



## गेल (इंडिया) लिमिटेड

(भारत सरकार का उपक्रम – महारत्न कंपनी)

### GAIL (India) Limited

(A Government of India Undertaking - A Maharatna Company)

गेल भवन,  
16 भीकाएजी कामा प्लेस  
नई दिल्ली-110066, भारत  
GAIL BHAWAN,  
16 BHIKAIJI CAMA PLACE  
NEW DELHI-110066, INDIA  
फोन/PHONE: +91 11 26182955  
फैक्स/FAX: +91 11 26185941  
ई-मेल/E-mail: info@gail.co.in

ND/GAIL/SECTT/2023

27.07.2023

1. Listing Compliance  
National Stock Exchange of India Limited  
Exchange Plaza, 5th Floor,  
Plot No. C/1, G Block,  
Bandra-Kurla Complex, Bandra (East)  
Mumbai – 400051  
Scrip Code: GAIL-EQ

2. Listing Compliance  
BSE Limited  
Floor 1, Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai – 400001  
Scrip Code: 532155

#### **Sub.: Notice of the 39<sup>th</sup> AGM of GAIL (India) Limited ('Company') along with Annual Report for FY 2022-23**

Dear Sir/Madam,

This is in continuation to GAIL's letter of even number dated 24.07.2023.

Thirty-Ninth Annual General Meeting (AGM) of the members of GAIL (India) Limited (Company) will be held on **Wednesday, 23<sup>rd</sup> August, 2023 at 11.30 a.m.** through Video Conferencing Mode (VC) /Other Audio-Visual Means (OAVM).

The Company is providing remote e-voting facility to all its members to cast their votes on all resolutions as set out in the Notice of the AGM. Remote e-voting period will commence on **Saturday, 19<sup>th</sup> August, 2023 (9:00 am) (IST) and will end on Tuesday, 22<sup>nd</sup> August, 2023 (5:00 pm) (IST)**. The remote e-voting facility shall be disabled by CDSL for voting thereafter. During this period the members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. **Wednesday, 16<sup>th</sup> August, 2023**, only shall be entitled to avail the facility of remote e-voting.

The details, such as, manner of registering/updating E-mail address, casting vote through e-voting, attending the AGM through VC/OAVM has been set out in the Notice of the 39<sup>th</sup> AGM.

Notice of 39<sup>th</sup> AGM along with Annual Report 2022-23 (including Business Responsibility and Sustainability Report) is attached herewith and also hosted at the Company's website ([www.gailonline.com](http://www.gailonline.com)).

The above is for your information and records please.

Thanking you.

Yours faithfully

(Mahesh Kumar Agarwal)  
Company Secretary

सीआईएन/CIN  
L40200DL1984GOI018976  
[www.gailonline.com](http://www.gailonline.com)

**Encl.:** As above

Copy to:

- 1 Deutsche Bank AG, Filiale Mumbai  
TSS & Global Equity Services  
The Capital, 14th Floor  
C-70, G Block, Bandra Kurla Complex  
Mumbai -400051  
K/A – Ms. Aparna Salunke
- 2 London Stock Exchange,  
Regulatory News Service Department (RNS),  
10, Paternoster Square,  
London EC4M7LS  
AVS No.- 306223
- 3 Central Depository Services (India) Limited  
17th Floor, Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai – 400001
- 4 National Securities Depository Limited  
Trade World, A wing, 4th & 5th Floors  
Kamala Mills Compound  
Senapati Bapat Marg, Lower Parel  
Mumbai – 400013
- 5 MCS STA Limited, R&TA  
New Delhi  
K/A – Shri Ajay Dalal

