



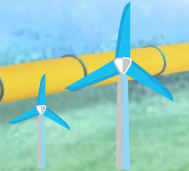
GAIL (India) Limited

# New India New Energy

LNG Sourcing



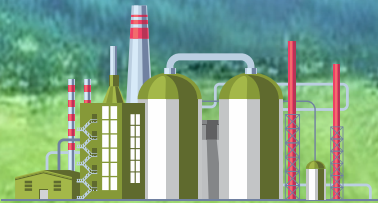
Windmill Plant



E&P



Petrochemical Plant



CNG



LNG



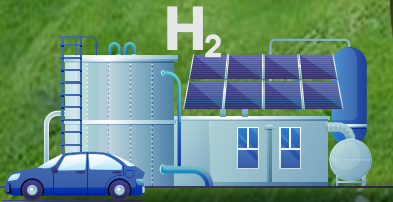
Solar Plant



Bio-Gas Plant



Hydrogen Gas Plant



GAIL CNG Station



**ADDRESS OF CHAIRMAN &  
MANAGING DIRECTOR  
40<sup>th</sup> ANNUAL GENERAL MEETING  
28 AUGUST, 2024**

Dear Shareholders,

It is a great privilege to address you today, as we convene for the 40th Annual General Meeting of GAIL (India) Limited for the Fiscal Year 23-24. On behalf of the entire Board of Directors, I extend a very warm welcome to our shareholders and all stakeholders. It is with your continued support and trust that GAIL has retained its momentum and has kept the flag high as the country's leading Natural Gas Company.

For the fifth consecutive year, shareholders have the opportunity to engage in the Annual General Meeting (AGM) from the convenience of their respective locations using the virtual platform.

I am happy to share that your Company's financial performance in FY 24 was indeed stellar. Your Company reported Profit before Tax (PBT) of ₹ 11,555 crore in FY 24, up by 75 % from ₹ 6,584 crore in FY 23. Profit after Tax (PAT) in FY 24 stood at ₹ 8,836 crore as against ₹ 5,302 crore in FY 23, an increase of 67 %, while Revenue from Operations stood at ₹ 1,30,638 crore in FY 24 as against ₹ 1,44,302 crore in FY 23. During the year your Company also achieved the highest ever capex of ₹ 11,426 crore. The market capitalisation of your Company reached ₹1,61,944 crore, @ ₹246.30 per share on NSE as on 31<sup>st</sup> July 24. Your Company has attained all these under the uncertain business environment that prevailed across all business verticals.

On the physical front, with an existing network of 16,271 km of natural gas pipelines, GAIL has been at the forefront of laying Natural Gas Pipelines and is actively working on laying approximately 3,400 km of new natural gas pipelines across the country. Persistent efforts have been made towards completing the National Gas Grid (NGG), which is essential for India's energy security and achieving a gas-based economy. I am pleased that we have maintained nearly 100 % availability of our pipeline network while ensuring gas supply to customers nationwide.

In natural gas transmission, the average gas transmission through this network during FY 24 increased by 12% to reach an all-time high of 120.46 Million Standard Cubic Meters per day as against 107.28 Million Standard Cubic Meters per day in the previous financial year. Sectoral revenue from the natural gas transmission segment in FY 24 increased by 54.5% to ₹ 10,292 crore compared to ₹ 6,661 crore in FY 23, mainly due to an increase in transmission volume along with an upward revision in natural gas transmission tariff. Natural Gas marketing volume also increased during FY 24 by 4% to reach 98.45 Million Standard Cubic Meters per day as against 94.91 Million Standard Cubic Meters per day in the previous financial year.

As a leading natural gas player, your Company recognises the importance of ensuring supply security. In this direction, we have signed two 10-year LNG supply agreements, starting in 2026: 1 MMTPA from Vitol Asia Pte Ltd, Singapore and 0.5 MMTPA from ADNOC Gas, UAE. Additionally, GAIL's volume of 4.5 MMTPA is now renewed under LNG SPA signed between Qatar Energy LNG and PLL, with supplies commencing in 2028 for a period of 20 years. GAIL has also successfully onboarded and chartered the long-term LNG vessel, GAIL Urja, and has entered into a 14-year Time Charter Party agreement for a newly built LNG carrier. The time charter for this LNG carrier will begin in early 2025. GAIL's fleet of five LNG carriers will enable the Company to meet the requirement of transporting contracted LNG volumes to India.

