

Chairman's Speech

38th AGM-26.08.2022

Dear Shareholders,

Ladies and Gentlemen!

Good morning and I extend a very warm welcome to each and every one of you.

It gives me immense pleasure to greet you all at the 38th Annual General Meeting of GAIL (India) Limited. It is for a third year in a row that the virtual format has enabled our shareholders to participate in the AGM from the comfort of their locations.

I thank each one of you for reposing your trust, faith and confidence in the Company and its management. Over the past few years, I have been sharing with you updates on GAIL's transformational journey, the one that it has undertaken with a view to achieve superior business performance in terms of profitability and cash flows.

Global events that unfolded during the previous year have the potential to alter the structural landscape of the energy sector. And by all standards, the year gone by has been a challenging one for energy and commodity sectors, which witnessed extreme volatility in prices. Adding to it, as COVID-19 restrictions around much of the world are relaxed and economic activity recovers, energy consumption is expanding sharply, putting available energy supplies under strain and highlighting fragilities in the system. Your company has successfully steered its course during this demanding period, emerging only stronger and resilient.

Unprecedented growth in times of global uncertainty and turmoil:

As a proud recipient of the coveted Maharatna status, your Company remains committed to boost India's energy security by processing and distributing natural gas while enhancing value creation for all stakeholders. I am elated to share that your Company has yet again surpassed all its previous records and clocked a 62% increase in Revenue from Operations to Rs. 91,646 crore in FY22 as against Rs. 56,738 crore in FY21, Profit after Tax (PAT) also more than doubled to Rs. 10,364 crore in FY22 as against Rs. 4,890 crore in FY21 mainly on account of increased gas marketing and transmission volume, better gas marketing spread and higher product prices. Your Company has exceeded all expectations and posted its highest ever Revenue, PBT and PAT achieved in any of the previous financial years.

Your company has been working tirelessly to strengthen its core business and today it owns and operates about 14,500 Kms. of trunk natural gas pipeline representing nearly two-third of the country's existing network. Work is progressing at a promising pace on construction of nearly 5,000 Kms. of additional natural gas pipelines, which on completion is expected to bolster transmission quantities and provide extensive geographical reach within the country. Your company is also actively scouting for additional gas sourcing opportunities to serve its clientele, both existing and new accretions. To stimulate and fortify its core business, in particular, your company incurred a Capex of Rs. 7,738 crores mainly on Pipelines, Petrochemicals and Equity to Joint Ventures. You will also be delighted to know that your Company has acquired a 26% stake from ILF&S in the ONGC Tripura Power Company. This acquisition would encourage synergy and enable GAIL to strengthen its presence in North East region of the country. Additionally, your Company has signed Term Sheet for acquiring 26% equity in M/s LNG Japonica Shipping Corporation Limited (Japonica) from M/s Mitsui O.S.K. Lines Ltd, Tokyo ('MOL'). Japonica operates LNG vessel - GAIL Bhuwan chartered by GAIL.

Your Company is also aware of the transformational changes happening in the global energy sector and has been taking initiatives to get a foothold in such space. It is my honor to announce that your Company has, in line with the National Hydrogen Mission, commenced India's first-of-its-kind project of mixing hydrogen into natural gas system at Indore, Madhya Pradesh. The hydrogen blended natural gas is being supplied to Aavantika Gas Limited, a Joint Venture of GAIL & HPCL, operating in Indore. This project marks the stepping stone of India's journey towards hydrogen based and carbon neutral future. Your company has always been committed to the growth of a gas-based economy in India and to India's vision of a greener and a cleaner environment. As our country is moving forward with the ambitious goal of achieving a carbon-neutral and self-reliant future, this project will prove to be a significant step in that direction. I am glad to share that your Company, is committed to reduce its carbon footprint by diversifying into the renewable energy sector. In line with India's vision to achieve Net Zero by 2070, GAIL has completed a comprehensive study on science-based Net-Zero ambition and intends to achieve "100% reduction in Scope 1 and Scope 2 emissions and a 35% reduction in Scope 3 emissions by 2040".

Growth and returns go hand in hand:

The immense support of our shareholders has been consistently rewarded through regular dividends and the successful buyback of shares at premium. Your Company takes pride in being a consistent dividend-paying Company. The Board of Directors of your Company had approved payment of two interim dividends during the financial year 2021-22 along with a recommendation

for Final Dividend @ 10% (Re. 1/- per equity share) on the paid-up equity share capital of the Company.

During FY 2021-22, your Company made a Buyback offer for an aggregate consideration of around ₹ 1083 crore, excluding taxes, for approx. 5.70 crore shares at a price of Rs. 190 per equity share. The Buyback offer was successful and total number of Shares tendered were 51.52 crore against 5.69 crore shares offered.