IN PURSUIT OF  
**EXCELLENCE**



ANNUAL **REPORT**  
2022-23



From 40 years

## IN PURSUIT OF EXCELLENCE

**With a strong focus** on continuous learning and development...

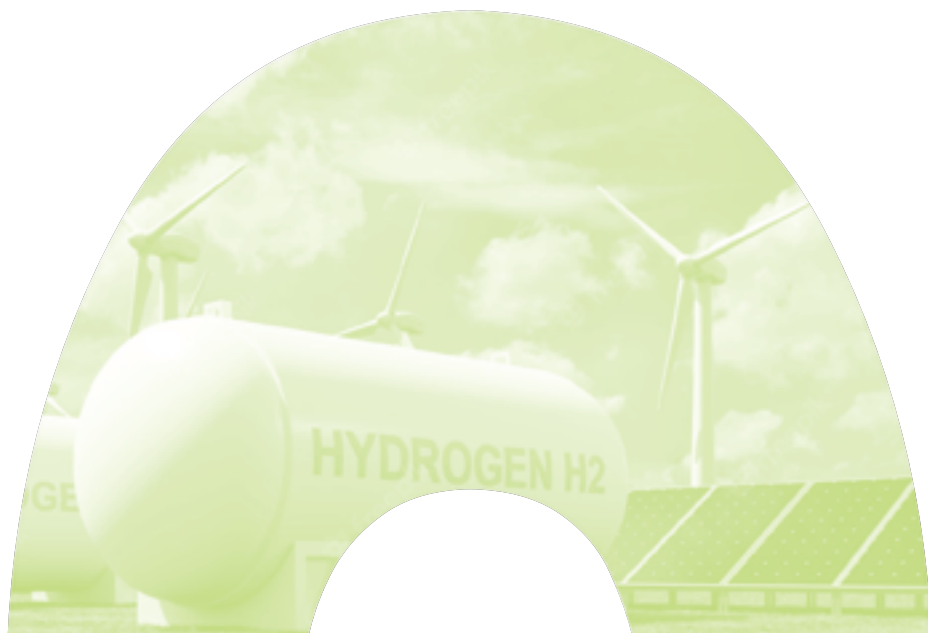
**With a willingness** to embrace change and adapt to new challenges and opportunities...

**With a continuous effort** to improve and excel in our operations, products, and services...

**With a commitment** to constantly strive for the highest standards of quality, innovation, and efficiency...

**Energizing India's growth story with infinite possibilities**

**Ensuring a liveable planet for future generations with a commitment towards Net Zero 2040**





**GAIL (India) Limited**

**39<sup>th</sup> Annual General Meeting (AGM)**

**GAIL (India) Limited**

**Wednesday, 23<sup>rd</sup> August, 2023 at 11.30 a.m.**



# GAIL (INDIA) LIMITED

(A Government of India Undertaking)

**Registered Office:** 16, Bhikaiji Cama Place, R.K. Puram, New Delhi – 110066  
 CIN: L40200DL1984GOI018976 Website: www.gailonline.com E-mail: shareholders@gail.co.in  
 Phone: 011-26182955, Fax: 011-26185941

## NOTICE

NOTICE is hereby given that the **Thirty-Ninth Annual General Meeting (AGM)** of the members of **GAIL (India) Limited (Company)** will be held on **Wednesday, 23<sup>rd</sup> August, 2023 at 11.30 a.m.** through Video Conferencing Mode (VC) /Other Audio-Visual Means (OAVM) to transact the following businesses:

### ORDINARY BUSINESS

- To receive, consider and adopt the Audited Standalone as well as Consolidated Financial Statements for the Financial year ended 31<sup>st</sup> March, 2023, Board's Report, Independent Auditors' Report and the comments thereon of the Comptroller & Auditor General of India and to pass the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** Audited Standalone as well as Consolidated Financial Statements for the Financial Year ended 31<sup>st</sup> March, 2023, Board's Report, Independent Auditors' Report and the comments thereon of the Comptroller & Auditor General of India be and are hereby received, considered and adopted."

- To confirm the payment of Interim dividend @ 40% (₹ 4.00/- per equity share) on the paid-up equity share capital of the Company already paid in the month of March, 2023 and to pass the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** the Interim dividend @ 40% (₹ 4.00/- per equity share) on the paid-up equity share capital of the Company as approved by the Board and already paid in the month of March, 2023 be and is hereby noted and confirmed."

- To appoint a Director in place of Shri Rakesh Kumar Jain, Director (Finance), who retires by rotation, and being eligible, offers himself for re-appointment and to pass the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** Shri Rakesh Kumar Jain, Director (Finance) (DIN- 08788595) who offered himself for re-appointment be and is hereby re-appointed as Director of the Company liable to retire by rotation."

- To appoint a Director in place of Shri Deepak Gupta, Director (Projects), who retires by rotation, and being eligible, offers himself for re-appointment and to pass the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** Shri Deepak Gupta, Director (Projects) (DIN- 09503339) who offered himself for re-appointment be and is hereby re-appointed as Director of the Company liable to retire by rotation."

