



गैल (इंडिया) लिमिटेड

(भारत सरकार का उपक्रम-  
महारात्न कम्पनी)

**GAIL (India) Limited**

(A Government of India Undertaking-  
A Maharatna Company)

ND/GAIL/SECTT/2015

July 10, 2015

Listing Department  
National Stock Exchange of India Limited  
Exchange Plaza, 5<sup>th</sup> Floor,  
Plot No C/1, G Block,  
Bandra-Kurla Complex, Bandra (East),  
Mumbai – 400051

**Sub.: Quarterly Compliance Report on Corporate Governance - Clause 49**

Dear Sir,

This is in compliance of the Listing Agreement.

Please find enclosed herewith Quarterly Compliance Report on Corporate Governance, in the prescribed format, for the quarter ended on 30<sup>th</sup> June, 2015.

The above is for your information and records.

Thanking you  
Yours faithfully

*N.K. Nagpal*

(N.K. Nagpal)  
Company Secretary  
e-mail: nknagpal@gail.co.in

**Encl.: As above**

Copy to:

1. Listing Department  
BSE Limited  
Floor 1, Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai – 400001
2. Deutsche Bank AG, Filiale Mumbai  
TSS & Global Equity Services  
The Capital, 14th Floor  
C-70, G Block, Bandra Kurla Complex  
Mumbai -400051

K/A-Ms. Savita Desai

Website : [www.gailonline.com](http://www.gailonline.com) CIN No. : L40200DL1984GOI018976

16, भीकाएजी कामा प्लेस, आर. के. पुरम, नई दिल्ली - 110066 दूरभाष : 26182955 फैक्स : 011-26185941  
16, Bhikaiji, Cama Place, R. K. Puram, New Delhi - 110 066 Phone: 26182955 Fax : 011-26185941

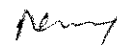


**Quarterly Compliance Report on Corporate Governance**

Name of the Company : **GAIL (INDIA) LIMITED**  
 Quarter ending on : **30<sup>th</sup> June, 21015**

Particulars	Clause of Listing agreement	Compliance Status Yes/No	Remarks
<b>II. Board of Directors</b>	<b>49 (II)</b>		
(A) Composition of Board	49 (IIA)	No	Please see Note 1.
(B) Independent Directors	49 (IIB)	No	
(C) Non-executive Directors' compensation & disclosures	49 (IIC)	Yes	
(D) Other provisions as to Board and Committees	49 (IID)	Yes	
(E) Code of Conduct	49 (IIE)	Yes	
(F) Whistle Blower Policy	49 (IIF)	Yes	
<b>III. Audit Committee</b>	<b>49 (III)</b>		
(A) Qualified & Independent Audit Committee	49 (IIIA)	No	Please see Note 2.
(B) Meeting of Audit Committee	49 (IIIB)	Yes	
(C) Powers of Audit Committee	49 (IIIC)	Yes	
(D) Role of Audit Committee	49 (IIID)	Yes	
(E) Review of Information by Audit Committee	49 (IIIE)	Yes	
<b>IV. Nomination and Remuneration Committee</b>	<b>49 (IV)</b>	No	Please see Note 3.
<b>V. Subsidiary Companies</b>	<b>49 (V)</b>	Yes	
<b>VI. Risk Management</b>	<b>49 (VI)</b>	Yes	
<b>VII. Related Party Transactions</b>	<b>49 (VII)</b>	Yes	
<b>VIII. Disclosures</b>	<b>49 (VIII)</b>	Yes	
(A) Related Party Transactions	49 (VIII A)	Yes	Please see Note 4.
(B) Disclosure of Accounting Treatment	49 (VIII B)	Yes	
(C) Remuneration of Directors	49 (VIII C)	Yes	
(D) Management	49 (VIII D)	Yes	
(E) Shareholders	49 (VIII E)	Yes	
(F) Proceeds from public issues, rights issue, preferential issues, etc.	49 (VIII F)	NA	

IX. CEO/CFO Certification	49 (IX)	Yes	Complied with the Annual Report 2013-14.
X. Report on Corporate Governance	49 (X)	Yes	Complied with the Annual Report 2013-14.
XI. Compliance	49 (XI)	Yes	Complied with the Annual Report 2013-14.



(N.K. Nagpal)  
Company Secretary

**Notes:**

1. As on 30.06.2015, GAIL's Board comprised of *five whole-time Directors including CMD and two Government nominee Directors including one Woman Director*. 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. Further the tenure, performance evaluation and extension of term of Independent Directors is not within the control of the Company.
2. As stated at 1 above, GAIL does not have any Independent Director(s) on its Board w.e.f. 01.03.2015. However, Audit Committee has been re-constituted comprising of three members all of whom are whole-time Directors.
3. As stated at 1 above, GAIL does not have any Independent Director(s) on its Board w.e.f. 01.03.2015. However, GAIL has re-constituted Nomination and Remuneration Committee comprising of three members out of whom Chairperson is non-executive Director (Government nominee Director) and the other two members are whole-time Directors.

GAIL is a Government Company, the power to appoint Directors and to fix their remuneration vests with the Government of India. However, the Company has Nomination and Remuneration Committee, inter-alia, to approve performance related pay of the employees of the Company.

4. Material Related Party Transaction (Material RPT):

Petronet LNG Limited (PLL) is a joint venture of GAIL in which GAIL has 12.5 equity stake along with other promoters. PLL is a related party of GAIL in terms of clause 49 (VII) of the Listing Agreement.

Transactions with PLL for Rs. 23,000 Crores approx. for the FY 2014-15 has exceeded 10% of consolidated turnover of GAIL for FY 2013-14 and Rs. 25,000 Crores approx. for FY 2015-16 are likely to exceed 10% (ten) percent of the annual consolidated turnover of GAIL as per the last audited financial statements for FY 2014-15. Approval of shareholders for Material RPTs will be taken in GAIL's AGM to be held during September' 2015.