957.50	5,588.33	5,904.92
DEFERRED TAX LIABILITY (NET)	1,633.24	1,768.64	2,300.06	2,566.37	3,308.65
	23,196.58	28,741.32	35,591.36	39,906.78	41,984.09
REPRESENTED BY :					
GROSS BLOCK	22,144.38	26,306.63	31,148.97	34,056.32	41,389.26
LESS : DEPRECIATION	9,740.81	10,449.01	11,441.52	12,579.69	13,629.58
NET FIXED ASSETS	12,403.57	15,857.62	19,707.45	21,476.63	27,759.68
CAPITAL WORK-IN-PROGRESS	5,879.17	8,241.76	9,118.99	9,757.19	4,360.02
INVESTMENTS / ADVANCES FOR INVESTMENT (PENDING ALLOTMENT)	2,582.52	3,548.93	3,955.15	4,288.70	4,322.36
NET CURRENT ASSETS	2,331.32	1,093.01	2,809.77	4384.26	5,542.03
	23,196.58	28,741.32	35,591.36	39,906.78	41,984.09
GROSS SALES	32,907.09	40,821.79	48,005.27	58,012.06	57,291.97
GROSS MARGIN	5,973.10	6,247.18	7,233.73	7,944.66	5,617.92
DEPRECIATION	650.25	790.71	980.94	1,176.15	974.26
INTEREST	82.86	116.46	195.02	366.19	361.30
PROFIT/(LOSS) BEFORE TAX	5,239.99	5,340.01	6,057.77	6,402.32	4,284.36
PROFIT/(LOSS) AFTER TAX	3,561.13	3,653.84	4,022.20	4,375.27	3,039.17
DIVIDEND INCLUDING INTERIM DIVIDEND	951.36	1,103.57	1,217.74	1,319.21	761.08
CORPORATE DIVIDEND TAX	155.32	179.02	203.03	224.20	153.56
INTERNAL GENERATION	4,211.38	4,444.55	5,003.14	5,551.42	4,013.43
NET WORTH	19,054.12	21,449.44	24,038.17	26,858.08	28,888.31
CAPITAL EMPLOYED INCLUDING ASSETS UNDER CONSTRUCTION & INVESTMENTS	23,196.58	28,741.32	35,591.36	39,906.78	41,984.09

(B) GAS THROUGHPUT/PRODUCTION

	2010-11	2011-12	2012-13	2013-14	2014-15
NATURAL GAS (MMSCMD)	117.91	117.62	104.90	96.22	92.10
LPG (M/T)	1068156	1124341	1077866	1026543	1039494
SBP SOLVENT/NAPHTHA (M/T)	111140	144165	147988	119713	98745
PENTANE (M/T)	34523	23144	20739	21669	22758
PROPANE (M/T)	155152	146015	129570	134411	115808
ETHYLENE (M/T)	428444	457080	448534	450870	460059
HDPE/LLDPE (M/T)	416396	446041	441051	440155	451625

(C) FINANCIAL RATIOS

(₹ in Crores)

	2010-11	2011-12	2012-13	2013-14	2014-15
NET WORTH PER RUPEE OF PAID-UP CAPITAL (₹)	15.02	16.91	18.95	21.17	22.79
BORROWINGS TO NET WORTH (₹)	0.12	0.25	0.38	0.38	0.33
PROFIT BEFORE TAX TO CAPITAL EMPLOYED (%)	22.59	18.58	17.02	16.04	10.20
PROFIT BEFORE TAX TO NET WORTH (%)	27.50	24.90	25.20	23.84	14.82
PROFIT BEFORE TAX TO GROSS SALES (%)	15.92	13.08	12.62	11.04	7.47
PROFIT BEFORE TAX TO GROSS FIXED ASSETS (%)	23.66	20.30	19.45	18.80	10.35
GROSS SALES TO CAPITAL EMPLOYED (%)	141.86	142.03	134.88	145.37	136.46
EARNING PER SHARE (₹)	28.07	28.80	31.71	34.49	23.96
DIVIDEND PER SHARE (₹)	7.50	8.70	9.60	10.40	6.00
DIVIDEND PAYOUT RATIO (INCLUDING DIVIDEND TAX)	31.08	35.10	35.32	35.28	30.10

FIVE YEAR FINANCIAL PROFILE CONVERTED IN US\$ (STANDALONE)

(In US\$ Millions)

	2010-11	2011-12	2012-13	2013-14	2014-15
PAID-UP CAPITAL	280	246	231	209	201
RESERVES & SURPLUS	3,976	3,943	4,175	4,257	4,408
SECURED LOANS	511	586	747	772	578
UNSECURED LOANS	-	450	902	922	934
DEFERRED TAX LIABILITY (NET)	361	343	418	423	524
TOTAL	5,129	5,567	6,472	6,584	6,644
REPRESENTED BY :					
GROSS BLOCK	4,896	5,095	5,664	5,619	6,550
LESS : DEPRECIATION	2,154	2,024	2,081	2,076	2,157
NET FIXED ASSETS	2,742	3,071	3,584	3,543	4,393
CAPITAL WORK-IN-PROGRESS	1,300	1,596	1,658	1,610	690
INVESTMENTS / ADVANCES FOR INVESTMENT (PENDING ALLOTMENT)	571	687	719	708	684
NET CURRENT ASSETS	515	212	511	723	877
TOTAL	5,129	5,567	6,472	6,584	6,644
GROSS SALES	7,276	7,907	8,730	9,571	9,067
GROSS MARGIN	1,321	1,210	1,315	1,311	889
DEPRECIATION	144	153	178	194	154
INTEREST	18	23	35	60	57
PROFIT/(LOSS) BEFORE TAX	1,159	1,034	1,102	1,056	678
PROFIT/(LOSS) AFTER TAX	787	708	731	722	481
DIVIDEND INCL. INTERIM DIVIDEND	210	214	221	218	120
CORPORATE DIVIDEND TAX	34	35	37	37	24
INTERNAL GENERATION	931	861	910	916	635
NET WORTH	4,213	4,154	4,371	4,431	4,572
CAPITAL EMPLOYED INCLUDING ASSETS UNDER CONSTRUCTION & INVESTMENTS	5,129	5,567	6,472	6,584	6,644
# INR Converted in US\$ at the exchange rate prevalent on 31st March of respective financial year	45.23	51.63	54.99	60.61	63.19

FIVE YEAR FINANCIAL PROFILE (CONSOLIDATED)

(₹ in Crores)

	2010-11	2011-12	2012-13	2013-14	2014-15
PAID-UP CAPITAL	1,268.48	1,268.48	1,268.48	1,268.48	1,268.48
RESERVES & SURPLUS	19,945.39	23,646.05	27,526.18	31,188.47	32,754.19
SECURED LOANS	6,263.97	7,664.76	9,281.57	11,793.64	11,237.71
UNSECURED LOANS	640.13	3,840.87	7,190.75	6,743.30	7,053.64
MINORITY INTEREST	547.19	981.99	1,456.62	1,758.78	1,758.30
DEFERRED TAX LIABILITY (NET)	1,715.12	1,864.99	2,426.49	2,730.35	3,547.69
	30,380.28	39,267.14	49,150.09	55,483.02	57,620.01
REPRESENTED BY :					
GROSS BLOCK	26,605.14	31,769.19	37,244.72	42,294.60	49,786.55
LESS : DEPRECIATION	10,642.94	11,611.93	12,941.32	14,515.23	15,936.50
NET FIXED ASSETS	15,962.20	20,157.26	24,303.40	27,779.37	33,850.05
CAPITAL WORK-IN-PROGRESS	10,636.79	15,578.49	19,894.30	20,400.43	16,247.80
INVESTMENTS / ADVANCES FOR INVESTMENT (PENDING ALLOTMENT)	1,236.25	1,284.06	1,525.96	1,476.85	1,633.06
NET CURRENT ASSETS	2,545.04	2,247.33	3,426.43	5,826.37	5,889.10
MISCELLANEOUS EXPENDITURE	-	-	-	-	-
	30,380.28	39,267.14	49,150.09	55,483.02	57,620.01
GROSS SALES	35,665.34	44,736.73	51,737.86	62,598.79	61,428.73
GROSS MARGIN	7,064.79	7,776.94	8,329.06	9,254.63	6,576.76
DEPRECIATION	887.98	1,055.67	1,333.90	1,663.50	1,432.57
PRELIMINARY / DEFERRED REVENUE					
EXPENSES WRITTEN-OFF	-	-	-	-	-
INTEREST	377.86	366.43	437.31	668.71	651.83
PROFIT / (LOSS) BEFORE TAX	5,798.95	6,354.84	6,557.85	6,922.42	4,492.36
PROFIT / (LOSS) AFTER TAX (GROUP)	4,020.97	4,443.61	4,373.60	4,786.22	3,160.05
DIVIDEND INCL. INTERIM DIVIDEND	951.36	1,103.57	1,217.74	1,319.21	761.08
CORPORATE DIVIDEND TAX	155.32	179.02	203.03	224.20	153.56
INTERNAL GENERATION	4,908.95	5,499.28	5,707.50	6,449.72	4,592.62
NET WORTH	20,130.17	23,237.35	26,006.58	28,957.58	30,419.63
CAPITAL EMPLOYED INCLUDING ASSETS UNDER CONSTRUCTION & INVESTMENTS	30,380.28	39,267.14	49,150.09	55,483.02	57,620.01

Note: Figures for the previous year have been regrouped, wherever necessary.

FIVE YEAR FINANCIAL PROFILE IN US\$ (CONSOLIDATED)

(In US\$ Millions)

	2010-11	2011-12	2012-13	2013-14	2014-15
PAID-UP CAPITAL	280	246	231	209	201
RESERVES & SURPLUS	4,410	4,580	5,006	5,146	5,183
SECURED LOANS	1,385	1,485	1,688	1,946	1,778
UNSECURED LOANS	142	744	1,308	1,113	1,116
MINORITY INTEREST	121	190	265	290	278
DEFERRED TAX LIABILITY (NET)	379	361	441	450	561
TOTAL	6,717	7,605	8,938	9,154	9,119
REPRESENTED BY :					
GROSS BLOCK	5,882	6,153	6,773	6,978	7,879
LESS : DEPRECIATION	2,353	2,249	2,353	2,395	2,522
NET FIXED ASSETS	3,529	3,904	4,420	4,583	5,357
CAPITAL WORK-IN-PROGRESS	2,352	3,017	3,618	3,366	2,571
INVESTMENTS / ADVANCES FOR INVESTMENT (PENDING ALLOTMENT)	273	249	277	244	258
NET CURRENT ASSETS	563	435	623	961	932
TOTAL	6,717	7,605	8,938	9,154	9,119
GROSS SALES	7,885	8,665	9,409	10,328	9,721
GROSS MARGIN	1,562	1,506	1,515	1,527	1,041
DEPRECIATION	196	204	243	274	227
INTEREST	84	71	80	110	103
PROFIT/(LOSS) BEFORE TAX	1,282	1,231	1,193	1,142	711
PROFIT/(LOSS) AFTER TAX (GROUP)	889	861	795	790	500
DIVIDEND INCL. INTERIM DIVIDEND	210	214	221	218	120
CORPORATE DIVIDEND TAX	34	35	37	37	24
INTERNAL GENERATION	1,085	1,065	1,038	1,064	727
NET WORTH	4,451	4,501	4,729	4,778	4,814
CAPITAL EMPLOYED INCLUDING ASSETS UNDER CONSTRUCTION & INVESTMENTS	6,717	7,605	8,938	9,154	9,119
# INR Converted in US\$ at the exchange rate prevalent on 31st March of respective financial year	45.23	51.63	54.99	60.61	63.19

Note: Figures for the previous year have been regrouped, wherever necessary.

Annual **Accounts**



Independent Auditor's Report

To the Members of GAIL (India) Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of GAIL (India) Limited ('the Company'), which comprise the balance sheet as at 31st March 2015, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone 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 and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at 31st March 2015 and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to the following matters in Notes to Financial Statement:-

- Note No: - 43 regarding sharing of under recoveries on sensitive petroleum products up to 30.09.2014.
- Note No: - 45 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:- 46 & 47 regarding debit notes raised by ONGC in respect of Non-APM prices for C-Series gas and differential tariff of Uran Tombay pipeline of ONGC and corresponding debit notes raised by GAIL on its customers.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure "A" statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
- As required by C&AG of India through supplementary directions dated 19.10.2014 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 and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - On the basis of the written representations received from the directors as on 31st March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2015 from being appointed as a director in terms of Section 164(2) of the Act; and
 - 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 financial statements – Refer Note 32(i)(a), 33 and 55 to the financial statements;
 - the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **S.K.Mittal & Co.**
Chartered Accountants
Firm No.: 001135N

(**M.K. Juneja**)
(Partner)
Membership No.: 013117

Place: New Delhi
Dated: 27th May, 2015

For **G.S Mathur & Co.**
Chartered Accountants
Firm No.: 08744N

(**Rajiv Kumar Wadhawan**)
(Partner)
Membership No.: 091007

Annexure to the Auditor's report

The Annexure referred to in para 1 to Report on Other legal and Regulatory Requirement of the auditor's report to the shareholders of GAIL (India) Limited for the year ended March 31, 2015. We report that:

- (i) (a) The company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) According to the information and explanation given to us, there is a regular programme of verification of fixed assets by the management, which in our opinion is reasonable having regard to the size of the company and the nature of its assets. Fixed assets have been physically verified by the management during the year and as per the report, no material discrepancies were noticed on such verification.
- (ii) (a) The inventories have been physically verified at reasonable intervals by the Management, except the stores & spares lying with Engineers India Ltd. and other contractors. 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.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) In our opinion and according to the information given to us the company is maintaining proper records of inventory and no material discrepancy was noticed on physical verification of inventory.
- (iii) According to the information given to us the company has not granted

any loans, secured or unsecured to the companies, firms or other parties covered in the register maintained under section 189 of the Companies Act.

- (iv) According to information and explanations given to us, there are generally adequate internal control systems commensurate with the size of the company and nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services.
- (v) The company has not accepted any deposits from the public during the year covered under section 73 or any other relevant provision of the Companies Act, 2013.
- (vi) We have broadly reviewed the costing records being maintained by the Company pursuant to the order made by the Central Government for the maintenance of Cost records under sub-section (1) of Section 148 of The Companies Act 2013 and we are of the opinion that prima facie the prescribed accounts and records have been maintained.
- (vii) (a) According to the 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, Wealth tax, Service Tax, duty of custom, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. According to the information and explanation given to us, no undisputed amounts payable in respect of Provident fund, employees' State Insurance, Income tax, Sales tax, Service Tax, duty of custom, duty of excise, value added tax, cess and any other statutory dues were in arrear at the year-end 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 sales tax or wealth tax or service tax or duty of custom or duty of excise or value added tax or cess which have not been deposited on account of disputes and the forum where the dispute is pending are given below:

List of Cases of Unpaid Disputed Demand under various Statutes as on 31.03.2015

(₹ in crore)

Sl. No.	Statute	Subject Matter of Dispute	Amount (2014-15)	Period of Dispute	Status - Forum
1.	Entry Tax	(a) Demand of Entry Tax on Natural Gas in U.P.	189.24	1999-00 to 2009-10	Allahabad High Court, Trade tax Tribunal & Additional Commissioner (Appeals)
		(b) Demand of Entry Tax on Natural Gas in Rajasthan	5.18	2002-03 to 2005-06	Dy. Commissioner (Appeals), Ajmer
		(c) Demand of Entry Tax on Natural Gas in Madhya Pradesh	6.28	2008-09, 2011-12 & 2012-13	Tribunal, Bhopal & Additional Commissioner (Appeals), Gwalior
2	Sales Tax & VAT	(a) Non-acceptance of declaration form for concessional sales tax	0.37	1995-96 & 1996-97	Tribunal, Bhopal
		(b) Sales Tax demand as per assessment order	4.24	2005-06 & 2006-07	Additional Commissioner (Appeals), Noida
		(c) VAT demand as per assessment order	35.78	2010-11	Additional Commissioner (Appeals), Noida
		(d) CST demand on Transmission charges	1.91	2006-07	Commercial Tax Officer, Nagapattinam
		(e) VAT demand on transfer of material	6.28	2011-12	Additional Commissioner (Appeals), Gwalior
		(f) Demand of CST on account of disallowance of LPG absorption credit notes	1.44	2011-12 & 2012-13	Additional Commissioner (Appeals), Gwalior
		(g) Demand of VAT on account of disallowance of input tax credit	107.58	2010-11 & 2012-13	Additional Commissioner (Appeals), Gwalior & Joint Commissioner (Appeals), Mumbai
		(h) Demand of VAT on account of disallowance of LPG subsidy	18.2	2005-06	Joint Commissioner (Appeals), Mumbai
		(i) Demand of VAT on sale of Natural Gas to Electricity Co.	123.06	2007-08	Joint Commissioner (Appeals), Mumbai
		(j) Demand of VAT on bandwidth charges	2.58	2008-09	Joint Commissioner (Appeals), Mumbai

(₹ in crores)

Sl. No.	Statute	Subject Matter of Dispute	Amount (2014-15)	Period of Dispute	Status - Forum
		(k) Demand of VAT on sale of LPG for domestic use	38.6	2007-08, 2008-09 & 2010-11	Joint Commissioner (Appeals), Mumbai
		(l) Demand of VAT on spurline charges	4.23	2011-12	Additional Commissioner (Appeals), Etawah
		(m) Demand of GVAT & CST on account of disallowance of LPG subsidy discount	37.72	2006-2007	Tribunal, Gujarat
		(n) Penalty for delay in payment of sales tax	0.6	2003-2004	Joint Commissioner (Appeals), Mumbai
		(o) Demand of VAT on account of rate change	0.49	Oct 2011 to Dec 2011	Joint Commissioner, Trichy
		(p) Demand of CST on account of disallowance of LPG subsidy discount	49.38	2005-06	High Court, Gwalior
		(q) Demand for treating CST sale as local sale	0.15	2003-2004	Assam Revenue board
		(r) Sales Tax demand	0.2	1998-1999	Mumbai Tribunal
		(s) Revised Sales Tax demand as per assessment order	2.59	2003-04	Joint Commissioner (Appeals), Vadodara
3	Customs, Excise and Service Tax	(a) LPG valuation Dispute	18.72	Jan 2001 to Feb 2005	CESTAT Mumbai
		(b) Dispute on Pentane Classification	106.7	Aug. 2005 to Jul 2009	CESTAT Ahmedabad
		(c) Dispute on MFO Classification	75.33	July 2004 to Mar 2011	CESTAT Ahmedabad
		(d) Demand of duty under Rule 6(3) of CCR, 2004 for credit taken on input services	13.8	2008-2009 & 2009-2010	CESTAT Kolkata
		(e) Demand of Service Tax on Marketing Margin	733.28	Oct. 2006 to Mar 2013	CESTAT Delhi
		(f) Demand of Service Tax on deputation of employees to JVs & Govt. Deptt.	37.17	Oct. 2006 to June 2012	CESTAT Delhi
		(g) Demand of differential service tax based on service tax returns	0.11	Oct. 2006 to March 2007	Commissioner (Appeals), Vadodara
		(h) Demand raised by denying Cenvat & service tax credit taken at Hazira	9.01	Aug. 2005 to March 2012	CESTAT Ahmedabad & CESTAT Delhi
		(l) Demand raised by denying Cenvat credit taken on input services	0.20	2008-09 & Dec. 2010 to March 2011	CESTAT Delhi & Commissioner (Appeals), Kanpur
		(j) Demand of CVD on purchase of SAP software	0.07	March 2006	CESTAT Delhi
		SUB-TOTAL	1630.49		
4	Income Tax	(a) Unpaid demand	76.75	AY- 2012-13	CIT (Appeals)
		(b) Demand of TDS	3.1	AY- 2008-09 to AY - 2015-16	ITO (TDS)
5	Other taxes	Notified Area tax & GIDC tax on revised value (incl. interest)	3.98	1998-99 to Aug 2005 & 1998-99 to Dec 2009	Ahmedabad High Court
		TOTAL	1714.32		

- (b) According to the information and explanation given to us there is no amount which was required to be transferred to the investor education and protection fund in accordance with relevant provisions of The Companies Act 1956 (1 of 1956) and rules made thereunder.
- (viii) The company does not have accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (ix) Based on our audit procedure and according to the information and explanations given to us by the management, we are of the opinion that the company has not defaulted in repayment of dues to a financial institution, bank and debenture holders.
- (x) In our opinion and according to information and explanation given to us, company has given guarantees for loans taken by its subsidiaries from bank and financial institutions. The terms and other conditions, in our opinion, are not prima facie prejudicial to the interest of the company.

- (xi) On the basis of review of utilization of funds pertaining to term loans on overall basis and related information as made available to us, the term loans taken by the company have been utilized for the purposes for which these are obtained.
- (xii) According to the information and explanation given to us no fraud on or by the company has been noticed or reported during the year under review.

For **S.K.Mittal & Co.**
Chartered Accountants
Firm No.: 001135N
(M.K. Juneja)
(Partner)
Membership No.: 013117
Place: **New Delhi**
Dated: **27th May, 2015**

For **G.S Mathur & Co.**
Chartered Accountants
Firm No.: 08744N
(Rajiv Kumar Wadhawan)
(Partner)
Membership No.: 091007

Annexure "B"

Annexure referred to in our report of even date to the members of GAIL (India) Limited on the accounts for the year ended 31st March 2015

Sl. No.	Directions / Sub-Directions	Action taken	Impact on financial statement								
1	If the Company has been selected for disinvestment, a complete status report in terms of valuation of assets (including intangible assets and land) and Liabilities (including Committed and General Reserves) may be examined including the mode and present stage of disinvestment process	The company has not been selected for the disinvestment	Nil								
2	Please report whether there are any cases of waiver/ write off of debts/loans/ interest etc., if the reasons therefore and the amount involved.	We have been informed that there has been no case of waiver, write off of debt/interest/loans etc.	Nil								
3	Whether proper records are maintained for inventories lying 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, except the stores & spares lying with Engineers India Ltd. and other contractors. We have been informed that no asset has been received as gift from government or other authorities	Nil								
4	A report on age-wise analysis of pending legal/arbitration cases including the reasons of pendency and existence/effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) may be given.	<p>There are 695 pending legal/arbitration cases against the company. The age-wise classification obtained from the management is as under:</p> <table border="1"> <thead> <tr> <th>Age of cases</th> <th>No of cases</th> </tr> </thead> <tbody> <tr> <td>Less than 2 years</td> <td>112</td> </tr> <tr> <td>2 to 3 years</td> <td>422</td> </tr> <tr> <td>More than 3 years</td> <td>161</td> </tr> </tbody> </table> <p>Cases are generally pending due to (i) hearings are in process or not yet completed for the want of additional details/ documents required by arbitrators/courts (ii) non fixation of dates or stay granted by the courts.</p> <p>As regards existence/ effectiveness of all monitoring mechanism, for expenditure on all legal cases we have been informed that the Company has fixed schedule of rates for various legal cases. However it is suggested that company should maintain record of legal expenses incurred in respect of each and every case along with history for the purpose of better monitoring.</p>	Age of cases	No of cases	Less than 2 years	112	2 to 3 years	422	More than 3 years	161	Nil
Age of cases	No of cases										
Less than 2 years	112										
2 to 3 years	422										
More than 3 years	161										

For **S.K.Mittal & Co.**
Chartered Accountants
Firm No.: 001135N

(M.K. Juneja)
(Partner)
Membership No.: 013117

For **G.S Mathur & Co.**
Chartered Accountants
Firm No.: 08744N

(Rajiv Kumar Wadhawan)
(Partner)
Membership No.: 091007

Place: **New Delhi**
Dated: **27th May, 2015**

Balance Sheet as at 31st March, 2015

(₹ In Crores)

	Note NO.	AS AT 31ST MARCH, 2015	AS AT 31ST MARCH, 2014
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
a) Share Capital	2	1,268.48	1,268.48
b) Reserves and Surplus	3	27,851.04	25,803.85
		<u>29,119.52</u>	<u>27,072.33</u>
(2) Non Current Liabilities			
a) Long Term Borrowings	4	7,814.49	9,526.09
b) Deferred Tax Liabilities (Net)	52	3,308.65	2,566.37
c) Other Long-term Liabilities	5	2,079.41	771.17
d) Long-term Provisions	6	578.92	404.04
		<u>13,781.47</u>	<u>13,267.67</u>
(3) Current Liabilities			
a) Short Term Borrowings	7	233.80	-
b) Trade Payables	8	3,320.48	3,974.83
c) Other Current Liabilities	9	5,361.09	4,047.54
d) Short-term Provisions	10	1,076.87	1,448.96
		<u>9,992.24</u>	<u>9,471.33</u>
	TOTAL	<u><u>52,893.23</u></u>	<u><u>49,811.33</u></u>
II. ASSETS			
(1) Non-current assets			
a) Fixed Assets			
(i) Tangible Assets	11	27,015.75	20,728.02
(ii) Intangible Assets	11	743.94	748.61
(iii) Capital Work in Progress	12	4,360.02	9,727.85
		<u>32,119.71</u>	<u>31,204.48</u>
b) Non-current Investments	13	4,322.36	4,288.70
c) Long-term loans and advances	14	3,445.87	2,489.87
d) Other non-current assets	15	2,409.95	718.41
		<u>42,297.89</u>	<u>38,701.46</u>
(2) Current Assets			
a) Inventories	16	2,081.05	2,254.76
b) Trade receivables	17	3,094.52	2,811.99
c) Cash and cash equivalents	18	1,141.64	2,650.98
d) Short-term loans and advances	19	3,511.70	3,261.93
e) Other current assets	20	766.42	130.21
		<u>10,595.33</u>	<u>11,109.87</u>
	TOTAL	<u><u>52,893.23</u></u>	<u><u>49,811.33</u></u>

See the accompanying notes 1 to 66 forming an integral part of the Financial Statements

For and on behalf of the Board of Directors

N.K.Nagpal
SecretarySubir Purkayastha
Director(Finance)Prabhat Singh
Director (Marketing)B. C. Tripathi
Chairman & Managing
Director

As per our separate Report of even date

For G. S Mathur & Co.
Chartered Accountants
Firm No.008744NFor S. K Mittal & Co..
Chartered Accountants
Firm No.001135NPlace : New Delhi
Dated : 27th May, 2015Rajiv Kumar Wadhawan
(Partner)
Membership No. 091007M K Juneja
(Partner)
Membership No. 013117

Statement of Profit & Loss for the Year ended 31st March, 2015

(₹ In Crores)

	Note NO.	YEAR ENDED 31ST MARCH, 2015	YEAR ENDED 31ST MARCH, 2014
I. Revenue from Operations (Gross)	21	57,464.50	58,274.89
Less : Excise Duty		722.52	766.96
Revenue from Operations (Net)		56,741.98	57,507.93
II. Other Income	22	860.86	898.52
III Total Revenue (I+II)		57,602.84	58,406.45
IV Expenses			
Cost of Materials Consumed		4,813.16	4,843.43
Purchase of Stock in trade	23	40,348.33	41,234.42
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	24	232.17	(626.86)
Employee benefits expense	25	906.40	847.73
Finance Cost	26	361.30	366.19
Depreciation and amortization expenses	27	974.26	1,176.15
Other expenses	28	5,745.72	4,508.02
Total Expenses		53,381.34	52,349.08
V. Profit before Exceptional and Extraordinary items and Tax (III - IV)		4,221.50	6,057.37
VI. Exceptional items	29	62.86	344.95
VII. Profit before Extraordinary items and Tax (V + VI)		4,284.36	6,402.32
VIII. Extraordinary items		-	-
IX. Profit before Tax (VII - VIII)		4,284.36	6,402.32
X. Tax Expenses			
- Current Year		836.91	1,807.74
- Earlier Years		(22.00)	(47.00)
		814.91	1760.74
- Less : MAT Credit Entitlement			
- Current Year		357.07	-
Net Tax		457.84	1760.74
Deferred Tax		787.35	266.31
Excess Provision of Income Tax of earlier years written back			
Total Tax expenses		1,245.19	2,027.05
XI. Profit for the Period (IX-X)		3,039.17	4,375.27
Earning Per Equity Share (Face Value ₹10/-each)			
- Basic		23.96	34.49
- Diluted		23.96	34.49
Prior Period Adjustments	30		
Expenditure during Construction Period	31		

See the accompanying notes 1 to 66 forming an integral part of the Financial Statements

There are no extraordinary items or discontinuing operations in the above period.

For and on behalf of the Board of Directors

N.K.Nagpal
Secretary

Subir Purkayastha
Director (Finance)

Prabhat Singh
Director (Marketing)

B. C. Tripathi
Chairman & Managing
Director

As per our separate Report of even date

For G. S Mathur & Co.
Chartered Accountants
Firm No.008744N

For S. K Mittal & Co..
Chartered Accountants
Firm No.001135N

Place : New Delhi
Dated : 27th May, 2015

Rajiv Kumar Wadhawan
(Partner)
Membership No. 091007

M K Juneja
(Partner)
Membership No. 013117

Notes to Financial Statements for the year ended 31st March 2015

1. Summary of Significant Accounting Policies

1.01 Accounting Convention

The financial statements are prepared on accrual basis of accounting under historical cost convention in accordance with generally accepted accounting principles in India and the relevant provisions of the Companies Act, 2013 including accounting standards and Companies (Accounts) Rules, 2014 notified there under.

1.02 Use of Estimates

The preparation of financial statements requires estimates and assumptions which affect the reported amount of assets, liabilities, revenues and expenses of the reporting period. The difference between the actual results and estimates are recognized in the period in which the results are known or materialized.

1.03 Inventories

- (a) Stock of 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 products are valued at weighted average cost or net realizable value, whichever is lower. Finished products include excise duty and royalty wherever applicable.
- (c) Stock in process is valued at weighted average cost or net realisable value, whichever is lower. It is valued at weighted average cost where the finished products 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 realisable value, whichever is lower. It is valued at weighted average cost where the finished products 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 realisable 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 realisable value.
- (g) Renewable Energy Certificates (RECs) are valued at cost on First in First out (FIFO) basis or net realizable value, whichever is lower.

1.04 Depreciation / Amortisation

- (a) Depreciation on Fixed Assets other than those mentioned below is provided in accordance with the 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).
- (i) Furniture and Electric Equipment's provided for the use of employees are depreciated on the basis of 7 years useful life. Mobile Phones provided for the use of employees are depreciated on the basis of 2 years useful life.
- (ii) Cost of the leasehold land is amortised over the lease period except perpetual leases.
- (iii) Depreciation due to price adjustment in the original cost of fixed assets is charged prospectively.
- (iv) Capital expenditure on the assets (enabling facilities), the ownership

of which is not with the Company, is charged off to Revenue.

- (v) Intangible assets are amortised on Straight Line Method (SLM) over the useful life not exceeding five years from the date of capitalization.
- (vi) Cost of the Right of Use (ROU) is amortized considering life of RoU as 99 years.
- (vii) After impairment of assets, if any, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.
- (b) 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.

1.05 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.
- (b) Income from Consultancy/Contract Services, if any, is recognized based on Proportionate Completion Method.
- (c) Dividend income is accounted for when the right to receive it is established.
- (d) Claims (including interest on delayed realization from customers) are accounted for, when there is no significant uncertainty that the claims are realizable.
- (e) Liability in respect of 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.
- (f) Minimum charges relating to transportation of LPG are accounted for on receipt basis.
- (g) Prepaid expenses and prior period expenses/income upto ₹ 5 lacs in each case are charged to relevant heads of account of the current year.

1.06 Fixed Assets

- (a) Fixed Assets are valued at historical cost on consistent basis and are net of refundable taxes & levies wherever applicable. 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.
- (b) Machinery spares, which can be used only in connection with an item of fixed asset and their use is expected to be irregular, are capitalised with the cost of that fixed asset and are depreciated fully over the remaining useful life of that asset.

1.07 Intangible Assets

Intangible assets like software, licenses and right-of-use of land including sharing of ROU with other entities which are expected to

provide future enduring economic benefits are capitalized as Intangible Assets.

1.08 Capital Work in Progress

- (a) 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.
- (b) The capital work in progress includes material in Transit/ value of materials / equipment / Services, etc. received at site for use in the projects.
- (c) Pre-project expenditure relating to Projects which are considered unviable / closed is charged off to Revenue in the year of declaration/closure.

1.09 Expenses Incurred During Construction Period

All revenue expenditure incurred during the year, which is exclusively attributable to acquisition / construction of fixed assets, is capitalized at the time of commissioning of such assets.

1.10 Foreign Currency Translation

- (a) Transactions in foreign currency are initially accounted at the exchange rate prevailing on the transaction date.
- (b) 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.
- (c) Non-monetary items (such as Investments, Fixed Assets, etc), denominated in foreign currencies are accounted at the exchange rate prevailing on the date of transaction(s).
- (d) Any gains or loss arising on account of exchange difference either on settlement or on translation is adjusted in the Statement of Profit & Loss except in case of long term foreign currency monetary items relating to acquisition of depreciable capital asset in which case they are adjusted to the carrying cost of such assets and in other cases, accumulated in "Foreign Currency Monetary item Translation Difference Account" in the financial statements and amortized over the balance period of such long terms asset or liability, by recognition as income or expenses in each of such period.
- (e) Premium /discount arising at the inception of the forward contracts entered into to hedge foreign currency risk are amortized as expense / income over the life of the contract. Outstanding forward contracts as at the reporting date are restated at the exchange rate prevailing on that date.

In respect of other derivative contracts entered into, to hedge Foreign Currency and Interest rate risk, gain / losses on settlement and losses on restatement (by marking them to market) at the Balance Sheet date are recognised in the Statement of profit & loss.

1.11 Grants

In case of depreciable assets, the cost of the assets is shown at gross value and grant thereon is taken to Capital Reserve which is recognised as income in the Statement of Profit and Loss over the useful life period of the asset.

1.12 Investments

Investments are classified into current and non-current investments. Current investments are stated at lower of cost or market value. Non-current investments are stated at cost and provision for diminution in

value is made only if such decline is other than temporary in the opinion of management.

1.13 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. 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 leave encashment, compensated absence, post retirement medical scheme, long service award and other terminal benefits 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) Provision for gratuity as per actuarial valuation is funded with a separate trust.

1.14 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 use after netting off any income earned on temporary investment of such funds.

1.15 Taxes on Income

Provision for current tax is made as per the provisions of the Income Tax Act, 1961. Deferred Tax Liability / Asset resulting from 'timing difference' between book profit and taxable profit is accounted for considering the tax rate and laws that have been enacted or substantively enacted as on the Balance Sheet date. Deferred Tax Asset, if any, is recognized and carried forward only to the extent that there is virtual certainty that the asset will be realized in future.

