



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

Year 2019-20



Brief about the CPSE

Annexure-I

1.	Name of the CPSE	GAIL (India) Limited		
2.	Status (Please tick) : As per DPE guideline	Maharatna		
3.	Schedule of the CPSE (Please tick)	A		
4.	Purpose for which CPSE has been set up and the main business now	GAIL has been set up to accelerate and optimize the effective and economic use of Natural Gas and its fractions to the benefit of the national economy. GAIL's main businesses includes Gas marketing and transmission, Petrochemicals, LPG and other liquid hydrocarbons, LPG transmission etc.		
5.	Any capital restructuring during 2017-18, i.e. buy-back of shares, issue of bonus shares, issue of fresh shares, splitting of shares and percentage of PAT given as dividend.	Buy back of shares- Nil Issue of bonus shares- 563.77 crores (56,37,67,733 no. of shares) Issue of fresh shares- Nil Splitting of shares- Nil Percentage of PAT given as dividend (including dividend tax)- 45.54		
6.	Whether shares are listed (if yes, name of Stock Exchange and price of the share as on date).	Yes, NSE/BSE- INR 356.00		
7.	Any change in Capacity during the year or next year (MoU year)	Yes, additional capacity of ~13 MMSCMD of Gas Transmission is expected to be commissioned by Mar'20		
8.	Any business unit hived off or to be hived off or Added or to be added during the year or next year (MoU year)	No		
9.	Brief about the sector in which CPSE is operating and national and international environment, regulatory environment etc.	Attached as separate Annexure-A		
10.	Details of revival plan if approved	N.A		
11.	Any adverse comment by statutory auditors and its impact on Revenue/profit/Loss/Assets/Liabilities.	No		
12.	Whether C&AG Supplemented the comments of Statutory Auditor. If not, give details along with impact.	Yes		
13.	Number and Name of subsidiary companies along with amount invested and share in its profit during last five years			
	Year	Name of subsidiary	Amount invested (Rs.)	Share in its profit (Rs.)
	2013-14	Attached as separate Annexure-B		
	2014-15			
	2015-16			
	2016-17			
2017-18				
14.	Number and Name of Joint Venture companies along with amount invested and share in its profit during last five years			
	Year	Name of Joint Venture	Amount invested (Rs.)	Share in its profit (Rs.)
	2013-14	Attached as separate Annexure-C		
	2014-15			
	2015-16			
	2016-17			
2017-18				

Mandatory Parameters

Annexure-II

PART A

SL	Criteria	Unit	Marks	MoU Target for the year 19-20				
				Ex	VG	Good	Fair	Poor
Financial performance (50%)								
1	Turnover Revenue from Operations (Net)	Rs. Cr.	10	81,000	78,500	77,500	76,500	75,500
2	Operating profit/ surplus as a percentage of Revenue from operation (net.)	%	20	10.4	10.2	9.5	8.5	7.5
3	PAT or Surplus/ Average Net Worth	%	20	16	14.5	14	13.5	13
Total (A)			50					

Other Parameters

PART B

SL	Criteria	Unit	Marks	MoU Target for the year 19-20				
				Ex	VG	Good	Fair	Poor
1	Capacity Utilization (10%)							
1.1	Gas Marketing	MMSCMD	5	98	97	96	95	94
1.2	Gas Transmission	MMSCMD	5	108	107	106	105	104
2	Production efficiency parameter (3%)							
2.1	Uninterrupted Availability of Natural Gas pipeline & supply of quality gas to the consumers	%	3	100	99.5	99	98.5	98
3	CAPEX	Rs. Cr.	7	6,100	5,800	5,500	5,200	5,000
4	Percentages of value of CAPEX contracts/ projects running/ completed during the year without time/ cost overrun to total value of CAPEX contracts running/ completed during the year	%	4	100	95	90	85	80

SL	Criteria	Unit	Marks	MoU Target for the 2019-20				
				Ex	VG	Good	Fair	Poor
5	Reduction in claims against the Company not acknowledged as debt raised Central/State Govt. CPSEs & Others	%	3	15	12	10	8	6
6	Any other Sector-specific result-oriented measurable parameters -Parameters relating to Joint Ventures (14%)							
6.1	New PNG connection							
	Domestic PNG connections by IOCL with GAIL and its JVs/subsidiaries (No. in Lakhs)			0.61	0.52	0.47	0.42	0.38
	Domestic PNG connections by BPCL with GAIL and its JVs/subsidiaries (No. in Lakhs)			5.41	4.64	4.17	3.75	3.38
	Domestic PNG connections by HPCL with GAIL and its JVs/subsidiaries (No. in Lakhs)			1.44	1.23	1.11	1.00	0.9
	Domestic PNG connections by GAIL and its JVs/subsidiaries without OMCS (No. in Lakhs)			6.28	5.42	4.88	4.39	3.95
	Total	Lacs	8	13.74	11.81	10.63	9.56	8.61

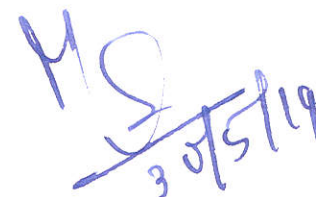
SL	Criteria	Unit	Marks	MoU Target for the 2019-20				
				Ex	VG	Good	Fair	Poor
6.2	CNG stations commissioned and operationalized in Geographical Areas of GAIL and its JVs/Subsidiaries:							
	In ROs of IOCL(Nos,)			131	104	94	85	76
	In ROs of BPCL(Nos,)			85	67	61	55	49
	In ROs of HPCL(Nos,)			77	61	56	50	44
	In ROs of other than IOCL, BPCL & HPCL (Nos.)			93	73	67	60	53
	Total	No.	6	386	305	278	250	222
7	Parameter related to CPSE conclave (3%)							
7.1	No. of Start-ups supported during the year	No.	3	8	6	5	4	3

SL	Criteria	Unit	Marks	MoU Target for the 2019-20				
				Ex	VG	Good	Fair	Poor
8	HR related Parameters (6%)							
8.1	Achievement of HR Parameter of continuous nature as per given below (No. of Parameters)	No. of Parameters	3	6	5	4	3	2
A	Online submission of ACR/APAR in respect of all executives (E0 & above) along with compliance of prescribed timelines with respect to writing of ACR/APAR							
B	Online Quarterly Vigilance Clearance updation for all Sr. Executives (GM & above)							
C	Updation of Succession Plan and its approval by Board of Directors							
D	Holding of DPC without delay for Executives (E0 and above level)							
E	Implementation of Board decision on recommendations of HR Taskforce constituted by MoPNG							
F	Review and implementation of Employee performance on the lines of FR (56) (J) and submitting a compliance Report to Board of Director at the end of the year							

SL	Criteria	Unit	Marks	MoU Target for the 2019-20				
				Ex	VG	Good	Fair	Poor
8.2	Initiatives for women employees for work life balance as well as leadership development (No. of Initiatives)	No.	3	15	14	13	12	11
Total			100					



B.C. Tripathi
Chairman & Managing Director
GAIL (India) Limited



Dr. M. M. Kutty
Secretary
Ministry of Petroleum & Natural Gas

New Delhi, 30th May 2019