- To authorize Board of Directors of the Company to fix remuneration of the Statutory Auditor(s) of the Company for the FY 2023-24 and for the future years effective from Financial Year 2024-25 in terms of the provisions of section 142 of the Companies Act, 2013 and to pass the following resolution(s) as an **Ordinary Resolution(s):**

**"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 and Auditor General of India for the Financial Year 2023-24.

**FURTHER 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 and Auditor General of India for the future years effective from Financial Year 2024-25."

### SPECIAL BUSINESS

- Approval for appointment of Shri Praveen Mal Khanooja as a Government Nominee Director of the Company**

To consider, and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** in accordance with the provisions of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, Shri Praveen Mal Khanooja (DIN: 09746472), Additional Secretary, Ministry of Petroleum & Natural Gas, Government of India, who was nominated by the President of India as Government Nominee Director of the Company vide MoP&NG letter no. CA-31031/1/2021-PNG-37493 dated May 16, 2023 and appointed as Nominee Director as per provision of section 161(3) of the Companies Act, 2013 w.e.f. May 16, 2023 by the Board of Directors to hold the post of Government Nominee Director of the Company, be and is hereby appointed as Government Nominee

Director of the Company for a period of three years on co-terminus basis or until further order, whichever is earlier, liable to retire by rotation and on such terms and conditions (including extension), as may be determined by the President of India/Government of India from time to time.”

**7. Approval for appointment of Shri Kushagra Mittal as a Government Nominee Director of the Company**

To consider, and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** in accordance with the Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, Articles of Association of the Company, Shri Kushagra Mittal (DIN: 09026246), Deputy Secretary, Ministry of Petroleum & Natural Gas, Government of India, who was nominated by the President of India as Government Nominee Director of the Company vide MoP&NG letter no. CA-31031/1/2021-PNG-37493 dated May 16, 2023 and appointed as Nominee Director as per provision of section 161(3) of the Companies Act, 2013 w.e.f. May 16, 2023 by the Board of Directors to hold the post of Government Nominee Director of the Company, be and is hereby appointed as Government Nominee Director of the Company for a period of three years on co-terminus basis or until further order, whichever is earlier, liable to retire by rotation and on such terms and conditions (including extension), as may be determined by the President of India/ Government of India from time to time.”

**8. Approval for appointment of Shri Sanjay Kumar as a Director (Marketing) of the Company**

To consider, and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** in accordance with the provisions of section 152, 161(1) and other applicable provisions, if any, of the Companies Act, 2013, Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, Articles of Association of the Company, Shri Sanjay Kumar (DIN- 08346704) who was nominated as Director (Marketing) by the President of India vide MoP&NG letter no. CA-31022/2/2021-PNG (38788) dated 13.06.2023 and appointed as an Additional Director w.e.f. 15.06.2023 by the Board of Directors to hold the post of Director (Marketing) of the Company, be and is hereby appointed as Director (Marketing) of the Company, liable to retire by rotation on such terms and conditions, remuneration and tenure (including extension, change in designation) as may be determined by the President of India/Government of India from time to time.”

**9. Ratification of remuneration of Cost Auditors of the Company**

To consider, and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of section 148 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force), the aggregate remuneration payable to the Cost Auditor(s) appointed by the Board of Directors of the Company to conduct the audit of cost records of the various units of the Company for the Financial Year 2022-23, amounting to ₹ 26,46,000/- (Rupees Twenty-Six Lakh and Forty-Six Thousand only) plus applicable taxes and out of pocket expenses etc. be and is hereby ratified.”

**10. Material Related Party Transactions with Petronet LNG Limited**

To consider, and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Regulation 23 and such other applicable provisions, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the applicable provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), Related Party Transactions Policy of the Company, other applicable laws, approval of the Shareholders of the Company be and is hereby accorded for transaction(s) with Petronet LNG Limited being a Related Party of the Company (entered into individually or taken together) which may exceed the materiality threshold limit i.e. ₹ 1,000 crore or such other threshold limits as may be specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from time to time and subsequent material modifications, if any, for FY 2024-25 relating to sale of any goods/materials and/or rendering of services and/or purchase of any goods/materials and/or availing of services and/or making capital contribution and/or providing loan and/or receipt of dividend and/or transfer of other resources/services/obligations and to authorize Board of Directors and/or any Committee of Directors and/or Director(s) and/or official(s) of the Company or to any other person(s) so authorized for continuation(s) or extension(s) or renewal(s) or modification(s) of earlier arrangement(s)/transaction(s)/agreement(s) or as a new transaction(s) or otherwise and to do all such acts, deeds, matters and things as may be deemed necessary or expedient to give effect to this Resolution and for the matters connected therewith or incidental thereto.”

