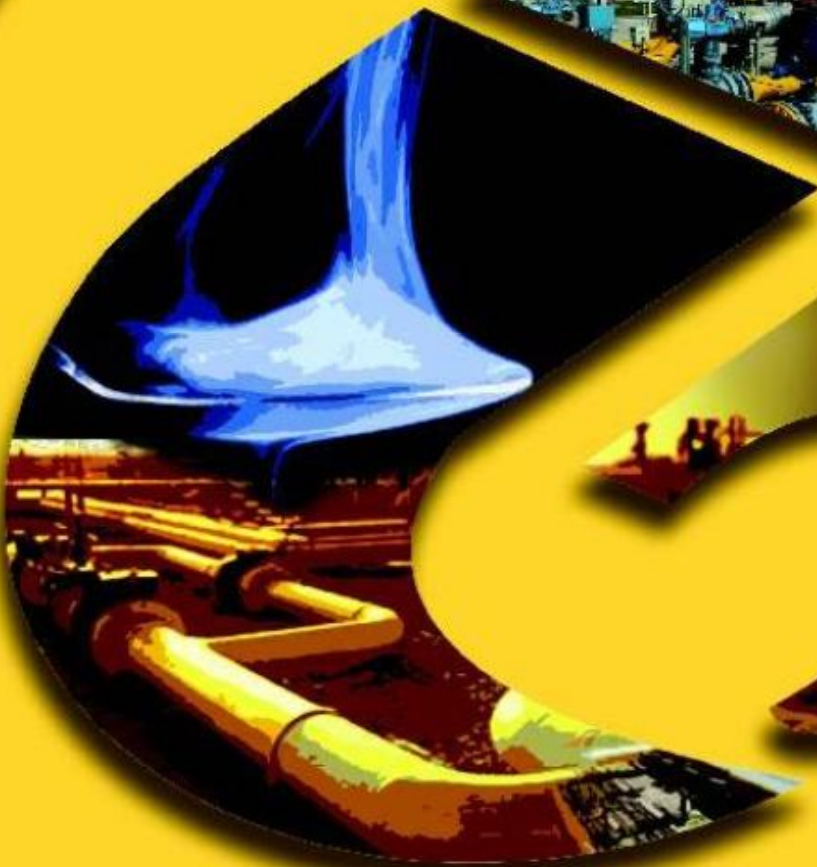


Growth • Momentum • Sustainability



GAIL (India) Limited



Fueling a World of New Energies

In an increasingly aggressive and competitive scenario for both companies and individuals alike, it takes the courage and prescience of a very special kind to put things in perspective. At GAIL (India) Limited, we take special pride in this role. As pioneers of Natural Gas processing and distribution in the country, we are fully aware of our responsibility towards ensuring sustainability, even as we provide the energy resource for a nation on the fast track to growth.

The increase in demand for energy has signalled the start of a phase dominated by the need to make practical, material and deliverable choices about the pathways to the energy future – and to make them now. The objective for us here at GAIL is to provide access to affordable, efficient, safe, secure and progressively lower carbon energy at a scale to meet this growing demand for energy. Which is why we are clear in putting natural gas at the top of the list of supply options. We firmly believe that natural gas should be seen both as a preferred transition fuel to a lower carbon economy and as a fundamentally advantaged energy supply option in its own right.

Growth with sustainability- *the underlying philosophy behind the driving force at GAIL has led us to explore newer avenues of energy generation such as wind and solar power. Pursuing a sustainable development model that is, at once, clean and green, we celebrate technology and nature with balance. And as a responsible corporate, we are happy to make a meaningful difference to millions of lives across India.*

In a day and age when ecology and the environment are often affected by growth, we try and maintain the equation everyday, and set the tone for new & fair directions of equitable development.

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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.

NOTICE

NOTICE is hereby given that the **Twenty-sixth Annual General Meeting** of the members of **GAIL (India) Limited** will be held on **Wednesday, the 22nd day of September, 2010 at 10.30 a.m. at Air Force Auditorium, Subroto Park, New Delhi- 110010**, to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2010, Profit & Loss Account for the year ended 31st March, 2010, Directors' Report, Auditors' Report and the comments thereupon of Comptroller & Auditor General of India.
2. To declare final dividend @55% (Rs. 5.5/- per share) on the paid-up equity share capital of the Company for the year ended 31st March, 2010 as recommended by the Board and confirm the payment of interim dividend of 20% (Rs. 2/- per share) already paid in the month of December, 2009.
3. To appoint a Director in place of Shri R.K. Goel, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Dr. U.K. Sen, who retires by rotation, and being eligible, offers himself for re-appointment.
5. To authorize Board of Directors of the Company to fix remuneration of the Statutory Auditor(s) of the Company in terms of the provisions of section 224(B)(aa) of the Companies Act, 1956 and to pass the following resolution, with or without modification(s), as an Ordinary Resolution :
"RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to decide and fix the remuneration of the Statutory Auditor(s) of the Company appointed by Comptroller & Auditor General of India for the FY 2010-11, as may be deemed fit by the Board."