1.16 R&D Expenditure

All expenditure, other than on capital account, on research and development are debited to Statement of Profit and Loss.

1.17 Impairment

The Carrying amount of assets are reviewed at each Balance Sheet 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.

1.18 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 Assets are neither recognized nor disclosed in the financial statements. Contingent liabilities exceeding ₹5 Lacs in each case are disclosed by way of notes to accounts except when there is remote possibility of any outflow in settlement.
- (b) Estimated amount of contracts remaining to be executed on capital accounts are disclosed in each case above ₹5 lacs.

1.19 Exploration and Development Costs

- i) The Company follows Successful Efforts Method for accounting of Oil & Gas exploration and production activities, which includes:-
- (a) Survey Costs are recognized as revenue expenditure in the year in which these are incurred.
- (b) Cost of exploratory wells is carried as 'Exploratory wells in progresses'. Such exploratory wells in progress are capitalized in the year in which the Producing Property is created or is written off in the year when determined to be dry/abandoned.
- (c) 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.
- ii) **Capitalization of Producing Properties**
- a) 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.

- b) Cost of Producing Properties includes cost of successful exploratory wells, development wells, initial depreciation of support equipments & facilities and estimated future abandonment cost.

iii) 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.

iv) 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.

1.20 OTHERS

- (a) Liquidated Damages/Price Reduction Schedule, if any, are accounted for as and when recovery is effected and the matter is considered settled by the Management. Liquidated damages / Price Reduction Schedule, if settled, after capitalization of assets are charged to revenue if below ₹50 lacs in each case, otherwise adjusted in the cost of relevant assets.
- (b) Insurance claims are accounted for on the basis of claims admitted by the insurers.

Note 2 : Share Capital

(₹ In Crores)

	AS AT 31 ST MARCH, 2015	AS AT 31 ST MARCH, 2014
AUTHORISED		
200,00,00,000 (Previous Year 200,00,00,000) Equity Shares of ₹10/- each	<u>2,000.00</u>	<u>2,000.00</u>
ISSUED, SUBSCRIBED AND PAID-UP		
126,84,77,400 (Previous Year : 126,84,77,400) Equity Shares of ₹10/- each fully paid up.	<u>1,268.48</u>	<u>1,268.48</u>
TOTAL	<u>1,268.48</u>	<u>1,268.48</u>

a) Details of Shareholders holding more than 5% shares in the company

	31 ST MARCH, 2015		31 ST MARCH, 2014	
	Numbers	% Holding	Numbers	% Holding
Equity shares of ₹10/- each fully Paid Up				
(i) President of India (Promoter)	71,17,33,651	56.11%	71,17,33,651	56.11%
(ii) Life Insurance Corporation of India	11,61,05,407	9.15%	9,59,06,319	7.56%

- b) The Company has only one class of equity shares having a par value ₹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) 1,79,47,026 (Previous Year 1,77,25,920) shares are held in the form of Global Depository Receipts

Note 3 : Reserves and Surplus

(₹ In Crores)

	AS AT 31 ST MARCH, 2015	AS AT 31 ST MARCH, 2014
Capital Reserve		
(Grant Received from Danish Govt. for construction of Gas Technology Institute at Noida)		
As per Last financial statements	1.16	1.29
Less : Transferred to statement of Profit & Loss	0.12	0.13
Closing Balance	1.04	1.16
Share Premium Account	0.27	0.27
Bonds Redemption Reserve		
As per Last financial statements	167.27	173.21
Add : Transferred from surplus in the statement of Profit & Loss	61.77	49.06
Less : Transfer to surplus in the statement of Profit & Loss	(25.00)	(55.00)
Closing Balance	204.04	167.27
CSR Reserve		
As per Last financial statements	31.00	13.13
Add : Transferred from surplus in the statement of Profit & Loss	-	31.00
Less : Transfer to surplus in the statement of Profit & Loss	(30.00)	(13.13)
Closing Balance	1.00	31.00
Foreign Currency Monetary Item Translation Difference Account	25.13	14.81
General Reserve		
As per Last financial statements	3,891.79	3,453.79
Add : Transferred from Investment Allowance(Utilised) Reserve	-	-
Add : Transferred from surplus in the statement of Profit & Loss	304.00	438.00
Closing Balance	4,195.79	3,891.79
Surplus in the Statement of Profit and Loss		
As per Last financial statements	21,697.55	19,315.63
Less: Adjustment of Carrying amount of assets, with nil residual life as on 01.04.2014 as per Sch.-II of Comp. Act 2013	87.54	-
Surplus in the Statement of Profit and Loss(Net)	21,610.01	19,315.63
Add : Profit for the year as per statement of Profit & Loss	3,039.17	4,375.27
Less : Appropriations		
Interim Dividend	380.54	570.81
Proposed Final Dividend	380.54	748.40
Corporate Dividend Tax	153.56	224.21
Transfer from Bond Redemption Reserve	(25.00)	(55.00)
Transfer to Bond Redemption Reserve	61.77	49.06
Transfer from CSR Reserve	(30.00)	(13.13)
Transfer to CSR Reserve	-	31.00
General Reserve	304.00	438.00
	-	-
Net surplus after Appropriations	1,813.76	2,381.92
	23,423.77	21,697.55
TOTAL	27,851.04	25,803.85

a) The company has proposed final dividend for the Financial year 2014-15 @ ₹3/- Per equity share of ₹10/- each (previous year : ₹5.90 per equity share)

Note 4 : Long Term Borrowings

(₹ In Crores)

	Non-current Portion		Current Maturities	
	AS AT 31 ST MARCH, 2015	AS AT 31 ST MARCH, 2014	AS AT 31 ST MARCH, 2015	AS AT 31 ST MARCH, 2014
SECURED				
(a) BONDS				
Bonds Series - I	-	100.00	100.00	100.00
(6.10% Secured Non-convertible redeemable Bonds -Series -I are redeemable in 5 equal installment commencing from the end of the 8 th year up to the end of the 12 th year from the deemed date of allotment August 22, 2003.) (Bonds are secured on pari pasu basis, by charge on freehold non agricultural land at village Tandajja, 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 LPG Vaghodia Plant, Hazira Plant, Grep Vaghodia Plant, Gandhar Plant and Vadodara plant both present and future and whether installed or not and lying or in store)				
Bonds 2010 Series - I	500.00	500.00	-	-
(8.80% Secured Non-convertible redeemable Bonds 2010 - Series - I are redeemable in 4 equal installment 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.) (Bonds are secured on pari pasu basis, by charge on freehold on agricultural land at village Tandajja, 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)				
Bond series 2012	750.00	750.00	-	-
(9.14% Secured Non-convertible redeemable Bonds 2012 - Series - I are redeemable in 4 equal installment 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). (Bonds are secured on pari pasu basis, by charge on freehold on agricultural land at village Tandajja, 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)				

(₹ In Crores)

	Non-current Portion		Current Maturities	
	AS AT 31 ST MARCH, 2015	AS AT 31 ST MARCH, 2014	AS AT 31 ST MARCH, 2015	AS AT 31 ST MARCH, 2014
Bond series 2015 (8.30% Secured Non-convertible redeemable Bonds 2015 - Series - I are redeemable in 4 equal installment commencing from the end of the 7 th year upto the end of the 10 th year from the deemed date of allotment Feb 23, 2015 with a call option at the end of the 7th year). (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)	500.00	-	-	-
From Banks: Loan from HDFC Bank (Secured by way of first pari-passu charge on all the movable fixed assets, including whole pipeline, spur lines, plant & machinery, spares, equipments, tools & accessories and other movables both present and future, whether now lying loose or in cases or which are now lying or stored in or whether in the course of transit or on high seas, of the Dahej - Vijaypur Phase-II Pipeline project of the Borrower) excluding the plant & Machinery of compresor station at Jhabua and Vijaipur) Repayable within a period of 12 years from the date of first disbursement by equal half yearly instalments starting 6 months after the completion of 2 years moratorium period from 05.05.2013.	-	900.00	-	-
From Other Parties: Oil Industry Development Board (Secured by way of first charge on whole pipeline, spur lines, plant & machinery, spares, equipments, tools & accessories and other movables both present & Future, whether installed or not and whether now lying loose or in cases or which are now lying or stored in or about or shall hereinafter from time to time during the continuance of the security of these presents be brought into or upon or be stored or be in or about the Borrower's project of Chainsa-Jhajjar-Hissar Pipeline including spur lines or wherever else the same may be or be held by any party to the order or disposition of the borrower or in the course of transit or on high seas or on order or delivery, howsoever or wheresoever in the possession of borrower and either by way of substitution or addition). Repayable in four equal instalments after expiry of moratorium of one year from the date of disbursement. Loan disbursed in installment from July 2009 to March 2011 with rate of interest from 6.74% to 8.31% p.a. depending on date of disbursement.	-	121.00	121.00	237.50
Carried Forward	<u>1,750.00</u>	<u>2,371.00</u>	<u>221.00</u>	<u>337.50</u>

Note 4 : Long Term Borrowings

(₹ In Crores)

	Non-current Portion		Current Maturities	
	AS AT 31 ST MARCH, 2015	AS AT 31 ST MARCH, 2014	AS AT 31 ST MARCH, 2015	AS AT 31 ST MARCH, 2014
Brought Forward	1,750.00	2,371.00	221.00	337.50
Oil Industry Development Board	788.75	1,205.00	416.25	291.25
(Secured by way of first charge on whole pipeline, spur lines, plant & machinery, spares, equipments, tools & accessories and other movables both present & Future, whether installed or not and whether now lying loose or in cases or which are now lying or stored in or about or shall hereinafter from time to time during the continuance of the security of these presents be brought into or upon or be stored or be in or about the Borrower's project of Dadri-Bawana-Nangal Pipeline including spur lines or wherever else the same may be or be held by any party to the order or disposition of the borrower or in the course of transit or on high seas or on order or delivery, howsoever or wheresoever in the possession of borrower and either by way of substitution or addition)				
Repayable in four equal instalments after expiry of moratorium of one year from the date of disbursement. Loan disbursed in installment from July 2011 to June 2013 with rate of interest from 7.67% to 8.98% p.a. depending on date of disbursement.				
Oil Industry Development Board	356.25	475.00	118.75	-
(Secured by way of first pari passu charge on whole pipeline, spur lines, plant & machinery, spares, equipments, tools & accessories and other movables both present & Future, whether installed or not and whether now lying loose or in cases or which are now lying or stored in or about or shall hereinafter from time to time during the continuance of the security of these presents be brought into or upon or be stored or be in or about the Borrower's project of Dahej Vijaipur Pipeline-II including spur lines or wherever else the same may be or be held by any party to the order or disposition of the borrower or in the course of transit or on high seas or on order or delivery, howsoever or wheresoever in the possession of borrower and either by way of substitution or addition excluding the plant & machinery of Compressor Stations at Jhabua & Vijaipur).				
Repayable in four equal instalments after expiry of moratorium of one year from the date of disbursement. Loan disbursed in installment from Nov 2013 to March 2014 with rate of interest from 8.94% to 9.27% p.a. depending on date of disbursement.				
	2,895.00	4,051.00	756.00	628.75

(₹ In Crores)

	Non-current Portion		Current Maturities	
	AS AT 31 ST MARCH, 2015	AS AT 31 ST MARCH, 2014	AS AT 31 ST MARCH, 2015	AS AT 31 ST MARCH, 2014
UNSECURED TERMLOANS				
From Banks:				
- Bank of Tokyo Mitsubishi UFJ Ltd. (Bullet repayment at the end of the 5 th year from the last date of 'drawl i.e Aug'2016. Loan carries floating rate of interest linked to 6 Months LIBOR. plus spread)	947.85	909.15	-	-
- Bank of Tokyo Mitsubishi UFJ Ltd. (1/3 rd repayment at the end of the 4 th , 5 th & 6 th year from the last date of drawl i.e Dec 2015, Dec 2016 & Dec 2017) Loan carries floating rate of interest linked to 6 Months LIBOR plus spread.	421.27	606.10	210.63	-
- Mizuho Corporate Bank (1/3 rd repayment at the end of the 4 th , 5 th & 6 th year from the last date of drawl i.e Jan 2016, Jan 2017 & Jan 2018) Loan carries floating rate of interest linked to 6 Months LIBOR plus spread).	421.27	606.10	210.63	-
- Sumitomo Mitsui Banking Corporations (1/3 rd repayment at the end of the 4 th , 5 th & 6 th year from the last date of drawl i.e Feb 2016, Feb 2017 & Feb 2018) Loan carries floating rate of interest linked to 6 Months LIBOR plus spread).	421.27	606.10	210.63	-
- Sumitomo Bank (1/2 repayment at the end of the 5 th & 6 th year from the last date of drawl i.e Nov 2017, Nov 2018) Loan carries floating rate of interest linked to 6 Months LIBOR plus spread).	1,895.70	1,818.30	-	-
- KFW Germany (Coperion Facility) (Repayment in 14 half yearly equal Instalments starting from November 2014)	69.29	78.55	12.60	6.04
- Society General (Repayment in 20 half yearly equal Instalments starting from 22 nd October 2012)	305.31	337.90	46.97	45.05
- Japan bank for International Co-operation(JBIC) Repayable in 20 half yearly equal Instalments starting from June'2013	191.42	245.35	27.35	30.67
- KFW Germany (Siemens Facility) (Repayment in 20 half yearly equal Instalments starting from March 2014)	246.11	267.54	32.82	31.48
	4,919.49	5,475.09	751.63	113.24
TOTAL	7,814.49	9,526.09	1,507.63	741.99

a) There has been no defaults in repayment of any of the loans or interest thereon during the year.

Note 5 : Other Long Term Liabilities

(₹ In Crores)

	AS AT 31 ST MARCH, 2015	AS AT 31 ST MARCH, 2014
Liability for Abandonment Cost (E&P)	1.13	1.13
Gas Pool Money (Provisional) ((Refer note no 37(c))	1,998.33	652.50
Deposits/Retention Money from Contractors and others	12.81	58.25
Other Liabilities	67.14	59.29
TOTAL	2,079.41	771.17

Note 6 : Long Term Provisions

(₹ In Crores)

	AS AT 31 ST MARCH, 2015	AS AT 31 ST MARCH, 2014
Provision for Employee Benefits (refer note no -41)	578.92	404.04
TOTAL	578.92	404.04

Note 7 : Short Term Borrowings

(₹ In Crores)

	AS AT 31 ST MARCH, 2015	AS AT 31 ST MARCH, 2014
Other Loans and Advances		
UNSECURED		
From Banks		
Buyers Credit from Kotak Mahindra Bank repayable in 90 days	233.80	-
TOTAL	233.80	-

a) There has been no defaults in repayment of any of the loans or interest thereon during the year.

Note 8 : Trade Payables

(₹ In Crores)

	AS AT 31 ST MARCH, 2015	AS AT 31 ST MARCH, 2014
Trade Payables	3,320.48	3,974.83
(includes ₹ 30.50 Cr. (Previous Year : ₹ 28.06 Cr.) payable to PMT JV consortium)		
TOTAL	3,320.48	3,974.83

Note 9 : Other Current Liabilities

(₹ In Crores)

	AS AT 31 ST MARCH, 2015	AS AT 31 ST MARCH, 2014
(a) Current Maturity of Long Term Debt (Refer Note No - 4)		
(i) SECURED :		
- Bonds	100.00	100.00
- Term Loans	656.00	528.75
(ii) UN-SECURED		
- Society General	46.97	45.05
- Japan bank for International Co-operation(JBIC)	27.35	30.67
- KFW Germany (Siemens Facility)	32.82	31.48
- KFW Germany (Coperion Facility)	12.60	6.04
- Bank of Tokyo Mitsubishi UFJ Ltd.	210.63	-
- Mizuho Corporate Bank	210.63	-
- Sumitomo Mitsui Banking Corporations	210.63	-
(b) Interest accrued but not due on Borrowings	182.70	182.53
(c) Advance from Customers	601.56	639.37
(d) Unpaid / Unclaimed Dividend	2.62	2.45
(e) Others Payables :		
(i) Deposits/Retention Money from Contractors and others	425.71	392.61
(ii) Gas Pool Money ((Refer Note No - 37 (b))	816.81	1,035.71
(iii) Imbalance & Overrun Charges ((Refer Note No - 37 (d))	80.38	70.62
(iv) Others :		
- Statutory Payables	257.27	248.60
- Liability for foreign currency contract	765.40	111.98
- Payable for Capital expenditure	118.87	130.85
- Adjustment in pipeline tariff	236.10	36.37
- E&P Expenditure payables	160.51	249.79
- Employee Benefits payables	50.92	93.19
- Other Payables	154.61	111.48
TOTAL	5,361.09	4,047.54

a) Details in respect of rate of interest and terms of repayment of secured and unsecured current maturities of long term borrowings indicated above are disclosed in note no - 4

b) There is no amount due for payment to Investor Education and Protection Fund.

Note 10 : Short Term Provisions

(₹ In Crores)

	AS AT 31 ST MARCH, 2015	AS AT 31 ST MARCH, 2014
Provision for Employee Benefits (refer note no - 41)	42.21	47.54
Others :		
Provision for Proposed Dividend	380.54	748.40
Provision for tax on Proposed Dividend	77.47	127.19
Provision for Probable Obligations	576.65	525.83
TOTAL	1,076.87	1,448.96

Note : 11 - Fixed Assets (Tangible / Intangible Assets)

DESCRIPTION	GROSS BLOCK		(AT COST)		DEPRECIATION / AMORTISATION		IMPAIRMENT LOSS			NETBLOCK			
	As at 1.4.2014	Additions/ Adjustments during the year	Sales/ Adjustments during the year	As at 31.03.2015	As at 1.4.2014	For the Year	Adjustments during the year	As at 31.03.2015	Upto 31.3.2014	For the Year	Reversed during the year	As at 31.03.2015	As at 31.3.2014
Tangible Assets (A)													
Land : Freehold	171.78	2.60	(0.97)	173.41	-	-	-	-	-	-	-	173.41	171.78
Leasehold	167.55	1.13	(1.16)	167.52	14.84	2.52	(0.10)	17.26	-	-	-	150.26	152.71
Building : Office/Others	600.18	284.90	(28.16)	856.92	177.27	19.67	48.06	245.00	-	-	-	611.92	422.91
Residential	306.84	49.92	1.64	358.40	83.26	8.51	13.73	105.50	-	-	-	252.90	223.58
Bunk Houses	2.49	0.36	-	2.85	1.99	0.23	0.16	2.38	-	-	-	0.47	0.50
Plant and Machinery	30,423.22	6,752.53	(52.69)	37,123.06	11,829.89	775.74	(13.76)	12,591.87	7.61	6.09	-	24,517.49	18,585.71
Railway Lines & Sidings	5.47	-	-	5.47	5.18	0.01	0.01	5.20	-	-	-	0.27	0.29
Electrical Equipments	243.49	170.36	2.48	416.33	101.43	25.79	26.94	154.16	0.46	-	-	261.71	141.60
Furniture and Fixtures	97.38	37.47	(2.65)	132.20	51.84	9.51	(2.24)	59.11	-	-	-	73.09	45.54
Transport Equipments	6.15	1.43	1.38	8.96	3.73	0.75	0.16	4.64	-	-	-	4.32	2.42
Office Equipments	204.58	33.57	(16.91)	221.24	127.44	29.11	(2.37)	154.18	-	-	-	67.06	77.14
Other Equipments	123.88	43.84	(17.86)	149.86	58.85	19.84	4.47	83.16	-	-	-	66.70	65.03
E&P Assets													
Producing Property	864.00	61.46	-	925.46	26.51	64.68	(0.22)	90.97	-	-	-	834.49	837.49
Support Equipment & Facilities	2.05	0.43	0.01	2.49	0.73	0.10	-	0.83	-	-	-	1.66	1.32
TOTAL (A)	33,219.06	7,440.00	(114.89)	40,544.17	12,482.96	956.46	74.84	13,514.26	8.07	6.09	-	27,015.75	20,728.02
Intangible Assets (B)													
Right of Use	741.95	5.44	(0.00)	747.39	21.05	7.53	-	28.58	-	-	-	718.82	720.91
Softwares / Licences	95.31	8.01	(5.62)	97.70	67.61	10.66	(5.69)	72.58	-	-	-	25.12	27.70
Total (B)	837.26	13.45	(5.62)	845.09	88.66	18.19	(5.69)	101.16	-	-	-	743.94	748.61
TOTAL (A+B)	34,056.32	7,453.45	(120.51)	41,389.26	12,571.62	974.65	69.15	13,615.42	8.07	6.09	-	27,759.69	21,476.63
Previous Year	311,48.97	2,969.83	(62.48)	34,056.32	11,439.01	1,175.24	(42.63)	12,571.62	2.51	5.62	(0.06)	21,476.63	19,707.45

The borrowing costs capitalised in the fixed assets and capital work-in-progress (CWIP) during the year ended 31st March 2015 is ₹378.19 Crores (Previous year : ₹351.35 Crores). Asset wise details of borrowing costs and exchange differences in the cost of major heads of fixed assets through addition / Adjustments column are given below :

	For the year ended 31 st March 2015		For the year ended 31 st March 2014	
	Borrowing Costs	Exchange difference	Borrowing Costs	Exchange difference
Particulars				
Plant & Machinery	311.33	186.19	12.97	203.41
CWIP	66.86	12.41	338.38	299.08
TOTAL	378.19	198.60	351.35	502.49

Note 12 : Capital Work-in-Progress

(₹ In Crores)

	AS AT 31 ST MARCH, 2015		AS AT 31 ST MARCH, 2014	
A. Plant & Machinery				
Linepipe Construction and related facilities including Cathodic Protection	1,074.97		865.17	
Less : Provision for Linepipe and Related Facilities	<u>95.70</u>	979.27	<u>87.49</u>	777.68
Despatch/Receiving Terminals		12.17		2.47
Compressor Stations		12.09		4.82
Telecom/Telesupervisory System		8.20		6.79
LPG Pipeline Project		0.63		0.22
LPG Projects		0.10		0.67
Petrochemicals		1,248.78		5,425.43
Telecom Project		-		0.02
Others		79.74		95.51
Exploratory Well in Progress		365.06		385.29
Development Well in Progress		95.72		128.03
Intangibles		9.04		0.41
B. Buildings	91.76		149.14	
Less : Provision for abandonment of Building	<u>5.28</u>	86.48	<u>5.28</u>	143.86
C. Linepipes, Capital Items in Stock/Transit	1,469.29		2,756.93	
Less : Provision for losses/obsolescence	<u>6.55</u>	1,462.74	<u>0.28</u>	2,756.65
TOTAL		<u>4,360.02</u>		<u>9,727.85</u>

Note 13 : Non-current Investments

(₹ In Crores)

	No. of Shares / Bonds / Units	Face Value per Share/ Bond / Unit in (₹)	AS AT 31 ST MARCH, 2015	AS AT 31 ST MARCH, 2014
	Current Year / (Previous Year)	Current Year / (Previous Year)		
1. Trade Investments				
Quoted				
(a) Investments in Equity Instruments :-				
(i) In Associate Company				
China Gas Holding Ltd. China	15,00,00,000	HK\$ 0.01/-	97.37	97.37
*acquired at a premium of HK\$ 1.148 / share	(15,00,00,000)	(HK\$ 0.01/-)		
			<u>97.37</u>	<u>97.37</u>
(ii) In Joint Venture Companies:				
Indraprastha Gas Ltd.	3,15,00,000	10.00	31.50	31.50
	(3,15,00,000)	(10.00)		
Petronet LNG Ltd.	9,37,50,000	10.00	98.75	98.75
*includes 1,00,00,000 equity shares allotted at a premium of ₹5/- per share	(9,37,50,000)	(10.00)		
			<u>130.25</u>	<u>130.25</u>
(iii) Others				
Gujarat Industries Power Co. Ltd.	5,70,600	10.00	0.86	0.86
*includes 1,90,200 Equity Shares acquired at a premium of ₹15/- per share)	(5,70,600)	(10.00)		
ONGC Ltd.	20,56,01,068	5.00	556.29	556.29
*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)	(20,56,01,068)	(5.00)		
			<u>557.15</u>	<u>557.15</u>
TOTAL QUOTED			<u>784.77</u>	<u>784.77</u>
Unquoted				
(a) Investments in Equity Instruments :-				
(i) In Subsidiary Companies				
GAIL Global (Singapore) Pte. Ltd. incorporated in Singapore (Wholly Owned subsidiary company)	21,00,000	USD 1/-	9.64	9.64
	(21,00,000)	(USD 1/-)		
Brahmaputra Cracker & Polymer Ltd.	79,30,10,083	10.00	793.01	793.01
	(79,30,10,083)	(10.00)		
GAIL Gas Ltd.	30,00,00,000	10.00	300.00	254.35
	(25,43,51,265)	(10.00)		
Gail Global USA Inc	3,60,00,000	USD 1/-	179.17	179.17
	(3,60,00,000)	(USD 1/-)		
			<u>1,281.82</u>	<u>1,236.17</u>

(₹ In Crores)

	No. of Shares / Bonds / Units	Face Value per Share/ Bond / Unit in (₹)	AS AT 31 ST MARCH, 2015	AS AT 31 ST MARCH, 2014
	Current Year / (Previous Year)	Current Year / (Previous Year)		
(ii) In Associate Companies				
Gujarat State Energy Generation Ltd.	2,07,60,000 (2,07,60,000)	10.00 (10.00)	20.76	20.76
Fayum Gas Company registered in Egypt.	19,000 (19,000)	LE 100/- (LE 100/-)	8.10	8.10
			<u>28.86</u>	<u>28.86</u>
(iii) In Joint Venture Companies				
Mahanagar Gas Ltd.	4,44,50,000 (4,44,50,000)	10.00 (10.00)	44.45	44.45
Bhagyanagar Gas Ltd.	2,25,00,000 (12,500)	10.00 (10.00)	22.50	0.01
Central UP Gas Ltd.	1,50,00,000 (1,50,00,000)	10.00 (10.00)	15.00	15.00
Green Gas Ltd.	2,30,42,500 (12,500)	10.00 (10.00)	23.04	0.01
Maharastra Natural Gas Ltd.	2,25,00,000 (2,25,00,000)	10.00 (10.00)	22.50	22.50
Ratnagiri Gas Power Project Ltd	97,43,08,300 (97,43,08,300)	10.00 (10.00)	974.31	974.31
Avantika Gas Ltd.	2,25,00,000 (12,500)	10.00 (10.00)	22.50	0.01
Tripura Natural Gas Compnau Ltd.	1,92,000 (1,92,000)	100.00 (100.00)	1.92	1.92
ONGC Petro Additions Ltd.	99,49,45,000 (99,49,45,000)	10.00 (10.00)	994.95	994.95
			<u>2,121.17</u>	<u>2,053.16</u>
2. Other Investments (Unquoted - At cost)				
(a) Investments in Equity Instruments :-				
i) Darpan Co-operative Housing Society Ltd., Vadodara (₹1,500/-).	30 (30)	50.00 (50.00)	-	-
ii) Ashoka Apartments Co-operative Housing Society Ltd., Vadodara (₹2,500/-).	50 (50)	50.00 (50.00)	-	-
iii) Sanand Members Association, Ahmedabad (₹4,000/-).	400 (400)	10.00 (10.00)	-	-

(₹ In Crores)

	No. of Shares / Bonds / Units	Face Value per Share/ Bond / Unit in (₹)	AS AT 31 ST MARCH, 2015	AS AT 31 ST MARCH, 2014
	Current Year / (Previous Year)	Current Year / (Previous Year)		
iv) Green Field (B) Co-operative Housing Society Ltd., Mumbai (₹2,750/-)	55 (55)	50.00 (50.00)	-	-
v) Avillion Greenfields Co-Op Hsg. Society Ltd, Mumbai (₹250/-)	50 (50)	5 (5)	-	-
vi) Suraj Heights A Co-Op Hsg. Society Ltd, Mumbai (₹1,500/-)	50 (50)	30 (30)	-	-
vii) Sheel Jeet Co-Operative Hsg Society Ltd., Mumbai (₹50/-)	10 (10)	5.00 (5.00)	-	-
viii) South East Asia Gas Pipeline Ltd. (Registered in Hongkong).	8,347 (8,347)	USD 1/- (USD 1/-)	0.04	0.04
			<u>0.04</u>	<u>0.04</u>
TOTAL UNQUOTED			<u>3,431.89</u>	<u>3,318.23</u>
3. Advances for Investment (Pending Allotment) to related parties				
Joint Venture Companies				
i) Bhagyanagar Gas Ltd.			-	22.49
ii) Green Gas Ltd			-	23.03
iii) Avantika Gas Ltd.			-	22.48
			<u>-</u>	<u>68.00</u>
Subsidiary Companies				
i) GAIL Gas Ltd.			-	12.00
			<u>-</u>	<u>12.00</u>
Others				
l) South East Asia Gas Pipeline Ltd.			105.70	105.70
			<u>105.70</u>	<u>105.70</u>
TOTAL ADVANCE AGAINST INVESTMENTS			<u>105.70</u>	<u>185.70</u>
TOTAL INVESTMENT			<u>4,322.36</u>	<u>4,288.70</u>
Aggregate amount of quoted investments				
- Book Value (at cost)			784.77	784.77
- Market Value			10,760.85	10,173.09
Aggregate amount of unquoted investments				
			3,431.89	3,318.23
Aggregate amount of Advances for Investments (Pending) Allotment				
			105.70	185.70

Note 14 : Long term Loans and Advances

(₹ In Crores)

	AS AT 31 ST MARCH, 2015		AS AT 31 ST MARCH, 2014	
(a) Capital Advances				
- Secured, Considered Good	-		-	
- Unsecured, Considered Good	11.36		29.34	
- Unsecured, Considered Doubtful	0.35		0.35	
	<u>11.71</u>		<u>29.69</u>	
Less : Provision for Doubtful Advances	0.35	11.36	0.35	29.34
(b) Security Deposits				
- Unsecured, Considered Good	140.76		122.22	
- Unsecured, Considered Doubtful	6.58		23.59	
	<u>147.34</u>		<u>145.81</u>	
Less : Provision for Doubtful Deposits	6.58	140.76	23.59	122.22
(c) Loans and Advances to Related Parties				
- Unsecured, Considered Good				
GAIL Global Singapore (Pte) Limited (100% subsidiary company incorporated in Singapore)	52.89		56.38	
Petronet LNG	<u>421.35</u>	474.24	<u>140.45</u>	196.83
(d) Other Loans and Advances				
(i) Loans and Advances to Employees				
- Secured, Considered Good	300.30		269.48	
- Unsecured, Considered Good	98.73		87.02	
(including dues from Directors and officer ₹ 0.13 Cr.) (Previous Year : ₹ 0.25 Cr.) (Maximum amount due at any time during the year: ₹ 0.38 Cr.) (Previous Year : ₹ 0.65 Cr.)		399.03		356.50
(ii) MAT Credit Entitlement	<u>357.07</u>	357.07	-	-
(iii) Advance Income Tax against pending demand				
- Unsecured, Considered Good	1,256.08		1,298.13	
- Unsecured, Considered Doubtful	107.57		85.72	
	<u>1,363.65</u>		<u>1,383.85</u>	
Less : Provision for Doubtful Income Tax against pending demand	107.57	1,256.08	85.72	1,298.13
(iv) Advance tax / TDS				
- Unsecured, Considered Good	2,935.65		3,497.20	
Less : Provision for taxation	<u>2,628.08</u>	307.57	<u>3,271.86</u>	225.34
(v) Loan / Advances to Others				
- Unsecured, Considered Good				
South East Asia Gas Pipeline		234.64		195.17
(vi) Others :				
a) VAT Credit Receivable		265.09		66.31
b) Other Advances		0.03		0.03
- Unsecured, Considered Good				
TOTAL		<u>3,445.87</u>		<u>2,489.87</u>

Note 15 : Other Non Current Assets

(₹ In Crores)

	AS AT 31 ST MARCH, 2015		AS AT 31 ST MARCH, 2014	
Long Term Trade Receivables				
- Unsecured, Considered Good	2,409.95		718.41	
- Unsecured, Considered Doubtful	<u>527.85</u>	2,937.80	<u>597.10</u>	1,315.51
Less : Provision for Doubtful debts		<u>527.85</u>		<u>597.10</u>
TOTAL		<u>2,409.95</u>		<u>718.41</u>

Note 16 : Inventories

(₹ In Crores)

	AS AT 31 ST MARCH, 2015		AS AT 31 ST MARCH, 2014	
(a) Stock-in-Process		10.69		5.29
(b) Finished Goods				
Polymers / LPG and Other Products		193.00		121.07
(c) Stock-in-trade				
Stock of Gas (after adjustment of calorific value)		1,138.47		1,447.97
* includes ₹0.06 Cr.(Previous Year : ₹0.11 Cr.) of REC				
(d) Stores and Spares				
(As taken, valued and certified by the Management)				
Stores and Spares *	640.71		574.76	
Less : Provision for Losses/Obsolescence	<u>3.16</u>		<u>2.79</u>	
		637.55		571.97
Construction Surplus - Capital / Stores	121.95		128.60	
Less : Provision for Losses/Obsolescence	<u>20.61</u>		<u>20.14</u>	
		101.34		108.46
* includes ₹33.73 Cr.(Previous Year : ₹34.25 Cr.) in transit.				
TOTAL		<u>2,081.05</u>		<u>2,254.76</u>

Note 17 : Trade Receivables

(₹ In Crores)

	AS AT 31 ST MARCH, 2015		AS AT 31 ST MARCH, 2014	
(i) Trade Receivables outstanding for a period exceeding six months				
- Unsecured, Considered Good	845.74		14.87	
- Unsecured, Considered Doubtful	<u>2.44</u>	848.18	<u>-</u>	14.87
(ii) Other Receivables				
- Unsecured, Considered Good	2,248.78		2,797.12	
- Unsecured, Considered Doubtful	<u>-</u>	2,248.78	<u>-</u>	2,797.12
		3,096.96		2,811.99
Less : Provision for Doubtful debts		<u>2.44</u>		<u>-</u>
TOTAL		<u>3,094.52</u>		<u>2,811.99</u>

Note 18 : Cash and cash equivalents

(₹ In Crores)

	AS AT 31 ST MARCH, 2015		AS AT 31 ST MARCH, 2014	
(i) Cash and cash equivalents				
(a) Balances With Banks				
(i) Current Accounts		4.26		22.25
(ii) Corporate Liquid Term Deposits (CLTD)		23.02		497.35
(iii) Short Term Deposits		200.92		1,002.02
(b) Cash in hand		0.30		0.34
(c) Stamps in hand		0.02		0.07
(ii) Earmarked Accounts				
- Current Account - Dividend Payable	2.62		2.45	
- Short Term Deposits - Gas Pool Money (includes interest accrued but not due ₹34.27 Cr. (Previous Year : ₹28.99 Cr.)) (Refer Note No - 37 (b))	800.08		1,028.26	
- Short Term Deposits - Imbalance & Over run (includes interest accrued but not due ₹3.11 Cr. (Previous Year : ₹5.62 Cr.)) (Refer Note No - 37 (d))	79.92		70.18	
- Short Term Deposits - JV Consortium (includes interest accrued but not due ₹1.09 Cr. (Previous Year : ₹2.29 Cr.)) (Refer Note No - 37 (a))	30.50		28.06	
		913.12		1,128.95
TOTAL		1,141.64		2,650.98

Note 19 : Short Term Loans and Advances

(₹ In Crores)

	AS AT 31 ST MARCH, 2015		AS AT 31 ST MARCH, 2014	
(a) Loan and Advances to Related Parties				
- Unsecured, Considered Good	157.99		137.63	
- Unsecured, Considered Doubtful	-	-	-	-
(Includes interest accrued of ₹24.12 Cr. (Previous Year : ₹16.56))	157.99		137.63	
Less : Provision for Doubtful Advances	-	157.99	-	137.63
(b) Others :				
(i) Security Deposits				
- Unsecured, Considered Good		324.89		311.48
(ii) Loan and Advances to Employees				
- Secured, Considered Good	37.21		41.36	
- Unsecured, Considered Good	10.86	48.07	8.60	49.96
(including dues from Directors and officer ₹0.15 Cr. (Previous Year : ₹0.22 Cr.))				
(iii) Prepaid Expenses				
- Unsecured, Considered Good		48.75		46.94
(iv) Balance with Government Authorities				
- Unsecured, Considered Good				
CENVAT Credit Receivable	113.97		320.26	
VAT Credit Receivable	2,093.90		1,750.82	
Service Tax Credit Receivable	19.83	2,227.70	38.58	2,109.66

(₹ In Crores)

	AS AT 31 ST MARCH, 2015		AS AT 31 ST MARCH, 2014	
(v) Advances to Suppliers/Contractors				
- Unsecured, Considered Good	70.06		90.91	
- Unsecured, Considered Doubtful	0.99		0.67	
	<u>71.05</u>		<u>91.58</u>	
Less : Provision for Doubtful Advances	0.99	70.06	0.67	90.91
(vi) Claims Recoverable				
- Unsecured, Considered Good	62.74		144.51	
- Unsecured, Considered Doubtful	1.13		2.28	
	<u>63.87</u>		<u>146.79</u>	
Less : Provision for doubtful claims	1.13	62.74	2.28	144.51
(vii) Other advances recoverable in cash or in kind				
- Unsecured, Considered Good		536.30		317.06
(viii) Loans and advances to Others				
- Unsecured, Considered Good				
South East Asia Gas Pipeline		35.20		53.78
TOTAL		<u>3,511.70</u>		<u>3,261.93</u>
a) Loans and advances to related parties includes :				
GAIL Global Singapore (Pte) Ltd.		1.00		0.24
Bhagyanagar Gas Ltd.		99.74		91.83
Indraprastha Gas Ltd.		1.12		0.05
Tripura Natural Gas Ltd		0.04		0.08
Green Gas Ltd.		0.64		0.63
Central U.P. Gas Ltd.		0.51		0.08
Maharashtra Natural Gas Ltd.		0.08		0.01
Avantika Gas Ltd.		0.61		0.86
Mahanagar Gas Ltd.		0.02		0.01
Ratnagiri Power & Project Ltd.		46.37		40.15
OPAL		0.11		0.04
GAIL Global USA Inc.		0.15		0.12
BCPL		2.03		1.65
GAIL Gas Ltd.		5.57		1.88
TOTAL		<u>157.99</u>		<u>137.63</u>

Note 20 : Other Current Assets

(₹ In Crores)

	AS AT 31 ST MARCH, 2015	AS AT 31 ST MARCH, 2014
Interest accrued but not due	11.07	18.23
Gold Coins in Hand	0.09	-
Premium on Foreign Currency Derivative Contract	755.26	111.98
TOTAL	766.42	130.21

Note 21 : Revenue from Operations (Gross)

(₹ In Crores)

	YEAR ENDED 31 ST MARCH, 2015	YEAR ENDED 31 ST MARCH, 2014
a) Sale of Products		
Sale of Gas	45,336.14	45,616.70
Sale of Polymers	5,167.15	5,095.02
Sale of LPG	3,921.36	3,905.82
Sale of Propane/Pentane/SBPS/Naptha	1,277.87	1,754.62
Sale of Crude Oil	63.05	73.84
Sale of CNG	27.61	79.02
Sale of Power	56.00	61.50
b) Sale of Services		
LPG Transmission /RLNG Shippers Charges	1,439.83	1,422.57
c) Income from Telecom	2.96	2.97
	<u>57,291.97</u>	<u>58,012.06</u>
Less : Excise Duty	722.52	766.96
	<u>56,569.45</u>	<u>57,245.10</u>
Other Operating Income	172.53	262.83
TOTAL (Net)	56,741.98	57,507.93

a) Other Operating Income includes ₹79.90 Crore ((Previous year ₹74.33 crore) on account of salary exp recovered on account of employees on deputation to other Comp./Dept.