**11. Material Related Party Transactions with Ramagundam Fertilizers and Chemicals Limited**

To consider, and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Regulation 23 and such other applicable provisions, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the applicable provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory

modification(s) or re-enactment thereof, for the time being in force), Related Party Transactions Policy of the Company, other applicable laws, approval of the Shareholders of the Company be and is hereby accorded for transaction(s) with Ramagundam Fertilizers and Chemicals Limited being a Related Party of the Company (entered into individually or taken together) which may exceed the materiality threshold limit i.e. ₹ 1,000 crore or such other threshold limits as may be specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from time to time and subsequent material modifications, if any, for FY 2024-25 relating to sale of any goods/materials and/or rendering of services and/or purchase of any goods/materials and/or availing of services and/or making capital contribution and/or providing loan and/or receipt of dividend and/or transfer of other resources/services/obligations and to authorize Board of Directors and/or any Committee of Directors and/or Director(s) and/or official(s) of the Company or to any other person(s) so authorized for continuation(s) or extension(s) or renewal(s) or modification(s) of earlier arrangement(s)/transaction(s)/agreement(s) or as a new transaction(s) or otherwise and to do all such acts, deeds, matters and things as may be deemed necessary or expedient to give effect to this Resolution and for the matters connected therewith or incidental thereto.”

#### 12. Material Related Party Transactions with Talcher Fertilizers Limited

To consider, and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Regulation 23 and such other applicable provisions, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the applicable provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), Related Party Transactions Policy of the Company, other applicable laws, approval of the Shareholders of the Company be and is hereby accorded for transaction(s) with Talcher Fertilizers Limited being a Related Party of the Company (entered into individually or taken together) which may exceed the materiality threshold limit i.e. ₹ 1,000 crore or such other threshold limits as may be specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from time to time and subsequent material modifications, if any, for FY 2024-25 relating to sale of any goods/materials and/or rendering of services and/or purchase of any goods/materials and/or availing of services and/or making capital contribution and/or providing loan and/or receipt of dividend and/or transfer of other resources/services/obligations and to authorize Board of Directors and/or any Committee of Directors and/or Director(s) and/or official(s) of the Company or to any other person(s) so authorized for continuation(s) or extension(s) or renewal(s) or modification(s) of earlier arrangement(s)/transaction(s)/agreement(s) or as a new transaction(s) or otherwise and to do all such acts, deeds, matters and things as may be deemed necessary

or expedient to give effect to this Resolution and for the matters connected therewith or incidental thereto.”

#### 13. Material Related Party Transactions with Indraprastha Gas Limited

To consider, and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Regulation 23 and such other applicable provisions, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the applicable provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), Related Party Transactions Policy of the Company, other applicable laws, approval of the Shareholders of the Company be and is hereby accorded for transaction(s) with Indraprastha Gas Limited being a Related Party of the Company (entered into individually or taken together) which may exceed the materiality threshold limit i.e. ₹ 1,000 crore or such other threshold limits as may be specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from time to time and subsequent material modifications, if any, for FY 2024-25 relating to sale of any goods/materials and/or rendering of services and/or purchase of any goods/materials and/or availing of services and/or making capital contribution and/or providing loan and/or receipt of dividend and/or transfer of other resources/services/obligations and to authorize Board of Directors and/or any Committee of Directors and/or Director(s) and/or official(s) of the Company or to any other person(s) so authorized for continuation(s) or extension(s) or renewal(s) or modification(s) of earlier arrangement(s)/transaction(s)/agreement(s) or as a new transaction(s) or otherwise and to do all such acts, deeds, matters and things as may be deemed necessary or expedient to give effect to this Resolution and for the matters connected therewith or incidental thereto.”