Your Company successfully commissioned India's first two Small Scale LNG Skids at Vijaipur in Madhya Pradesh, showcasing the potential of SSLNG technology in connecting isolated sources and consumers to the natural gas supply chain. In line with government priorities to bolster the growth of the gas market and improve accessibility throughout the country, Small Scale LNG is envisioned to play a pivotal role in fuelling LNG use in transportation, Mining, City Gas Distribution, and other sectors.

GAIL has a strong focus on city gas distribution (CGD) business. In the latest CGD round conducted by PNGRB, GAIL group Company-Tripura Natural Gas Company Limited (TNGCL) secured two GAs - Mizoram and Manipur, marking a significant milestone in extending our reach to the north-eastern part of the nation. Also, GAIL's joint venture company, Mahanagar Gas Limited acquired two geographical areas in Maharashtra and one in Karnataka from a private entity. GAIL, along with its group companies, is now the largest CGD operator in India. GAIL group of companies are authorized in 72 Geographical Areas across the nation out of the total 307 GAs. This year, your Company along with its group Companies has added 11.06 lakh PNG connections and 422 CNG stations summing up to approximately 83.4 lakh PNG customers and 2,770 CNG stations across the country.

I am very optimistic about the growth of GAIL's petrochemical business. We are solidifying our position as a key player in the Indian Petrochemical industry by establishing a diverse range of product offerings. GAIL's 500 KTA PDHPP Project at Usar, 60 KTA Poly-propylene plant at Pata, 1,250 KTA PTA plant at GMPL, Mangaluru and 50 KTA Isopropyl Alcohol (IPA) Project at Usar will diversify and expand GAIL's existing petrochemical portfolio and provide robust growth in years to come. GAIL is also exploring the feasibility of setting up a world scale greenfield ethane cracker.

It gives me immense pride to share that your Company achieved the highest-ever procurement value from the Government e-Marketplace (GeM) Portal, amounting to approximately Rs. 2700 Cr. GAIL surpassed procurement targets with approx. 56% procurement from Micro and Small Enterprises, with approx. 6% and 4% procurement from MSEs owned by Women and SC/ST entrepreneurs respectively, exceeding the mandated sub-targets.

Your Company recognizes the importance of Research and Development to improve its technological capabilities to remain competitive. GAIL R&D has awarded 4 numbers of new projects in the thrust areas of pipeline integrity management, catalyst

development for SNG, PEM water electrolysers & fuel cells. I am glad to share that GAIL has also been granted 12 numbers of Indian patents taking the total to 31 Indian Patents. Going forward, your Company has decided to set up its own R&D centre and progress in this regard is being made as per laid roadmap.

Besides the Talcher Fertiliser Project going on, your Company is also working on feasibility of another coal gasification project in a Joint Venture with Coal India Ltd. to produce Synthetic Natural Gas. Both the Companies have signed Joint Venture Agreement on 05.08.2024 for setting up of the Project at Eastern Coal Field (ECL), Bardhaman, West Bengal.

Your Company is conscious of the fact that future business growth entails sustainable business practices and decarbonization measures. With immense pride, I am happy to share that your Company is well-positioned to become a leader in the energy transition and your Board has approved the advancement of the Net Zero target by five years from earlier 2040 to 2035, to achieve 100% reduction in Scope 1& Scope 2 emissions along with the revised roadmap to achieve the same. Advancing its endeavours to reduce its carbon footprint, GAIL has installed the country's first MW scale Green Hydrogen electrolyser in Vijaipur, Madhya Pradesh. The 10 MW electrolyser has a capacity of producing 4.3 TPD of Hydrogen through electrolysis using renewable power.

Your company is also working on setting up of 500 Kilo Litres per day 1G ethanol plant and collaborating with industry leaders in the field of CO2 valorization to reduce the carbon footprint at its installations. Additionally, the feasibility of building/expanding natural gas and LPG pipelines is also underway. Your Company intends to sustain its current momentum in infrastructure development, ensuring energy security, diversification, market expansion, and growth in renewables. GAIL is working to increase the penetration of LNG and natural gas while helping with energy transition and reducing carbon emissions.



Embracing technological innovations will be central to our strategy. We will invest in digital transformation and advanced technologies to optimize our operations and deliver value to our stakeholders. Currently, we are in the process of migrating the current SAP system to the latest SAP S/4 HANA platform. This transition will allow the Company to harness the capabilities of real-time analytics, intelligent automation and simplified & streamlined processes, all while providing enhanced performance & user experiences.

Your Company has made notable progress in establishing its brand identity and distinguishing itself from the competition. Your Company has successfully launched several campaigns to ignite nationwide interest in the natural gas sector, including "Together for Clean Air," "Wah Kya Energy Hai," and "Reconnect to Roots." These campaigns, conducted on GAIL's digital platforms, collectively engaged over 100 million individuals in the past year. The year brought us several laurels like “Best Natural Gas Transportation Company of the Year Award” by Federation of Indian Petroleum Industry; the prestigious “Asian Oil and Gas Awards 2023” for the categories “Midstream Project of the Year” for installation of the world’s first floating Compressed Natural Gas station at Varanasi and “Innovation Award” for the reduction in LNG Shipping cost & emissions through Ship-to-Ship transfer of LNG with backhauling.; prestigious International Award for Training and Development by International Federation of Training and Development Organizations; Award for second-highest percentage procurement from SC/ST owned MSEs in the highest procurement category (>Rs. 1000 Cr.) for FY 22-23 by Ministry of MSME, and many more.

We remain committed to making a positive impact on society through our Corporate Social Responsibility initiatives. To enhance outreach efforts, your Company contributed beyond the statutory CSR budget during the year. The CSR projects have consistently brought about significant positive changes over the years for numerous disadvantaged individuals touching more than 13 lakh lives in the last year itself.

Noteworthy among them is our Utkarsh project for economically disadvantaged students which witnessed 97% of students qualifying the JEE Mains examination and 100% qualifying NEET examination.

Looking ahead, we are poised to capitalize on emerging opportunities and navigate any potential challenges with the same level of resilience and innovation that has defined our past. We will continue to explore and invest in new markets and opportunities, both domestically and internationally, to drive growth and enhance our global footprint.

Moving forward, GAIL aims to take a leading position in realizing the vision of the Government of India and actively strives to deliver enduring value to our shareholders. We remain optimistic about the future and are focused on achieving sustainable growth while upholding our commitment to environmental stewardship and community engagement.

Your Company is committed to conduct its business using the highest standards of governance, ethics and integrity. Its strong and effective governance framework supports these values by addressing the potential business risks and helps align the management responsibilities with the Board's strategic foresight of the organization. Your Company has also been complying with the requirements of Corporate Governance as enunciated in SEBI Regulations and DPE Guidelines on Corporate Governance.

I take this opportunity to express my gratitude to the valued customers, business associates and all stakeholders for sharing a profound relationship with the Company and for constantly supporting and strengthening the developmental efforts of your Company.

I also wish to thank our Board of Directors, the Ministry of Petroleum and Natural Gas, the Government of India, the Petroleum and Natural Gas Regulatory Board, all departments of the central and state governments, our customers, shareholders, and

employees for your trust and investment in GAIL. Your confidence in our leadership is deeply valued, and we remain committed to delivering on our promises and achieving our collective goals.

I am hopeful about the future and confident we can keep building on our successes. Together, we will advance GAIL's mission, drive growth, and help create a sustainable energy future for India.

Thank you once again for your presence today and your continued support. I look forward to a successful year ahead.

**Thank you.**