गेल (इंडिया) लिमिटेड
(भारत सरकार का उपक्रम-
महारत्न कम्पनी)
GAIL (India) Limited
(A Government of India Undertaking-
A Maharatna Company)

ND/GAIL/SECTT/2014

November 5, 2014

Listing Department
Bombay Stock Exchange Limited
Floor 1, P.J. Towers, Dalal Street,
Mumbai – 400 001

Dear Sir,

Please find enclosed a copy of Press Releases regarding **"Revision in APM gas allocation".**

The above is for your information and record please.

Thanking you,

Yours faithfully,

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

Encl.: As above

Copy to:

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

2. Deutsche Bank AG, Filiale Mumbai
   TSS & Global Equity Services
   The Capital, 14th Floor
   C-70, G Block, Bandra Kurla Complex
   Mumbai -400051

PRESS RELEASE

GAIL (INDIA) LIMITED

Revision in APM gas allocation done transparently, affected customers informed in advance

To protect interests of small customers, gas supply up to 5,000 SCMD kept out of pro-rata cut as per MoPNG guidelines

No arbitrary cut in APM gas supplies to small industrial customers in South Gujarat

6 lakh plus households in South Gujarat alone to benefit from reallocation of gas in terms of cooking gas supplies

New Delhi, Nov 5, 2014: The allocation of Administered Pricing Mechanism (APM) gas supplies is undertaken by GAIL (India) Limited as per the guidelines of the Ministry of Petroleum and Natural Gas from time to time. The recent changes in the APM gas allocation are pursuant to the Government guidelines issued on 3rd February, 2014 and 20th August, 2014. In the guidelines, the Government has accorded top priority to City Gas Distribution entities for use of natural gas in domestic households (PNG) and transport sector (CNG) in the larger interest of the common man. The additional gas being supplied to domestic and transport sector will enable the Government to reduce subsidy burden on account of LPG and will result in substantial saving in outgo of foreign exchange for import of LPG as well as crude oil.

As per the revised guidelines, changes have been made in APM gas supplies Policy to customers and is applicable to all units, both large and small industries, priority and non-priority sectors. It is being clarified that allegations made by a section of people on cut in APM gas supplies are not true and there has not been any arbitrary or selective reduction in allocations to small industrial customers in South Gujarat.

In fact, special emphasis is being given to protect the interest of small customers (those presently having allocation of domestic gas up to 50,000 SCMD). Under these guidelines, present level of supply upto a maximum of 5,000 SCMD is reserved for small customers and kept out from the purview of the pro-rata cut. This allays any concerns of the small customers, including glass units in South Gujarat.

It is important to note that these changes also impact gas supplies to GAIL's own Petrochemical plant, which is undergoing a cut up to 88% as against its allocation.

All the customers impacted by the changes in APM gas allocation were informed in advance and offered alternate gas so that their operations are not hampered suddenly. The revision in gas allocation has been done transparently across all affected customers who have been explained the methodology leading to revised supply quantities. Some of the affected parties have already availed GAIL's offer to utilize alternative gas in view of the reduced quantity of APM gas. There are about 30 customers in South Gujarat, getting the APM gas.

Based on the Ministry directive, supplies of APM Gas to non-priority sector customers have been curtailed. The APM Gas supply cut envisaged to non-priority sector customers is around 3 to 4 MMSCMD of natural gas, while the cut to South Gujarat customers is to the tune of 0.3 to 0.4 MMSCMD. The reallocation of this natural gas to CGD entities for South Gujarat alone will enable cooking gas (PNG) supply to more than 6.0 lakh households. Presently, more than 8 MMSCMD of natural gas is being supplied to CNG & PNG sector which includes more than 2.0 MMSCMD supplies to CGD entities in Gujarat.

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SCMD – Standard Cubic Metres Per Day
MMSCMD – Million Metric Standard Cubic Metres Per Day