#### 14. Material Related Party Transactions with Mahanagar Gas Limited

To consider, and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Regulation 23 and such other applicable provisions, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the applicable provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), Related Party Transactions Policy of the Company, other applicable laws, approval of the Shareholders of the Company be and is hereby accorded for transaction(s) with Mahanagar Gas Limited being a Related Party of the Company (entered into individually or taken together) which may exceed the materiality threshold limit i.e. ₹ 1,000 crore or such other threshold limits as may be specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from time to time and subsequent material modifications,



if any, for FY 2024-25 relating to sale of any goods/ materials and/ or rendering of services and/ or purchase of any goods/ materials and/ or availing of services and/ or making capital contribution and/ or providing loan and/ or receipt of dividend and/ or transfer of other resources/ services/obligations and to authorize Board of Directors and/ or any Committee of Directors and/ or Director(s) and/ or official(s) of the Company or to any other person(s) so authorized for continuation(s) or extension(s) or renewal(s) or modification(s) of earlier arrangement(s)/transaction(s)/agreement(s) or as a new transaction(s) or otherwise and to do all such acts, deeds, matters and things as may be deemed necessary or expedient to give effect to this Resolution and for the matters connected therewith or incidental thereto.”

#### 15. Material Related Party Transactions with Maharashtra Natural Gas Limited

To consider, and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Regulation 23 and such other applicable provisions, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the applicable provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), Related Party Transactions Policy of the Company, other applicable laws, approval of the Shareholders of the Company be and is hereby accorded for transaction(s) with Maharashtra Natural Gas Limited being a Related Party of the Company (entered into individually or taken together) which may exceed the materiality threshold limit i.e. ₹ 1,000 crore or such other threshold limits as may be specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from time to time and subsequent material modifications, if any, for FY 2024-25 relating to sale of any goods/materials and/ or rendering of services and/ or purchase of any goods/materials and/ or availing of services and/ or making capital contribution and/ or providing loan and/ or receipt of dividend and/ or transfer of other resources/services/ obligations and to authorize Board of Directors and/ or any Committee of Directors and/ or Director(s) and/ or official(s) of the Company or to any other person(s) so authorized for continuation(s) or extension(s) or renewal(s) or modification(s) of earlier arrangement(s)/ transaction(s)/agreement(s) or as a new transaction(s) or otherwise and to do all such acts, deeds, matters and things as may be deemed necessary or expedient to give effect to this Resolution and for the matters connected therewith or incidental thereto.”

#### 16. Material Related Party Transactions with Aavantika Gas Limited

To consider, and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Regulation 23 and such other applicable provisions, if any, of the SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015 read with the applicable provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), Related Party Transactions Policy of the Company, other applicable laws, approval of the Shareholders of the Company be and is hereby accorded for transaction(s) with Aavantika Gas Limited being a Related Party of the Company (entered into individually or taken together) which may exceed the materiality threshold limit i.e. ₹ 1,000 crore or such other threshold limits as may be specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from time to time and subsequent material modifications, if any, for FY 2024-25 relating to sale of any goods/ materials and/ or rendering of services and/ or purchase of any goods/materials and/ or availing of services and/ or making capital contribution and/ or providing loan and/ or receipt of dividend and/ or transfer of other resources/ services/obligations and to authorize Board of Directors and/ or any Committee of Directors and/ or Director(s) and/ or official(s) of the Company or to any other person(s) so authorized for continuation(s) or extension(s) or renewal(s) or modification(s) of earlier arrangement(s)/transaction(s)/agreement(s) or as a new transaction(s) or otherwise and to do all such acts, deeds, matters and things as may be deemed necessary or expedient to give effect to this Resolution and for the matters connected therewith or incidental thereto.”

#### 17. Material Related Party Transactions with Central U.P. Gas Limited

To consider, and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Regulation 23 and such other applicable provisions, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the applicable provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), Related Party Transactions Policy of the Company, other applicable laws, approval of the Shareholders of the Company be and is hereby accorded for transaction(s) with Central U.P. Gas Limited being a Related Party of the Company (entered into individually or taken together) which may exceed the materiality threshold limit i.e. ₹ 1,000 crore or such other threshold limits as may be specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from time to time and subsequent material modifications, if any, for FY 2024-25 relating to sale of any goods/ materials and/ or rendering of services and/ or purchase of any goods/materials and/ or availing of services and/ or making capital contribution and/ or providing loan and/ or receipt of dividend and/ or transfer of other resources/services/obligations and to authorize Board of Directors and/ or any Committee of Directors and/ or Director(s) and/ or official(s) of the Company or to any other person(s) so authorized for continuation(s) or extension(s) or renewal(s) or modification(s) of earlier arrangement(s)/transaction(s)/agreement(s) or as a

new transaction(s) or otherwise and to do all such acts, deeds, matters and things as may be deemed necessary or expedient to give effect to this Resolution and for the matters connected therewith or incidental thereto.”

