



गेल (इंडिया) लिमिटेड

(भारत सरकार का उपक्रम-
महारात्न कम्पनी)

GAIL (India) Limited

(A Government of India Undertaking-
A Maharatna Company)

ND/GAIL/SECTT/2014

October 7, 2014

Shri Ankit A Doshi
Assistant Manager
Surveillance Department
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot No C/1, G Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400051

Sub.: Clause 36 of the Listing Agreement

Dear Sir,

This is in reference to your e-mail dated 07.10.2014.

This is to inform that news items published in the leading new papers on the issue of tie-up between GAIL and Shipping Corporation of India (SCI) for buying of LNG carriers has no basis and GAIL is not contemplating buying any LNG ship either on its own or through SCI.

It is clarified that GAIL has signed two long terms Free on Board (FOB) contracts to source 5.8 MTPA of LNG from USA, which require GAIL to arrange LNG ships for transportation of such LNG from 2017 onwards for a period of 20 years. In order to transport 5.8 MTPA, GAIL would require about 09 LNG ships and on 01.08.2014, GAIL floated a tender for charter hiring of new built LNG ships on International Competitive Bidding basis. The due date for bid submission is 30.10.2014. As GAIL is also exploring the possibility of swapping as well as marketing part of the LNG in international markets, exact number of ships would be decided at the time of award.

As per industry practice, each of the LNG ships will be registered as a Special Purpose Vehicle (SPV) for ownership and management of such LNG ship. The tender conditions provide that both GAIL and SCI will have the option to take equity ownership in each SPV to the extent of upto 10% and 26% respectively. GAIL shall exercise such option in due course upon evaluating all pros and cons. However, it is clarified that the ships will remain under long term charter with GAIL irrespective of GAIL's equity participation in the SPVs. After the charter hire period, the SPVs will be free to deploy the ships elsewhere.

16, भीकाएजी कामा प्लेस, आर. के. पुरम, नई दिल्ली - 110066 दूरभाष : 26182955, 26172580 फैक्स : 011-26185941
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On 06.06.2013, GAIL and SCI had signed an MOU which has provisions that SCI will help GAIL in charter hiring of LNG ships and GAIL shall offer SCI a step-in right of upto 26% equity ownership in all the LNG ships to be chartered by GAIL for transporting its US LNG volumes.

Hope this clarifies the issue.

Thanking you,
Yours faithfully,



(N.K. Nagpal)
Company Secretary
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