SPECIAL BUSINESS

- A. To consider, and if thought fit, to pass with or without modification(s), the following resolutions as an Ordinary Resolution:
6. **"RESOLVED THAT** in accordance with the provisions of section 257 and other applicable provisions, if any, of the Companies Act, 1956, Shri Mahesh Shah, who was appointed as an Additional Director w.e.f. 08.09.2009, pursuant to the provisions of section 260 of the Companies Act, 1956, by the President of India vide letter No. 34024/27/2007-CA dated 11.08.2009 be and is hereby appointed as a Director of the Company, liable to retire by rotation."
7. **"RESOLVED THAT** in accordance with the provisions of section 257 and other applicable provisions, if any, of the Companies Act, 1956, Shri R.M. Sethi, who was appointed as an Additional Director w.e.f. 08.09.2009, pursuant to the provisions of section 260 of the Companies Act, 1956, by the President of India vide letter No. 34024/27/2007-CA dated 11.08.2009 be and is hereby appointed as a Director of the Company, liable to retire by rotation."
8. **"RESOLVED THAT** in accordance with the provisions of section 257 and other applicable provisions, if any, of the Companies Act, 1956, Dr. Vinayshil Gautam, who was appointed as an Additional Director w.e.f. 08.09.2009, pursuant to the provisions of section 260 of the Companies Act, 1956, by the President of India vide letter No. 34024/27/2007-CA dated 11.08.2009 be and is hereby appointed as a Director of the Company, liable to retire by rotation."

9. **"RESOLVED THAT** in accordance with the provisions of section 257 and other applicable provisions, if any, of the Companies Act, 1956, Shri S.L. Raina, who was appointed as an Additional Director w.e.f. 08.09.2009, pursuant to the provisions of section 260 of the Companies Act, 1956, by the President of India vide letter No. C-31022/3/2008-CA dated 19.08.2009, be and is hereby appointed as a Director (HR) of the Company, liable to retire by rotation, on such terms & conditions, remuneration and tenure as may be determined by the President of India from time to time."
 10. **"RESOLVED THAT** in accordance with the provisions of section 257 and other applicable provisions, if any, of the Companies Act, 1956, Shri Prabhat Singh, who was appointed as an Additional Director w.e.f. 24.02.2010, pursuant to the provisions of section 260 of the Companies Act, 1956, by the President of India vide letter No. 31022/2/202009-CA dated 24.02.2010, be and is hereby appointed as a Director (Marketing) of the Company, liable to retire by rotation, on such terms & conditions, remuneration and tenure as may be determined by the President of India from time to time."
 11. **"RESOLVED THAT** in accordance with the provisions of section 257 and other applicable provisions, if any, of the Companies Act, 1956, Shri Sudhir Bhargava, who was appointed as an Additional Director w.e.f. 15.03.2010, pursuant to the provisions of section 260 of the Companies Act, 1956, by the President of India vide letter No. C-31019/1/2006-CA (Part) dated 15.03.2010, be and is hereby appointed as a Director of the Company, liable to retire by rotation."
 12. **"RESOLVED THAT** in accordance with the provisions of clause 49 of the listing agreement, the consent of the members be and is hereby accorded for payment of any fees/compensation/honorarium, etc. other than sitting fee, to an Independent Director within a ceiling of Rs.1,00,000/- per annum as may be deemed fit by the Board from time to time."
 - B. To consider, and if thought fit, to pass with or without modification(s), the following resolutions as Special Resolution:
 13. **"RESOLVED THAT** in accordance with the provisions of the Companies Act, 1956, other applicable laws, rules, regulations etc., the consent of the members be and is hereby accorded to appoint Ms. Esha Goel, daughter of Shri R.K. Goel, Director (Finance) to hold an office or place of profit in the company, appointed as Deputy Manager, (BIS) at E-3 level against advertisement on all-India basis, as per recommendations of selection committee, in the pay scale of Rs. 29,100-54,500/- and on other terms and conditions applicable to other employees in the same scale.
- FURTHER RESOLVED THAT** CMD and/or Director (HR) be and is/are hereby authorized to take such steps as may be necessary to effectuate the decision in the foregoing resolution on behalf of the company, as may be required."