**18. Material Related Party Transactions with Green Gas Limited**

To consider, and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Regulation 23 and such other applicable provisions, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the applicable provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), Related Party Transactions Policy of the Company, other applicable laws, approval of the Shareholders of the Company be and is hereby accorded for transaction(s) with Green Gas Limited being a Related Party of the Company (entered into individually

or taken together) which may exceed the materiality threshold limit i.e. ₹ 1,000 crore or such other threshold limits as may be specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from time to time and subsequent material modifications, if any, for FY 2024-25 relating to sale of any goods/materials and/or rendering of services and/or purchase of any goods/materials and/or availing of services and/or making capital contribution and/or providing loan and/or receipt of dividend and/or transfer of other resources/services/obligations and to authorize Board of Directors and/or any Committee of Directors and/or Director(s) and/or official(s) of the Company or to any other person(s) so authorized for continuation(s) or extension(s) or renewal(s) or modification(s) of earlier arrangement(s)/transaction(s)/agreement(s) or as a new transaction(s) or otherwise and to do all such acts, deeds, matters and things as may be deemed necessary or expedient to give effect to this Resolution and for the matters connected therewith or incidental thereto.”

**By Order of the Board**

**Sd/-  
(Mahesh Kumar Agarwal)  
Company Secretary  
(M. No. ACS 69402)**

**Dated : 10.07.2023**

**Place : New Delhi**

**NOTES:**

1. The following is annexed with the Notice:
  - i) Explanatory Statement pursuant to section 102 of the Companies Act, 2013 (the Act) read with Secretarial Standards issued by the Institute of Company Secretaries of India, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR Regulations) in respect of the Special Business, as applicable.
  - ii) The business set out in the Notice to be transacted through electronic voting system and the Company is providing facility for voting by electronic means (instructions for remote e-voting are annexed).
  - iii) A brief resume of the Director(s) proposed for appointment/re-appointment as mandated in Regulation 36 of the SEBI LODR Regulations. For the purpose of Directorship, the Companies incorporated under the Companies Act, 2013 only has been considered. For the purpose of determination of the Committee positions, Chairpersonship/Membership is reckoned considering Audit Committee and Stakeholders Relationship Committee only. As per the provisions of the Companies Act, 2013, Additional Director(s) and Independent Director(s) are not liable to retire by rotation and as per the Articles of Association of the Company, Chairman and Managing Director is also not liable to retire by rotation.
2. GAIL is a Government Company under the administrative control of the Ministry of Petroleum & Natural Gas (MoP&NG), Government of India and the power to appoint/nominate Director(s) vests with the Government of India. All Directors of the Company viz. Executive, Non- Executive and Independent Directors are appointed/nominated by MoP&NG based on the skills/expertise/competencies required for the Company. In view thereof, the Board of Directors has not identified the list of core skills/expertise/competencies required by a Director in the context of Company's business, as required under SEBI LODR Regulations.
3. GAIL is a Government Company, therefore, the remuneration of its Executive Directors is determined by the Government of India.
4. Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 08, 2020, Circular No. 17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No. 19/2021 dated December 08, 2021, Circular No. 21/2021 dated December 14, 2021, Circular No. 02/2022 dated May 05, 2022 and Circular No. 10/2022 dated December 28, 2022 (**MCA Circulars**) and Securities and Exchange Board of India (**'SEBI'**) vide Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, SEBI/HO/CFD/CMD1/P/CIR/2021/602 dated July 23, 2021, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, SEBI/HO/DDHS/DDHS-RACPOD1/P/CIR/2023/001 dated January 5, 2023 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 (**SEBI Circulars**) have permitted the holding of AGM through VC/OAVM.
 

