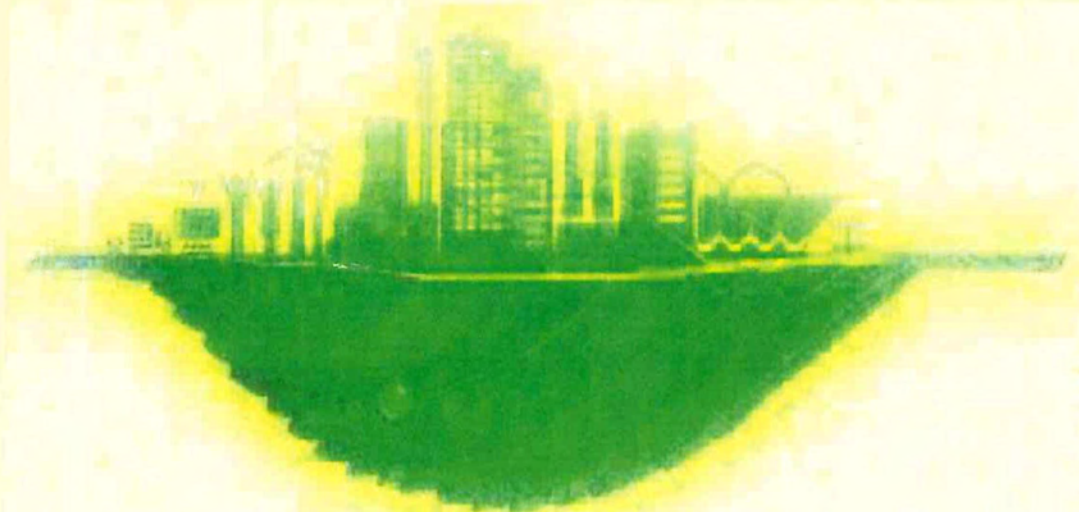




GAIL (India) Ltd

Memorandum of Understanding
between
Ministry of Petroleum & Natural Gas
and
GAIL (India) Ltd.
Year 2017-18



PART – A: Criteria For Performance Evaluation – MoU: 2017-18

SL	Financial Performance Criteria	Unit	Marks	MoU Target for the 2017-18				
				Ex 100%	VG 80%	Good 60%	Fair 40%	Poor 20%
1	Turnover - Revenue from Operations	Rs. Cr.	10	52,389	51,023	49,772	48,451	47,813
2	Operating profit as a percentage of Revenue from operation (Net)	%	20	9.0%	8.5%	8.0%	7.7	7.5%
3	Return on Investment - PAT / Average Net Worth	%	20	9.0%	8.5%	8.3%	8.1%	8.0%
4	Capacity Utilization (10%)							
4.a	Gas Marketing	MMSCMD	5	80	79	78	77	76
4.b	Gas Transmission	MMSCMD	5	100	98	96	94	92
5	CAPEX (Rs. Cr.)	Rs. Cr.	10	3311	3190	3080	2970	2860
6	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 (%)	%	5	100	90	80	70	60

PART – A: Criteria For Performance Evaluation – MoU: 2017-18

SL	Financial Performance Criteria	Unit	Marks	MoU Target for the 2017-18				
				Ex 100%	VG 80%	Good 60%	Fair 40%	Poor 20%
7	Trade Receivables (Net) as number of days of Revenue from Operations (Gross)	Days	5	27	29	32	35	38
8	Reduction in claims against the Company not acknowledged as debt raised - CPSE and Others	%	5	10	9	8	7	6
9	Parameters relating to Joint Ventures (10%)							
9.1	No. of PNG connections during the year by the JVs/ Subsidiaries/ Associates	Lacs	6	10	9	8	7	6
9.2	New CNG stations	Nos.	4	120	110	100	90	80
9.3	Implementation of Green Corridor	Kms		1200	1000	800	600	400
10	HRM related Parameters (5%)							
10.1	Online Submission of ACR / APAR in respect of all executives (E0 & above) along with compliance of prescribed timelines w.r.t writing of ACR / APAR	% of no of executives	1	100	95	90	85	80

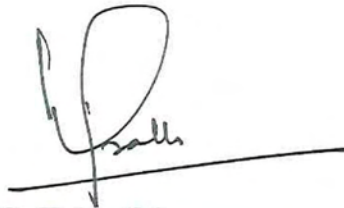
PART – A: Criteria For Performance Evaluation – MoU: 2017-18

SL	Financial Performance Criteria	Unit	Marks	MoU Target for the 2017-18				
				Ex 100%	VG 80%	Good 60%	Fair 40%	Poor 20%
10.2	Online Quarterly Vigilance Clearance updation for Senior Executives (AGM & above)	% of no of Senior Executives	1	100	95	90	85	80
10.3	Preparation of Succession Plans and its approval by Board of Directors	Date	1	30.09.2017	10.10.2017	20.10.2017	31.10.2017	10.11.2017
10.4	Holding of DPC without delay for Executives (E0 & above level)	%	1	100	95	90	85	80
10.5	Board decision on recommendation of HR taskforce constituted by MoP&NG	Date	1	31.10.2017	30.11.2017	31.12.2017	31.01.2018	28.02.2018
	Total		100					

Notes:

1. Breakup of Revenue estimated for the 2017-18 and revenue adjustment formula are annexed as Annexure A
2. CAPEX target of Rs. 3311 crore is excluding investment in JVs for Rs. 540 crore. It was also agreed that if the investment in JVs is lower than Rs. 540 crore, the difference shall be added to the above targets.
3. The details of CAPEX Projects for Monitoring are annexed at Annexure B.

4. Targets recommended by the IMC are based on estimates submitted by the CPSE for the year 2016-17. In case of better performance of CPSE as per final results as compared to estimates, the difference shall be added to the targets for the year 2017-18
5. Targets decided in the MoU are unconditional and no offset will be allowed except referred to in para 5.A.i(c) of Minutes of IMC Meeting relating to Revenue from Operations. Further evaluation would be subject to compliance of additional eligibility criteria as contained in 14.2 of MoU guidelines 2017-18.



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



K. D. Tripathi
Secretary
Ministry of Petroleum & Natural Gas

New Delhi, 3rd July 2017