Note 22 : Other Income

(₹ In Crores)

	YEAR ENDED 31 ST MARCH, 2015		YEAR ENDED 31 ST MARCH, 2014	
Interest on:				
- Bonds (Short term trade investment)	-		-	
- Deposits with Banks	93.21		152.78	
- Others	234.37		143.44	
	<u>327.58</u>		<u>296.22</u>	
(Tax deducted at source : ₹17.29 Cr.(Previous Year : ₹17.19 Cr.))				
Less : Transferred to Expenditure during construction period (refer note no - 31)	<u>2.43</u>	325.15	<u>5.53</u>	290.69
Dividend from Trade Investment		324.75		336.34
Transfer From Capital Reserve		0.12		0.13
Net Gain on Foreign Currency Transaction and Translation		50.97		25.21
Excess Provision Written Back		126.87		195.71
Miscellaneous Income	33.45		51.26	
(Tax deducted at source : ₹1.21 Cr.(Previous Year : ₹0.40 Cr.))				
Less : Transferred to Expenditure during construction period (refer note no - 31)	<u>0.45</u>	33.00	<u>0.82</u>	50.44
TOTAL		<u>860.86</u>		<u>898.52</u>

Note 23 : Purchase of Stock in Trade

(₹ In Crores)

	YEAR ENDED 31 ST MARCH, 2015		YEAR ENDED 31 ST MARCH, 2014	
Purchase of Natural Gas		40,348.26		41,229.30
Purchase of Polymers		0.07		5.12
TOTAL		<u>40,348.33</u>		<u>41,234.42</u>

Note 24 : (Increase) / Decrease in Inventories of Finished Goods, Work in Progress and Stock in Trade

(₹ In Crores)

	YEAR ENDED 31 ST MARCH, 2015		YEAR ENDED 31 ST MARCH, 2014	
Inventories at the end of the year				
Stock-in-Process		10.69		5.29
Finished Goods		193.00		121.07
Stock in Trade		1,138.47		1,447.97
TOTAL		<u>1,342.16</u>		<u>1,574.33</u>
Inventories at the beginning of the year				
Stock-in-Process		5.29		5.20
Finished Goods		121.07		160.02
Stock in Trade		1,447.97		782.25
TOTAL		<u>1,574.33</u>		<u>947.47</u>
(Increase) / Decrease		<u>232.17</u>		<u>(626.86)</u>

Note 25 : Employee benefits expenses

(₹ In Crores)

	YEAR ENDED 31 ST MARCH, 2015	YEAR ENDED 31 ST MARCH, 2014
Salaries, Wages and Allowances	675.92	657.51
Contribution to Provident and Other Funds	131.42	114.83
Staff Welfare Expenses	147.36	132.68
TOTAL	954.70	905.02
Less : Employees Benefit Expenses transferred to Capital Work-in-Progress (refer note no - 31)	48.30	57.29
TOTAL	906.40	847.73

a) Employee benefits expenses includes ₹112.75 Cr.(Previous Year : ₹78.64 Cr.) on account of retirement benefits viz. PF, Leave encashment, Medical, Long Service award, terminal benefit, sick leave and gratuity.

Note 26 : Finance Cost

(₹ In Crores)

	YEAR ENDED 31 ST MARCH, 2015	YEAR ENDED 31 ST MARCH, 2014
Interest on:		
- Term Loans	584.30	549.98
- Bonds	125.25	134.03
- Others	7.37	2.11
Other Borrowing Costs	20.28	31.42
TOTAL	737.20	717.54
Less : Interest and Finance Charges transferred to Capital Work-in-Progress (refer note no - 31)	375.90	351.35
TOTAL	361.30	366.19

Note 27 : Depreciation and Amortization Expenses

(₹ In Crores)

	YEAR ENDED 31 ST MARCH, 2015	YEAR ENDED 31 ST MARCH, 2014
Depreciation and Amortization Expenses	974.65	1,175.24
Impairment Loss	6.09	5.62
	980.74	1,180.86
Less : Depreciation and Amortization Expenses transferred to Capital Work-in-Progress (refer note no - 31)	6.48	4.71
TOTAL	974.26	1,176.15

a) As required by Accounting Standard (AS) 28, 'Impairment of Assets', an amount of ₹6.09 Cr. (Previous Year : ₹5.62 Cr.) has been impaired in respect of GAIL Tel Cash Generating Units (ref note no - 54)

Note 28 : Other Expenses

(₹ In Crores)

	YEAR ENDED 31 ST MARCH, 2015		YEAR ENDED 31 ST MARCH, 2014	
Gas Pool Expenses		1,517.48		454.77
Stores and Spares consumed		306.64		345.56
Power and Fuel Charges				
Power Charges	268.61		236.30	
Gas used as Fuel	<u>1,608.03</u>		<u>1,433.85</u>	
		1,876.64		1,670.15
Water Charges		6.87		6.20
Rent		21.49		23.96
Repairs and Maintenance				
Plant and Machinery	395.26		288.86	
Buildings	33.65		19.78	
Others	<u>62.59</u>	491.50	<u>38.81</u>	347.45
Insurance		23.38		20.12
Rates and Taxes (includes entry tax on gas)		224.59		157.36
Miscellaneous Expenditure :				
- Licence Fees - Telecom		1.88		2.01
- Bandwidth Consumption		0.69		0.03
- Communication Expenses		10.21		10.45
- Printing and Stationery		3.29		3.58
- Travelling Expenses		98.00		94.06
- Books and Periodicals		2.69		1.45
- Advertisement and Publicity		44.90		36.20
- Entertainment Expenses		0.27		0.21
- Recruitment and Training Expenses		15.33		15.54
- Vehicle Hire and Running Expenses		33.95		29.82
- Survey Expenses		20.41		69.01
- Dry Well Expenses written off		113.40		41.38
- Oil & Gas Producing Expenses (Operators)		66.52		58.19
- Royalty on Crude Oil*		167.14		65.09
- Consultancy Charges		55.25		53.35
- Data Processing Expenses		2.50		6.35
- Donation		-		0.01
- Research and Development Expenses		17.01		28.45
- Loss on sale / written off of assets (net)		2.78		1.23
- Bad Debts/Claims/Advances/Stores written off		0.75		0.02
- Provision for Doubtful Debts, Advances, Claims, Deposits and obsolescence of Stores and Capital Items		67.49		382.45
- Provision for Probable Obligations / Contingencies		49.83		180.45
- Excise Duty on Stock (net)		3.19		(9.01)
- Expenses on Enabling Facilities		15.38		30.29
- Selling & Distribution Expenses		36.13		26.58
- Discount on Sales		146.59		153.75
- Commission on Sales		16.46		16.28
- Security Expenses		98.74		83.78
- Corporate Social Responsibility Expenses		71.89		62.57
- Other Expenses		124.80		64.93

(₹ In Crores)

	YEAR ENDED 31 ST MARCH, 2015		YEAR ENDED 31 ST MARCH, 2014	
Payment to Auditors				
Audit Fees	0.37		0.37	
Tax Audit fees	0.16		0.07	
Other Services (for issuing certificates, etc)	0.31		0.29	
Travelling & Out of Pocket Expenses	0.50	1.34	0.32	1.05
Net Loss on Sale of Investments		-		-
Prior Period Adjustments (Refer note 30)		107.37		(6.55)
TOTAL		5,864.77		4,528.57
Less : Incidental Expenditure during construction transferred to Capital Work-in-Progress (refer note no - 31)		119.05		20.55
TOTAL		5,745.72		4,508.02

* includes ₹108.06 Cr (Prev. Year ₹43.96 Cr.) towards share of Govt in Profit Petroleum

Note 29 : Exceptional Items

(₹ In Crores)

	YEAR ENDED 31 ST MARCH, 2015		YEAR ENDED 31 ST MARCH, 2014	
Profit on Sale of CNG		62.86		-
Profit on Sale of Investment		-		344.95
TOTAL		62.86		344.95

Note 30 : Prior Period Adjustments

(₹ In Crores)

	YEAR ENDED 31 ST MARCH, 2015		YEAR ENDED 31 ST MARCH, 2014	
Purchase of Gas		(10.95)		(1.28)
Salaries, Wages and Allowances		0.05		-
Welfare Expenses		106.00		-
Stores and Spares consumed		(0.53)		-
Rent		1.40		0.61
Rates and Taxes		0.27		0.15
Repairs and Maintenance		(3.70)		0.20
Insurance		(0.05)		-
Consultancy Charges		-		(0.29)
Depreciation(Net)		1.87		3.90
Interest		8.31		1.03
Other Expenses		3.45		1.22
TOTAL		106.12		8.78
Less :				
- Sales	(1.48)		3.18	
- IC	0.06		-	
- Interest Income	0.11		0.16	
- Miscellaneous Income	0.06	(1.25)	11.99	15.33
TOTAL (NET)		107.37		(6.55)

Note 31: Expenditure during Construction Period

(₹ In Crores)

	YEAR ENDED 31 ST MARCH, 2015		YEAR ENDED 31 ST MARCH, 2014	
Employees Remuneration and Benefits				
Salaries, Wages and Allowances	39.81		42.11	
Contribution to Provident and Other Funds	4.68		9.13	
Welfare Expenses	3.81	48.30	6.05	57.29
Power, Fuel and Water Charges		103.69		1.11
Stores & Spares		1.70		0.15
Rent		0.61		0.78
Rates and Taxes		0.01		-
Repairs and Maintenance - Plant and Machinery		0.14		0.15
Repairs and Maintenance - Others		10.67		0.48
Insurance		0.14		0.32
Communication Expenses		0.26		0.49
Printing and Stationery		0.05		0.12
Travelling Expenses		4.63		9.04
Books and Periodicals		0.01		0.02
Advertisement and Publicity		0.10		0.22
Entertainment Expenses		0.26		0.56
Recruitment and Training Expenses		0.21		0.27
Vehicle Hire and Running Expenses		0.06		0.01
Consultancy Charges		0.75		1.24
Data Processing Expenses		0.01		-
Other Expenses		(4.25)		5.59
Depreciation		6.48		4.71
Interest and Finance Charges		375.90		351.35
		549.73		433.90
Less: - Interest Income	2.43		5.53	
- Misc. Income	0.45		0.82	
- Sales	-	2.88	-	6.35
Net Expenditure		546.85		427.55
Less: Transferred to Capital Work-in-progress				
a) Employees Benefits Expenses	48.30		57.29	
b) Interest & finance Charges	375.90		351.35	
c) Depreciation	6.48		4.71	
d) Other Expenses	119.05		20.55	
e) Other Income	(2.88)	546.85	(6.35)	427.55
Balance Carried over to Balance Sheet		NIL		NIL

32. Contingent Liabilities and Commitments (to the extent not provided for):-

I. Contingent Liability

- (a). Claims against the Company not acknowledged as debts: ₹8,202.58 crore (Previous Year: ₹7,596.61 crore), which include:
- Legal cases for claim of ₹1,709.68 crore (Previous Year: ₹1,649.56 crore) by trade payable on account of liquidated damages/price reduction schedule and natural gas price differential etc., and by customers for natural gas transmission charges etc.
 - Income tax assessments up to the Assessment Year 2012-13 have been completed and a demand (net of provision) of ₹1,335.95 crore relating to the assessment years 1996-97 to 2015-16 (Previous Year: ₹1,337.15 crore relating to the assessment years 1996-97 to 2011-12) raised by the Income Tax Department on account of certain disallowances / additions, has been disputed by the Company, as it has been advised that the demand is likely to be deleted or may be reduced substantially by the appellate authorities. The Company has filed appeals with the appropriate appellate authorities against all the assessment years. However, to avoid coercive action by the Department, ₹1,256.08 crore (Previous Year: ₹1,298.13 crore) has already been paid pending decision by the appellate authorities. Further, Department has also filed appeals amounting to ₹170.05 crore (including interest) (Previous Year: ₹100.32 crore) before Income Tax Appellate Tribunal (ITAT), Delhi against the relief granted by CIT (A) in favour of the Company.
 - ₹4,753.53 Crore (Previous Year: ₹4,238.36 Crore) relating to disputed tax demand towards Custom Duty, Excise duty, Sales tax, VAT, Entry tax, Service Tax etc.
- (b) (i) The Company has issued Corporate Guarantees for ₹1,974.60 crore (Previous Year: ₹1,919.99 crore) on behalf of Subsidiaries for raising loan(s). The amount of loans outstanding under these Corporate Guarantees are ₹1,073.09 crore (Previous Year: ₹1,555.37 crore).
- (ii) Share in Contingent Liabilities of Joint Ventures based on their audited / unaudited financial statements ₹824.01 crore (Previous Year: ₹980.49 crore).

II. Commitments:-

- (a) Estimated amount of contracts remaining to be executed on capital account and not provided for: ₹2,573.42 crore (Previous Year: ₹2,658.21 crore).
- (b) Share in estimated amount of contracts remaining to be executed on capital account and not provided for based on audited/unaudited financial statement of Joint Venture. ₹588.62 crore (Previous Year: ₹842.47 crore).
- (c) **Other Commitments:-**
- As at 31st March 2015, the Company has commitment of ₹546.49 crore (Previous Year : ₹772.16 crore) towards further investment and disbursement of loan in the Joint Ventures and Associates.
 - As at 31st March 2015, the Company has commitment of ₹1,316.75 crore (Previous Year: ₹140.93 crore) towards further investment in the Subsidiaries.
 - As at 31st March 2015, the Company has commitment of ₹134.15 crore (Previous Year: ₹147.58 crore) towards further investment in the entities other than Joint Ventures, Associates and Subsidiaries.
 - Commitments made by the Company towards the minimum work programme in respect of Jointly Controlled Assets has been disclosed in Note 53(b)(v).

33. 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 State under the

Central Sales Tax Act treating the transfer of natural gas from the State of Gujarat to other states during the period from April 1994 to March 2001 as inter-state sales. Based on the decision of Supreme Court in the writ special writ petition, the Tribunal gave instructions for reassessment in accordance with law, considering inter-state transfer as branch transfer. The Sales Tax Department had filed rectification application under section 72 of the Gujarat Sales Tax Act, 1969 with the Tribunal which has dismissed the same. Thereafter, the Sales Tax Department has filed petition in Hon'ble High Court Gujarat against the order of the Tribunal and the same is pending. In the opinion of the management, there is a remote possibility of crystallizing this liability.

34. (a) Freehold Land acquired valuing ₹16.78 crore (Previous Year: ₹19.92 crore) and Leasehold Land acquired valuing ₹78.75 crore (Previous Year : ₹79.50 crore) are valued / capitalized on provisional basis.
- (b) Title deeds for freehold land valuing ₹10.67 crore (Previous Year: ₹14.21 crore) and leasehold land valuing ₹25.52 crore (Previous Year: ₹25.55 crore) are pending execution.
- (c) Title Deeds in respect of ten residential flats at Asiad Village, New Delhi, valuing ₹1.67 crore (Previous Year: ₹1.17 crore) are still in the name of ONGCL. Concerned authorities are being pursued for getting the same transferred in the name of the Company.
- (d) Net Block for "Building" includes an amount of ₹0.51 Crore (Previous Year ₹0.52 Crore) earmarked for disposal but in use.
- (e) Freehold land valuing ₹0.63 crore (previous year ₹0.63 crore) and leasehold land valuing ₹0.80 crore (previous year ₹0.80 crore), registered in the name of the Company, does not belong to it and hence not capitalized.
- (f) The Company has deposited ₹0.09 crore (previous year ₹0.09 crore) for acquisition of freehold land through Govt. process and the allotment of same is pending.
35. Disclosure as per Accounting Standard (AS) 5 on "Net Profit or Loss for the period, Prior Period Items and Changes in Accounting Policies".
- (a) Effective 1st April 2014, the Company has revised the useful life of fixed assets based on Schedule II to the Companies Act, 2013 for the purposes of providing depreciation on fixed assets. Accordingly, the unamortised carrying value is being depreciated/amortised over the revised / remaining useful life. The written down value of fixed assets whose life has expired as at 1st April 2014 has been adjusted net of residual value and deferred tax in the opening balance of statement of profit and loss account amounting to ₹87.54 crore. Thus, depreciation and amortization expenses for the year decreased by ₹263.03 crore and accordingly profit before tax for the year increased by corresponding amount.
- (b) Effective 1st April 2014, the Company has revised useful life of Furniture Electrical Equipments and Mobile Phones provided to employees under hire purchase scheme from the existing 6.4 (@15%p.a) years to 7 years in respect furniture and electrical equipment and from existing 6.4 (@15%p.a) years to 2 years for mobile phones. The change in Accounting Policy has resulted decrease in depreciation / amortization expenses amounting ₹0.39 crore and thus, profit for the year increased by ₹0.39 crore.
- (c) In terms of the Guidance Note issued by the Institute of Chartered Accountants of India (ICAI) in respect of Corporate Social Responsibility (CSR) activity, the Company has provided liability incurred in respect of its contractual obligation to the extent of activities completed during the year, as against earlier of booking of such expenditure on payment basis. Accordingly, during the year, the Company has booked liability of ₹21.00 crore on accrual basis towards CSR Expenses for which profit for the year has decreased by the same amount.
36. Disclosure under CSR expenses for Financial Year 2014-15 as follows:
- (i) The gross amount required to be spent by the Company is ₹118.76 crore and the amount spent is as under:

(₹ In Crores)

Sl No	Particulars	In Cash	Yet to be paid in cash	Total
(i)	Construction/acquisition of any asset	0	0	0
(ii)	On purposes other than (i) above	23.61	17.75	41.36
	Total	23.61	17.75	41.36

37. (a) The balance retention from Panna Mukta Tapti (PMT) JV consortium amounting to ₹30.50 crore (Previous Year: ₹28.06 crore) includes interest accrued but not due amounting to ₹1.09 crore (Previous Year: ₹2.29 crore) on short term deposits. This interest income does not belong to the Company and hence not accounted as income.
- (b) Liability on account of Gas Pool Money amounting to ₹816.81 crore (Previous Year: ₹1,035.71 crore) includes interest accrued but not due amounting to ₹34.27 crore (Previous Year: ₹28.99 crore) on short term deposits. This interest does not belong to the Company and hence not accounted as income.
- (c) The amount in Gas Pool Money (Provisional) account shown under "Other Long Term Liabilities" amounting to ₹1,998.33 crore (Previous Year: ₹652.20 crore) will be invested as and when said amount is received from the customers.
- (d) Liability on account of Pipeline Overrun and Imbalance Charges amounting to ₹80.38 crore (Previous Year: ₹70.62 crore) includes interest accrued but not due amounting to ₹3.11 crore (Previous Year: ₹5.62 crore) on short term deposits. This interest does not belong to the Company and hence not accounted as income.
38. The Company has entered into Gas Transportation Agreements (GTAs) in the year 2010, with three shippers in Kashipur region, for transportation of gas. As per GTAs, Capacity Tranche (CT) date was fixed as 1st June 2011, 15th December 2011 and 25th December 2011 for different shippers, which was revised to 1st June 2012. The CT completion date was informed to the shippers on 21st October 2014. An amount of ₹562.61 crore, for the period 1st June 2012 to 21st October 2014, was not invoiced due to uncertainty of its realisation as per legal opinion obtained and in compliance to accounting standards. GAIL started invoicing for Ship or Pay charges with effect from 21st October 2014 (date of intimation of CT to the customers). Accordingly, an amount of ₹103.86 crore (including Service Tax of ₹11.42 crore) was invoiced for the period 22nd October 2014 to 31st March 2015, against which the Company is holding Bank Guarantee and Security Deposit amounting to ₹69.99 crore. The customers have, inter alia, disputed the invoices and have taken up the matter with PNGRB who in-turn directed the Company to maintain the status quo. Pending the final disposal of the matter by the PNGRB, an amount of ₹103.86 crore has been included in Sundry Debtors with corresponding provision of ₹33.87 crore, i.e., the amount over and above the Bank guarantee and Security Deposit.
39. Disclosure as per AS 11 on "The effect of changes in Foreign Exchange Rates"
- (i) The amount of exchange difference (net) recognized in the Statement of Profit & Loss is ₹50.97 crore (Previous Year: ₹25.21 crore).
- (ii) The amount of exchange difference debited to the carrying amount of fixed assets is ₹198.60 crore (Previous Year: ₹502.49 crore).
40. The Company has a joint venture agreement along with NTPC, MSEB and other Financial Institutions in Ratnagiri Gas and Power Private Limited (RGPPPL) with an equity investment of ₹974.31 crore, and the Company's share of equity as on 31st March 2015 (after conversion of partial loans / dues to financial institutions during FY 2014-15), is 28.91%. As per the latest available audited financial statements there

are losses in the books of RGPPPL, because of non-operation of power block and non-availability of domestic gas, indicating existence of uncertainty and doubt on the ability of the RGPPPL to continue as going concern. However, the management of the Company is of the opinion that the investment of the Company being strategic in nature, with future turnaround plans, there is no permanent diminution in the value of its investment as on 31st March 2015, requiring any provision at this stage.

41. The required disclosure under the Revised AS 15 is given as below:

(i) Superannuation Benefit Fund (Defined Contribution Fund)

The Company has paid for an amount of ₹59.22 crore (Previous Year: ₹52.07 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 ₹48.58 crore (Previous Year ₹43.83 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 guarantee liability of the Company hence, the Company has reversed a provision of ₹2.31 crore (Previous Year ₹24.72 crore), 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 on 31st March 2015 is nil (Previous Year ₹2.31 crore).

(iii) Other Benefit Plans

a) Gratuity

15 days salary for every completed year of service. Vesting period is 5 years and payment is restricted to ₹10 lakh.

b) Post Retirement Medical Scheme (PRMS)

The Company has Post Retirement Medical Scheme under which eligible ex-employees are provided medical facilities upon payment of one time prescribed contribution. The liability for the same is recognised on the basis of actuarial valuation. During the year, Company has made a provision towards the deficit in the liability as on 01.01.2007, having present value of ₹114.48 crore as on 31st March 2015 as determined by the actuary in the statement of profit and loss, out of which ₹106 crore has been booked as prior period expenses.

c) Earned Leave Benefit (EL)

Accrual 30 days per year. Encashment while in service 75% of Earned Leave balance subject to maximum of 90 days at a time, twice per calendar year. 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. Encashment while in service NIL. Full encashment on retirement.

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 with Gold Coins of different weight 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	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
A. Expenses recognized in the statement of Profit & Loss Account												
Current Service Cost	33.57	29.35	14.84	3.11	28.71	29.63	0.72	0.52	11.59	10.12	1.02	0.87
Past service cost	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Benefit Obligation	10.14	10.32	5.83	4.62	16.84	16.26	0.62	0.52	9.85	8.32	0.95	0.89
Expected Return on Plan Assets	(11.33)	(10.94)	-	-	-	-	-	-	-	-	-	-
Net actuarial (Gain)/ Loss recognized in the year	(29.42)	(27.75)	105.19	12.67	14.05	4.11	0.84	0.98	2.52	8.11	4.54	1.63
Expenses recognized in P&L Account for FY 2014-15	02.95	0.98	125.86	20.40	59.61	50.00	2.18	2.02	23.96	26.55	6.51	3.39
B. Reconciliation of fair value of plan assets and Present value of defined benefit obligation												
Present value of Obligation as at 31.03.2015	140.21	128.37	197.80	73.76	250.11	230.52	9.89	7.90	146.19	123.96	17.13	13.13
Fair value of Plan Assets as at 31.03.2015	134.82	125.93	-	-	-	-	-	-	-	-	-	-
Difference	(5.38)	(2.43)	(197.80)	(73.76)	(250.11)	(230.52)	(9.89)	(7.90)	(146.19)	(123.96)	(17.13)	(13.13)
Net Asset / (Liability) recognized in the Balance Sheet	(5.38)	(2.43)	(197.80)	(73.76)	(250.11)	(230.52)	(9.89)	(7.90)	(146.19)	(123.96)	(17.13)	(13.13)
C. Reconciliation of the changes in the Present Value of the Defined Benefit Obligations:												
Present value of Obligations as at 01.04.2014	128.36	123.05	73.76	55.21	230.52	202.18	7.90	6.28	123.96	98.53	13.13	11.21
Interest Cost	10.14	10.32	5.83	4.62	16.84	16.26	0.62	0.52	9.85	8.32	0.95	0.89
Current Service Cost	33.57	29.35	14.84	3.11	28.71	29.63	0.72	0.52	11.59	10.12	1.02	0.87
Past service cost	-	-	-	-	-	-	-	-	-	-	-	-
Benefit Paid	(3.24)	(3.15)	(1.82)	(1.85)	(40.01)	(21.66)	(0.19)	(0.40)	(1.73)	(1.12)	(2.50)	(1.47)
Net Actuarial Gain / (Loss) on Obligation	(28.63)	(31.21)	(105.19)	12.67	14.05	4.11	0.84	0.98	2.52	8.11	4.54	1.63
Present Value of the Defined Benefit Obligation as at 31.03.2015	140.21	128.36	197.80	73.76	250.11	230.52	9.89	7.90	146.19	123.96	17.13	13.13
D. Reconciliation of the changes in the Fair Value of Plan Assets												
Fair Value of Plan Assets as at 01.04.2014	125.93	121.60	-	-	-	-	-	-	-	-	-	-
Expected return on Plan Assets	11.33	10.94	-	-	-	-	-	-	-	-	-	-
Contributions by Employer	-	-	-	-	-	-	-	-	-	-	-	-
Benefit Paid	(3.24)	(3.15)	-	-	-	-	-	-	-	-	-	-
Actuarial Gain / (Loss)	0.78	(3.46)	-	-	-	-	-	-	-	-	-	-
Fair Value of Plan Assets as at 31.03.2015	134.82	125.93	-	-	-	-	-	-	-	-	-	-
E. Principal actuarial assumption at the Balance Sheet Date												
Discount rate	8.00%	8.50%	8.00%	8.50%	8.00%	8.50%	8.00%	8.50%	8.00%	8.50%	8.00%	8.50%
Expected return on plan assets	9.00%	9.00%	-	-	-	-	-	-	-	-	-	-
Annual increase in costs	-	-	10%	10%	-	-	10%	10%	-	-	10%	10%
Annual increase in salary	12%	12%	-	-	12%	12%	-	-	12%	12%	-	-

F. Other Disclosure

(i) Net Asset / (Liability) recognised in the Balance Sheet (including experience adjustment impact)

(₹ In Crores)

Gratuity	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Present Value of Defined Benefit Obligation as at 31.03.2015	140.21	128.3	123.05	110.47	102.50
Fair Value of Plan Asset as at 31.03.2015	134.82	125.93	121.60	109.95	103.89
Status [Surplus / (Deficit)]	(5.38)	(2.43)	(1.43)	(0.52)	1.38
Experience Adjustment of Plan Assets [Gain / (Loss)]	2.05	(3.35)	5.62	0.24	2.03
Experience Adjustment of Obligation [Gain / (Loss)]	(32.31)	31.18	20.12	19.20	20.64
PRMS	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Present Value of Defined Benefit Obligation as at 31.03.2015	197.80	73.76	55.21	47.50	38.60
Experience Adjustment of Obligation [Gain / (Loss)]	87.17	(16.12)	(2.31)	(6.64)	(6.06)
Earned Leave	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Present Value of Defined Benefit Obligation as at 31.03.2015	250.11	230.52	202.18	197.62	158.82
Experience Adjustment of Obligation [Gain / (Loss)]	(0.65)	(5.93)	(10.42)	(15.55)	(43.47)
Terminal Benefits	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Present Value of Defined Benefit Obligation as at 31.03.2015	9.89	7.90	6.28	5.46	3.45
Experience Adjustment of Obligation [Gain / (Loss)]	(0.30)	(0.94)	(0.05)	(1.75)	(0.26)
HPL	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Present Value of Defined Benefit Obligation as at 31.03.2015	146.19	123.96	98.53	95.37	86.51
Experience Adjustment of Obligation [Gain / (Loss)]	(5.59)	(9.06)	10.74	15.53	(37.59)
Long Service Award	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Present Value of Defined Benefit Obligation as at 31.03.2015	17.13	13.13	11.21	10.12	8.30
Experience Adjustment of Obligation [Gain / (Loss)]	(3.93)	(1.31)	(1.13)	(2.39)	(0.56)

(ii) The effect of increase/decrease of one percentage point in the medical cost of PRMS

Particulars	Increase by	Decrease by
Current Service Cost	11.22	11.00
Present value of Obligation	99.04	97.10

(iii) Details of the investment pattern of Plan Assets of Gratuity Trust

Particulars	(% age of investment)	
	31.03.2015	31.03.2014
Central Govt. Securities	12.79	13.64
State Govt. Securities	6.06	6.45
PSU Bonds	9.48	11.07
Private Bonds	0.37	0.39
Insurance Investment	71.30	68.44
Total	100.00	100.00

Mortality table referred	AGE	IALM 2006-2008 ULTIMATE	IALM 2006-2008 ULTIMATE
		WITHDRAWAL RATE % (2014-15)	WITHDRAWAL RATE % (2013-14)
Withdrawal Rate/Employee Turnover Rate	UPTO 30 YEARS	3%	3%
	UPTO 44 YEARS	2%	2%
	ABOVE 44 YEARS	1%	1%

Note:(i) The actuarial valuation takes into account the estimates of future salary increases, inflation, seniority, promotion and other relevant factors.