In terms of the said circulars, the 39<sup>th</sup> Annual General Meeting (AGM) of the members will be held through VC/OAVM. Hence, members can attend and participate in the AGM through VC/OAVM only. The detailed procedure for participation in the meeting through VC/OAVM is explained in the Notice and is also available at the Company's website [www.gailonline.com](http://www.gailonline.com).
5. Pursuant to section 105 of the Companies Act, 2013 (the Act), a proxy is allowed to be appointed, to attend and vote at a general meeting on behalf of a member who is not able to attend personally. Since, the Company is conducting AGM through VC /OAVM, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM and therefore, Proxy Form is not forming part of the Notice.
6. In pursuance of section 112 and section 113 of the Act, representatives of the body corporate members may be appointed for the purpose of voting through remote e-voting or for participation and voting in the AGM. In this regard a duly certified copy of the Board Resolution/ Power of Attorney authorizing their representative is required to be provided to the company.
7. In line with the aforesaid MCA Circulars and SEBI Circulars, the Notice of AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Hard copy of Annual Report 2022-23 will be provided to these shareholders who will specifically request for the same.
8. Notice of 39<sup>th</sup> AGM and Annual Report 2022-23 are available at Company's website [www.gailonline.com](http://www.gailonline.com) and can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and also on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e., [www.evotingindia.com](http://www.evotingindia.com)
9. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
10. The Members can join the meeting through VC/OAVM mode 15 minutes before and upto 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 members on first come first serve basis excluding large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairperson(s) of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. who are allowed to attend the AGM without restriction on account of first come first serve basis.

11. Members who wish to inspect the relevant documents referred to in the Notice can send an email to [shareholders@gail.co.in](mailto:shareholders@gail.co.in) **on or before 19<sup>th</sup> August, 2023** mentioning their name, demat account number/ folio number, email ID, mobile number.
12. The dividend declared by the Company, if any, from time to time will be paid through electronic mode to those members whose updated bank account details are available. For members whose bank account details are not updated, dividend warrants/demand drafts will be sent to their registered address. To enable the Company to better serve its members it is requested that those members who wish to avail the National Automated Clearing House (NACH) facility i.e. direct credit of dividend amount in the bank account are requested to update their bank details with their Depository (DP) (if shares are held in electronic mode) or R&TA/Company (if shares are held in physical mode).
13. 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 this behalf in lieu of such warrant(s), at least 3 weeks before they are due for transfer to Investor Education and Protection Fund (IEPF). After the transfer of unpaid/unclaimed amount to IEPF, no claim shall lie against the Company/ R&TA. Regarding modalities of dividend and other related information, members are requested to refer "Dividend" section of Report on Corporate Governance and may also visit Investor Relations section at Company's website for further reference. R&TA has also designated an exclusive e-mail ID viz. [admin@mcsregistrars.com](mailto:admin@mcsregistrars.com) to facilitate investors to register their request(s)/ complaint(s), if any.
14. Pursuant to the requirement of section 124(6) of the Companies Act, 2013 read with Rule 6(3)(a) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all shares in respect of which dividend have not been paid or claimed for seven consecutive years or more shall be transferred by the Company in the name of Investor Education and Protection Fund (IEPF). However, shareholders whose unpaid/unclaimed dividend(s)/Shares have been transferred to IEPF shall be entitled to get dividend/Shares in respect of such claims in accordance with the provisions of the Companies Act, 2013 and rules framed in this regard by the Government of India. The details of dividend paid by the Company can be viewed/downloaded at the following link- <https://www.gailonline.com/IZInvestorInformation.html> and the details of due date of transfer of dividend/ Shares, as applicable to IEPF can be viewed/downloaded at the following link- <https://www.gailonline.com/pdf/InvestorsZone/IEPFtable.pdf>
15. Securities and Exchange Board of India has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in the electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts if not yet updated. Members holding shares in physical form can submit their PAN details to R&TA/Company.
16. Members are requested to note that SEBI vide. Circular Nos. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/ CIR/2021/655 dated November 3, 2021, SEBI/ HO/MIRSD/MIRSD\_RTAMB/P/ CIR/2021/687 dated December 14, 2021 and SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated May 16, 2023 has mandated that Members holding shares in physical mode are required to update the following with the Company/RTA:
  - PAN;
  - KYC details containing address, mobile number, e-mail address, bank account details;
  - Nomination details.
 Members holding shares in physical mode, who have not registered their above particulars are requested to register the same with the Company/RTA at the earliest.
17. Member(s) who have not registered their e-mail address(es) with the Company/Depository, are requested to please follow the following instructions to register their e- mail address so as to receive all communications electronically including annual report, notices, circulars, NACH intimation etc. sent by the Company from time to time:
  - a. For members holding shares in Physical mode, please provide necessary details like Folio No., name of member along with scanned copy of the Share Certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [shareholders@gail.co.in/admin@mcsregistrars.com](mailto:shareholders@gail.co.in/admin@mcsregistrars.com).
  - b. Members holding shares in Demat mode can get their E-mail ID registered by contacting their respective Depository Participant or alternatively, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy), AADHAR (self-attested scanned copy) to [shareholders@gail.co.in/admin@mcsregistrars.com](mailto:shareholders@gail.co.in/admin@mcsregistrars.com).
18. Members are requested to note that SEBI vide circular dated January 25, 2022 has mandated that listed companies shall henceforth issue the securities in dematerialized form only while processing service requests for issue of duplicate securities certificate, claim from Unclaimed Suspense Account, renewal/ exchange of securities certificate, endorsement, subdivision/ splitting of securities certificate, consolidation of securities certificates/folios, transmission and transposition purposes.
 