By order of the Board
Sd/-
(N.K. Nagpal)
Company Secretary

Place: New Delhi
Date: 30.07.2010

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORM DULY COMPLETED SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE MEETING (PROXY FORM IS ANNEXED WITH THE NOTICE).**
2. The Explanatory Statement pursuant to section 173 (2) of the Companies Act, 1956 in respect of the Special Business is annexed herewith.
3. A brief resume of the Director(s) proposed for appointment/re-appointment as mandated in Clause 49 of the Listing Agreement is annexed with the Notice.
4. The documents referred to in the accompanying Notice and Explanatory Statement thereto, are open for inspection by members, at the Registered Office of the Company during office hours i.e. between 11:00 a.m. and 1:00 p.m., on all working days, except Saturday, Sunday and holiday(s), upto the date of the Annual General Meeting.
5. The Register of Members and Share Transfer Books of the Company shall remain closed from **Saturday, the 4th September, 2010 to Wednesday, the 22nd September 2010 (both days inclusive)** to determine the entitlement of the final dividend @55% (Rs. 5.5/- per share) if so approved by the members of the Company at the aforesaid AGM. The Company had already paid interim dividend @ 20% (Rs. 2/- per share) in the month of December, 2009. The said final dividend after declaration at the said AGM, will be paid to those eligible members whose name(s) appear:-
 - a) as member(s) holding shares in **physical mode**, in the Register of Members of the Company after giving effect to all valid and complete transfers, lodged with R&TA/Company on or before 3rd September, 2010; and
 - b) as Beneficial Owner(s) holding shares in **electronic mode**, details as furnished by the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), for said purpose.
6. Members holding shares in multiple folios in **physical mode** are requested to apply for consolidation to the R&TA/Company along with relevant Share Certificates. **R&TA is not processing the remat request(s), unless involved conversion of entire shareholding in demat mode.**
7. Members who have not 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(s). Unclaimed/unpaid final dividend for FY 2002-03, which is due for transfer to IEPF, should be claimed by the members before **29th September, 2010**. After that date, no claim shall lie against the Fund/Company, in respect of the said amount.
8. Regarding modalities of dividend viz. change of address/dividend mandate/bank details, members are requested to refer "Dividend" section of Report on Corporate Governance and may also visit Company's website at **www.gailonline.com**, 'Investor Zone' section for further reference. The Company/R&TA has designated an exclusive e-mail ID viz. **investorqueries@gail.co.in** and **admin@mcsdel.com** to facilitate investors to register their complaints, if any.
9. Members are requested to:-
 - i) bring their copy of Annual Report and Attendance Slip at the venue of the meeting.
 - ii) quote their Folio/DP & Client Id No. in all correspondence with the R&TA / Company.
 - iii) note that briefcase, mobile phone, bag, helmets, eatables and other belongings **will not be allowed** to be taken inside the venue of the meeting for security purposes and shareholders/proxy holders will be required to take care of their belongings.
 - iv) note that **no gifts** will be distributed at the Annual General Meeting.
 - v) note that **shareholders present in person or through registered proxy** shall only be entertained.
 - vi) note that the attendance slip/proxy form should be **signed** as per the specimen signature registered with the R&TA / Depository Participant (DP).
 - vii) please carry **photo ID card** for identification/verification purposes.
 - viii) note that entry to the hall will be strictly on the basis of the admission card, which will be provided at the counters of R&TA at the venue, in exchange for duly completed and signed Attendance Slip.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956
ITEM NO. 6

Shri Mahesh Shah, part-time non-official (Independent) Director was nominated by the President of India vide letter No. 34024/27/2007-CA dated 11.08.2009, as a Director on the Board of Directors of the Company w.e.f. 11.08.2009. However, before his appointment, the notice of 25th AGM scheduled for 08.09.2009 was already printed and under dispatch, therefore, his tenure as Additional Director expired on 08.09.2009. The appointment of Shri Mahesh Shah was further renewed by the Board, as an Additional Director w.e.f. 08.09.2009, till the conclusion of this Annual General Meeting. The Board recommends that Shri Mahesh Shah may be appointed as a Director, liable to retire by rotation.

The Company has received a notice along with requisite fee from a member under section 257 of the Companies Act, 1956, proposing the candidature of Shri Mahesh Shah as Director of the Company.

Your Directors recommend the resolution for approval of the members.

Shri Mahesh Shah is interested in this resolution to the extent of his appointment as a Director. No other Director of the Company is concerned / interested in the proposed resolution.

ITEM NO. 7

Shri R.M. Sethi, part-time non-official (Independent) Director was nominated by the President of India vide letter No. 34024/27/2007-CA dated 11.08.2009, as a Director on the Board of Directors of the Company w.e.f. 11.08.2009. However, before his appointment, the notice of 25th AGM scheduled for 08.09.2009 was already printed and under dispatch, therefore, his tenure as Additional Director expired on 08.09.2009. The appointment of Shri R.M. Sethi was further renewed by the Board, as an Additional Director w.e.f. 08.09.2009, till the conclusion of this Annual General Meeting. The Board recommends that Shri R.M. Sethi may be appointed as a Director, liable to retire by rotation.