In addition, the Board of Directors of the Company at its Board meeting held on July 27, 2022, recommended the issuance of Bonus Shares in the ratio of 1: 2 i.e. One new bonus equity share(s) of Rs. 10/- each for every two existing equity share(s) of Rs. 10/- each fully paid up, subject to the approval of the shareholders at this AGM. *(Proposed Record date-7th September, 2022)*

Endeavors for the collective good:

Your company believes in benefitting communities and protecting the environment that will ultimately determine the sustainability of continued progress. Your Company with a turnover of over US \$ 12 billion is India's largest natural gas company and is ranked as the top gas utility in Asia. But GAIL is more than just a gas company. As a conscious corporate citizen, the organization believes that it has a social purpose. The rigor and strategic thought that drives GAIL to be consistently ranked among the top gas utilities in the world, also drives its CSR initiatives. Your company is at the forefront of countless welfare projects that further its CSR objectives through initiatives like GAIL - Utkarsh which provides support for specialized residential coaching for Engineering/ Medical entrance exams, GAIL Vidya- which provides support towards promoting education to underprivileged Girl Students from rural and semi-urban localities, Project Arogya – which provides healthcare facilities through operation of 50 Mobile Medical Units in various states etc. The Company is always dedicated towards CSR activities and has spent more than the prescribed CSR budget in last three financial years in numerous areas including health, education, environment and fitness.

Onwards and upwards:

Your Company has been honored with various awards during FY 2021-22 ranging from the title of Sustainable Growing Corporate of the year, Gold Shield award by ICAI in the PSE category for excellence in financial reporting to winning the CNG auto and car rally during Saksham 2022. Your company aims to be insulated against future headwinds. After the tumultuous developments of the past few years, it is even more vital to adequately control supply chains, ensure seamless digital integration, increase global influence as well as diversification into sustainable & green energy.

Your Company is also looking for avenues to supply gas in new segments like LNG trucking. In a first-of-its-kind endeavor, your Company plans to enter into distributed LNG production with the vision to cater to the demand from off-grid locations and the transport sector. With these goals in mind your company has placed an order for two small-scale liquefaction skids capable of producing LNG on a pilot basis. Liquefaction will be achieved through proprietary technology-based mobile liquefaction skids. This in turn shall help in the distribution of natural gas through liquefaction in new locations, liquefaction of gas at isolated fields and will support setting up of LNG fueling stations and bunkering. It will be the first of its kind in the country to introduce portable and scalable liquefaction units. Further, your company is also under discussion for manufacturing liquefaction skids in India.

Transparency & Governance

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 risks crucial to its business and helps align the management responsibilities with the Board's strategic foresight of the organization. All employees in the Company embrace the values espoused by the Board.

Your Company has been demonstrating highest standards of ethical governance practices and I feel proud to share with you all that for the 13th year in a row, GAIL has received 'NIL' comments from the CAG on Financial Statements for FY 2021-22.

The test of character and effective corporate citizenship lies in whether an organization behaves ethically during favorable as well as trying times. With the 'Integrity' pledge, your Company reaffirms its commitment to responsibly lead by example and maintain highest standards of integrity, transparency and good governance in all aspects of its operations, and safeguard against corruption and other unethical activities. Your Company's robust policies play an important role in instilling these values in its system.

Your Company has also been complying with the requirements of Corporate Governance as enunciated in SEBI Regulations and DPE Guidelines on Corporate Governance.

The future is green:

With its existing LNG portfolio of over 14 MTPA, diversity in supply sources and price indices, GAIL is well poised to cater to the needs of its customers. While, additional gas sourcing opportunities are being scouted to further consolidate the gas portfolio and strengthen the core business, so as to actively contribute towards the Nation's goal of a 'gas-based' economy, your

Company has also embarked upon alternate energies like green hydrogen, renewables and bio-fuels projects which are of national importance and would likely provide a transition to the future.

In line with Government of India's 'National Hydrogen Energy Mission', your Company is setting up a Green Hydrogen Production unit with a capacity of 4.3 Ton per day at Vijaipur (M.P.). The unit will produce Green Hydrogen using Polymer Electrolyte Membrane (PEM) technology based on water electrolysis. Further, GAIL is also setting up a 10 MW ground mounted solar power project at Vijaipur. Also, study on technical feasibility of Hydrogen blending in Natural Gas / CGD network has been initiated.

Further, your Company has also taken few initiatives in line of Compressed Bio-Gas ("CBG") such as

- (i) 24 Tripartite agreement executed with City Gas Distribution ("CGD") & CBG producers – Gas supply commenced to 6 Geographical Areas;
- (ii) MoP&NG has mandated GAIL for operationalization of CBG-CGD synchronization for usage in CNG (Transport) and PNG (Domestic);
- (iii) Support announced for 400 CBG plants and consequently 253 Letters Of Intent for CBG plants issued.

Your Company has signed a term sheet with Gujarat Alkalies and Chemicals Limited (GACL) to set up 500 KLPD Bio Ethanol Plant in Gujarat.

Acknowledgement

Before I conclude, on behalf of the Board of Directors, I wish to convey our sincere regards and deep gratitude to our valued stakeholders for their continued support and trust. You have always been the driving force that has motivated us to move ahead and achieve targets despite facing numerous challenges. I also express my heartfelt appreciation for all GAIL employees who took on a courageous responsibility and committed to ensuring energy and feedstock supplies. They are the backbone of this Company and have put their best efforts day after day to transform your Company and make it more competitive.

I would like to conclude by saying that your Company is not only resilient enough to go through this tough time but also ready to shape the energy future. We will keep working to make a difference in your life and to enhance the quality of your life through clean energy and beyond.

Thank you,