Members holding shares in physical mode are requested to get their holdings converted into dematerialised mode.
19. Since AGM is being conducted through VC/OAVM and no physical presence is required, therefore, Attendance slip and Route Map of the Venue is also not forming part of the Notice.

## 20 Webcasting of the Annual General Meeting

In terms of Regulation 44 of SEBI LODR Regulations, the Company is also providing one-way live 'Webcast' of the proceedings of the Annual General Meetings for the shareholders on **23<sup>rd</sup> August, 2023 from 11.30 a.m.** onwards till conclusion of the AGM. You may access the same at GAIL's website ([www.gailonline.com](http://www.gailonline.com)).

## 21. Instructions for Remote E-Voting

Pursuant to the Regulation 44 of the SEBI LODR Regulations, Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide to its members facility to exercise their right to vote on all resolutions set forth in the Notice convening the 39th Annual General Meeting by electronic means. The Company has engaged the services of Depository viz. Central Depository Services (India) Limited (CDSL) to provide the remote e-voting facility.

The remote e-voting facility is available at the link [www.evotingindia.com](http://www.evotingindia.com). Please read the instructions printed below before exercising your vote.

The remote e-voting period commences on **Saturday, 19<sup>th</sup> August, 2023 (9:00 am) (IST) and ends on Tuesday, 22<sup>nd</sup> August, 2023 (5:00 pm) (IST)**. The remote e-voting module shall be disabled by CDSL for voting thereafter. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. **Wednesday, 16<sup>th</sup> August, 2023** only shall be entitled to avail the facility of remote e-voting.

## 22. Steps for Remote E-Voting:

In order to increase the efficiency of the voting process and in pursuance of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, e-Voting facility is being provided to all the Demat account holders, by way of single login credential, through their demat accounts/websites of Depositories/ Depository Participants (DPs). Demat account holders would be able to cast their vote without having to register again with the e-Voting service provider ('ESP') thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Further, Shareholders are advised to update their mobile number and e-mail-id with their DPs in order to access e-Voting facility.

### THE INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING AND JOINING AGM through VC/OAVM ARE AS UNDER:

#### A. ACCESS THROUGH DEPOSITORIES CDSL/NSDL E-VOTING SYSTEM IN CASE OF INDIVIDUAL SHAREHOLDERS HOLDING SHARES IN DEMAT MODE

| Type of shareholders   | Login Method  |
|--|---|
| Individual Shareholders holding securities in Demat mode with <b>CDSL Depository</b> | <ol style="list-style-type: none"> <li>Users who have opted for CDSL Easi/Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi/Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab.</li> <li>After successful login the Easi/Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, links are provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol> |
| Individual Shareholders holding securities in demat mode with <b>NSDL Depository</b> | <ol style="list-style-type: none"> <li>If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS" Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> </ol>   |

| Type of shareholders   | Login Method  |
|--|---|
|  | 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |
| Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants (DP)</b> | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.  |

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

### Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

| Login type  | Helpdesk details   |
|---|--|
| