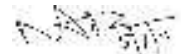


**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 619 (4) OF THE COMPANIES ACT, 1956 ON THE
ACCOUNT OF GAIL (INDIA) LIMITED FOR THE YEAR ENDED 31ST MARCH, 2011.**

The preparation of financial statements of GAIL (India) Limited for the year ended 31st March, 2011 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under section 629(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statement under section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This stated to have been done by them vide their Audit Report dated 23rd May, 2011.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 619(3)(b) of the Companies Act, 1956 of the financial statement of GAIL (India) Limited for the year ended 31st March 2011. This supplementary audit has been carried out independently without access to the working paper of the statutory auditor and is limited primarily to inquiries of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to my comment upon or supplement to Statutory Auditors' report under section 619 of the Companies Act, 1956.

**For and on behalf of the
Comptroller and Auditor general of India**



**(Naina A. Kumar)
Principal Director of Commercial Audit
& Ex-officio Member Audit Board-II,
New Delhi**

**Place : New Delhi
Dated : July 05, 2011**