The Company has received a notice along with requisite fee from a member under section 257 of the Companies Act, 1956, proposing the candidature of Shri R.M. Sethi as Director of the Company.

Your Directors recommend the resolution for approval of the members.

Shri R.M. Sethi is interested in this resolution to the extent of his appointment as a Director. No other Director of the Company is concerned / interested in the proposed resolution.

ITEM NO. 8

Dr. Vinayshil Gautam, part-time non-official (Independent) Director was nominated by the President of India vide letter No. 34024/27/2007-CA dated 11.08.2009, as a Director on the Board of Directors of the Company w.e.f. 11.08.2009. However, before his appointment, the notice of 25th AGM scheduled for 08.09.2009 was already printed and under dispatch, therefore, his tenure as Additional Director expired on 08.09.2009. The appointment of Dr. Vinayshil Gautam was further renewed by the Board, as an Additional Director w.e.f. 08.09.2009, till the conclusion of this Annual General Meeting. The Board recommends that Dr. Vinayshil Gautam may be appointed as a Director, liable to retire by rotation.

The Company has received a notice along with requisite fee from a member under section 257 of the Companies Act, 1956, proposing the candidature of Dr. Vinayshil Gautam as Director of the Company.

Your Directors recommend the resolution for approval of the members.

Dr. Vinayshil Gautam is interested in this resolution to the extent of his appointment as a Director. No other Director of the Company is concerned / interested in the proposed resolution.

ITEM NO. 9

Shri S.L. Raina was appointed as Director (HR) on whole-time basis by the President of India vide letter No. C-31022/3/2008-CA dated 19.08.2009 till the date of his superannuation or until further orders, whichever event occurs earlier. However, before his appointment, the notice of 25th AGM scheduled for 08.09.2009 was already printed and under dispatched, therefore, his tenure as Additional Director expired on 08.09.2009. The appointment of Shri S.L. Raina was further renewed by the Board, as an Additional Director w.e.f. 08.09.2009 till the conclusion of this Annual General Meeting. The Board recommends that Shri S.L. Raina may be appointed as a Director, liable to retire by rotation.

The Company has received a notice along with requisite fee from a member under section 257 of the Companies Act, 1956, proposing the candidature of Shri S.L. Raina as a Director of the Company.

Your Directors recommend the resolution for approval of the members.

Shri S.L. Raina is interested in this resolution to the extent of his appointment as a Director (HR). No other Director of the Company is concerned / interested in the proposed resolution.

ITEM NO. 10

Shri Prabhat Singh was appointed as Director (Marketing) on whole-time basis by the President of India vide letter No. C-31022/2/202009-CA dated 24.02.2010 till the date of his superannuation or until further orders, whichever event occurs earlier and inducted as an Additional Director w.e.f. 24.02.2010 till the conclusion of this Annual General Meeting. The Board recommends that he may be appointed as a Director, liable to retire by rotation.

The Company has received a notice along with requisite fee from a member under section 257 of the Companies Act, 1956, proposing the candidature of Shri Prabhat Singh as a Director of the Company.

Your Directors recommend the resolution for approval of the members.

Shri Prabhat Singh is interested in this resolution to the extent of his appointment as a Director (Marketing). No other Director of the Company is concerned / interested in the proposed resolution.

ITEM NO. 11

Shri Sudhir Bhargava, part-time Director (Government Nominee) was nominated by the President of India vide letter No. C-31019/1/2006-CA (Part) dated 15.03.2010, as a Director on the Board of Directors of the Company w.e.f. 15.03.2010 and inducted as an Additional Director, till the conclusion of this Annual General Meeting. The Board recommends that Shri Sudhir Bhargava may be appointed as a Director, liable to retire by rotation.

The Company has received a notice along with requisite fee from a member under section 257 of the Companies Act, 1956, proposing the candidature of Shri Sudhir Bhargava as Director of the Company.

Your Directors recommend the resolution for approval of the members.

Shri Sudhir Bhargava is interested in this resolution to the extent of his appointment as a Director. No other Director of the Company is concerned / interested in the proposed resolution.

ITEM NO. 12

Clause 49 of the listing agreement mandates that all fees/compensation except sitting fees as per provision of the Companies Act, 1956, if any, paid to non-executive Directors, including independent Directors requires previous approval of shareholders in general meeting.

Services of Independent Director(s) being professionals/ experts in their respective area may be required to utilize their talent, apart from services rendered by them as a Director. Accordingly, the proposal for payment of upto Rs. 1,00,000 per annum to an Independent Director for services rendered other than directorship was approved by the Board in its 274th Board meeting held on 03.09.2009.