- (ii) The management has relied on the overall actuarial valuation conducted by the actuary.
42. Disclosure as per Accounting Standard (AS) 16 on 'Borrowing Costs':
Borrowing costs capitalized during the year ₹378.19 crore (Previous Year: ₹351.35 crore).
43. MOP&NG had issued scheme of sharing of under recoveries on sensitive petroleum products. During the year, the Company has given discounts amounting to ₹1,000 crore (Previous Year ₹1900 crore). Corresponding adjustment on account of Central Sales Tax (CST) amounting to ₹9.42 crore (Previous Year ₹12.83 crore) has been made.
44. (a) The Company is raising provisional invoices for sale of R-LNG as the supplier Petronet LNG (PLL) is also raising provisional invoices on the Company since customs duty on import of LNG by PLL has been assessed on provisional basis.
- (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 Companies. However, the pricing mechanism is provisional and is pending finalization. Additional asset/liability or impact on profits, if any, arising due to such change, will be recognized on finalization of the pricing mechanism.
45. (i) Natural Gas Pipeline Tariff is subject to various Regulations issued by Petroleum and Natural Gas Regulatory Board (PNGRB) from time to time. With a view to provide fair opportunity to the consumers and public to participate in the pipeline tariff determination, PNGRB by way of Public notice, issues Public Consultation Documents and solicits views of the stakeholders. Impact on profits, if any, is being recognized consistently as and when the pipeline tariff is revised by orders of PNGRB in accordance with these Regulations.
- (ii) During the year, PNGRB have notified following 'Provisional' initial unit natural gas pipeline tariff orders, revising the tariff on lower side. Accordingly, the Company has derecognized the revenue amounting to ₹449.31 crore, as detailed below:

Sl no.	Order No & date	Name of Pipeline	Impact (₹ in Crore)	Effective from
1	TO/01/2014 dated 30.05.2014	Dabhol - Bangalore Natural Gas Pipeline (DBPL)	50.48	18 th Feb'2013
2	TO/02/2014, dated 30.05.2014	Kochi-Koottanad-Bangalore-Mangalore Natural Gas Pipeline (KKB MPL)	16.97	31 st July'2013
3	TO/05/2014 dated 11.07.2014	Chainsa Jhajjar Hissar Natural Gas Pipeline (CJHPL)	29.27	1 st April'2010
4	TO/06/2014 dated 11.07.2014	Narimanam and Kuthalam sub-network (NRM) and Ramnad sub-network (RMD)	153.10	20 th Nov'2008
5	TO/07/2014 dated 22.10.2014	Dukli-Maharajganj Natural Gas Pipeline network	0.97	20 th Nov'2008
6	TO/08/2014 dated 29.10.2014	Gujarat Natural Gas Pipeline Network	198.52	20 th Nov'2008
	Total		449.31	

(iii) During the year, PNGRB vide Order No TO/02/2015 dated 3rd March'2015 have notified revised Petroleum and Petroleum Products Pipeline Transportation Tariff for Jamnagar Loni Pipeline (JLPL) effective from 20th December 2014. In compliance of the order, the Company has recognized the revenue by an amount of ₹10.71 crore.

(iv) PNGRB has issued provisional tariff orders after various moderations, on account of capital employed, inflation rate, unaccounted gas loss, operating expenditure, volume devisor, future capex, working days etc. GAIL has filed appeals before the APTEL against the said moderations, in respect of following Tariff Orders, which are pending, and the relief, if any, will be accounted for in the year of decision:

- KG Basin,
- Dabhol-Bangalore,
- Kochi-Mangalore-Bangalore,
- Dadri-Bawana-Nangal,
- Chainsa-Jhajjar-Hissar,
- Cauvery Basin,
- Dukli-Maharajganj,
- Gujarat Network.

46. ONGC has raised debit notes dated 31st March 2014 for ₹160.95 crore for the period 20th November 2008 to 31st March 2014 of differential transportation charges (difference between ₹12 and ₹226 per 1000 SCM) for its Uran-Trombay Pipeline based on provisional tariff order dated 30th December 2013 issued by PNGRB. The Company in-turn, raised the debit notes to its customers on back-to-back basis amounting to ₹195.80 crore out of which ₹41.83 crore has been realised up to 31st March 2015. These debit notes have been contested by major customers in Court of Law/PNGRB including legal notice against encashment of LC. Pending final decision, as on 31st March 2015, an amount of ₹153.97 crore has been included in Sundry debtors and an amount of ₹191.15 crore as payable to ONGC. In view of above, and the action plan for recovery initiated, the management is of the opinion that no provision is required at this stage.

47. As per the advice of MOPNG, ONGC raised debit notes dated 19th December 2013 for differential of Non-APM price for certain gas supplied for the period February 2012 to November 2013 amounting to ₹256.34 crore including VAT on GAIL who in-turn raised the corresponding debit notes ₹236.41 crore (₹2.90 crore realised up to 31st March 2015 and net of ₹32.90 crore (including VAT) (the amount already recovered and credited to Gas Pool Account) to the allottee customers as on 31st March 2014. These customers have disputed the claims raised by the Company for retrospective change in gas price. In terms of the legal opinion obtained, the allottee customers are not liable to pay, and also observed that the debit note/invoices raised by ONGCL are based on deeming fiction and do not reflect the factual position, and in its record could not create a legally justifiable basis to raise debit note/invoice. The Company has referred the matter to MOPNG where decision is still pending. In view of above, an amount of ₹233.51 crore (including Marketing Margin) is included in Sundry Debtors, and an amount of ₹222.83 crore payable to ONGC. In view of above the management is of the opinion that no provision is required at this stage.

48. PNGRB on 19.02.2014 notified insertion in Affiliate Code of Conduct that an entity engaged in both marketing and transportation of natural gas shall create a separate legal entity for transportation of natural gas by 31.03.2017 and the right of first use shall, however, remain with the affiliate of such entity. The Company has challenged the said PNGRB notification before Delhi High Court by way of writ and the same is pending adjudication.

49. In compliance of AS 17 on "Segment Reporting" as notified under the Companies Accounting Standard Rules 2006, read with Companies (Accounts) Rules, 2014, the Company has adopted following Business

segments as its reportable segments:

- (i) Transmission services
 - a) Natural Gas
 - b) LPG
- (ii) Natural Gas Marketing
- (iii) Petrochemicals
- (iv) LPG and other Liquid Hydrocarbons
- (v) Other Segments (include GAIL TEL, E&P, City Gas and Power Generation)

There are no geographical segments.

The disclosures of segment wise information is given as per **Annexure-A**.

50. In compliance of AS 18 on "Related Party Disclosures" as notified under Companies Accounting Standard Rules 2006, read with Companies (Accounts) Rules, 2014, the names of related parties, nature of relationship and detail of transactions entered therewith are given in **Annexure-B**.
51. In compliance of AS 20 on "Earning Per Share", the calculation of Earnings Per Share (Basic and Diluted) is as under:

Particulars	Current Year	Previous Year
Net Profit after tax used as numerator (₹ in crore)	3,039.17	4375.27
Weighted average numbers of equity shares used as denominator	1,26,84,77,400	1,26,84,77,400
Earnings per share (Basic and Diluted) (₹)	23.96	34.49
Nominal Value per Equity Share (₹)	10.00	10.00

52. (i) In compliance of AS 22 on "Accounting for Taxes on Income" as notified under Companies Accounting Standard Rules 2006, read with Companies (Accounts) Rules, 2014, the Company has provided accumulated net deferred tax liability in respect of timing difference as on 31st March 2015 amounting to ₹3,308.65 crore (Previous Year: ₹2,566.37 crore). Net Deferred tax expense for the year of ₹787.35 crore (Previous Year: ₹266.31 crore) has been charged to statement of profit & loss. The item wise details of deferred tax liability and assets are as under:

(₹ In Crores)

Sl No	Particulars	As on 31 st Mar. 2015	As on 31 st Mar. 2014
	Deferred tax liability		
a)	Depreciation	6,475.08	5,895.86
b)	Others	3.48	3.20
	Total Deferred Tax Liability (A)	6,478.56	5,899.06
	Deferred Tax Assets		
c)	Provision for Retirement Benefits other than Gratuity	205.55	144.25
d)	Provision for Doubtful Debts Claims/Advances/Contingencies	398.08	395.28
e)	Benefit under Section 35AD of the Income Tax Act 1961	2,239.51	2,649.69
f)	Others (including liability for pay revision)	281.70	143.47
	Total Deferred Tax Assets (B)	3,124.84	3,332.69
g)	Deferred tax Liability (A-B)	3,353.72	2,566.37
h)	Less transferred to retained earning	45.07	0
i)	Deferred tax Liability (Net) (g-h)	3,308.65	2,566.37

- (ii) During the year, the Company has made provision for current tax of ₹836.91 crore as per Minimum Alternate Tax (MAT) as per the provision of section 115JB of the Income Tax Act, 1961, as against the regular tax of ₹479.84 crore. The company has recognized the entitled MAT credit of ₹357.07 crore as asset for adjustment against future tax liability within next 10 years.

53. In Compliance of AS 27 on "Financial Reporting of Interests in Joint Ventures" as notified under Companies Accounting Standard Rules 2006 read with Companies (Accounts) Rules, 2014 brief description of Joint Ventures of the Company are:

(a) Jointly Controlled Entities

- (i) **Mahanagar Gas Limited:** A Joint Venture with British Gas Plc and Government of Maharashtra to supply gas to domestic, commercial, small industrial consumers and CNG for transport sector in Mumbai. The Company has equity participation of 35% (Previous Year 35%) of the paid up capital and has invested ₹44.45 crore (Previous Year ₹44.45 crore) in 4,44,50,000 equity shares of ₹10/- each.
- (ii) **Indraprastha Gas Limited:** A Joint Venture with BPCL and Government of National Capital Territory (NCT) of Delhi to supply gas to domestic, commercial, small industrial consumers and CNG for transport sector in Delhi. The Company has equity participation of 22.50% (Previous Year 22.50%) of the paid up capital and has invested ₹31.50 crore (Previous Year ₹31.50 crore) for acquiring 3,15,00,000 equity shares of ₹10/- each.
- (iii) **Petronet LNG Limited:** A Joint Venture with BPCL, IOCL and ONGCL for setting up LNG import facilities. The Company has equity participation of 12.50% (Previous Year 12.50%) of the paid up capital and has invested ₹98.75 crore (Previous Year ₹98.75 crore) for acquiring 9,37,50,000 equity shares of ₹10/- each in the Joint Venture Company (includes 1,00,00,000 equity shares allotted at a premium of ₹5/- per share). The Company has also paid ₹421.35 crore (Previous Year ₹140.45 crore) including service tax as advance for booking of 2.5 MMTPA capacity on long term basis at Dahej.
- (iv) **Bhagyanagar Gas Limited:** A Joint Venture with HPCL for distribution and marketing of CNG, Auto LPG, natural gas and other gaseous fuels in Andhra Pradesh and Telangana. The Company has equity participation of 22.50% (Previous Year 22.50%) of the paid up capital and has invested ₹22.50 crore (Previous Year ₹0.01 crore) for acquiring 2,25,00,000 equity shares (Previous Year 12,500 equity shares) of ₹10/- each.
- (v) **Tripura Natural Gas Company Limited:** A Joint Venture with Assam Gas Company Limited and Tripura Industrial Development Corporation for transportation and distribution of natural gas through pipelines in Tripura. The Company has equity participation of 29% (Previous Year 29%) of the paid up capital and has invested ₹1.92 crore (Previous Year ₹1.92 crore) for acquiring 1,92,000 equity shares (Previous Year 1,92,000 equity shares) of ₹100/- each.
- (vi) **Central UP Gas Limited:** A Joint Venture with BPCL to supply gas to domestic, commercial and small industrial consumers and CNG for transport sector in Kanpur, Uttar Pradesh. The Company has equity participation of 25% (Previous Year 25%) of the paid up capital and has invested ₹15 crore (Previous Year ₹15 crore) for acquiring 1,50,00,000 equity shares of ₹10/- each.
- (vii) **Green Gas Limited:** A Joint Venture with IOCL to supply gas to domestic, commercial and small industrial consumers and CNG for transport sector in Agra and Lucknow, Uttar Pradesh. The Company has equity participation of 22.50% (Previous Year 22.50%) of the paid up capital and has invested ₹23.04 crore (Previous Year ₹0.01 crore) for acquiring 2,30,42,500 equity shares (Previous Year 12,500 equity shares) of ₹10/- each.
- (viii) **Maharashtra Natural Gas Limited:** A Joint Venture with BPCL to supply gas to domestic, commercial and small industrial consumers and CNG for transport sector in Pune, Maharashtra.

The Company has equity participation of 22.50% (Previous Year 22.50%) of the paid up capital and has invested ₹22.50 crore (Previous Year ₹22.50 crore) for acquiring 2,25,00,000 equity shares of ₹10/- each.

- (ix) **Ratnagiri Gas and Power Private Limited:** A Joint Venture with NTPC, MSEB and other financial institutions for the revival of the Dabhol Project. The Company's equity participation has come down from 32.88% to 28.91% of the paid up capital due to availment of rights by the financial institutions converting their debt to equity during the year. There is no change in the investment of ₹974.31 crore (Previous Year ₹974.31 crore) in 97,43,08,300 equity shares (Previous Year 97,43,08,300 equity shares) of ₹10/- each.
- (x) **Avantika Gas Ltd.** A Joint Venture with HPCL to supply gas to domestic, commercial and small industrial consumers and CNG for transport sector in Madhya Pradesh. The Company has equity participation of 22.50% (Previous Year 22.50%) of the paid up capital and has invested ₹22.50 crore (Previous Year ₹0.01 crore) for acquiring 2,25,00,000 equity shares (Previous Year 12,500 equity shares) of ₹10/- each.
- (xi) **ONGC Petro Additions Ltd (OPAL).** A Joint Venture with ONGC, and Gujarat state Petroleum Corporation Ltd., for setting up Petrochemical Project at Dahej in Gujarat. The Company has equity participation of 15.50% (Previous Year : 15.50%) of the paid up capital and has invested ₹994.95 crore (Previous Year ₹994.95 crore) for acquiring 99,49,45,000 equity shares (Previous Year 99,49,45,000 equity shares) of ₹10/- each.
- (xii) **GAIL China Gas Global Energy Holdings Ltd.** A Joint Venture with China Gas Holdings Ltd., to pursue gas sector opportunities mainly in China. The Company has equity participation of 50% (Previous Year 50%) of the paid up capital.
- (xiii) **Tapi Pipeline Company Ltd.** A Joint Venture Company with Turkmengaz (Turkmenistan), Afghan Gas Enterprise (Afghanistan) and ISGS Pvt. Ltd. (Pakistan) incorporated on 11th November 2014. The Company has equity participation of 25% of the paid up capital.

The Company's share in the assets and liabilities and in the income and expenditure for the year in respect of above Joint Ventures, based on audited/unaudited financial statements, as furnished by these Joint Ventures, is as under: (Final adjustments are effected during the year in which audited financial statements are received).

(₹ In Crores)

		2014-15	2013-14
A	Assets	9,566.46	10,230.72
	Non-Current Assets	8,568.55	8,428.16
	Current Assets	997.91	1,802.56
B	Liabilities & Provisions	7,012.84	7,016.89
	Non-Current Liabilities	5,001.67	5,369.69
	Current Liabilities & Provisions	2,011.17	1,647.20
C	Income	6,847.89	7,239.53
D	Expenditure	6,784.05	6,751.02
E	Contingent Liability (*)	824.01	980.49

(*) To the extent of information available with the Company

(b) Jointly Controlled Assets

- (i) The Company has participated in joint bidding under the Government of India New Exploration Licensing Policy (NELP) and overseas exploration bidding and has 13 Blocks (Previous Year: 18 Blocks) as on 31st March 2015 for which the Company has entered

into Production Sharing Contract(s) with respective host Governments along with other partners for exploration & production of oil and gas. The Company is a non-operator, except in Block RJ-ONN -2004/1, CY-ONN-2005/1 and CB-ONN-2010/11, where it is the operator. The expenses, income, assets and liabilities are based upon its percentage share in production sharing contract(s).

The participating interest in the thirteen NELP Blocks in India as on 31st March, 2015 is as under:

Sl No.	Name of Block	Participating Interest
1	MN-OSN-2000/2	20%
2	CB-ONN-2000/1	50%
3	AA-ONN-2002/1	80%
4	CB-ONN-2003/2	20%
5	AN-DWN-2003/2	15%
6	RJ-ONN-2004/1	22.225%
7	CY-ONN-2005/1	40%
8	CB-ONN-2000/1- RING FENCED CONTRACT	50%
9	CB-ONN-2010/11	25%
10	AA-ONN-2010/2	20%
11	GK-OSN-2010/1	10%
12	GK-OSN-2010/2	10%
13	CB-ONN-2010/8	25%

- (ii) In addition to above, the Company has farmed-in as non - operator in the following blocks:

Sl No.	Name of 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 unaudited financial statements submitted by the operators and are given below: (Final adjustments are effected during the year in which audited financial statements are received):

(₹ In Crores)

Particulars	2014-15	2013-14
Income	666.11	245.04
Expenses	472.87	265.96
Fixed Assets (Gross block)	203.95	202.10
Producing Property	925.46	864.01
Other Assets	573.07	593.86
Liabilities	196.49	271.75

The above value includes the following amounts pertaining to 29 E&P Blocks relinquished till 31st March, 2015 (including 24 Blocks relinquished till 31st March, 2014) where the Company is non-operator.

(₹ In Crores)

Particulars	2014-15	2013-14
Income	0.07	0.07
Expenses	17.40	38.86
Fixed Assets (Gross block)	0.01	0.01
Other Assets	3.25	3.92
Liabilities	29.46	20.16

(iv) List of the E&P and CBM Blocks relinquished till 31st March 2015 is given below:

SL No	Name of the Block	Participating Interest	Date of Relinquishment
1	KK-DWN-2000/2	15%	15.08.2004
2	MB-DWN-2000/2	15%	24.01.2007
3	GS-DWN-2000/2	15%	24.01.2007
4	NEC-OSN-97/1	50%	11.09.2007
5	MN-OSN-97/3	15%	08.11.2007
6	AD-7, Myanmar	10%	28.02.2008
7	MN-ONN-2000/1	20%	10.11.2008
8	RM-CBM-2005/III	35%	11.05.2010
9	MR-CBM-2005/III	45%	11.05.2010
10	Block 56, Oman	25%	10.06.2010
11	CY-ONN-2002/1	50%	28.03.2011
12	TR-CBM-2005/III	35%	10.10.2011
13	MB-OSN-2004/1	20%	29.03.2012
14	MB-OSN-2004/2	20%	13.04.2012
15	KG-DWN-2004/3	10%	08.11.2012
16	CY-DWN-2004/4	10%	21.11.2012
17	KG-DWN-2004/5	10%	23.11.2012
18	CY-DWN-2004/2	10%	23.11.2012
19	CY-PR-DWN-2004/2	10%	23.11.2012
20	CY-DWN-2004/1	10%	28.11.2012
21	KG-ONN-2004/2	40%	10.02.2013
22	KG-DWN-2004/1	10%	15.06.2013
23	KG-DWN-2004/6	10%	13.09.2013
24	KG-DWN-2004/2	10%	04.06.2013
25	AN-DWN-2009/18	10%	11.07.2014
26	CY-DWN-2004/3	10%	25.11.2014
27	CY-PR-DWN-2004/1	10%	25.11.2014
28	AN-DWN-2009/13	10%	05.01.2015
29	AA-ONN-2003/1	35%	05.02.2015

(v) Share of Minimum work program committed under various production sharing contracts in respect of E&P joint ventures is ₹412.87 crore (Previous Year ₹475.31 crore).

(vi) Quantitative information:

(a) Details of Company's Share of Production of Crude Oil and Natural Gas during the year ended 31st March 2015:

(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
Crude Oil	(MT)	₹ Crore	(MT)		(MT)	₹ Crore	(MT)	₹ Crore
Year ended 31/03/15	567.28	0.68	18892.04	-	18708.61	63.28	750.71	0.96
Year ended 31/03/14	589.25	0.41	20347.09	-	20369.06	79.21	567.28	0.68

*Includes test production sales for ₹0.23 crore (Previous Year ₹5.37 crore). #Commercial production from E&P Block CB-ONN-2003/2 commenced in Financial Year 2014-15.

(ii) Natural Gas Block No. A1 & A3 (Myanmar)

Particulars	Opening stock		Production		Sales*		Closing Stock	
	Qty	Value	Qty	Value	Qty	Value	Qty	Value
Natural Gas	(Million M3)	₹ Crore	(Million M3)		(Million M3)	₹ Crore	(Million M3)	₹ Crore
Year ended 31/03/15	0.52	0.26	324.39	0.32	4.400	520.96	0.510	0.27
Year ended 31/03/14	-	-	90.960	-	90.440	147.68	0.520	0.26

*Production started on 15th July 2013 and 10th January 2014 in A3 & A1 Block respectively.

b) Net Quantities of Company's interest in proved reserves and proved developed reserves:

	Proved	Reserves	Proved Developed Reserves	
	2014-15	2013-14	2014-15	2013-14
Crude Oil : in 000'MT				
Beginning of the year	166.11	162	164	150
Additions	0.01	24.46	2	34.35
Deletion	0.11	0	0	0
Production	20.57	20.35	20.57	20.35
Closing Balance	145.44	166.11	145.43	164.00
Gas : in Million M3				
a) Myanmar				
Beginning of the year	6,118.71	6,220.00	5,719.71	-
Additions	-	-	-	5,821.00
Deletion	-	-	-	-
Production	330.83	101.29	330.83	101.29
Closing Balance	5,787.88	6,118.71	5,388.88	5,719.71
b) India				
Beginning of the year	-	-	-	-
Additions	1609.52	-	-	-
Deletion	-	-	-	-
Production	-	-	-	-
Closing Balance	1609.52	-	-	-

(₹ In Crores)

Note:

1. The Company is Non-operating partner in E&P blocks for which reserves are disclosed.
2. The initial oil and gas reserve assessment was made through expert third party agency / internal expert assessment by respective Operators 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 based on new significant data or discovery of hydrocarbon in the respective block.
3. GAIL's share of crude oil production for the year 2014-15 is 1,51,328 barrels.
- c) In terms of Production Sharing Agreements/Contracts, the balance (Company's share) in cost recovery of Blocks (having proved reserves) to be made from future revenue of such Blocks, if any, is ₹1298.96 crore at the end of year (Previous Year: ₹1300.77 crore).

(vii) Jointly Owned Assets:

The Company's interest in jointly owned asset, i.e. Heat Recovery Steam Generation System (HRSG) installed Vaghodia at a project cost of ₹61.69 crore (Previous Year ₹61.61 crore), is ₹30.84 crore (Previous Year ₹30.81 crore).

54. In compliance of AS-28 on Impairment of Assets as notified under the Companies Accounting Standard Rules 2006 read with Companies (Accounts) Rules, 2014, the Company has carried out an assessment of impairment of asset in respect of its GAIL Tel assets and Gas Processing Unit (GPU) Plant Usar as on 31.03.2015. Accordingly:
 - (i) The Company has made impairment of ₹6.09 crore (Previous Year: ₹5.62 crore) in respect of its GAIL Tel assets and the same has been recognised as impairment loss in the statement of profit and loss.
 - (ii) No impairment loss was considered necessary by the management of the Company in respect of GPU, 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.
55. In compliance of AS 29 on "Provisions, Contingent liabilities and Contingent Assets", the required information on provision for probable obligation is as under:

(₹ In Crores)

Provision for probable obligation	Opening Balance	Addition during the year	Reversal/adjusted during the year	Closing Balance
Legal & Arbitration Cases	525.83	53.75	2.93	576.65
Total	525.83	53.75	2.93	576.65

Additions include ₹1.77 crore (Previous Year: ₹10.41 crore) capitalized during the year. Expected timing of outflow is not ascertainable at this stage.

56. In compliance with amended Clause 32 of the Listing Agreement with Stock Exchanges, the required information is given in Annexure - C.
57. Foreign currency exposure not hedged by a derivative instrument or otherwise:

Particulars	Currencies	Amount	
		31.03.2015	31.03.2014
Borrowings, including interest accrued but not due	USD	94.87	95.45
	EURO	0	0
	Others	0	0
Sundry creditors/deposits and retention monies	USD	276.48	266.69
	EURO	31.68	57.23
	Others	22.14	10.08
Sundry debtors and bank balances	USD	45.06	27.49
	EURO	0	0
	Others	0	0
Unexecuted amount of contracts remaining to be executed	USD	118.05	278.43
	EURO	5.75	43.58
	Others	2.76	19.85

58. 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". The management of the Company confirms that as per practice, the payment to all suppliers has been made within 7-10 days. The amount remaining unpaid to all suppliers as at 31st March 2015 is ₹3,439.35 crore (Previous Year: ₹4,105.68 crore). No interest for delay was paid or payable under the Act.
59. (a) Following Government of India's approval, the shareholders of the Company in the Annual General Meeting held on 15th September, 1997 approved the transfer of all the assets including Plant and Machinery, accessories and other related assets which are part of Lakwa Project to Assam Gas Cracker Complex at a price to be determined by an independent Agency and on terms and stipulations as the Board of directors may in its discretion deem fit. The Cabinet Committee on Economic Affairs (CCEA) has approved the setting up of Assam Gas Cracker Project at Lepetkata by formation of a company in which the Company has equity participation of 70%. A company by the name of Brahmaputra Cracker and Polymer Limited (BCPL) was incorporated during 2006-07 and construction of the project is in progress. Further, Public Investment Board (PIB) in meeting dated 13th July 2011 recommended that the issue of ownership of the Lakwa facility may be decided by the Committee comprising of representative from Department of Expenditure, Planning Commission, MoPNG and the Administrative Ministry. The gross block of fixed assets and capital work in progress value of Lakwa unit is ₹260.27 crore as on 31st March 2015 (Previous Year: ₹261.14 crore).
 - (b) Exceptional items include profit of ₹62.86 crore on slump sale consideration of ₹79.14 crore, being market value as on 01.10.2014 of CNG business (including pipelines) in Vadodara to Vadodra Gas Ltd, a Joint Venture Company of GAIL Gas Ltd and Vadodra Municipal Sewa Samiti.
60. Non-Refundable Deposits ₹5.27 crore (Previous Year: ₹17.21 crore) made with the concerned authorities for railway crossings, forest crossings, removal and laying of electric/telephone poles and lines are accounted for under Capital Work-in-Progress/Capitalised on the basis of work done/confirmation from the concerned department.
61. (a) Confirmation of balances has been received in majority of cases 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.

- (c) During the year, the Company has Capitalised ₹2974.28 crore in C2 & C3 Project and ₹3867.98 crore in Petrochemical Project.
62. During the year, an amount of ₹27.74 crore (Previous Year ₹28.96 crore) has been capitalized towards Research and Development Assets.
63. The Statement of Profit & Loss includes:-
- (a) Expenditure on Public Relations and Publicity amounting to ₹44.90 crore (Previous Year: ₹36.20 crore). The ratio of annual expenditure on Public Relations and Publicity to the annual turnover is 0.0006:1 (Previous Year: 0.0006:1).
- (b) Research and Development Expenses ₹17.01 crore (Previous Year ₹28.45 crore).
- (c) Entertainment Expenses ₹0.27 crore (Previous Year: ₹0.21 crore).
64. Other disclosures as per Schedule III of the Companies Act 2013.

(₹ In Crores)		
Particulars	2014-15	2013-14
I. CIF Value Import		
i) Raw Material	5,751.51	6,626.55
ii) Components and Spare parts	148.90	149.89
iii) Capital Goods	86.00	424.20
Total	5,986.41	7,200.64
II. a) Expenditure in Foreign Currency		
i) Interest / Commitment Charges	337.25	313.14
ii) Technical/Consultancy/ License Fee/Engineering	177.81	60.79
iii) Others	1,587.02	1,654.65
Total	2,102.08	2,028.58
b) Earning in Foreign Currency		
i) Sales	600.06	170.20
ii) Others (including tender fee)	44.43	39.81
Total	644.49	210.01
III. Remuneration paid/payable to Directors		
Functional Directors including Chairman & Managing Director:	2.78	2.88
Salaries & Allowances	0.26	0.48
Contribution to Provident Fund	0.47	0.62
Other Benefits & Perquisites		
Total	3.51	3.98
Independent Directors:		
Directors Sitting Fee	0.27	0.25

Notes:

- a. In addition to above remuneration, whole time directors are allowed the use of staff cars including for private journeys up to a ceiling of 1000 kms. per month on payment in accordance with the DPE Circular.
- b. The remuneration does not include Provision for Leave, Gratuity and Post-Retirement Benefits as per revised AS 15 since the same were not ascertained for individual employees (**Refer Note No-41**).
- IV. Value of Raw Materials, Stores /Spares and Components consumed during the year.

Particulars	Qty.	2014-15		2013-14		
		(₹ in Crore)	%	QTY.	(₹ in Crore)	%
i) Raw Material consumed Gas (MMSCM)						
- Indigenous	1,336.23	4,813.16	100	1,284.55	4,803.96	99.19
- Imported	-	-	-	4.23	39.47	0.81
Sub total	1,336.23	4,813.16	100.00	1,288.78	4,843.43	100.00
ii) Stores, Spares Components Consumed						
- Indigenous		193.45	63.09		204.02	59.04
- Imported		113.19	36.91		141.54	40.96
Sub total		306.64	100.00		345.56	100.00
Total	1,336.23	5,119.80		1,288.78	5,188.99	

65. Other Quantitative details are given in **Annexure-D**.
66. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

N.K.Nagpal
Secretary

Subir Purkayastha
Director (Finance)

Prabhat Singh
Director (Marketing)

B. C. Tripathi
Chairman & Managing Director

As per our separate Report of even date

For G. S Mathur & Co.
Chartered Accountants
Firm No.008744N

For S. K Mittal & Co..
Chartered Accountants
Firm No.001135N

Place : New Delhi
Dated : 27th May, 2015

Rajiv Kumar Wadhawan
(Partner)
Membership No. 091007

M K Juneja
(Partner)
Membership No. 013117

INFORMATION ABOUT BUSINESS SEGMENTS FOR FINANCIAL YEAR 2014-15

(₹ In Crores)

SL	SEGMENTS	TRANSMISSION SERVICES**		NATURAL GAS MARKETING **	PETRO-CHEMICALS	LPG & LIQUID HYDRO-CARBONS	OTHER SEGMENT ***	UN-ALLOCABLE	TOTAL	ELIMI-NATION	CONSO-LIDATED TOTAL
		NATURAL GAS	LPG								
1	REVENUE										
	External Sales/Other Income	3,048.80	440.55	42,686.56	4,594.90	5,052.75	745.89	-	56,569.45	-	56,569.45
	Intersegment sales	300.34	-	6,487.48	125.18	-	16.79	-	6,929.79	6,929.79	-
	Total revenue	3,349.14	440.55	49,174.04	4,720.08	5,052.75	762.68	-	63,499.24	6,929.79	56,569.45
2	RESULTS										
	Segment Result (Profit before Interest & Tax)	1,315.60	237.95	560.86	130.59	1,921.71	225.00	-	4,391.71	-	4,391.71
	Unallocated expenses (Net)	-	-	-	-	-	-	398.38	398.38	-	398.38
	Operating Profit	1,315.60	237.95	560.86	130.59	1,921.71	225.00	(398.38)	3,993.33	-	3,993.33
	Interest Expenses	-	-	-	-	-	-	361.30	361.30	-	361.30
	Interest/Dividend Income	-	-	-	-	-	-	652.33	652.33	-	652.33
	Provision for Taxation	-	-	-	-	-	-	1,245.19	1,245.19	-	1,245.19
	Profit/(Loss) from Ordinary Activities	1,315.60	237.95	560.86	130.59	1,921.71	225.00	(1,352.54)	3,039.17	-	3,039.17
	Extra Ordinary Items	-	-	-	-	-	-	-	-	-	-
	Net Profit/(Loss)	1,315.60	237.95	560.86	130.59	1,921.71	225.00	(1,352.54)	3,039.17	-	3,039.17
3	OTHER INFORMATION										
	Segment Assets	25,716.16	775.55	-	8,584.73	1,089.78	1,765.45	-	37,931.67	-	37,931.67
	Unallocated Assets	-	-	-	-	-	-	14,961.56	14,961.56	-	14,961.56
	Total Assets	25,716.16	775.55	-	8,584.73	1,089.78	1,765.45	14,961.56	52,893.23	-	52,893.23
	Segment Liabilities	5,333.08	65.51	-	702.03	248.45	210.76	-	6,559.83	-	6,559.83
	Unallocated Liabilities	-	-	-	-	-	-	4,349.31	4,349.31	-	4,349.31
	Total Liabilities	5,333.08	65.51	-	702.03	248.45	210.76	4,349.31	10,909.14	-	10,909.14
	Cost to acquire fixed assets	320.22	15.54	-	6,872.10	25.83	79.81	139.95	7,453.45	-	7,453.45
	Depreciation*	649.10	50.62	-	78.59	44.52	111.46	39.97	974.26	-	974.26
	Non Cash expenses other than Depreciation*	76.42	0.34	25.51	1.95	0.96	125.71	3.36	234.25	-	234.25

Sales net off Excise Duty

* Excluding Prior period adjustments

** Assets & Liability of Gas Trading Business included in Gas Transmission Business

*** Other Segment includes GAILTel, E&P, City Gas & Power Generation.

INFORMATION ABOUT BUSINESS SEGMENTS FOR FINANCIAL YEAR 2013-14

(₹ In Crores)

SL	SEGMENTS	TRANSMISSION SERVICES**		NATURAL GAS TRADING **	PETRO-CHEMICALS	LPG & LIQUID HYDRO-CARBONS	OTHER SEGMENT ***	UN-ALLOCABLE	TOTAL	ELIMI-NATION	CONSO-LIDATED TOTAL
		NATURAL GAS	LPG								
1	REVENUE										
	External Sales/Other Income	3,827.65	418.07	42,623.35	4,537.20	5,461.91	376.92	-	57,245.10	-	57,245.10
	Intersegment sales	276.53	-	6,298.32	44.49	-	15.63	-	6,634.97	6,634.97	-
	Total revenue	4,104.18	418.07	48,921.67	4,581.69	5,461.91	392.55	-	63,880.07	6,634.97	57,245.10
2	RESULTS										
	Segment Result (Profit before Interest & Tax)	1,801.61	215.26	1,580.29	1,361.22	1,021.44	5.16	-	5,984.98	-	5,984.98
	Unallocated expenses (Net)	-	-	-	-	-	-	(156.50)	(156.50)	-	(156.50)
	Operating Profit	1,801.61	215.26	1,580.29	1,361.22	1,021.44	5.16	156.50	6,141.48	-	6,141.48
	Interest Expenses	-	-	-	-	-	-	366.19	366.19	-	366.19
	Interest/Dividend Income	-	-	-	-	-	-	627.03	627.03	-	627.03
	Provision for Taxation	-	-	-	-	-	-	2,027.05	2,027.05	-	2,027.05
	Profit/(Loss) from Ordinary Activities	1,801.61	215.26	1,580.29	1,361.22	1,021.44	5.16	(1,609.71)	4,375.27	-	4,375.27
	Extra Ordinary Items	-	-	-	-	-	-	-	-	-	-
	Net Profit/(Loss)	1,801.61	215.26	1,580.29	1,361.22	1,021.44	5.16	(1,609.71)	4,375.27	-	4,375.27
3	OTHER INFORMATION										
	Segment Assets	24,870.54	830.00	-	1,934.75	1,049.08	1,778.91	-	30,463.28	-	30,463.28
	Unallocated Assets	-	-	-	-	-	-	19,348.05	19,348.05	-	19,348.05
	Total Assets	24,870.54	830.00	-	1,934.75	1,049.08	1,778.91	19,348.05	49,811.33	-	49,811.33
	Segment Liabilities	5,687.48	75.03	-	549.14	367.35	292.05	-	6,971.05	-	6,971.05
	Unallocated Liabilities	-	-	-	-	-	-	2,933.46	2,933.46	-	2,933.46
	Total Liabilities	5,687.48	75.03	-	549.14	367.35	292.05	2,933.46	9,904.51	-	9,904.51
	Cost to acquire fixed assets	1,693.30	31.59	-	32.45	20.74	1,089.79	37.35	2,905.22	-	2,905.22
	Depreciation*	735.46	46.61	-	171.39	77.91	118.00	26.78	1,176.15	-	1,176.15
	Non Cash expenses other than Depreciation*	468.06	0.16	94.28	0.37	(0.67)	1.00	0.95	564.15	-	564.15

Sales net off Excise Duty

* Excluding Prior period adjustments

** Assets & Liability of Gas Trading Business included in Gas Transmission Business

*** Other Segment includes GAILTel, E&P, City Gas & Power Generation.

RELATED PARTY DISCLOSURES

I) Relationship

A) Joint Venture Companies/Associates

- 1) Mahanagar Gas Limited
- 2) Indraprastha Gas Limited
- 3) Petronet LNG Limited
- 4) Bhagyanagar Gas Limited
- 5) Tripura Natural Gas Corporation Limited
- 6) Central UP Gas Limited
- 7) Green Gas Limited
- 8) Maharashtra Natural Gas Limited
- 9) Avantika Gas Ltd.
- 10) GAIL China Gas Global Energy Holding Ltd.
- 11) ONGC Petro Additions Ltd (OPAL)
- 12) Tapi Pipeline Company Ltd
- 13) Gujrat State Energy Generation Ltd.
- 14) National Gas Company "Nat Gas"
- 15) Fayum Gas Company
- 16) China Gas Holdings Ltd.

B) Key Management Personnel

i) Whole time Directors(KMP):

- 1) Shri B C Tripathi, Chairman and Managing Director
- 2) Shri Prabhat Singh
- 3) Shri M Ravindran
- 4) Dr. Ashutosh Karnatak
- 5) Shri P K Jain, Director (Finance) and CFO
- 6) Shri S Venkatraman (up to 30th Sept. 2014)

ii) Company Secretary

- 1) Shri N K Nagpal

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) |

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 Crores)

	2014-15	2013-14
1) Sales	3,669.77	3,645.75
2) Amount receivable as at Balance Sheet Date for (1) above	283.70	231.64
3) Purchases	18,546.70	18,457.41
4) Amount payable as at Balance Sheet Date for (3) above	745.74	1,066.81
5) Reimbursement for other expenditure received/receivable	7.34	10.24
6) Amount receivable as at Balance Sheet Date for (5) above	2.72	18.58
7) Dividend Income	134.44	135.74
8) Other Income	0.43	14.07
9) Provision Created against Debtors	2.94	-
10) Provision Created against Debtors written back	-	-
11) Investment as at Balance Sheet date	1,403.34	1,335.33
12) Advances for allotment of Equity as at Balance Sheet date	-	68.00
13) Advances / loan given as at Balance Sheet date	524.22	93.59

B) I. Details relating to parties referred to in item no.- 1 (B) above

(₹ In Crores)

	Key Management Personnel(KMP)		Relatives of KMP	
	2014-15	2013-14	2014-15	2013-14
1) Remuneration	3.80	3.78	0.37	0.37
2) Interest bearing outstanding loans receivable	0.12	0.22	-	-
3) Interest accrued on loans given	0.19	0.25	-	-
4) Self lease	0.09	0.19	-	-

* 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. I (C) above:

(₹ In Crores)

	2014-15	2013-14
1) Minimum work program commitment	-	-
2) Survey, Production, Royalty and other expenses	216.63	88.51
3) CWIP & Other assets	27.55	314.36
4) Amount outstanding on Balance Sheet date (net of advance)	51.69	142.46
5) Amount written Off- Dry well expenditure	0.53	0.01
6) Sales/Income from operation	600.17	170.21
7) Amount outstanding on Balance Sheet date (against sales)	45.06	27.49

Annexure - C

(₹ In Crores)

Disclosure as required by Clause 32 of the Listing Agreement

A	Subsidiary	Current Year		Previous Year	
		Amount as on 31.03.2015	Maximum amount outstanding during the year ended 31.03.2015	Amount as on 31.03.2014	Maximum amount outstanding during the year ended 31.03.2014
1	Loans and advances in the nature of loans:				
a	To subsidiary Company: GAIL (Global) Singapore PTE Limited	52.89	56.67	56.38	64.18
b	To Companies in which Directors are interested	Nil	Nil	Nil	Nil
c	Where there is no repayment schedule or repayment beyond seven years or no interest or interest below Section 186 of Companies Act 2013 Rate of interest on loan is 6 months LIBOR+100 basis points.	Repayment of Loan to be made till 23rd September 2019. Rate of interest on loan is 6 months LIBOR+100 basis points.		Repayment of Loan to be made till 23 September 2019 Rate of interest on loan is 6 months LIBOR+100 basis points.	
2	Investment by the Subsidiary Company in the shares of GAIL (India) Limited and its subsidiaries	Nil	Nil	Nil	Nil

Effective rate of interest on 31.03.2015: 1.4019 (1%+6 months LIBOR 0.4019%)

A	Joint Venture	Current Year		Previous Year	
		Amount as on 31.03.2015	Maximum amount outstanding during the year ended 31.03.2015	Amount as on 31.03.2014	Maximum amount outstanding during the year ended 31.03.2014
1	Loans and advances in the nature of loans:				
a	To Joint Venture Company: Bhagyanagar Gas Limited	75	75	75	75
b	To Companies in which Directors are interested	Nil	Nil	Nil	Nil
c	Where there is no repayment schedule or repayment beyond seven years or no interest or interest below Section 186 of Companies Act 2013	Repayment of Loan is schedule in Five monthly installment starting from August'2015.		Repayment of Loan is schedule in Five monthly installment starting from August'2014.	
2	Investment by the Subsidiary Company in the shares of GAIL (India) Limited and its subsidiaries	Nil	Nil	Nil	Nil

Effective rate of interest during the year 31.03.2015: 10% & 13%.

Annexure - D

V. LICENSED CAPACITY, INSTALLED CAPACITY AND ACTUAL PRODUCTION*

	Current Year 2014-15				Previous Year 2013-14			
	Licensed Capacity	Installed Capacity	Gas Throughput	Production Capacity	Licensed	Installed Capacity	Gas Throughput	Production
i) Natural Gas including RLNG (MMSCMD) a) HVJ, DVPL, SG & DUPL - DPPL, KMBL, Dabol	171.35	171.35	81.80	-	171.35	171.35	83.16	-
b) Others	34.68	34.68	10.30	-	34.68	34.68	13.06	-
	-	-	-	-	-	-	-	-
ii) LPG (M/T)	1170376	1112373	-	1039494	1170376	1112373	-	1026543
iii) Propane (M/T)	201085	201085	-	115808	2,01,085.00	2,01,085.00	-	134411
iv) Ethylene (M/T)***	850000	896000	-	460059	4,00,000.00	4,46,000.00	-	450870
v) HDPE/LLDPE (M/T)***	810000	810000	-	451625	4,10,000.00	4,10,000.00	-	4,40,155.00
vi) Pentane	73545	73545	-	22758	73,545.00	73,545.00	-	21,669.49
vii) SBP Solvent/Naptha	127773	127773	-	98745	1,27,773.00	1,27,773.00	-	119713
viii) Crude Oil(MT)				18892				20347
ix) CNG (000'KG)	-	-	-	0	-	-	-	18921
x) C ₂ /C ₃ **		562800	-	637102	0	562800	-	617613
xi) Butene-1**	30,000.00	30000	-	9245	10000	10000	-	9743
xii) (MW)								

Notes:

*As certified by the Company and relied upon by auditors

**Internally consumed

***Licenced and Installed Capacity of Butene enhanced on 27.03.2015 and of Ethylene, HDPE/LLDPE enhanced on 30.03.2015

Quantitative Information

(₹ In Crores)

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 RLNG (MMSCM)										
	Year Ended 31.03.2015	324.08	1447.97	25576.18	48287	24082.21	45336.14	2223.67	6806.80	313.13	1138.47
	Year Ended 31.03.2014	319.84	782.18	28874.90	47957.82	26695.23	45616.70	2205.10	6574.85	324.08	1447.97
2	LPG (M/T)										
	Year Ended 31.03.2015	5656.40	18.30			1039739.58	3921.36	4.03		5446.24	13.29
	Year Ended 31.03.2014	9956.33	20.66	-	-	1030469.25	3905.82	-	-	5656.40	18.30
3	Pentane (M/T)										
	Year Ended 31.03.2015	676.16	2.40			23323.96	128.41	21.00		242.11	0.59
	Year Ended 31.03.2014	885.86	2.04	-	-	22149.71	137.33	-	-	676.16	2.40
4	Propane (M/T)										
	Year Ended 31.03.2015	2349.29	9.11			115892.79	662.16			2258.93	6.16
	Year Ended 31.03.2014	3416.02	8.87	-	-	135094.25	932.55	-	-	2349.29	9.11
5	SBP Solvent(M/T)										
	Year Ended 31.03.2015	0.00	0.00			0.00	0.00			0.00	0.00
	Year Ended 31.03.2014	0.00	0.00	-	-	0.00	0.00	-	-	0.00	0.00
6	Naptha(MT)										
	Year Ended 31.03.2015	579.36	2.10			97987.31	487.30			977.05	2.29
	Year Ended 31.03.2014	841.63	1.76	-	-	119660.13	684.74	-	-	579.36	2.10
7	Polymers (M/T)										
	Year Ended 31.03.2015	7013.95	43.66			441079.82	4974.59	4592.00		12951.23	114.99
	Year Ended 31.03.2014	16157.91	76.59	-	-	444888.58	4821.49	4728.61	-	7013.95	43.66
8	C2/C3 (M/T)*										
	Year Ended 31.03.2015	2427.88	8.56	-	-	-	-	635966.86		3563.12	18.84
	Year Ended 31.03.2014	2471.45	5.44	-	-	-	-	-	-	2427.88	8.56
9	Ethylene (M/T)*										
	Year Ended 31.03.2015	984.04	4.91					459881.56		1161.66	8.57
	Year Ended 31.03.2014	834.55	2.75	-	-	-	-	-	-	984.04	4.91
10	Butene-1 (M/T)*										
	Year Ended 31.03.2015	446.58	2.93					9159.74		531.85	5.08
	Year Ended 31.03.2014	229.59	1.01	-	-	-	-	-	-	446.58	2.93
11	Crude Oil(MT)										
	Year Ended 31.03.2015	567.28	0.68			18708.61	63.05			750.71	0.96
	Year Ended 31.03.2014	589.25	0.41			20369.06	73.84			567.28	0.68
12	CNG (000'KG)										
	Year Ended 31.03.2015	-	-	-	-	7862.18	27.61	-	-	-	-
	Year Ended 31.03.2014	-	-	-	-	18920.95	79.02	-	-	-	-
13	Power(KWH)										
	Year Ended 31.03.2015					159056675	56.00				
	Year Ended 31.03.2014					248923789	61.50				
14	Other Products(M/T)										
	Year Ended 31.03.2015	5530.09	28.42			40855.22	192.56	19537.19		3267.13	22.23
	Year Ended 31.03.2014	6730.29	40.56			51197.08	273.53	11221.93		5530.09	28.42

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

CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

(₹ In Crores)

	2014-15		2013-14	
A. CASH FLOW FROM OPERATING ACTIVITIES				
1 Net Profit Before Tax and Extraordinary Items		4284.36		6402.32
2 ADD :				
Depreciation	980.74		1180.05	
Capital Reserve	(0.12)		(0.12)	
Exchange Rate Variation on Foreign Currency Loan	199.42		447.90	
Interest Expenditure	369.61		367.22	
Dividend Income on Investments	(324.75)		(336.34)	
Interest Income	(327.47)		(290.85)	
Provision for Employees Benefits	169.55		(179.47)	
Provision for Doubtful Debts	(69.25)		136.46	
Provision for Probable Obligations	50.82		193.09	
Other Provisions	(17.00)		(5.47)	
Provision / Writte off of Assets / CWIP	55.25		41.38	
Exceptional item	(62.86)		(344.95)	
Profit / Loss on Sale of Assets (Net)	2.78		1.23	
		1026.72		1210.13
3 Operating Profit Before Working Capital Changes (1 + 2)		5311.08		7612.45
4 Changes in Working Capital (Excluding Cash & Bank Balances)				
Trade and Other Receivables	(3319.01)		(1385.55)	
Inventories	172.87		(719.43)	
Trade and Other Payables	1189.48		1287.87	
		(1956.67)		(817.11)
5 Cash Generated from Operations (3+4)		3354.41		6795.34
6 Direct Taxes Paid		(855.09)		(1873.77)
NET CASH FROM OPERATING ACTIVITIES (5+6)		2499.32		4921.57
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(1867.62)		(3855.00)	
Sale of Fixed Assets	173.43		18.62	
Sale of Investments /Business	76.31		383.90	
Investment in Other Companies	(33.66)		(372.50)	
Loans & Advances to Related Parties	(20.36)		(35.85)	
Interest Received	327.47		292.76	
Dividend Received	324.75		336.34	
NET CASH FROM INVESTING ACTIVITIES		(1019.68)		(3231.73)

(₹ In Crores)

	2014-15		2013-14	
C CASH FLOW FROM FINANCING ACTIVITIES		1479.64		1689.84
Proceeds from Long Term Borrowings	500.00		1701.45	
Repayment of Long Term Borrowings	(1645.05)		(722.11)	
Repayment/Proceeds from Short Term Borrowings	233.80		(223.74)	
Interest Paid	(745.68)		(653.28)	
Dividend & Dividend Tax Paid	(1332.05)		(1499.12)	
NET CASH FROM FINANCING ACTIVITIES		(2988.98)		(1396.80)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		(1509.34)		293.04
CASH AND CASH EQUIVALENTS AS AT 01.04.2014 (OPENING BALANCE)		2650.98		2357.94
CASH AND CASH EQUIVALENTS AS AT 31.03.2015 (CLOSING BALANCE)		1141.64		2650.98

NOTES :

1 Cash & Cash Equivalents include :

Cash & Bank Balances As per Balance Sheet

1141.64

2650.98

Unrealised (Gain)/ loss on foreign Exchange

0.00

0.00

Total Cash & Cash Equivalents**1141.64****2650.98**

2 Cash & Cash Equivalents include earmarked balance of ₹ 913.12 Crores

(Previous year ₹ 1128.95 Crores), Refer Note 18.

For and on behalf of the Board of DirectorsN.K.Nagpal
SecretarySubir Purkayastha
Director(Finance)Prabhat Singh
Director (Marketing)B. C. Tripathi
Chairman & Managing Director**As per our separate Report of even date**For G. S Mathur & Co.
Chartered Accountants
Firm No.008744NFor S. K Mittal & Co..
Chartered Accountants
Firm No.001135NPlace : New Delhi
Dated : 27th May, 2015Rajiv Kumar Wadhawan
(Partner)
Membership No. 091007M K Juneja
(Partner)
Membership No. 013117

Annexure - VIII

Statement pursuant to Section 129 (3) of Companies Act, 2013 related to financial statement of subsidiaries / associate companies / joint ventures

Part "A": Subsidiaries

(₹ In Crores)

Particulars	GAIL GLOBAL SINGAPORE PTE LTD.	GAIL (GLOBAL) USA INC. (Consolidated)	GAIL GAS LTD.	BRAHMAPUTRA CRACKER AND POLYMER LIMITED
1 The financial year of the subsidiary Company ended on	31.03.2015	31.12.2014	31.03.2015	31.03.2015
2 (a) Reporting Currency	USD	USD	INR	INR
(b) Exchange rate as on last date of the relevant Financial Year	63.19	63.93	NA	NA
3 Share Capital	9.64	179.17	300.00	1173.71
4 Reserves & Surplus	70.79	119.42	61.36	4687.31
5 Total Assets	141.84	1062.66	787.82	8710.78
6 Total Liabilities	61.41	764.07	426.46	2849.76*
7 Investments	120.48	0.00	0.00	0.00
8 Turnover	540.15	334.80	1040.97	0.00
9 Profit before Taxation	6.20	112.31	26.84	(1.62)
10 Provision for Taxation	0.00	39.06	8.92	0.00
11 Profit after Taxation	6.20	73.25	17.92	(1.62)
12 Proposed Dividend	-	-	-	-
13 % of shareholding	100%	100%	100%	70%

Note :

- 1 Name of the subsidiaries which are yet to commence operations: NIL
- 2 Name of the subsidiaries which have been liquidated or sold during the year: NIL

*Including Minority Interest

For and on behalf of the Board of Directors

N.K.Nagpal
Secretary

Subir Purkayastha
Director(Finance)

Prabhat Singh
Director (Marketing)

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

(₹ In Crores)

Particulars	Mahanagar Gas Ltd.	Indraprastha Gas Ltd.	Petronet LNG Ltd.	Bhagyanagar Gas Ltd.	Tripura Natural Gas Corporation Ltd.	CentralUP Gas Ltd.	Green Gas Ltd.	Maharashtra Natural Gas Ltd.	Avantika Gas Ltd.	ONGC Petro additions Ltd.	Ratnagiri Gas & Power (Private) Ltd.	Gujarat State Energy Generation Ltd.	National Gas Company "Nat Gas"	Fayum Gas Company	China Gas Holdings Ltd.
1 Latest audited Balance Sheet Date	31.03.2014	31.03.2014	31.03.2015	31.03.2015	31.03.2014	31.03.2014	31.03.2014	31.03.2014	31.03.2015	31.03.2014	31.03.2014	31.03.2014	31.12.2014	31.12.2014	31.03.2014
2 No of Shares of Associate/ joint Ventures held by the Company on the year end-	4,44,50,000	3,15,00,000	9,37,50,000	2,25,00,000	1,92,000	1,50,00,000	2,30,42,500	2,25,00,000	2,25,00,000	99,49,45,000	97,43,08,300	2,07,60,000	0	19,000	15,00,00,000
3 Amount of Investment in Associates/ Joint Venture															
4 Extent of Holding %	35%	22.50%	12.50%	22.50%	29%	25%	22.50%	22.50%	22.50%	15.50%	28.91%	5.96%	15%	19%	3%
5 Significant influence	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Representation on the board of directors or corresponding governing body of the investee	Representation on the board of directors or corresponding governing body of the investee	Representation on the board of directors or corresponding governing body of the investee	Representation on the board of directors or corresponding governing body of the investee
6 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
7 Networth attributable to Shareholding as per latest audited Balance Sheet	453.94	396.71	699.41	15.51	8.49	31.04	22.67	37.71	12.03	313.31	506.87				
8 Profit / Loss for the year															
(i) Considered in Consolidation	104.11	97.29	110.32	0.45	2.27	6.94	6.01	11.68	2.36	(0.12)	(405.22)	(8.24)	10.99	2.25	83.12
(ii) Not Considered in Consolidation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Note :

1 Name of the subsidiaries which are yet to commence operations:

- Gail China Gas Global Energy Holding Limited
- TAPI Pipeline Company Limited

2 Name of the associate or Joint Ventures which have been liquidated or sold during the year:

NO

For and on behalf of Board of Directors

N.K.Nagpal
Secretary

Subir Purkayastha
Director (Finance)

Prabhat Singh
Director (Marketing)

B. C. Tripathi
Chairman & Managing Director

Schedule of Fixed Assets (Township)

(₹ In Lakhs)

DESCRIPTION	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As at 01.04.2014	Additions / Adjustments during the Year	Sales / Adjustments during the Year	As at 31.03.2015	As at 01.04.2014	For The Year	Adjustments during the Year	As at 31.03.2015	As at 31.03.2015	As at 31.03.2014
LAND : FREEHOLD	2,876.20	25.08	-	2,901.28	107.53	-	-	107.53	2,793.75	2,768.67
LAND : LEASEHOLD	378.07	-	-	378.07	163.79	16.55	0.01	180.35	197.72	214.28
BUILDING, ROADS ETC.	29,077.21	7,389.09	351.34	36,114.96	8,094.79	2,478.28	41.54	10,614.61	25,500.35	20,982.42
DRAINAGAE, SEWAGE & WATER SUPPLY SYS. ETC.	1,551.87	46.44	16.48	1,581.83	932.65	13.69	(8.69)	937.65	644.18	619.22
FURNITURE, FIXTURES & OTHER EQP.	1,873.90	499.20	88.77	2,284.33	1,126.61	288.63	51.29	1,466.53	817.80	747.29
TRANSPORT EQUIPMENTS	23.86	-	-	23.86	8.15	4.35	-	12.50	11.36	15.71
TOTAL	35,781.11	7,959.81	456.59	43,284.33	10,433.52	2,801.50	84.15	13,319.17	29,965.16	25,347.59

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2015 ON PROVISIONS OF TOWNSHIP, EDUCATION, MEDICAL AND OTHER FACILITIES.

(₹ In Lakhs)

S.NO.	PARTICULARS	YEAR ENDED 31 ST MARCH, 2015	YEAR ENDED 31 ST MARCH, 2014
	INCOME		
1	RECOVERY OF HOUSE RENT	598.79	617.77
2	RECOVERY OF UTILITIES	232.07	215.90
3	OTHER RECOVERIES	38.11	30.67
4	EXCESS OF EXPENDITURE OVER INCOME	7,910.93	4,816.04
	TOTAL	8,779.91	5,680.38
	EXPENDITURE		
1	SALARIES, WAGES & PF CONTRIBUTION	690.15	723.68
2	CONSUMABLES, STORES & MEDICINES	56.64	53.50
3	SUBSIDIES FOR SOCIAL & CULTURAL ACTIVITIES	150.32	171.80
4	REPAIRS & MAINTENANCE	1,452.02	1,134.89
5	DEPRECIATION	2,801.50	753.22
6	UTILITIES: POWER, GAS & WATER	1,718.86	1,374.37
7	LAND RENT	62.69	20.07
8	WELFARE - SCHOOL	950.02	814.45
9	BUS HIRE CHARGES	193.89	169.73
10	CLUB & RECREATION	10.88	21.11
11	MISC EXPENSES - TAXES, LICENSE FEES, INS ETC.	330.79	207.30
12	HORTICULTURE EXPENSES	362.14	236.26
	TOTAL	8,779.91	5,680.38

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 2015

The preparation of financial statements of GAIL (India) Limited for the year ended 31 March 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 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, 2013 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 27 May 2015.

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 2015. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to the inquiries of the statutory auditors and the 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

(Suparna Deb)
Principal Director of Commercial Audit
& Ex-officio Member, Audit Board - II,
New Delhi

Place: New Delhi
Date: 16.07.2015

Consolidated Financial Statement



Independent Auditor's Report on Consolidated Financial Statements

To The Members of GAIL (India) LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of GAIL (India) Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and jointly controlled entities comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement 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 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 financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated 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 financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. 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 financial statements.

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 subparagraph (a), (b) and (d) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at 31st March, 2015, and their consolidated profit/loss and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to the following matters in Notes to Standalone Financial Statement:-

1. Note No: - 43 regarding sharing of under recoveries on sensitive petroleum products up to 30.09.2014.
2. Note No: - 45 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.
3. Note No:- 46 & 47 regarding debit notes raised by ONGC in respect of Non-APM prices for C-Series gas and differential tariff of Uran Trombay pipeline of ONGC and corresponding debit notes raised by GAIL on its customers.

Our report is not modified in respect of these matters.

Other Matters

- (a) We did not audit the financial statements / financial information of subsidiaries namely GAIL Gas Limited and GAIL Global (Singapore) PTE Ltd whose financial statements / financial information reflect total assets of ₹929.66 crores as at 31st March, 2015, total revenues of ₹1591.93 crores and net cash outflow amounting to ₹14.05 crores for the year ended on that date, as considered in the consolidated financial statements and financial statement of GAIL Global (USA) Inc whose financial statement reflect total asset of ₹1062.67 crores, total revenue of ₹336.02 crores and net cash inflow of ₹3.57 crores as at December 31, 2014. The financial statements/information also includes subsidiary namely Brahmputra Cracker and Polymers Limited whose financial statement/information are unaudited and reflect total assets of ₹8710.78 crores, and net cash inflow of ₹51.35 crores as at March 31, 2015. The reports of audited financial statements have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors and unaudited financial statements as the case may be.

- (b) The consolidated financial statements also include the Group's share of net profit of ₹88.12 crores in respect of associates, as considered in the consolidated financial statements, namely Fayum Gas Company, National Gas company, China Gas Holding Limited and Gujarat State Energy Generation Limited whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors except Gujarat State Energy Generation Limited and China Gas Holding whose statements are unaudited. The reports of audited financial statements have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid associates, is based solely on the reports of the other auditors and unaudited financial statements as the case may be.
- (c) In respect of GAIL Global(USA) Inc., Fayum Gas Company and National Gas Company, the accounts are drawn up as at December 31, 2014 and in respect to China Gas Holding Limited, the accounts are drawn up to September 30, 2014 and the same has been used for consolidation. As per the information and explanation given to us by the management, no significant transactions or other events occurred between the reporting date of the aforesaid entities and March 31, 2015 which require adjustment.
- (d) We did not audit the financial statements / financial information of jointly controlled entities, whose financial statements / financial information reflect total assets of ₹50151.36 crores as at 31st March, 2015, total revenues of ₹46,784.99 crores and net cash outflow of ₹1341.46 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information are unaudited, except Petronet LNG Ltd., Bhagyanagar Gas Limited and Aavantika Gas Limited whose audited financial statements / financial information reflects total assets of ₹11,658.85 crores as at March 31, 2015, total revenue of ₹39,874.91 crores and net cash outflow of ₹862.32 crores for the year ended on that date, and the reports of audited financial statements have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these jointly controlled entities, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid jointly controlled entities, is based solely on the reports of the other auditors and unaudited financial statements as the case may be.

Our opinion on the consolidated 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 and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies, associate companies and jointly controlled companies incorporated in India, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 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, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's 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:
- (g) 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 32 to the consolidated financial statements.
- (h) The Group, its associates and jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts.
- (i) 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 **G.S Mathur & Co.**
Chartered Accountants
Firm No.: 08744N

(**Rajiv Kumar Wadhawan**)
(Partner)
Membership No.: 091007

Place: **New Delhi**
Dated: **27th May, 2015**

For **S.K.Mittal & Co.**
Chartered Accountants
Firm No.: 001135N

(**M.K. Juneja**)
(Partner)
Membership No.: 013117

Annexure to the Auditor's report

The Annexure referred to in Para 1 to Report on Other legal and Regulatory Requirement of the auditor's report to the shareholders of GAIL (India) Limited for the year ended March 31, 2015. We report that:

- (i) (a) The company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) According to the information and explanation given to us, there is a regular programme of verification of fixed assets by the management, which in our opinion is reasonable having regard to the size of the company and the nature of its assets. Fixed assets have been physically verified by the management during the year and as per the report, no material discrepancies were noticed on such verification.
- (ii) (a) The inventories have been physically verified at reasonable intervals by the Management, except the stores & spares lying with Engineers India Ltd. and other contractors. 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. Also the auditor of a subsidiary GAIL Gas Limited has stated that regular physical verification of inventories is carried out except for inventories lying with contractors and project consultants.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and nature of its business. The auditor of a subsidiary namely Gail Gas Limited has suggested to strengthen the physical verification procedures in relation to companies size and nature of business.
- (c) In our opinion and according to the information given to us the company is maintaining proper records of inventory and no material discrepancy was noticed on physical verification of inventory.
- (iii) According to the information given to us the company has not granted any loans, secured or unsecured to the companies, firms or other parties covered in the register maintained under section 189 of the Companies Act.
- (iv) According to information and explanations given to us, there are generally adequate internal control systems commensurate with the size of the company and nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. However auditors of GAIL Gas Limited, subsidiary company stated that no major weakness observed in internal control system except in respect to capitalization of capital works in progress were some of old items of CWIP have remained non capitalized pending closure of contracts.
- (v) The company has not accepted any deposits from the public during the year covered under section 73 or any other relevant provision of the Companies Act, 2013.
- (vi) We have broadly reviewed the costing records being maintained by the Company pursuant to the order made by the Central Government for the maintenance of Cost records under sub-section (1) of Section 148 of The Companies Act 2013 and we are of the opinion that prima facie the prescribed accounts and records have been maintained.
- (vii) (a) According to the 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, Wealth tax, Service Tax, duty of custom, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. According to the information and explanation given to us, no undisputed amounts payable in respect of Provident fund, employees' State Insurance, Income tax, Sales tax, Service Tax, duty of custom, duty of excise, value added tax, cess and any other statutory dues were in arrear at the year-end 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 sales tax or wealth tax or service tax or duty of custom or duty of excise or value added tax or cess which have not been deposited on account of disputes and the forum where the dispute is pending, are given below:

List of Cases of Unpaid Disputed Demand under various Statutes as on 31.03.2015

GAIL(India) Limited

(₹ In Crores)

Sl. No.	Statute		Subject Matter of Dispute	Amount (2014-15)	Period of Dispute	Status - Forum
1	Entry Tax	(a)	Demand of Entry Tax on Natural Gas in U.P.	189.24	1999-00 to 2009-10	Allahabad High Court, Trade tax Tribunal & Additional Commissioner (Appeals)
		(b)	Demand of Entry Tax on Natural Gas in Rajasthan	5.18	2002-03 to 2005-06	Dy. Commissioner (Appeals), Ajmer
		(c)	Demand of Entry Tax on Natural Gas in Madhya Pradesh	6.28	2008-09, 2011-12 & 2012-13	Tribunal, Bhopal & Additional Commissioner (Appeals), Gwalior
2	Sales Tax & VAT	(a)	Non-acceptance of declaration form for concessional sales tax	0.37	1995-96 & 1996-97	Tribunal, Bhopal

(₹ In Crores)

Sl. No.	Statute	Subject Matter of Dispute	Amount (2014-15)	Period of Dispute	Status - Forum
		(b) Sales Tax demand as per assessment order	4.24	2005-06 & 2006-07	Additional Commissioner (Appeals), Noida
		(c) VAT demand as per assessment order	35.78	2010-11	Additional Commissioner (Appeals), Noida
		(d) CST demand on Transmission charges	1.91	2006-07	Commercial Tax Officer, Nagapattinam
		(e) VAT demand on transfer of material	6.28	2011-12	Additional Commissioner (Appeals), Gwalior
		(f) Demand of CST on account of disallowance of LPG absorption credit notes	1.44	2011-12 & 2012-13	Additional Commissioner (Appeals), Gwalior
		(g) Demand of VAT on account of disallowance of input tax credit	107.58	2010-11 & 2012-13	Additional Commissioner (Appeals), Gwalior & Joint Commissioner (Appeals), Mumbai
		(h) Demand of VAT on account of disallowance of LPG subsidy	18.20	2005-06	Joint Commissioner (Appeals), Mumbai
		(i) Demand of VAT on sale of Natural Gas to Electricity Co.	123.06	2007-08	Joint Commissioner (Appeals), Mumbai
		(j) Demand of VAT on bandwidth charges	2.58	2008-09	Joint Commissioner (Appeals), Mumbai
		(k) Demand of VAT on sale of LPG for domestic use	38.60	2007-08, 2008-09 & 2010-11	Joint Commissioner (Appeals), Mumbai
		(l) Demand of VAT on spurline charges	4.23	2011-12	Additional Commissioner (Appeals), Etawah
		(m) Demand of GVAT & CST on account of disallowance of LPG subsidy discount	37.72	2006-2007	Tribunal, Gujarat
		(n) Penalty for delay in payment of sales tax	0.60	2003-2004	Joint Commissioner (Appeals), Mumbai
		(o) Demand of VAT on account of rate change	0.49	Oct 2011 to Dec 2011	Joint Commissioner, Trichy
		(p) Demand of CST on account of disallowance of LPG subsidy discount	49.38	2005-06	High Court, Gwalior
		(q) Demand for treating CST sale as local sale	0.15	2003-2004	Assam Revenue board

(₹ In Crores)

Sl. No.	Statute		Subject Matter of Dispute	Amount (2014-15)	Period of Dispute	Status - Forum
		(r)	Sales Tax demand	0.20	1998-1999	Mumbai Tribunal
		(s)	Revised Sales Tax demand as per assessment order	2.59	2003-04	Joint Commissioner (Appeals), Vadodara
3	Customs, Excise and Service Tax	(a)	LPG valuation Dispute	18.72	Jan 2001 to Feb 2005	CESTAT Mumbai
		(b)	Dispute on Pentane Classification	106.70	Aug.2005 to Jul 2009	CESTAT Ahmedabad
		(c)	Dispute on MFO Classification	75.33	July 2004 to March 2011	CESTAT Ahmedabad
		(d)	Demand of duty under Rule 6(3) of CCR, 2004 for credit taken on input services	13.80	2008-2009 & 2009-2010	CESTAT Kolkata
		(e)	Demand of Service Tax on Marketing Margin	733.28	Oct. 2006 to Mar 2013	CESTAT Delhi
		(f)	Demand of Service Tax on deputation of employees to JVs & Govt. Deptt.	37.17	Oct. 2006 to June 2012	CESTAT Delhi
		(g)	Demand of differential service tax based on service tax returns	0.11	Oct.2006 to March 2007	Commissioner (Appeals), Vadodara
		(h)	Demand raised by denying Cenvat & service tax credit taken at Hazira	9.01	Aug. 2005 to March 2012	CESTAT Ahmedabad & CESTAT Delhi
		(i)	Demand raised by denying Cenvat credit taken on input services	0.20	2008-09 & Dec. 2010 to March 2011	CESTAT Delhi & Commissioner (Appeals), Kanpur
		(j)	Demand of CVD on purchase of SAP software	0.07	March 2006	CESTAT Delhi
			SUB-TOTAL	1630.49		
4	Income Tax	(a)	Unpaid demand	76.75	AY- 2012-13	CIT (Appeals)
		(b)	Demand of TDS	3.10	AY- 2008-09 to AY - 2015-16	ITO (TDS)
5	Other taxes		Notified Area tax & GIDC tax on revised value (incl. interest)	3.98	1998-99 to Aug 2005 & 1998-99 to Dec 2009	Ahmedabad High Court
			TOTAL	1714.32		

Petronet LNG Limited

(₹ In Crores)

Sl. No.	Statute		Subject Matter of Dispute	Amount (2014-15)	Period of Dispute	Status - Forum
1	Service Tax	(a)	Service Tax & Interest	0.65	2003-04 to 2007-08	CESTAT, Delhi
		(b)	Service Tax & Interest	3.77	2006-07 to 2010-11	Commissioner Adjudication, Delhi
		(c)	Service Tax & Interest	0.31	2011-12	CESTAT, Delhi
		(d)	Service Tax & Interest	0.02	2012-13	Additional Commissioner, Delhi
		(e)	Service Tax & Interest	0.04	2013-14	Additional Commissioner, Delhi
2	Customs Act	(a)	Customs Duty	8.82	2013-14 & 2014-15	Commissioner of Customs Appeals
3	Income Tax Act, 1961	(a)	Income Tax and Interest	12.44	2007-08	Order received on 20.03.2015, appeal pending to be filed with CIT(Appeals)

Bhagyanagar Gas Limited

(₹ In Crores)

Sl. No.	Statute		Subject Matter of Dispute	Amount (2014-15)	Period of Dispute	Status - Forum
1	Income Tax Act 1961	(a)	Income Tax Assessment Dues	0.97	2009-10	Honourable High Court, Andhra Pradesh, Hyderabad
		(b)	Income Tax Assessment Dues	0.66	2010-11	Honourable High Court, Andhra Pradesh, Hyderabad

- (c) According to the information and explanation given to us there is no amount which was required to be transferred to the investor education and protection fund in accordance with relevant provisions of The Companies Act 1956 (1 of 1956) and rules made thereunder.
- (viii) The company does not have accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (ix) Based on our audit procedure and according to the information and explanations given to us by the management, we are of the opinion that the company has not defaulted in repayment of dues to a financial institution, bank and debenture holders.
- (x) In our opinion and according to information and explanation given to us, company has given guarantees for loans taken by its subsidiaries from bank and financial institutions. The terms and other conditions, in our opinion, are not prima facie prejudicial to the interest of the company.

- (xi) On the basis of review of utilization of funds pertaining to term loans on overall basis and related information as made available to us, the term loans taken by the company have been utilized for the purposes for which these are obtained.
- (xii) According to the information and explanation given to us no fraud on or by the company has been noticed or reported during the year under review.

For **G.S Mathur & Co.**
Chartered Accountants
Firm No.: 08744N

(**Rajiv Kumar Wadhawan**)
(Partner)
Membership No.: 091007

Place: **New Delhi**
Dated: **27th May, 2015**

For **S.K.Mittal & Co.**
Chartered Accountants
Firm No.: 001135N

(**M.K. Juneja**)
(Partner)
Membership No.: 013117

Consolidated Balance Sheet as at 31st March, 2015

(₹ In Crores)

	Note No.	AS AT 31 st MARCH, 2015	AS AT 31 st MARCH, 2014
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
a) Share Capital	1	1,268.48	1,268.48
b) Reserves and Surplus	2	32,754.19	31,188.47
		<u>34,022.67</u>	<u>32,456.95</u>
(2) Minority Interest			
		<u>1,758.30</u>	<u>1,758.78</u>
(3) Non Current Liabilities			
a) Long Term Borrowings	3	14,752.38	16,060.85
b) Deferred Tax Liability (Net)	42	3,547.69	2,730.35
c) Other Long-term Liabilities	4	2,259.69	900.26
d) Long-term Provisions	5	592.07	414.26
		<u>21,151.83</u>	<u>20,105.72</u>
(4) Current Liabilities			
a) Short Term Borrowings	6	1,174.16	1,044.78
b) Trade Payables	7	3,413.74	4,289.08
c) Other Current Liabilities	8	6,733.71	5,458.35
d) Short-term Provisions	9	1,390.84	1,728.27
		<u>12,712.45</u>	<u>12,520.48</u>
TOTAL		<u>69,645.25</u>	<u>66,841.93</u>

(₹ In Crores)

	Note No.	AS AT 31 ST MARCH, 2015	AS AT 31 ST MARCH, 2014
II. ASSETS			
(1) Non-current assets			
a) Fixed Assets			
(i) Tangible Assets	10	33,053.89	27,016.49
(ii) Intangible Assets	10	796.16	762.88
(iii) Capital Work in Progress	11	<u>13,805.93</u>	<u>18,489.89</u>
		47,655.98	46,269.26
b) Non-current Investments	12	1,259.14	1,144.88
c) Long-term loans and advances	13	5,943.25	4,545.59
d) Other non-current assets	14	<u>2,423.25</u>	<u>729.82</u>
		<u>57,281.62</u>	<u>52,689.55</u>
(2) Current Assets			
a) Current Investments	15	139.28	136.80
b) Inventories	16	2,354.56	2,587.05
c) Trade receivables	17	3,209.94	3,446.79
d) Cash and cash equivalents	18	1,558.25	3,211.11
e) Short-term loans and advances	19	4,152.17	4,442.49
f) Other current assets	20	<u>949.43</u>	<u>328.14</u>
		<u>12,363.63</u>	<u>14,152.38</u>
TOTAL		<u>69,645.25</u>	<u>66,841.93</u>

The accompanying notes 1 to 45 form an integral part of Financial Statements.

For and on behalf of the Board of Directors

N.K.Nagpal
Secretary

Subir Purkayastha
Director(Finance)

Prabhat Singh
Director (Marketing)

B. C. Tripathi
Chairman & Managing Director

As per our separate Report of even date

For G. S Mathur & Co.
Chartered Accountants
Firm No.008744N

For S. K Mittal & Co..
Chartered Accountants
Firm No.001135N

Place : New Delhi
Dated : 27th May, 2015

Rajiv Kumar Wadhawan
(Partner)
Membership No. 091007

M K Juneja
(Partner)
Membership No. 013117

Consolidated Statement of Profit & Loss for the Year ended 31st March, 2015

(₹ In Crores)

	Note No.	YEAR ENDED 31 st MARCH, 2015	YEAR ENDED 31 st MARCH, 2014
I. Revenue from Operations (Gross)	21	61,617.96	62,873.60
Less: Excise Duty		(914.00)	(955.29)
Revenue from Operations (Net)		60,703.96	61,918.31
II. Other Income	22	863.42	918.21
III. Total Revenue (I+II)		61,567.38	62,836.52
IV. Expenses			
Raw Material consumed		4,962.57	4,976.61
Purchase		42,761.60	43,627.71
(Increase) / decrease in Inventories of Finished Goods, Work in Progress & Stock in trade			
Opening Stock		1,574.78	948.33
Less : Closing Stock		(1,343.15)	(1,574.78)
		231.63	(626.45)
Employee benefits expense	23	985.39	920.04
Finance Cost	24	651.83	668.71
Depreciation and amortization expenses	25	1,432.57	1,644.22
Other Expenses	26	6,112.29	5,015.95
Total Expenses		57,137.88	56,226.79
V. Profit before exceptional and extraordinary items and tax (III-IV)		4,429.50	6,609.73
VI. Exceptional Items		(62.86)	(312.69)
VII. Profit before Extraordinary items and Tax (V-VI)		4,492.36	6,922.42
VIII. Extraordinary Items		-	-
IX. Profit before Tax (VII - VIII)		4,492.36	6,922.42
X. Tax Expenses			
1. Current Tax			
- Current Year (net of MAT Credit Entitlement)		629.01	1,943.38
- Earlier Year		(40.16)	(47.87)
2. Deferred Tax		832.07	299.32
Total Tax expenses		1,420.92	2,194.83
XI. Profit after Tax		3,071.44	4,727.59
Add: Share of Profit / (Loss) in Associates for the year		88.12	58.89
Less: Share of Minority		(0.49)	0.26
XII. Group Profit after Tax		3,160.05	4,786.22
Details of Earning Per Share (Face Value ₹10/- each)			
- Basic Earning Per Share (₹)		24.91	37.73
- Diluted Earning Per Share (₹)		24.91	37.73
Expenditure during Construction Period	27		
Prior Period Adjustments	28		

The accompanying notes 1 to 45 form an integral part of Financial Statements.

There are no extraordinary items or discounting operations in the above period.

For and on behalf of the Board of Directors

N.K.Nagpal Secretary
Subir Purkayastha Director(Finance)
Prabhat Singh Director (Marketing)

B. C. Tripathi
Chairman &
Managing Director

As per our separate Report of even date

For G. S Mathur & Co.
Chartered Accountants
Firm No.008744N

For S. K Mittal & Co..
Chartered Accountants
Firm No.001135N

Place : New Delhi
Dated : 27th May, 2015

Rajiv Kumar Wadhawan
(Partner)
Membership No. 091007

M K Juneja
(Partner)
Membership No. 013117

Notes to Consolidated Financial Statements for the year ended 31st March 2015

Note 1 : Share Capital

(₹ In Crores)

	AS AT 31 st MARCH, 2015	AS AT 31 st MARCH, 2014
AUTHORISED 200,00,00,000 (Previous Year : 200,00,00,000) Equity Shares of ₹10/-.	<u>2,000.00</u>	<u>2,000.00</u>
ISSUED, SUBSCRIBED AND PAID-UP 126,84,77,400 (Previous Year : 126,84,77,400) Equity Shares of ₹10/- each fully paid up.	1,268.48	1,268.48
TOTAL	<u>1,268.48</u>	<u>1,268.48</u>

a) Details of Shareholders holding more than 5% shares in the company

(₹ In Crores)

	31 st MARCH, 2015		31 st MARCH, 2014	
	Numbers	% Holding	Numbers	% Holding
Equity shares of ₹10/- each fully Paid Up				
(i) President of India (Promoter)	71,17,33,651	56.11%	71,17,33,651	56.11%
(ii) Life Insurance Corporation of India	11,61,05,407	9.15%	9,59,06,319	7.56%

b) The Company has only one class of equity shares having a par value ₹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) 179,47,026 (Previous Year: 177,25,920) shares are held in the form of Global Depository Receipts

Note 2 : Reserves and Surplus

(₹ In Crores)

	AS AT 31 ST MARCH, 2015		AS AT 31 ST MARCH, 2014	
Capital Reserve				
As per Last Financial Statements	3,299.22		2,601.74	
Add : Transferred from statement of Profit & Loss / Fund received	1.82		697.60	
Less : Transferred to statement of Profit & Loss	(0.12)	3,300.92	(0.12)	3,299.22
Share Premium Account		14.70		14.70
Debenture Redemption Reserve	11.67		1.88	
Bonds Redemption Reserve				
As per Last Financial Statements	167.27		173.21	
Add : Transferred from statement of Profit & Loss	61.77		49.06	
Less : Transferred to statement of Profit & Loss	(25.00)		(55.00)	
		204.04		167.27
CSR Reserve				
As per Last Financial Statements	31.00		13.13	
Add : Transferred from statement of Profit & Loss	-		31.00	
Less : Transferred to statement of Profit & Loss	(30.00)		(13.13)	
		1.00		31.00
Foreign Currency Monetary Item Translation Difference Account		25.13		14.81
General Reserve				
As per Last Financial Statements	3,314.55		3,176.54	
Add : Transferred from statement of Profit & Loss	315.30		448.58	
Add : Adjustment due to Joint Venture Regrouping (Refer Note No - 37 of Other Notes to accounts)	(678.37)		(310.57)	
		2951.48		3314.55
Foreign Currency Translation Reserve		60.28		59.14
Surplus in the Statement of Profit & Loss				
As per Last Financial Statements	24,285.90		21,518.88	
Add : Transferred from statement of Profit & Loss	3,160.05		4,786.22	
Less : Adjustment due to Dividend Received from Associate	(14.48)		(13.40)	
Less: -Appropriations				
Interim Dividend	380.54		570.81	
Proposed Final Dividend	380.54		748.40	
Corporate Dividend Tax	153.56		224.20	
Transfer from Bond Redemption Reserve	(25.00)		(55.00)	
Transfer to Bond Redemption Reserve	61.77		49.06	
Transfer to CSR Reserve	(30.00)		17.87	
Transfer to Debenture Redemption Reserve	9.79		1.88	
General Reserve	315.30		448.58	
		26184.97		24285.90
TOTAL		32,754.19		31,188.47

Note 3 : Long Term Borrowings

(₹ In Crores)

	Non-current Portion		Current Maturities	
	AS AT 31 ST MARCH, 2015	AS AT 31 ST MARCH, 2014	AS AT 31 ST MARCH, 2015	AS AT 31 ST MARCH, 2014
SECURED				
(a) BONDS				
Bonds Series - I	-	100.00	100.00	100.00
(6.10% Secured Non-convertible redeemable Bonds -Series - I are redeemable in 5 equal installment commencing from the end of the 8 th year upto the end of the 12 th year from the deemed date of allotment August 22, 2003.) (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 LPG Vaghodia Plant, Hazira Plant, Grep Vaghodia Plant, Gandhar Plant and Vadodara plant both present and future and whether installed or not and lying or in store)				
Bonds Series 2015	500.00	-	-	-
(8.30% Secured Non-convertible redeemable Bonds 2015 -Series - I are redeemable in 4 equal installment commencing from the end of the 7 th year upto the end of the 10 th year from the deemed date of allotment Feb 23, 2015 with a call option at the end of the 7 th year). (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)				
Bonds 2010 Series - I	500.00	500.00	-	-
(8.80% Secured Non-convertible redeemable Bonds 2010 -Series - I are redeemable in 4 equal installment 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). (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)				

(₹ In Crores)

	Non-current Portion		Current Maturities	
	AS AT 31 ST MARCH, 2015	AS AT 31 ST MARCH, 2014	AS AT 31 ST MARCH, 2015	AS AT 31 ST MARCH, 2014
Bond series 2012				
(9.14% Secured Non-convertible redeemable Bonds 2012-Series - I are redeemable in 4 equal installment 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). (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 Vijaiapur Dadri Pipeline Projects excluding compressor stations at Vijaiapur both present and future and whether installed or not and lying or in store)	750.00	750.00	-	-
(b) TERM LOANS				
Loan from HDFC Bank				
(Secured by way of first pari-passu charge on all the movable fixed assets, including whole pipeline, spur lines, plant & machinery, spares, equipments, tools & accessories and other movables both present and future, whether now lying loose or in cases or which are now lying or stored in or whether in the course of transit or on high seas, of the Dahej - Vijaypur Phase-II Pipeline project of the Borrower) excluding the plant & Machinery of compresor station at Jhabua and Vijaiapur	-	900.00	-	-
Repayable within a period of 12 years from the date of first disbursement by equal half yearly instalments starting 6 months after the completion of 2 years moratorium period from 05.05.2013.				
Oil Industry Development Board				
(Secured by way of first charge on whole pipeline, spur lines, plant & machinery, spares, equipments, tools & accessories and other movables both present & Future, whether installed or not and whether now lying loose or in cases or which are now lying or stored in or about or shall hereinafter from time to time during the continuance of the security of these presents be brought into or upon or be stored or be in or about the Borrower's project of Chainsa-Jhajjar-Hissar Pipeline including spur lines or wherever else the same may be or be held by any party to the order or disposition of the borrower or in the course of transit or on high seas or on order or delivery, howsoever or wheresoever in the possession of borrower and either by way of substitution or addition).	-	121.00	121.00	237.50
Repayable in four equal instalments after expiry of moratorium of one year from the date of disbursement. Loan disbursed in installment from July 2009 to March 2011 with rate of interest from 6.74% to 8.31% p.a. depending on date of disbursement.				
	<u>1,750.00</u>	<u>2,371.00</u>	<u>221.00</u>	<u>337.50</u>

(₹ In Crores)

	Non-current Portion		Current Maturities	
	AS AT 31 ST MARCH, 2015	AS AT 31 ST MARCH, 2014	AS AT 31 ST MARCH, 2015	AS AT 31 ST MARCH, 2014
Brought Forward	1,750.00	2,371.00	221.00	337.50
Oil Industry Development Board				
(Secured by way of first charge on whole pipeline, spur lines, plant & machinery, spares, equipments, tools & accessories and other movables both present & Future, whether installed or not and whether now lying loose or in cases or which are now lying or stored in or about or shall hereinafter from time to time during the continuance of the security of these presents be brought into or upon or be stored or be in or about the Borrower's project of Dadri-Bawana-Nangal Pipeline including spur lines or wherever else the same may be or be held by any party to the order or disposition of the borrower or in the course of transit or on high seas or on order or delivery, howsoever or wheresoever in the possession of borrower and either by way of substitution or addition)	788.75	1,205.00	416.25	291.25
Repayable in four equal instalments after expiry of moratorium of one year from the date of disbursement. Loan disbursed in installment from July 2011 to June 2013 with rate of interest from 8.50% to 8.98% p.a. depending on date of disbursement.				
Oil Industry Development Board				
(Secured by way of first charge on whole pipeline, spur lines, plant & machinery, spares, equipments, tools & accessories and other movables both present & Future, whether installed or not and whether now lying loose or in cases or which are now lying or stored in or about or shall hereinafter from time to time during the continuance of the security of these presents be brought into or upon or be stored or be in or about the Borrower's project of Dahej Vijapur Pipeline-II including spur lines or wherever else the same may be or be held by any party to the order or disposition of the borrower or in the course of transit or on high seas or on order or delivery, howsoever or wheresoever in the possession of borrower and either by way of substitution or addition)	356.25	475.00	118.75	-
Repayable in four equal instalments after expiry of moratorium of one year from the date of disbursement. Loan disbursed in installment from Nov 2013 to March 2014 with rate of interest from 8.94% to 9.27% p.a. depending on date of disbursement.				
- From Banks	4,746.82	4,287.14	583.06	519.80
- From Others	2,012.21	2,171.93	244.62	135.02
Carried Forward	<u>9,654.03</u>	<u>10,510.07</u>	<u>1,583.68</u>	<u>1,283.57</u>

(₹ In Crores)

Particulars	Non-current Portion		Current Maturities	
	AS AT 31 ST MARCH, 2015	AS AT 31 ST MARCH, 2014	AS AT 31 ST MARCH, 2015	AS AT 31 ST MARCH, 2014
Brought Forward	9,654.03	10,510.07	1,583.68	1,283.57
UNSECURED				
(a) BONDS / DEBENTURES				
- Non-Convertible Bonds - 8.35% Debenture - Series I	162.50	37.50	-	-
- Compulsorily Convertible Debenture - 9% Debenture	3.30	-	-	-
(b) TERM LOANS				
From Banks :				
- Bank of Tokyo Mitsubishi UFJ Ltd. (1/3 rd repayment at the end of the 4 th , 5 th & 6 th year from the last date of drawl i.e Dec 2015, Dec 2016 & Dec 2017) Loan carries floating rate of interest linked to 6 Months LIBOR plus spread.	421.27	606.10	210.63	-
- Bank of Tokyo Mitsubishi UFJ Ltd. (Bullet repayment at the end of the 5 th year from the last date of 'drawl i.e Aug'2016. Loan carries floating rate of interest linked to 6 Months LIBOR. plus spread)	947.85	909.15	-	-
- Mizuho Corporate Bank (1/3 rd repayment at the end of the 4 th , 5 th & 6 th year from the last date of drawl i.e Jan 2016, Jan 2017 & Jan 2018) Loan carries floating rate of interest linked to 6 Months LIBOR plus spread).	421.27	606.10	210.63	-
- Sumitomo Mitsui Banking Corporations (1/3 rd repayment at the end of the 4 th , 5 th & 6 th year from the last date of drawl i.e Feb 2016, Feb 2017 & Feb 2018) Loan carries floating rate of interest linked to 6 Months LIBOR plus spread).	421.27	606.10	210.63	-
- Japan bank for International Co-operation(JBIC) Repayable in 20 half yearly equal Instalments starting from June'2013	191.42	245.35	27.35	30.67
- Sumitomo Bank (1/2 repayment at the end of the 5 th & 6 th year from the last date of drawl i.e Nov 2017, Nov 2018) Loan carries floating rate of interest linked to 6 Months LIBOR plus spread).	1,895.70	1,818.30	-	-
- Society General (Repayment in 20 half yearly equal Instalments starting from 22nd October 2012)	305.31	337.90	46.97	45.05
- KFW Germany (Siemens Facility) (Repayment in 20 half yearly equal Instalments starting from March, 2014)	246.11	267.54	32.82	31.48
- KFW Germany (Coperion Facility) (Repayment in 14 half yearly equal Instalments starting from November, 2014)	69.29	78.55	12.60	6.04
(c) Others				
- Sales Tax Deferred	2.16	2.79	-	-
- Other Unsecured	10.90	35.40	29.50	34.50
	<u>5,098.35</u>	<u>5,550.78</u>	<u>781.13</u>	<u>147.74</u>
TOTAL	14,752.38	16,060.85	2,364.81	1,431.31

Note 4 : Other Long Term Liabilities

(₹ In Crores)

	AS AT 31 ST MARCH, 2015	AS AT 31 ST MARCH, 2014
Trade Payable	2.82	2.63
Gas Pool Money (Provisional)	1,998.33	652.51
Others :		
Liability for Abandonment Cost (E&P)	1.13	1.13
Deposits & Others long term liabilities	257.41	243.99
TOTAL	2,259.69	900.26

Note 5 : Long Term Provisions

(₹ In Crores)

	AS AT 31 ST MARCH, 2015	AS AT 31 ST MARCH, 2014
Provision for Employee Benefits (incl. Gratuity)	588.02	409.78
Other Provisions	4.05	4.48
TOTAL	592.07	414.26

Note 6 : Short Term Borrowings

(₹ In Crores)

	AS AT 31 ST MARCH, 2015	AS AT 31 ST MARCH, 2014
Secured / Unsecured Loans	1,174.16	1,044.78
TOTAL	1,174.16	1,044.78

Note 7 : Trade Payables

(₹ In Crores)

	AS AT 31 ST MARCH, 2015	AS AT 31 ST MARCH, 2014
Trade Payables (includes ₹30.49 cr (Previous Year : ₹28.06 cr) payable to PMT JV consortium)	3,413.74	4,289.08
TOTAL	3,413.74	4,289.08

Note 8 : Other Current Liabilities

(₹ In Crores)

	AS AT 31 ST MARCH, 2015	AS AT 31 ST MARCH, 2014
(a) Current Maturity of Long Term Debt (Refer Note No. - 3)		
(i) SECURED	1,583.68	1,283.57
(ii) UNSECURED	781.13	147.74
(b) Interest accrued but not due	253.36	246.72
(c) Unpaid Dividend	3.51	3.23
(d) Others		
Advances / Deposits / Retention from Customers, Contractors and others	1,484.95	762.82
Gas Pool Money	816.81	1,035.71
Imbalance & Overrun Charges	80.38	70.62
Other Liabilities	1,729.89	1,907.94
TOTAL	6,733.71	5,458.35

Note 9 : Short-term Provisions

(₹ In Crores)

	AS AT 31 ST MARCH, 2015	AS AT 31 ST MARCH, 2014
Provision for Employee Benefits	46.32	50.59
Others :		
Provision for Proposed Dividend	380.54	748.40
Provision for tax on Proposed Dividend	77.47	127.19
Provision for Probable Obligations	576.65	525.83
Other Provisions	309.86	276.26
TOTAL	1,390.84	1,728.27

Note 10: Fixed Assets (Tangible/Intangible Assets)

(₹ In Crores)

DESCRIPTION	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As at 01.04.2014	Additions / Adjustments during the Year	Sales / Adjustments during the Year	As at 31.03.2015	As at 01.04.2014	For The Year ##	Adjustments during the Year	As at 31.03.2015	As at 31.03.2015	As at 31.03.2014
Tangible Assets										
Land: Freehold	196.64	11.61	0.77	207.48	-	0.01	-	-	207.48	196.64
Leasehold	433.71	18.24	1.56	450.39	52.01	11.54	0.24	63.31	387.08	381.70
Building: Office/Others	834.84	314.79	36.41	1,113.22	221.78	33.63	(50.52)	305.93	807.29	613.06
Residential	447.80	82.38	3.87	526.31	87.58	10.74	(13.72)	112.04	414.27	360.22
Roads and Fences	2.21	-	0.07	2.14	0.41	0.27	0.02	0.66	1.48	1.80
Electrical Installations	3.18	0.31	-	3.49	0.55	0.54	(0.02)	1.11	2.38	2.63
Bunk Houses	2.56	0.36	-	2.92	2.01	0.25	(0.16)	2.42	0.50	0.55
Plant and Machinery	36,715.16	7,025.36	526.55	43,213.97	13,421.73	1,056.04	135.61	14,342.16	28,871.81	23,293.43
Railway Lines & Sidings	5.47	-	-	5.47	5.18	0.01	(0.01)	5.20	0.27	0.29
Communication Systems	5.64	1.39	0.12	6.91	3.62	1.13	0.09	4.66	2.25	2.02
Electrical Equipments	278.24	185.46	9.17	454.53	110.45	30.87	(26.88)	168.20	286.33	167.79
Furniture, Fixtures and other Equipments	239.02	87.31	20.49	305.84	116.67	31.94	(2.11)	150.72	155.12	122.35
Office Equipments	215.77	37.74	17.24	236.27	131.79	32.67	2.54	161.92	74.35	83.98
Vehicles	1.16	3.61	0.07	4.70	0.42	0.78	0.04	1.16	3.54	0.74
Transport Equipments	6.15	1.43	(1.38)	8.96	3.68	0.75	(0.16)	4.59	4.37	2.47
E&P Assets										
Proved / Producing Property	2,043.88	255.57	(31.72)	2,331.17	259.08	231.49	(7.61)	498.18	1,832.99	1,784.80
Support Equipment & Facility	2.05	0.43	(0.01)	2.49	0.73	0.10	-	0.83	1.66	1.32
Unproved Leasehold Cost	0.70	-	(0.02)	0.72	-	-	-	-	0.72	0.70
Intangible Assets										
Right of Use	742.31	5.44	(0.08)	747.83	21.06	7.53	-	28.59	719.24	721.25
Softwares / Licences / Others	118.11	49.30	5.67	161.74	76.48	14.05	5.71	84.82	76.92	41.63
Total	42,294.60	8,080.73	588.78	49,786.55	14,515.23	1,464.33	43.06	15,936.50	33,850.05	27,779.37
Share in Joint Venture Assets and Subsidiary included	8,238.28	627.28	468.27	8,397.29	1,935.54	483.59	112.21	2,306.92	6,090.37	6,302.74
Previous Year	37,244.72	5,216.50	166.62	42,294.60	12,941.32	1,663.50	89.59	14,515.23	27,779.37	24,303.40
Share in Joint Venture Assets and Subsidiary included	6,095.75	2,246.67	104.14	8,238.28	1,499.80	482.64	46.90	1,935.54	6,302.74	4,595.95

Depreciation for the Financial Year includes Impairment Loss of ₹6.09 Crores (for Plant & Machinery).

Note 11 : Capital Work-in-Progress

(₹ In Crores)

	AS AT 31 ST MARCH, 2015		AS AT 31 ST MARCH, 2014	
Linepipe Construction and related facilities including Cathodic Protection & Dispatch / Receiving Terminals	1,184.72		943.33	
Less : Provision for Linepipe and Related Facilities	<u>(96.28)</u>	1,088.44	<u>(87.49)</u>	855.84
Compressor Stations		12.09		4.82
Telecom/Telesupervisory System		8.20		6.79
LPG Pipeline Project		0.63		0.22
LPG Projects		0.10		0.67
Petrochemicals		9,811.64		13,202.33
Telecom Project		-		0.02
Others		155.90		157.50
Engineering / Project construction		481.58		571.11
Exploratory & Development Well in Progress	474.12		549.55	
Less : Provision for Dry Exploratory Wells	<u>-</u>	474.12	<u>-</u>	549.55
Construction of CNG Station		148.93		134.51
Buildings	91.76		149.14	
Less : Provision for abandonment of Building	<u>(5.28)</u>	86.48	<u>(5.28)</u>	143.86
Linepipes, Capital Items in Stock/Transit	1,544.37		2,862.95	
Less : Provision for losses/obsolescence	<u>(6.55)</u>	1,537.82	<u>(0.28)</u>	2,862.67
TOTAL		<u>13,805.93</u>		<u>18,489.89</u>

Note 12 : Non-current Investments

(₹ In Crores)

	AS AT 31 st MARCH, 2015	AS AT 31 st MARCH, 2014
1. Trade Investments		
Quoted		
Investments in Equity Instruments :-		
(i) In Associate Company		
15,00,00,000 (Previous Year : 15,00,00,000) Equity Shares of HK\$ 0.01/- each fully paid up in China Gas Holding Ltd., China; acquired at a premium of HK\$ 1.148 / share	37.03	37.03
Add: Goodwill	60.34	60.34
Add: Share of Profit in Associates	280.78	197.66
Less: Dividend Received	(43.97)	(29.88)
	334.18	265.15
3,000,000 (Previous Year 3,000,000) Equity shares of LE 5/- per share in NAT GAS Equity share has acquired at a premium LE 34.5 per Equity Share	21.21	21.21
Add: Goodwill	62.41	62.41
Add: Share of Profit	107.20	96.21
	190.82	179.83
(ii) Others		
570,600 (Previous Year : 570,600) Equity Shares of ₹10/-each fully Paid-up in Gujarat Industries Power Co. Ltd.(includes 1,90,200 Equity Shares acquired during the year 1996-97 at a premium of ₹15/- per share)	0.86	0.86
205601068 (Previous Year : 205601068) Equity Shares of ₹5/-each fully paid up in ONGC 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)	556.29	556.29
Unquoted		
(i) In Associate Companies		
2,07,60,000 (Previous Year : 2,07,60,000) Equity Shares of ₹10/- each fully paid-up in Gujrat State Energy Generation Ltd.	20.76	20.76
Add: Share of Profit	(7.20)	1.04
Less: Dividend received	(2.90)	(2.90)
	10.66	18.90
19,000 (Previous Year : 19,000) Equity shares of LE 100/- each fully paid up in Fayum Gas Company registered in Egypt.	4.59	4.59
Add: Goodwill	3.50	3.50
Add: Share of Profit	11.94	9.69
Less: Dividend received	(11.31)	(10.92)
	8.72	6.86

(₹ In Crores)

	AS AT 31 st MARCH, 2015	AS AT 31 st MARCH, 2014
2. Investments (Unquoted - At cost)		
Investments in Equity Instruments :		
i) 30 Shares (Previous Year : 30) of ₹50 each fully paid up in Darpan Co-operative Housing Society Ltd., Vadodara (₹1,500/-)	-	-
ii) 50 Shares (Previous Year : 50) of ₹50 each fully paid up in Ashoka Apartments Co-operative Housing Society Ltd., Vadodara (₹2,500/-)	-	-
iii) 400 Shares (Previous Year : 400) of ₹10 each fully paid up in Sanand Members Association, Ahmedabad. (₹4,000/-)	-	-
iv) 55 Shares (Previous Year : 55) of ₹50/- each fully paid up in Green Field (B) Co-operative Housing Society Ltd., Mumbai (₹2,750/-)	-	-
v) 50 Shares (Previous Year : 50) of ₹5/- each fully paid up in Avillion Greenfield Co-operative Housing Society Ltd., Mumbai (₹250/-)	-	-
vi) 50 Shares (Previous Year : 50) of ₹30/- each fully paid up in Suraj Heights A Co-operative Housing Society Ltd., Mumbai (₹1,500/-)	-	-
vii) 10 Shares (Previous Year : 10) of ₹5/- each fully paid up in Sheel Jeet Co-operative Housing Society Ltd., Mumbai (₹500/-)	-	-
viii) 8347 Equity shares (Previous Year: 8347 Eq Shares) of USD 1/- each fully paid up in South East Asia Gas Pipeline Ltd.; registered in Hongkong.	0.04	0.04
3. Other Investment (Other Non-Current)		
Other Investment / Investment by Group companies	51.87	11.25
4. Advances for Investment (Pending Allotment)		
South East Asia Gas Pipeline Ltd	105.70	105.70
TOTAL	1,259.14	1,144.88

Note 13 : Long term Loans and Advances

(₹ In Crores)

	AS AT 31 ST MARCH, 2015	AS AT 31 ST MARCH, 2014
(a) Capital Advances		
(Secured / Unsecured - Considered Good)	2,441.87	1,910.54
(Unsecured - Considered Doubtful)	0.35	0.35
	<u>2,442.22</u>	<u>1,910.89</u>
Less : Provision for Doubtful Advances	<u>(0.35)</u>	<u>(0.35)</u>
	2,441.87	1,910.54
(b) Security Deposits (Unsecured)	154.39	137.90
(c) Other Loans and Advances		
Loans and advances		
- South East Asia Gas Pipeline	234.64	195.17
Loans to Employees		
- Secured, Considered Good	300.41	269.60
- Unsecured, Considered Good	98.85	87.12
Advances to Income Tax against pending demand (net of MAT Credit Entitlement)		
- Unsecured, Considered Good	1,613.15	1,298.13
- Unsecured, Considered Doubtful	107.57	85.72
	<u>1,720.72</u>	<u>1,383.85</u>
- Less: Provision for Doubtful Income Tax against pending demand	<u>(107.57)</u>	<u>(85.72)</u>
	1,613.15	1,298.13
Advance Tax / TDS		
- Unsecured, Considered Good	3,407.69	3,848.64
Less: Provision for Taxations	<u>(3,071.07)</u>	<u>(3,612.67)</u>
	336.62	235.97
Others	763.32	411.16
(Unsecured, Considered Good)		
TOTAL	<u>5,943.25</u>	<u>4,545.59</u>

Note 14 : Other Non Current Assets

(₹ In Crores)

	AS AT 31 ST MARCH, 2015	AS AT 31 ST MARCH, 2014
Long Term Trade Receivables		
(Unsecured - Considered Good)	2,410.50	719.00
(Unsecured - Considered Doubtful)	527.85	597.10
	<u>2,938.35</u>	<u>1,316.10</u>
Less : Provision for Doubtful Debts	<u>(527.85)</u>	<u>(597.10)</u>
	2,410.50	719.00
Others		
Deposit with various parties	6.86	4.48
Other Non current assets	5.89	6.34
TOTAL	<u>2,423.25</u>	<u>729.82</u>

Note 15 : Current Investments

(₹ In Crores)

	AS AT 31 ST MARCH, 2015	AS AT 31 ST MARCH, 2014
Other Current Investments / Mutual Fund Scheme	139.28	136.80
TOTAL	139.28	136.80

Note 16 : Inventories

(₹ In Crores)

	AS AT 31 ST MARCH, 2015	AS AT 31 ST MARCH, 2014
(a) Finished Goods (incl Work-in-Progress)		
Stock of Gas*/Polymers/LPG and Other Products *after adjustment of calorific value	1,342.33	1,574.01
(b) Raw material, Stores, Spares and others (As taken, valued and certified by the Management)		
Raw Material	114.37	88.86
Raw Material in Transit	-	30.65
CNG and Natural Gas in Pipeline	0.93	0.85
Stores and Spares (including Construction Surplus - Capital/Stores)	921.06	916.19
Less : Provision for Losses/Obsolescence	(24.13)	(23.51)
	896.93	892.68
TOTAL	2,354.56	2,587.05

Note 17 : Trade Receivables

(₹ In Crores)

	AS AT 31 ST MARCH, 2015	AS AT 31 ST MARCH, 2014
Trade receivables outstanding for a period exceeding six months		
- Secured, Considered Good	3.87	0.04
- Unsecured, Considered Good	856.36	189.69
- Unsecured, Considered Doubtful	96.98	0.47
	957.21	190.20
Other receivables		
- Secured, Considered Good	11.28	10.22
- Unsecured, Considered Good	2,338.43	3,246.84
- Unsecured, Considered Doubtful	1.85	1.12
	2,351.56	3,258.18
	3,308.77	3,448.38
Less : Provision for Doubtful debts	(98.83)	(1.59)
TOTAL	3,209.94	3,446.79

Note 18 : Cash and cash equivalents

(₹ In Crores)

	AS AT 31 ST MARCH, 2015	AS AT 31 ST MARCH, 2014
BALANCES WITH BANKS		
On Current Account (includes Corporate Liquid Term Deposit)	200.61	638.29
On Current Account - Dividend Payable	3.51	3.23
On Term Deposit Account (including Long Term deposits)	441.53	1,441.14
On Short Term Deposit - Gas Pool Money (includes interest accrued but not due ₹34.27 Cr (Previous Year : ₹28.99 Cr)	800.08	1,028.26
On Short Term Deposit - Imbalance & Overrun (includes interest accrued but not due ₹3.11 Cr (Previous Year : ₹5.62 Cr)	79.92	70.18
On Short Term Deposit - JV Consortium (includes interest accrued but not due ₹1.09 Cr (Previous Year : ₹2.29 Cr)	30.50	28.06
	<u>1,556.15</u>	<u>3,209.16</u>
Cheques/Drafts/Stamps in hand	0.02	0.07
Cash in hand	2.08	1.88
	<u>2.10</u>	<u>1.95</u>
TOTAL	<u><u>1,558.25</u></u>	<u><u>3,211.11</u></u>

Note 19 : Short Term Loans and Advances

(₹ In Crores)

	AS AT 31 ST MARCH, 2015	AS AT 31 ST MARCH, 2014
Loans / Advances to Employees	48.24	50.14
Advances recoverable in cash or in kind or for value to be received		
- Unsecured, Considered Good (Refer Note No - 36 of Other Notes to accounts)	1,373.07	1,739.99
- Unsecured, Considered Doubtful	0.99	0.67
	<u>1,374.06</u>	<u>1,740.66</u>
Less : Provision for Doubtful Advances	<u>(0.99)</u>	<u>(0.67)</u>
	1,373.07	1,739.99
Claims Recoverable		
- Unsecured, Considered Good	162.28	216.97
- Unsecured, Considered Doubtful	1.13	2.28
	<u>163.41</u>	<u>219.25</u>
Less : Provision for doubtful claims	<u>(1.13)</u>	<u>(2.28)</u>
	162.28	216.97
Deposits / Balances with Government Authorities and Others		
- Unsecured, Considered Good	2,568.05	2,434.80
- Unsecured, Considered Doubtful	1.86	1.59
	<u>2,569.91</u>	<u>2,436.39</u>
Less : Provision for doubtful deposits	<u>(1.86)</u>	<u>(1.59)</u>
	2,568.05	2,434.80
Trade and Security Deposits		
- Unsecured, Considered Good	0.53	0.59
TOTAL	<u><u>4,152.17</u></u>	<u><u>4,442.49</u></u>

Note 20 : Other Current Assets

(₹ In Crores)

	AS AT 31 ST MARCH, 2015	AS AT 31 ST MARCH, 2014
Interest accrued but not due	18.55	24.03
Others (including Premium on Foreign Currency Derivative Contract)	930.88	304.11
TOTAL	949.43	328.14

Note 21 : Revenue from Operations

(₹ In Crores)

	Year Ended 31 ST March, 2015	Year Ended 31 ST March, 2014
a) Sale of Products/ Gas	59,985.94	61,173.25
b) Sale of Services	1,439.83	1,422.57
c) Income from Telecom	2.96	2.97
d) Other Operating Income	189.23	274.81
	61,617.96	62,873.60
Less : Excise Duty	(914.00)	(955.29)
TOTAL	60,703.96	61,918.31

Note 22 : Other Income

(₹ In Crores)

	Year Ended 31 ST March, 2015	Year Ended 31 ST March, 2014
Dividend from long term (trade) investment	341.59	353.79
Interest on :		
- Bonds / Debentures (Long term trade investment)	-	-
- Deposits with Banks	117.15	183.04
- Others	240.84	147.18
	357.99	330.22
Add : Transferred to Expenditure during construction period (Refer Note 27)	(11.00)	(16.80)
	346.99	313.42
Miscellaneous Income including liabilities written back	179.46	253.71
Add : Transferred to Expenditure during construction period (Refer Note 27)	(4.62)	(2.71)
	174.84	251.00
TOTAL	863.42	918.21

Note 23 : Employee benefits expenses

(₹ In Crores)

	Year Ended 31 st March, 2015	Year Ended 31 st March, 2014
Salaries, Wages and Allowances	817.39	782.07
Contribution to Provident and Other Funds	136.89	119.28
Welfare Expenses	153.63	139.32
Secondment charges	1.84	1.85
TOTAL	1,109.75	1,042.52
Less: Employees Benefit Expenses transferred to Capital Work-in-Progress (refer note no. 27)	124.36	122.48
TOTAL	985.39	920.04

Note 24 : Finance Cost

(₹ In Crores)

	Year Ended 31 st March, 2015	Year Ended 31 st March, 2014
Interest on :		
- Term Loans	1,321.73	1,206.34
- Bonds	125.25	134.03
- Others	10.13	3.44
Other Borrowing Costs (Commitment and other Finance Charges)	32.29	40.20
Exchange differences regarded as an adjustment to Interest Cost	-	-
TOTAL	1,489.40	1,384.01
Less: Interest and Finance Charges transferred to Capital Work-in-Progress (refer note no. 27)	837.57	715.30
TOTAL	651.83	668.71

Note 25 : Depreciation and Amortization Expenses

(₹ In Crores)

	Year Ended 31 st March, 2015	Year Ended 31 st March, 2014
Depreciation and Amortization Expenses	1,458.24	1,657.88
Impairment Loss	6.09	5.62
	1,464.33	1,663.50
Less: Depreciation & Amortization expenses transferred to Capital Work-in-Progress (refer note no. 27)	31.76	19.28
TOTAL	1,432.57	1,644.22

As required by Accounting Standard (AS) 28, 'Impairment of Assets', an amount of ₹5.62 Cr (Previous Year: ₹0.39 Cr) has been impaired in respect of GAIL Tel Cash Generating Units.

Note-26 : Other Expenses

(₹ In Crores)

	Year Ended 31 st March, 2015		Year Ended 31 st March, 2014	
Power, Fuel and Water Charges				
Power and Water Charges	411.86		487.63	
Gas used as Fuel	1,608.03		1,433.85	
		2,019.89		1,921.48
Gas Pool Expenses		1,517.48		454.77
Stores and Spares consumed		325.21		359.55
Rent		45.56		45.06
Rates and Taxes (includes entry tax on gas)		235.13		174.26
Licence Fees - Telecom		1.88		2.01
Bandwidth Consumption		0.69		0.03
Repairs and Maintenance				
Plant and Machinery	464.47		376.25	
Buildings	36.22		22.84	
Others	72.52	573.21	41.08	440.17
Insurance		48.71		38.45
Communication Expenses		11.46		11.65
Printing and Stationery		4.04		4.38
Travelling Expenses		109.68		102.44
Books and Periodicals		2.69		1.45
Advertisement and Publicity		47.26		38.33
Payment to Auditors				
Audit Fees	0.81		0.87	
Tax Audit fees	0.16		0.07	
Company Law Matters	-		-	
Management Services (incl other Services - for issuing certificate, etc.)	0.32		0.21	
Travelling & Out of Pocket Expenses	0.51	1.80	0.35	1.50
Entertainment Expenses		0.90		0.87
Recruitment and Training Expenses		16.84		17.02
Vehicle Hire and Running Expenses		45.90		41.43
Equipment Hire charges		1.32		1.47
CNG Transportation		0.74		0.41
CNG Dispensing Charges		-		-
Operating Expenses at CNG Stations		26.92		23.45
Lease Charges		42.46		29.73
Survey Expenses		20.41		69.01
Dry Well Expenses written off	113.40		41.38	
Less: Provision for Dry Well Expenses written back	-	113.40	-	41.38
Oil & Gas Producing Expenses (Operators)		66.52		58.19
Royalty on Crude Oil *		167.14		65.09

(₹ In Crores)

	Year Ended 31 st March, 2015	Year Ended 31 st March, 2014
Consultancy Charges	56.52	55.99
Legal and Professional charges	8.18	17.71
Data Processing Expenses	2.95	7.40
Donation	0.02	0.12
Research and Development Expenses	17.01	28.45
Directors fees	0.04	0.04
Loss on sale / written off of assets(net)	(3.49)	2.93
Bad Debts / Claims / Advances / Inventories written off	0.94	0.15
Provision for Doubtful Debts, Advances, Claims, Deposits and obsolescence of Stores and Capital Items	68.91	386.27
Provision for Probable Obligations / Contingencies	49.83	180.45
Excise Duty on Stock (net)	3.19	(9.01)
Expenses on Enabling Facilities	15.38	30.29
Selling & Distribution Expenses	46.33	31.52
Discount on Sales	146.59	153.75
Commission on Sales	16.55	16.28
Dealers' Commission	7.62	7.32
Security Expenses	125.04	106.04
Corporate Social Responsibility Expenses	73.47	62.60
Net Loss on Foreign currency transaction and translation	(49.35)	(23.71)
Other Expenses	802.39	504.61
Prior Period Adjustments (Refer note 28)	109.24	(3.33)
TOTAL	6,944.60	5,499.45
Less: Incidental Expenditure during construction transferred to Capital Work-in-Progress (refer note no. 27)	832.31	483.50
TOTAL	6,112.29	5,015.95

*Includes ₹43.96 Cr (Previous Year: ₹20.52 Cr) towards Government Share of Profit Petroleum

Note 27 : Expenditure during Construction Period

(₹ In Crores)

	Year Ended 31 st March, 2015		Year Ended 31 st March, 2014	
Employees Remuneration and Benefits				
Salaries, Wages and Allowances	115.53		107.12	
Contribution to Provident and Other Funds	4.95		9.27	
Welfare Expenses	3.88	124.36	6.09	122.48
Power, Fuel and Water Charges		137.41		7.11
Stores & Spares		1.88		0.15
Rent		6.55		6.49
Rates and Taxes		2.28		10.19
Repairs and Maintenance - Plant and Machinery		0.41		0.15
Repairs and Maintenance - Building		0.05		0.03
Repairs and Maintenance - Others		14.60		1.28
Insurance		14.52		7.02
Communication Expenses		1.06		1.14
Printing and Stationery		0.42		0.66
Travelling Expenses		11.42		12.93
Books and Periodicals		0.01		0.02
Advertisement and Publicity		0.99		0.59
Payment to Auditors		0.17		0.18
Entertainment Expenses		0.26		0.56
Recruitment and Training Expenses		1.47		1.48
Vehicle Hire and Running Expenses		6.18		5.18
Professional & Consultancy Charges		2.20		14.62
Data Processing Expenses		0.01		-
Other Expenses		630.42		413.72
Depreciation		31.76		19.28
Interest and Finance Charges		837.57		715.30
		<u>1,826.00</u>		<u>1,340.56</u>
Less: - Interest Income	11.00		16.80	
- Misc. Income	4.62		2.71	
- Sales	-	15.62	-	19.51
Net Expenditure		<u>1,810.38</u>		<u>1,321.05</u>
Less :Transferred to Capital Work-in-progress				
a) Employees Benefits Expenses	124.36		122.48	
b) Interest & Finance Charges	837.57		715.30	
c) Depreciation	31.76		19.28	
d) Other Expenses	832.31		483.50	
e) Other Income	(15.62)	1,810.38	(19.51)	1,321.05
Balance Carried over to Balance Sheet		<u>NIL</u>		<u>NIL</u>

Note 28 : Prior Period Adjustments

(₹ In Crores)

	Year Ended 31 st March, 2015	Year Ended 31 st March, 2014
Purchase of Gas	(10.95)	(1.28)
Salaries, Wages and Allowances	0.05	(0.60)
Contribution to PF & Other Fund	-	3.24
Welfare Expenses	106.00	-
Stores and Spares consumed	(0.53)	-
Rent	2.68	0.63
Depreciation(Net)	1.96	7.99
Repairs and Maintenance	(2.99)	(0.78)
Consultancy Charges	-	-
Other Expenses	11.85	2.80
TOTAL	108.07	12.00
Less :		
- Sales	(1.34)	3.18
- Interest Income	0.11	0.16
- Miscellaneous Income	0.06	11.99
TOTAL(NET)	109.24	(3.33)

Other Notes forming part of Consolidated Financial Statements

29.(A) BASIS OF PREPARATION

The Consolidated Financial Statements (CFS) relate to GAIL (India) Limited (hereinafter referred as the "Company") and its subsidiary, Joint Ventures and Associates. The accounts are prepared on historical cost convention in accordance with the applicable accounting standards and other applicable relevant statutes.

(B) PRINCIPLES OF CONSOLIDATION

The consolidated Financial Statements have been prepared in accordance with the applicable Accounting Standards on the following basis:-

- i. The Financial Statements of the Company and its subsidiary companies 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 in accordance with Accounting Standard (AS) 21-"Consolidated Financial Statements".
- ii. Investments in Associates have been accounted for using the equity method in accordance with Accounting Standard AS (23) - "Accounting for investment in Associates in Consolidated Financial Statements". The excess/deficit of cost of investment over the proportionate share in equity of the Associate as at the date of the acquisition of stake has been identified as Goodwill/Capital reserve and included in the carrying value of the investment in Associate and disclosed separately. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the Associate.
- iii. The Financial Statements of Joint Venture Company have been combined by applying proportionate consolidation method on a line by line basis on items of assets, liabilities, income and expenses after eliminating proportionate share of unrealized profits or losses in accordance with Accounting Standard (AS) 27 on "Financial Reporting of Interests in Joint Ventures".
- iv. The consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate Financial Statements except as otherwise disclosed in the other Notes to Accounts.
- v. The excess of the cost to the Company of its investment in Subsidiaries and Joint Ventures over its proportionate share in the equity of the investee company as at the date of acquisition of stake is recognized in the financial statements as Goodwill. In case the cost of investment in a subsidiary or Joint Venture is less than the proportionate share in the equity of the investee as on the date of the investment, the difference is treated as Capital reserve.
- vi. Minority Interest's share of Net Profit/Loss of Consolidated Subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the Net Income attributable to the shareholders of the Company.
- vii. Minority Interest's share of Net Assets of Consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet separately from liabilities and the equity of the Company's shareholders.
- viii. The accounts of all Group Companies are drawn upto the same reporting date as the parent entity (i.e. Financial Year ended March 31, 2015), except Gail Global (USA) Inc., Fayum Gas and Nat Gas (for which the accounts drawn up as at December 31, 2014) and China Gas Holding Limited (for which the accounts drawn up to September 30, 2014) have been used in consolidation. No adjustments have been done for the period subsequent to that date, since there are no significant transactions, as informed by respective company's management.
- ix. The financial statements of the Subsidiaries - GAIL Global (Singapore) Pte Ltd and Gail Global (USA) Inc are prepared in accordance / conformity with Singapore Financial Reporting Standards & US GAAP respectively, assuming the companies are going concern and the transactions with these companies are considered as non integral operation as per Accounting Standard - 11 on "The Effects of Changes in Foreign Exchange Rates" and accordingly, the Financial Statements have been translated in Indian Rupees for the purpose of Consolidated Financial Statements.
- x. The financial statements of Fayum Gas and Nat Gas have been prepared in accordance with the Egyptian Accounting Standards and relevant Egyptian Laws and regulations and according to the historical cost basis assuming the company is a going concern and converted in Indian Rupees as per Accounting Standard (AS) 11 on "The Effects of Changes in Foreign Exchange Rates". While the financial statements of China Gas Holding Limited has been prepared in accordance with the Hongkong Accounting Standards and relevant Hongkong Laws and regulations and according to the historical cost basis assuming the company is a going concern and converted in Indian Rupees as per said Accounting Standard (AS)-11.
- xi. Investment other than in Subsidiaries, Joint Ventures & Associates have been accounted for as per Accounting Standard (AS) - 13 on "Accounting for Investments".

(C) OTHER SIGNIFICANT ACCOUNTING POLICIES:-

These are set out under Significant Accounting Policies as given in the Company's separate financial statements.

30. The Consolidated Financial Statements represent consolidation of accounts of the Company (GAIL India Limited), its subsidiaries, joint venture companies and associates as detailed below:

Name of Company	Country of Incorporation	Relation	Proportion of ownership interest as on 31.03.2015	Name of Company	Country of Incorporation	Relation	Proportion of ownership interest as on 31.03.2015
GAIL Global (Singapore) PTE Ltd	Singapore	Subsidiary	100%	Maharashtra Natural Gas Limited (MNGL)	India	Joint Venture	22.50%
GAIL Global (USA) Inc. (Refer*1)	USA	Subsidiary	100%	Aavantika Gas Limited	India	Joint Venture	22.50%
Brahmaputra Cracker & Polymer Ltd	India	Subsidiary	70.00%	Ratnagiri Gas & Power (Private) Ltd (RGPPPL)	India	Joint Venture	28.91% ##
GAIL GAS Limited (Refer*2)	India	Subsidiary	100%	Tripura Natural Gas Co Ltd. (TNGCL)	India	Joint Venture	29.00%
Mahanagar Gas Limited	India	Joint Venture	35.00%	ONGC Petro-additions Limited (OPaL)	India	Joint Venture	15.50%
Indraprastha Gas Limited	India	Joint Venture	22.50%	GAIL China Gas Global Energy Holdings Ltd. #	Bermuda	Joint Venture	50.00%
Petronet LNG Limited	India	Joint Venture	12.50%	TAPI Pipeline Company Limited #	Isle of Man	Joint Venture	25.00%
Bhagyanagar Gas Limited	India	Joint Venture	22.50%	Fayum Gas	Egypt	Associate	19.00%
Central UP Gas Limited	India	Joint Venture	25.00%	Gujarat State Energy Generation Ltd (GSEG)	India	Associate	5.96%
Green Gas Limited	India	Joint Venture	22.50%	Natural Gas Company "Nat Gas"	Egypt	Associate	15.00%
				China Gas Holding Limited	Bermuda	Associate	3.00%

*1: Consolidated financial statement of GAIL Global (USA) Inc includes its 100% subsidiary, Gail Global (USA) LNG LLC.

*2: Consolidated financial statement of GAIL GAS Ltd includes its 25%, 26%, 25% & 26% interest in joint venture companies, i.e., Andhra Pradesh Gas Distribution Corporation Ltd, Kerala GAIL GAS Ltd, Vadodara Gas Ltd, and Rajasthan State Gas Ltd respectively.

No equity infusion/investment has been made so far and hence financial statements have not been made.

The proportionate ownership as per JV Agreement is 32.88%, however the shareholding is considered subsequent to conversion of critical dues into equity by consortium lenders on actual basis.

31. In view of different sets of environment in which the subsidiaries/Joint Ventures are operating, the accounting policies followed by the subsidiaries/Joint Ventures are different from the accounting policies of the Company in respect of the following significant changes. Such different accounting policies have been adopted in respect of the following:

Particulars	Name of Joint Venture / Subsidiary	Accounting Policies		Proportion of GAIL's share (Gross Amount) (₹ in Crores)
		GAIL (India) Ltd.	Subsidiary / Joint Venture	
Inventories Valuation of Stores and spares	Central UP Gas Ltd	Valued at weighted average cost or net realizable value, whichever is lower	Valued at cost on weighted average basis.	0.84
	Tripura Natural Gas Co Ltd	Valued at weighted average cost or net realizable value, whichever is lower	Valued at cost	0.39

Particulars	Name of Joint Venture / Subsidiary	Accounting Policies		Proportion of GAIL's share (Gross Amount) (₹in Crores)
		GAIL (India) Ltd.	Subsidiary / Joint Venture	
Depreciation				
Software / Licences	Petronet LNG Limited (PLL) / Aavantika Gas Limited (AGL) / Mahanagar Gas Limited / Bhagyanagar Gas Limited / Maharashtra Natural Gas Limited / RGPPL.	Software / Licences are amortized in 5 years on straight line method	Software/Licences are amortised on Straight Line method as follows:- Petronet LNG Ltd – 3 years. Aavantika Gas Ltd – 4 years. Mahanagar Gas Ltd – 6 years. Bhagyanagar Gas Ltd – 4 years. Maharashtra Natural Gas Ltd – 3 years. RGPPL – 3 years or Period of Legal right, whichever is less.	1.51
All Assets	Tripura Natural Gas Co Ltd	Assets are depreciated on SLM basis	Assets are depreciated on WDV basis, except computer (employees) @ 25% p.a. on SLM basis.	2.11
Employee Benefits	Bhagyanagar Gas Limited / AGL	Implementation of Revised AS-15	Implementation of AS-15 is un-ascertained	Not Quantifiable
Prepaid expenses & Prior period expenses / income	Brahmaputra Cracker & polymers Ltd (BCPL) / Bhagyanagar Gas Limited / RGPPL / Green Gas Ltd.	Prepaid expenses and prior period expenses / income upto ₹5 lakhs in each case are charged to relevant heads of account of the current year.	Prepaid expenses and prior period expenses / income upto ₹1 lakh in each case are charged to relevant heads of account of the current year.	Not Quantifiable
	All Subsidiary & Joint Ventures, except Gail Gas Ltd., BCPL, Bhagyanagar Gas Limited / RGPPL / Green Gas Ltd.	Prepaid expenses and prior period expenses / income upto ₹5 lakhs in each case are charged to relevant heads of account of the current year.	Un-ascertained / Not available.	Not Quantifiable
Contingent Liabilities	Bhagyanagar Gas Limited	Contingent liabilities exceeding ₹5 Lakhs in each case are disclosed by way of notes to accounts.	Contingent liabilities exceeding ₹1 Lakh in each case are disclosed by way of notes to accounts.	Not Quantifiable
	All Subsidiary & Joint Ventures, except Gail Gas Ltd, BCPL, AGL, Bhagyanagar Gas Limited.	Contingent liabilities exceeding ₹5 Lakhs in each case are disclosed by way of notes to accounts.	Un-ascertained / Not available.	Not Quantifiable
Capital commitment	AGL / Bhagyanagar Gas Limited	Estimated amount of contracts remaining to be executed on capital accounts are disclosed in each case above ₹5 Lakhs.	Estimated amount of contracts remaining to be executed on capital accounts are disclosed in each case above ₹1 Lakh.	Not Quantifiable
	All Subsidiary & Joint Ventures, except Gail Gas Ltd, BCPL, AGL, Bhagyanagar Gas Limited, Green Gas Ltd.	Estimated amount of contracts remaining to be executed on capital accounts are disclosed in each case above ₹5 Lakhs.	Un-ascertained / Not available.	Not Quantifiable

The effect of above differential accounting policies could not be quantified on Statement of profit & Loss.

32. Contingent Liabilities and Commitments (To the extent not provided for):

i. Contingent Liability

- (a). Claims against the Company not acknowledged as debts: ₹8,286.66 Crores (Previous Year: ₹7,756.39 Crores), which mainly include:-
- (i) Legal cases for claim of ₹1,709.68 Crores (Previous Year: ₹1,649.56 Crores) by trade payable on account of Liquidated Damages/Price Reduction Schedule and Natural Gas price differential etc. and by customers for Natural gas transmission charges etc.
- (ii) Income tax assessments up to the Assessment Year 2012-13 have been completed and a demand (net of provision) of ₹1,335.95 Crores relating to the Assessment Years 1996-97 to 2015-16 (Previous Year: ₹1,337.15 Crores relating to the Assessment Years 1996-97 to 2011-12) raised by the Department on account of certain disallowances / additions, has been disputed by the Company as it has been advised that the demand is likely to be deleted or may be reduced substantially by the appellate authorities. The Company has filed appeal with the appropriate appellate authorities against all the assessment years. However, to avoid coercive action by the Department, ₹1,256.09 Crores (Previous Year: ₹1,298.14 Crores) has already been paid pending decision by the appellate authorities. Further, Department has also filed appeals amounting to ₹170.05 Crores (including interest) (Previous Year: ₹100.32 Crores) before Income Tax Appellate Tribunal, Delhi against the relief granted by CIT (A) in favour of the Company.
- (iii) ₹4,753.53 Crores (Previous Year: 4,238.36 Crores) relating to disputed tax demand towards Custom Duty, Excise duty, Sales tax, Entry tax, Service Tax etc.
- (b) Share in Contingent Liabilities of Joint Ventures based on their audited/ unaudited financial statement: ₹824.01 Crores (Previous Year: ₹980.49 Crores).

II. Commitments:-

- (a) Estimated amount of contracts remaining to be executed on capital account and not provided for: ₹3,476.34 Crores (Previous Year: ₹3,937.50 Crores).
- (b) 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 Joint Ventures ₹588.62 Crores (Previous Year: ₹842.47 Crores).
- (c) Other Commitments:-
- (i) As at 31st March 2015, the Company has commitment of ₹134.15 Crores (Previous Year: ₹147.58 Crores) towards further investment in the entity other than Joint Ventures, Associates & Subsidiaries.

33. In respect of Subsidiary and Joint Ventures, the following salient notes to accounts are disclosed.

I. GAIL Gas Ltd.

- a) The incidental expenditure during construction amounting ₹12.48 Crores (Previous Year: ₹14.72 Crores) have been allocated to completed project & Capital work in progress in the ratio of direct allocated cost for assets.

- b) During the year, the Company has taken Loans from OIIB and from Union Bank of India to finance the project activities in the TTZ and cities of Dewas, Kota, Meerut and Sonapat. Wherever the expenditure on the projects was incurred post disbursement of loan, the borrowing cost on the same was appropriately capitalized and in respect of projects completed out of the opening capital work in progress is assumed to be funded by equity. In terms of AS 16 "Borrowing Cost", the total Interest & Finance Charges amounting to ₹18.56 Crores (Previous Year: ₹19.75 Crores) was incurred, out of which an amount of ₹4.95 Crores (previous Year: ₹9.15 Crores) was capitalized during the period.
- c) Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006"):

Particulars	2014-15	2013-14
i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	₹0.07 Cr.	₹0.12 Cr.
ii) The amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year ended) but without adding the interest specified under this Act;	-	-
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	₹0.01 Cr.	-
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	₹0.01 Cr.	-

The above information regarding micro, small and medium enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

- d) During the year, the company has been granted authorization for laying, building, operating or expanding CGD network in the Geographical Area of Bengaluru Rural and Urban Districts (Karnataka) under the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand City or Local Natural Gas Distribution Networks) Regulation, 2008. Company has submitted a Performance Bank Guarantee of ₹5199.99 Crores issued by State Bank of India to PNGRB for which the Corporate Guarantee has been provided by the parent company i.e. GAIL (India) Ltd. The Bank Guarantee Commission of ₹5.38 crores for one year has been paid and booked as Incidental Expenditure During Construction which would be charged off in the year of commencement of commercial operation.

e) Corporate Social Responsibility

- Gross amount required to be spent by the company during the year was ₹0.43 Cr.
- Gross Amount spent during the year on:

	In Cash	Yet to be paid in cash	Total
Construction/acquisition of any assets	-Nil-	-Nil-	-Nil-
On purposes other than above	-Nil-	-Nil-	-Nil-

- (i) In accordance with the generally accepted principles of accounting, no provision for the above amount has been made since no CSR activity was identified during the year & no liability has been incurred which needs to be recognized in the financial statements.

II. Brahmaputra Cracker and Polymer Ltd.

- a) Due to time overrun and other micro economic factors, increase in project cost of ₹913.52 Crore over the approved cost ₹8920 crore is estimated. The new time line of completion of the project by 30th June, 2015 is envisaged. Accordingly, the proposal for revised project cost of ₹9833.52 crore, commissioning of Project by 30th June, 2015, revenue subsidy and applicability of NR concessional gas price/feedstock subsidy for 15 years of plant operation has been submitted to the administrative Ministry duly recommended by the company's board. The proposal is under consideration by the Government.
- b) Leasehold Land including development cost there on amounting to ₹89.36 Crores (Previous Year: ₹81.87 Crores) comprises land for which lease deed has been executed for a period of 30 years. As the title to the land rest on the Govt of Assam, the same will amortised over the said period. Such land has been reflected as a tangible assets.

III. Petronet LNG LTD.

- a) Custom Duty on import of Project Material / equipment has been assessed provisionally (current and previous years) and additional liability / refund, if any, on this account will be accounted for in books on final assessment.
- b) The Company is eligible for deduction under section 80IA of the Income Tax Act, 1961, with respect to Power Generation and Port Undertakings at Dahej. Till previous year, provision for Income Tax has been made in the books without considering deduction under section 80IA, as the deduction was disallowed by the Income Tax Department at the time of assessment. During the year, the company has been allowed deduction under Section 80IA for assessment year 2012-13 and therefore, tax benefits amounting to ₹123.14 crores has been accounted for in the books with respect to assessment year 2012-13 to 2014-15. Further, the company has claimed income tax deduction benefit of ₹20.48 crores under section 32AC at the time of filling of Income Tax return for assessment year 2014-15 and the same has been accounted for in the books during the current year.

IV. Indraprastha Gas Limited

- a) The Company has installed various CNG Stations on land leased from various Government Authorities under leases for periods ranging from one to five years. However, assets constructed / installed on such land are depreciated generally at the useful life specified in Schedule II to the

Companies Act, 2013, as the Management does not foresee non-renewal of the above lease arrangements by the Authorities.

- b) The Company has taken certain equipment and vehicles under operating lease agreements. The total lease rentals recognized as expense during the year under the above lease agreements aggregates ₹7.73 Crores (Previous year: ₹7.51 Crores).

V. Mahanagar Gas Ltd.

- a) Company has taken on lease few equipments / machines for some CNG Retail Outlets. Lease charges are dependent on sale of CNG at these outlets and hence there are no minimum lease payments. The term of the contract is one or two years, renewable at the discretion of the Company. The contract does not impose any restrictions concerning dividend, additional debt and further leasing. Lease payments recognized in the Statement of Profit and Loss for the year is ₹2.42 Crores (Previous year: ₹1.88 Crores).
- b) Company has taken certain vehicles under operating lease agreements. Lease payments recognized in the Statement of Profit and Loss under "Other / Miscellaneous Expenses" for the year is ₹10.98 Crores (Previous year: ₹8.46 Crores).
- c) Company has entered into agreements for taking on leave and license basis certain residential/office premises/godowns. All the agreements contain a provision for its renewal. Lease payments recognized in the Statement of Profit and Loss under rent for the year is ₹10.04 Crores (Previous year: ₹9.78 Crores).
- d) The future minimum lease payments of non-cancellable operating leases are as under:-

	2014-15	2013-14
Not later than one year	₹3.48 Crores	₹0.05 Crores
Later than one year, but not later than five years	NIL	NIL
Later than five years	NIL	NIL
TOTAL	₹3.48 Crores	₹0.05 Crores

- e) The Foreign Investment Promotion Board (FIPB) through its approval had allowed the Company to continue with the arrangements of foreign equity participation upto 50% in the paid up capital of the Company until December 2006. This approval was subject to the condition that the Company would be required to bring an Initial Public Offer (IPO) to divest the shareholding of the promoters to 35% each as per the Joint Venture Agreement. Further, FIPB vide its letter dated 2nd January, 2015 conveyed the approval of Government of India to the proposal of the Company regarding amendment of approval to record revised shareholding structure of the Company subject to compliance of certain conditions. FIPB has also conveyed that compounding would be needed by RBI for non-compliance of divestment conditions during the period January, 2007 to March, 12, 2008. The Company has provided for the amount of ₹0.24 crores based on an expert opinion, towards such compounding. The IPO and the shareholding post IPO will have to be in compliance with the aforesaid letter.

VI. Bhagyanagar Gas Limited

- a) During the year, interest on term loan / bridge loan amounting to ₹5.09 Crores has been apportioned to Fixed Assets & Capital work-in progress.
- b) As per the provisions of the Section 135 of the Companies Act 2013 and CSR Rules 2014, the company is required to spend amount of 2% of net profits, computed as per provisions of Section 198 of the Companies Act 2013, average of the immediately preceding three financial years, on permissible CSR activities. However as independent directors could not be appointed till 31st March 2015, the company could not constitute CSR committee and also could not formulate CSR policy. During the year the company has provided ₹0.19 cr being 2% of net profits, computed as above and proposes to spend the same on permissible CSR activities in next financial years.

VII. Central U.P. Gas Limited

- a) The Company has taken certain properties under Operating lease agreements. The total lease rentals recognized as expense during the year under the above lease agreements aggregates ₹1.16 Crores (Previous Year: ₹0.85 crores). Lease obligations under non-cancellable periods are as follows:-

	2014-15	2013-14
Amounts payable in next one year	₹0.28 Crores	₹0.39 Crores
Amounts payable in next two to five years	NIL	₹0.26 Crores
Amounts payable over five years	NIL	NIL

- b) Expenditure on corporate social Responsibility Activities:
- Gross amount required to be spent by the company during the year ₹0.67 cr.
 - Amount spent during the Year on:

	In Cash	Yet to be paid in cash ₹	Total ₹
- Construction/acquisition of any asset	NIL	NIL	NIL
- On purposes other than above	₹0.07 cr	₹0.01 cr	₹0.08 cr

VIII. ONGC Petro additions Limited

- a) The Company has certain office / residential premises on properties on Operating Lease which are cancellable by giving appropriate notice as per respective agreements. During the year ₹3.50 crores (Previous Year: ₹2.64 crores) has been paid towards cancellable operating lease.
- b) Disclosure under Micro, Small and Medium Enterprise Development Act, 2006:

(₹ In Crore)

Particulars	2014-15	2013-14
Principal amount remaining unpaid but not due as at year end	1.09	Nil
Interest due thereon as at year end	Nil	Nil
Interest paid by the company in terms of section 16 of Micro, Small and Medium Enterprise Development Act, 2006 along with the amount of the repayment made to the supplier beyond the appointed day during the year.	Nil	Nil
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	Nil	Nil
Interest accrued and remaining unpaid at the end of the year.	Nil	Nil
Further Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	Nil	Nil

IX. Ratnagiri Gas & Power Private Limited

- a) During the year shares were issued against other than cash, being conversion of critical dues by consortium lenders.
- b) Deferred Tax Assets/Liability has not been accounted for as company has a tax holiday for the period of ten years up to 31st March 2022.
- c) The company raised bills for ₹681.51 crore (previous year ₹1,222.83 crore) being fixed charges billed to beneficiaries based on capacity declaration on alternate fuel, i.e. RLNG, based on the CERC Order dated July 30, 2013. Company is declaring capacity in line with CERC Regulations and is raising bills based on monthly regional energy account issued by Western Regional Power Committee (WRPC) secretariat. Company is raising rightfully the bills under the CERC Regulations and legally entitled for recovery of the same from the beneficiaries.

Company has got the decision in its favour against the appeal filed by principal beneficiary in Appellate Tribunal of Electricity (APTEL) against the CERC Order on capacity declaration on RLNG. However, principal beneficiary has not paid any amount and it is understood that they will be approaching honorable Supreme Court against the APTEL Order. Being the amount associated is significant, revenue recognition, in accordance with the Accounting Standard 9 - Revenue Recognition, has been postponed till final resolution of the case.

X. Green Gas Limited

- a) Registry of title deeds in the name of the company for the land at CNG station, Gombtinagar, Lucknow is pending.
- b) During the year Company has not incurred any expenses towards Corporate Social Responsibility activities as required under Section 135 of the companies Act 2013. The company is in the process of forming the CSR committee.

34. Audited / Unaudited financial statements of joint venture – Petronet LNG Ltd., Indraprastha Gas Limited, Mahanagar Gas Limited, Bhagyanagar Gas Limited, Central UP Gas Limited, Green Gas Limited, Aavantika Gas Limited, Ratnagiri Gas & Power (Private) Limited, Maharashtra Natural Gas Limited, Tripura Natural Gas Co Limited, ONGC Petro-additions Limited, TAPI Pipeline Company Limited & GAIL China Gas Global Energy Holdings Limited have been included in consolidation. The figures included in the consolidated financial statements relating to these audited / unaudited joint venture companies are as under:

Total assets are ₹9566.46 Cr (Previous Year : ₹10230.72 Cr) and total liabilities of ₹7012.84 Cr. (Previous Year : ₹7016.89 Cr) and

Total Income of ₹6847.86 Cr (Previous Year : ₹7239.53 Cr.) and total expenditure of ₹6784.02 Cr. (Previous Year : ₹6751.02 Cr.).

35. Unaudited financial statements of an associate – Gujarat State Energy Generation (GSEG) and China Gas Holding Limited, have been included in consolidation in absence of the audited financial statements. Total Share of Profit included in the Consolidated Financial Statements is ₹74.88 Crores (Previous Year: ₹49.15 Crores).

36. Due to short participation by the other joint venture partners there is difference between the % of ownership as per Joint Venture Agreement and actual % of Share capital currently held by the Company i.e. GAIL (INDIA) LIMITED. The management is of the opinion that it is a temporary phase and other joint venture partner will contribute the balance contribution in the share capital of joint venture as per the joint venture agreement. Hence, GAIL (INDIA) LIMITED ownership in the joint ventures are considered only to the extent of % ownership mentioned in Joint Venture agreement, except in case of RGPPL where the consolidation has been made on the basis of actual percentage holding.

Excess contribution in the Equity Share Capital of the various Joint Ventures as on date, over and above the contractual % amounting to ₹604.72 Crores [previous year ₹614.96 Cr.] is included in the 'Advance Recoverable in cash or in kind or for value to be received'.

37. In the previous year the Joint Venture/Associates were incorporated in the consolidated financial statement based on the unaudited financial statement, wherever audited financial statements were not available at the time of consolidation. Adjustment due to Joint Venture regrouping

and adjustment due to Joint Venture/Associates audited statements of such Joint Venture/Associates on the statement of profit/(loss) is ₹(678.37) Crores [Previous Year ₹(310.57) Crores].

38. The consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate Financial Statements. However, there are some differences in certain accounting policies followed by the company, subsidiary, joint ventures and associates but the impact of the same in the opinion of the management is not material / quantifiable.

No fair value adjustment has been considered in consolidated financial statement in respect of "Other Comprehensive Income" reported / disclosed in financial statement of foreign subsidiary.

39. In compliance of Accounting Standard 17 on "Segment Reporting" as notified under Companies Accounting Standard Rules, 2006, the required information is given as per **Annexure – A** to this schedule.

Business Segments: The business 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) Un-allocable

40. In compliance of Accounting Standard 18 on " Related party Disclosures", the name of related parties, nature of relationship and details of transaction entered therewith are given in **Annexure – B**.

41. In compliance to Accounting Standard 20 on "Earning Per Share", the calculation of Earnings Per Share (Basic and Diluted) is as under:

	Current Year	Previous Year
Net Profit after tax used as numerator – (₹crores)	3,160.05	4,786.22
Weighted average numbers of equity shares used as denominator	1,26,84,77,400	1,26,84,77,400
Earnings per share (basic and Diluted) – (₹)	24.91	37.73
Nominal Value per Equity Share – (₹)	10.00	10.00

42. In compliance of Accounting Standard 22 on "Accounting for taxes on Income", the Company has provided net deferred tax liability on 31st March, 2015. The item-wise details of net deferred tax liability as on 31.03.2015 are as under:

	(₹ In Crores)	
	2014-15	2013-14
Deferred Tax Liability		
a). Depreciation	6677.37	6064.28
b). Others	3.48	3.20
Less :- Deferred Tax Assets		
a). Provision for Gratuity & Retirement Benefits	207.21	145.08
b). Benefit u/s 35AD of the Income Tax Act, 1961	2239.51	2649.69
c). Provision for Doubtful Debts / Claims / Advances	399.07	396.19
d). Preliminary Expenses & others	287.37	146.17
Net Deferred Tax Liability / (Assets)	3547.69	2730.35

43. Jointly controlled Entity:

The Company's share of the assets, liabilities, contingent liabilities and capital commitments as at 31st March 2015 and income and expenses for

the year in respect of jointly controlled entities based on audited / unaudited accounts are given below:-

(₹ In Crores)

Particulars	31.03.2015	31.03.2014
A. Assets		
- Non-current / Long term assets	8,568.55	8,428.16
- Current assets	997.91	1,802.56
Total	9566.46	10,230.72
B. Liabilities		
- Non-Current / Long term liabilities	5,001.67	5,369.69
- Current Liabilities & Provisions	2,011.17	1,647.20
Total	7,012.84	7,016.89
C. Contingent Liabilities	824.01	980.49
D. Capital Commitments	588.62	842.47
	Current Year	Previous Year
E. Income	6,847.89	7,239.43
F. Expenses	6,784.05	6,751.02

44. 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 – C**.
45. Previous year's (PY) figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

N.K.Nagpal
Secretary

Subir Purkayastha
Director(Finance)

Prabhat Singh
Director (Marketing)

B. C. Tripathi
Chairman & Managing Director

As per our separate Report of even date

For G. S Mathur & Co.
Chartered Accountants
Firm No.008744N

For S. K Mittal & Co..
Chartered Accountants
Firm No.001135N

Place : New Delhi
Dated : 27th May, 2015

Rajiv Kumar Wadhawan
(Partner)
Membership No. 091007

M K Juneja
(Partner)
Membership No. 013117

INFORMATION ABOUT BUSINESS SEGMENT FOR FINANCIAL YEAR 2014-15 **Annexure "A"**
(₹ In Crore)

SL	SEGMENTS	TRANSMISSION SERVICES**		NATURAL GAS TRADING**	PETRO-CHEMICALS	LPG & LIQUID HYDRO-CARBONS	CITY GAS	UN-ALLOCABLE	TOTAL	ELIMINATION	CONSO-LIDATED TOTAL
		NATURAL GAS	LPG	Note-1	Note-2		Note-3	Note-4			
1	REVENUE										
	External Sales *	3,048.80	440.55	42,869.23	4,594.90	5,052.75	2,886.11	1,622.39	60,514.73	-	60,514.73
	Intersegment sales	300.34	-	8,924.60	125.18	-	-	16.79	9,366.91	9,366.91	-
	Total revenue	3,349.14	440.55	51,793.83	4,720.08	5,052.75	2,886.11	1,639.18	69,881.64	9,366.91	60,514.73
2	RESULTS										
	Segment Result (Profit before Interest & Tax)	1,315.60	237.95	671.18	128.85	1,921.71	323.04	-	4,598.33	-	4,598.33
	Unallocated expenses	-	-	-	-	-	-	65.60	65.60	-	65.60
	Operating Profit	1,315.60	237.95	671.18	128.85	1,921.71	323.04	(65.60)	4,532.73	-	4,532.73
	Interest Expenses	-	-	-	-	-	-	651.83	651.83	-	651.83
	Interest/ Dividend Income	-	-	-	-	-	-	699.58	699.58	-	699.58
	Provision for Taxation	-	-	-	-	-	-	1,420.92	1,420.92	-	1,420.92
	Profit/(Loss) from Ordinary Activities	1,315.60	237.95	671.18	128.85	1,921.71	323.04	(1,438.77)	3,159.56	-	3,159.56
	Extraordinary items	-	-	-	-	-	-	-	-	-	-
	Profit after Tax (before adjustment for Minority Interest)	1,315.60	237.95	671.18	128.85	1,921.71	323.04	(1,438.77)	3,159.56	-	3,159.56
	Add: Share of (Profit) / Loss transferred to Minority	-	-	-	0.49	-	-	-	0.49	-	0.49
	Profit after Tax (after adjustment for Minority Interest)	1,315.60	237.95	671.18	129.34	1,921.71	323.04	(1,438.77)	3,160.05	-	3,160.05
3	OTHER INFORMATION										
	Segment Assets	25,716.16	775.55	1,189.90	9,754.11	1,089.78	1,815.93	3,652.68	43,994.11	238.07	43,756.04
	Unallocated Assets	-	-	-	-	-	-	25,889.21	25,889.21	-	25,889.21
	Total Assets	25,716.16	775.55	1,189.90	9,754.11	1,089.78	1,815.93	29,541.89	69,883.32	238.07	69,645.25
	Segment Liabilities	5,333.08	65.51	187.36	1,401.79	248.45	466.89	(68.60)	7,634.48	169.31	7,465.17
	Unallocated Liabilities	-	-	-	-	-	-	4,560.07	4,560.07	-	4,560.07
	Total Liabilities	5,333.08	65.51	187.36	1,401.79	248.45	466.89	4,491.47	12,194.55	169.31	12,025.24
	Cost to acquire fixed assets	320.22	15.54	124.16	6,929.70	25.83	233.46	431.82	8,080.73	-	8,080.73
	Depreciation#	649.10	50.62	39.42	103.87	44.52	87.35	489.45	1,464.33	-	1,464.33
	Non Cash expenses other than Depreciation#	76.42	0.34	25.52	1.95	0.96	(6.09)	(32.26)	66.84	-	66.84

* Sales is net of Excise Duty

** Assets & Liability of Gas Trading Business included in Gas Transmission Business

Notes

- 1 Includes Joint Venture: Petronet LNG Limited
- 2 Includes Subsidiary: BCPL; Joint Venture: OPaL.
- 3 Includes Joint Ventures: IGL, BGL, MGL, CUGL, GGL, MNGL, Aavantika, TNGCL; Subsidiary: GAIL Gas; & City Gas business of GAIL
- 4 Includes Subsidiary: GAIL Global (Singapore) Limited and GAIL Global (USA) Inc.; Associate Company's share & Joint Venture: RGGPL

INFORMATION ABOUT BUSINESS SEGMENT FOR FINANCIAL YEAR 2013-14

Annexure "A"

(₹ In Crores)

SL	SEGMENTS	TRANSMISSION SERVICES**		NATURAL GAS TRADING**	PETRO-CHEMICALS	LPG & LIQUID HYDRO-CARBONS	CITY GAS	UN-ALLOCABLE	TOTAL	ELIMI-NATION	CONSO-LIDATED TOTAL
		NATURAL GAS	LPG	Note-1	Note-2		Note-3	Note-4			
1	REVENUE										
	External Sales *	3,827.65	418.07	42,262.07	4,537.20	5,461.91	2,876.15	2,260.45	61,643.50	-	61,643.50
	Intersegment sales	276.53	-	9,070.88	44.49	-	-	15.63	9,407.53	9,407.53	-
	Total revenue	4,104.18	418.07	51,332.95	4,581.69	5,461.91	2,876.15	2,276.08	71,051.03	9,407.53	61,643.50
2	RESULTS										
	Segment Result (Profit before Interest & Tax)	1,801.61	215.26	1,669.28	1,362.04	1,021.44	260.48	-	6,330.11	-	6,330.11
	Unallocated expenses	-	-	-	-	-	-	(635.90)	(635.90)	-	(635.90)
	Operating Profit	1,801.61	215.26	1,669.28	1,362.04	1,021.44	260.48	635.90	6,966.01	-	6,966.01
	Interest Expenses	-	-	-	-	-	-	668.71	668.71	-	668.71
	Interest/ Dividend Income	-	-	-	-	-	-	684.01	684.01	-	684.01
	Provision for Taxation	-	-	-	-	-	-	2,194.83	2,194.83	-	2,194.83
	Profit/(Loss) from Ordinary Activities	1,801.61	215.26	1,669.28	1,362.04	1,021.44	260.48	(1,543.63)	4,786.48	-	4,786.48
	Extraordinary items	-	-	-	-	-	-	-	-	-	-
	Profit after Tax (before adjustment for Minority Interest)	1,801.61	215.26	1,669.28	1,362.04	1,021.44	260.48	(1,543.63)	4,786.48	-	4,786.48
	Add: Share of (Profit) / Loss transferred to Minority	-	-	-	(0.26)	-	-	-	(0.26)	-	(0.26)
	Profit after Tax (after adjustment for Minority Interest)	1,801.61	215.26	1,669.28	1,361.78	1,021.44	260.48	(1,543.63)	4,786.22	-	4,786.22
3	OTHER INFORMATION										
	Segment Assets	24,870.55	830.00	1,211.06	3,079.37	1,049.07	1,623.99	5,012.04	37,676.08	240.44	37,435.64
	Unallocated Assets	-	-	-	-	-	-	29,406.29	29,406.29	-	29,406.29
	Total Assets	24,870.55	830.00	1,211.06	3,079.37	1,049.07	1,623.99	34,418.33	67,082.37	240.44	66,841.93
	Segment Liabilities	5,687.48	75.03	254.04	1,268.03	367.35	366.28	223.03	8,241.24	107.09	8,134.15
	Unallocated Liabilities	-	-	-	-	-	-	3,224.76	3,224.76	-	3,224.76
	Total Liabilities	5,687.48	75.03	254.04	1,268.03	367.35	366.28	3,447.79	11,466.00	107.09	11,358.91
	Cost to acquire fixed assets	1,693.30	31.59	526.96	111.61	20.74	254.87	2,577.43	5,216.50	-	5,216.50
	Depreciation#	735.46	46.61	38.51	185.62	77.91	104.04	475.35	1,663.50	-	1,663.50
	Non Cash expenses other than Depreciation#	468.06	0.16	94.31	0.37	(0.67)	5.51	(21.65)	546.09	-	546.09

* Sales is net of Excise Duty

** Assets & Liability of Gas Trading Business included in Gas Transmission Business

Notes

- 1 Includes Joint Venture: Petronet LNG Limited
- 2 Includes Subsidiary: BCPL; Joint Venture: OPaL.
- 3 Includes Joint Ventures: IGL, BGL, MGL, CUGL, GGL, MNGL, Aavantika, TNGCL; Subsidiary: GAIL Gas; & City Gas business of GAIL
- 4 Includes Subsidiary: GAIL Global (Singapore) Limited and GAIL Global (USA) Inc.; Associate Company's share & Joint Venture: RGGPL.

RELATED PARTY DISCLOSURES

Annexure "B"

I) Relationship

A) Joint Venture Companies / Associates

- 1) Mahanagar Gas Limited
- 2) Indraprastha Gas Limited
- 3) Petronet LNG Limited
- 4) Bhagyanagar Gas Limited
- 5) Tripura Natural Gas Corporation Limited
- 6) Central UP Gas Limited
- 7) Green Gas Limited
- 8) Maharastra Natural Gas Ltd.
- 9) Aavantika Gas Co Limited
- 10) GAIL China Gas Global Energy Holdings Ltd.
- 11) TAPI Pipeline Company Limited
- 12) ONGC Petro-additions Limited (OPaL)
- 13) Gujarat State Energy Geneartion Ltd.
- 14) National Gas Company "Nat Gas"
- 15) Fayum Gas Company
- 16) China Gas Holdings Limited

B) Key Management Personnel (KMP)

Whole time Directors / Company Seretary:

- 1) Shri B. C Tripathi, Chairman & Managing Director
- 2) Shri Prabhat Singh
- 3) Shri S Venkatraman (upto 30th September 2014)
- 4) Shri P. K. Jain
- 5) Shri M Ravindaran
- 6) Dr. Ashutosh Karnatak
- 7) Shri N K Nagpal (CS)
- 8) Shri V. C. Chittoda
- 9) Shri A K Mittal
- 10) Shri M C Deogam
- 11) Shri K Chattraaj
- 12) Shri Narendra Kumar
- 13) Shri S P Sharma
- 14) Shri V S Baid
- 15) Shri Pradeep Madan
- 16) Shri BN Gosain
- 17) Shri J S Saini
- 18) Shri R K Mathur
- 19) Shri Raman Chadha
- 20) Shri A M Tambekar
- 21) Shri Anil Kumar

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 Crores)

	2014-15	2013-14
1) Sales	3,669.77	3,645.75
2) Amount receivable as at Balance Sheet Date for (1) above	283.70	231.64
3) Purchases	18,546.70	18,457.41
4) Amount payable as at Balance Sheet Date for (3) above	745.74	1,066.81
5) Reimbursement for other expenditure received/receivable	7.34	10.24
6) Amount receivable as at Balance Sheet Date for (5) above	2.72	18.58
7) Dividend Income	134.44	135.74
8) Other Income	0.43	14.07
9) Provision created against Debtors	2.94	-
10) Provision created against Debtors written back	-	-
11) Investment as at balance sheet date	1,403.34	1,335.33
12) Advance for allotment of Equity as at balance sheet date	-	68.01
13) Advances / Loan given as at Balance Sheet Date	524.22	93.59

B) Details relating to parties referred to in item no. I (B) above:

(₹ In Crore)

	2014-15	2013-14
1) Remuneration	8.22	7.94
2) Interest bearing outstanding loans receivable	0.41	0.56
3) Interest accrued on loans given	0.71	0.56
4) Self Lease	0.13	0.37
II. Relatives of KMP		
1) Remuneration*	0.37	0.37
2) Interest bearing outstanding loans receivable	-	-
3) Interest accrued on loans given	-	-
4) Self Lease	-	-

*Remuneration includes Basic, Allowances, reimbursements, contribution to PF and perquisites. In addition, Whole time Directors are allowed the use of Staff cars 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. I (C) above:

(₹ In Crores)

	2014-15	2013-14
1) Minimum work program commitment	-	-
2) Survey, Production, Royalty and other expenses	216.63	88.51
3) CWIP & Other assets	27.55	314.36
4) Amount outstanding on Balance Sheet date (net of advance)	51.69	142.46
5) Amount written Off- Dry well expenditure	0.53	0.01
6) Sales / Income from operation	600.17	170.21
7) Amount outstanding on Balance Sheet date (against sales)	45.06	27.49

Additional Information as Required by Schedule III of Companies Act 2013

Annexure "C"

(₹ In Crore)

Sr. No.	Name of the Entity (% of Share)	Proportion of ownership interest as on 31.03.2015	Net Asset* (i.e., Total Asset minus Total Liabilities)		Share of Profit or Loss	
			As % of consolidated Net Asset	amount (₹ in Crore)	As % of consolidated Profit or Loss	amount (₹ in Crore)
1	GAIL (India) Ltd. (Parent)		85.59%	29,120	96.17%	3,039
2	Subsidiaries					
	A) Indian					
	i) GAIL GAS Limited	100%	1.06%	361	0.57%	18
	ii) Brahmaputra Cracker & Polymer Ltd	70%	12.06%	4,103	-0.03%	(1)
	B) Foreign					
	i) GAIL Global (Singapore) PTE Ltd	100%	0.26%	88	0.19%	6
	ii) GAIL Global (USA) Inc.	100%	1.03%	352	2.31%	73
3	Minority Interests in All subsidiaries		5.17%	1,758	0.00%	-
4	Associates (Investment as per the Equity Method)					
	A) Indian					
	i) Gujarat State Energy Generation Ltd (GSEG)	5.96%	Equity Method	Equity Method	-0.25%	(8)
	B) Foreign					
	i) Fayum Gas	19.00%	Equity Method	Equity Method	0.06%	2
	ii) Natural Gas Company "Nat Gas "	15.00%	Equity Method	Equity Method	0.35%	11
	iii) China Gas Holding Limited	3.00%	Equity Method	Equity Method	2.63%	83
5	Joint Ventures					
	A) Indian					
	i) Mahanagar Gas Limited	35.00%	1.45%	492	3.32%	105
	ii) Indraprastha Gas Limited	22.50%	1.45%	494	3.10%	98
	iii) Petronet LNG Limited	12.50%	2.09%	711	3.48%	110
	iv) Bhagyanagar Gas Limited	22.50%	0.05%	16	0.00%	-
	v) Central UP Gas Limited	25.00%	0.11%	36	0.22%	7
	vi) Green Gas Limited	22.50%	0.11%	39	0.19%	6
	vii) Maharashtra Natural Gas Limited (MNGL)	22.50%	0.14%	47	0.38%	12
	viii) Aavantika Gas Limited	22.50%	0.04%	12	0.06%	2
	ix) Ratnagiri Gas & Power (Private) Ltd (RGPPL)	28.91%	0.77%	262	-12.82%	(405)
	x) Tripura Natural Gas Co Ltd. (TNGCL)	29.00%	0.04%	15	0.06%	2
	xi) ONGC Petro-additions Limited (OPaL)	15.50%	1.26%	430	0.00%	-
	B) Foreign					
	i) TAPI Pipeline Company Limited #	25.00%	NA	NA	NA	NA
	ii) GAIL China Gas Global Energy Holdings Ltd. #	50.00%	NA	NA	NA	NA

*Net Assets in Group Companies is considered on basis of total net assets of Subsidiaries and proportionate net assets of Joint ventures, on gross basis without eliminating common transactions among group companies, if any.

#No equity infusion / investment has been made so far and hence financial statements have not been made.

CONSOLIDATED CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

(₹ In Crores)

	2014-15	2013-14
A. CASH FLOW FROM OPERATING ACTIVITIES		
1 Net Profit Before Tax and Extraordinary Items	4,580.48	6,981.31
2 ADD:		
Depreciation	1,466.29	1,671.49
Deferred Revenue / Other Expenses written off	0.94	0.15
Capital Reserve	(0.12)	(0.12)
Exchange Rate Variation	(49.35)	(23.71)
Interest Expenditure	651.83	668.71
Dividend Income on Investments	(341.59)	(353.79)
Interest Income	(346.99)	(313.42)
Provision for Employees Benefits (incl Gratuity)	173.97	(177.91)
Provision for Doubtful Debts	27.99	136.44
Other Provisions	40.92	249.83
Provision / Write off of Assets / CWIP	113.40	41.38
Provision for Probable obligation / Contingency	49.83	180.45
Exceptional Item	(62.86)	(312.69)
Profit / Loss on Sale of Assets (Net)	(3.49)	2.93
	1,720.77	1,769.44
3 Operating Profit Before Working Capital Changes (1 + 2)	6,301.25	8,751.05
4 Changes in Working Capital (Excluding Cash & Bank Balances)		
Trade and Other Receivables	(2,745.27)	(1,756.31)
Inventories	229.30	(680.26)
Trade and Other Payables	1,448.09	247.19
	(1,067.88)	(2,189.38)
5 Cash Generated from Operations (3+4)	5,233.37	6,561.67
6 Direct Taxes Paid	(1,019.25)	(1,946.49)
NET CASH FROM OPERATING ACTIVITIES (5+6)	4,214.12	4,615.18
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(2,889.80)	(5,269.72)
Sale of Fixed Assets	173.43	18.62
Sale of Investments	62.86	383.90
Investment in Other Companies	(156.21)	49.11
Interest Received	352.47	322.17
Dividend Received	341.59	353.79
NET CASH FROM INVESTING ACTIVITIES	(2,115.66)	(4,142.13)
BALANCE CARRIED FORWARD	2,098.46	473.05

(₹ In Crores)

	2014-15	2013-14
BALANCE BROUGHT FORWARD	2,098.46	473.05
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long term / short term Borrowings	1,494.64	4,096.11
Repayment of Long term / short term Borrowings	(1,740.23)	(2,031.49)
Capital Subsidy	1.82	697.60
Interest Paid	(1,482.76)	(1,265.68)
Dividend & Dividend Tax Paid	(1,331.94)	(1,499.13)
NET CASH FROM FINANCING ACTIVITIES	(3,058.47)	(2.59)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(960.01)	470.46
OPENING ADJUSTMENT FOR JV / ASSOCIATES	(692.85)	(323.97)
CASH AND CASH EQUIVALENTS AS AT 01.04.2014 (OPENING BALANCE)	3,211.11	3,064.62
CASH AND CASH EQUIVALENTS AS AT 31.03.2015 (CLOSING BALANCE)	1,558.25	3,211.11

NOTES :

1 Cash & Cash Equivalents include :

Cash & Bank Balances

As per Balance Sheet

Unrealised (Gain)/ loss on foreign Exchange

Total Cash & Cash Equivalents

1,558.25

-

1,558.25

3,211.11

-

3,211.11N.K.Nagpal
SecretarySubir Purkayastha
Director(Finance)Prabhat Singh
Director (Marketing)B. C. Tripathi
Chairman & Managing Director*As per our separate Report of even date*For G. S Mathur & Co.
Chartered Accountants
Firm No.008744NFor S. K Mittal & Co..
Chartered Accountants
Firm No.001135NPlace : New Delhi
Dated : 27th May, 2015Rajiv Kumar Wadhawan
(Partner)
Membership No. 091007M K Juneja
(Partner)
Membership No. 013117

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 2014-15

The preparation of consolidated financial statements of GAIL (India) Limited for the year ended 31 March 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 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 27.05.2015.

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 2015. We conducted a supplementary audit of the financial statements of GAIL (India) Limited, but did not conduct supplementary audit of the financial statement of companies mentioned in Annexure-A for the year ended on that date. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to the inquiries of the statutory auditors and the 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

(Suparna Deb)
Principal Director of Commercial Audit
& Ex-officio Member, Audit Board – II,
New Delhi

Place: New Delhi
Date : 17.07.2015

Company's General Information

Statutory Auditors

M/s G.S. Mathur & Co.	Chartered Accountants, New Delhi
M/s S.K. Mittal & Co.	Chartered Accountants, New Delhi

Cost Auditors

M/s Chandra Wadhwa & Co.	Cost Accountants, New Delhi
M/s Rohit & Associates	Cost Accountants, Vadodara
M/s R Nanabhoy & Co.	Cost Accountants, Mumbai
M/s M Goyal & Co.	Cost Accountants, Jaipur
M/s Dhananjay V. Joshi & Associates	Cost Accountants, Pune
M/s DGM & Associates	Cost Accountants, Guwahati

Company Secretary

Shri N.K. Nagpal

Stock Exchange where Shares/GDRs of the Company are listed

BSE Limited	Floor 1, Phiroze Jeejeebhoy Towers Dalal Street, Mumbai-400001
National Stock Exchange of India Limited	Exchange Plaza Plot No. C/1, G Block Bandra-Kurla Complex, Bandra (East), Mumbai – 400051
London Stock Exchange (GDRs)	10, Paternoster Square London – EC4M 7LS (U.K.)

Registrar and Share Transfer Agent

MCS Share Transfer Agent Limited F-65, 1st Floor,
Okhla Industrial Area,
Phase-I, New Delhi - 110020

Bankers

State Bank of India	Corporate Accounts Group (CAG) Branch-II, 4th & 5th Floor, Red Fort Capital Parsvanath Towers, Bhai Veer Singh Marg, Gole Market Near Speed Post Office, New Delhi 110001
ICICI Bank Ltd.	9A, Phelps Building Connaught Place New Delhi – 110001
HDFC Bank Ltd.	209-214, Kailash Building 26, Kasturba Gandhi Marg New Delhi-110001

Registered Office

16, Bhikaiji Cama Place
R.K. Puram, New Delhi - 110066

Subsidiary Companies

GAIL Global (Singapore) Pte Limited	Wangz Business Centre, # 44-01 Suntec Tower One, 7, Temasek Boulevard, Singapore – 038987
Brahmaputra Cracker and Polymer Limited	Hotel Brahmaputra Ashok, M.G.Road, Guwahati, Assam-781001
GAIL Gas Limited	16, Bhikaiji Cama Place, R.K. Puram, New Delhi – 110066
GAIL Global (USA) Inc.	333 Clay Street, Suite 3300, Houston, Texas 77002, USA
GAIL Global (USA) LNG LLC	1675 South State Street, Suite - B, Dover Delaware - 19901, USA

Shareholder Information

Equity Share ISIN - INE129A01019

Stock Exchange

BSE
NSE

Security Code

532155
GAIL

GLOSSARY

Gas Industry Specific Terminologies

CBM	Coal Bed Methane
CGD	City Gas Distribution
CNG	Compressed Natural Gas
DUPL	Dahej Uran Panvel Pipeline
DGH	Director General Hydro-carbon
DVPL	Dahej-Vijaipur Pipeline
E&P	Exploration and Production
ESA	External Safety Audits
GREP	Gas Rehabilitation and 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 Hydro carbons
LNG	Liquified Natural Gas
LPG	Liquified Natural 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

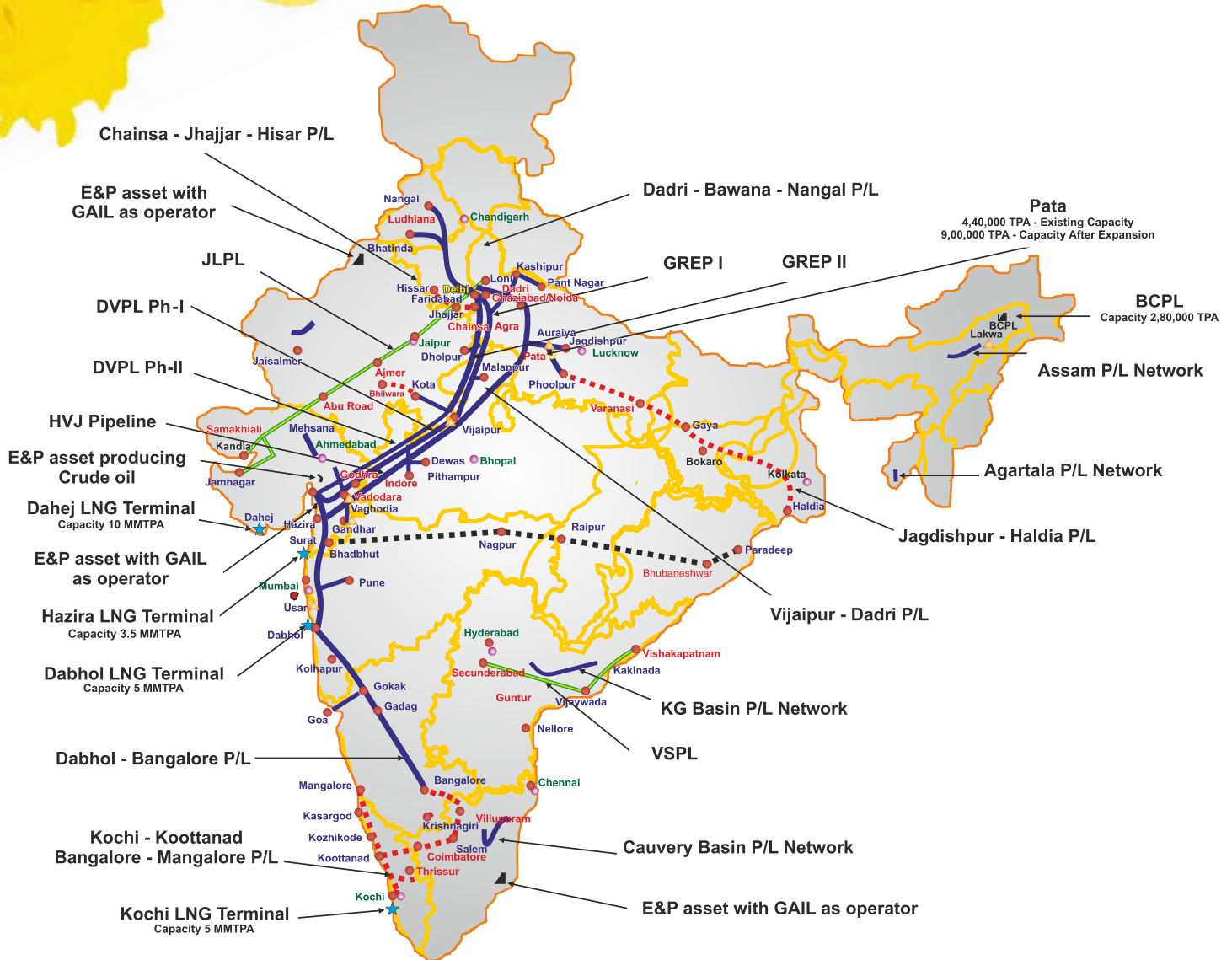
BD	Business Development
BIS	Business Information System
CSR	Corporate Social Responsibility
ERP	Enterprise Resource Planning
HR	Human Resource
HSE	Health Safety and Environment
HRD	Human Resource Development
JVCs	Joint Venture Companies
MW	Mega-Watt
PSU	Public Sector Unit
QC	Quality Circle
SCADA	Supervisor 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's Pan-India Presence



- EXISTING PIPELINES
- - - - PIPELINES UNDER EXECUTION
- LPG PIPELINE
- - - - RECENTLY AUTHORISED PIPELINE

- PATA PLANT
- BRANCH OFFICE
- ZONAL OFFICE
- ★ LNG Terminal Under Operation
- ▲ LPG PLANTS

Map not to scale



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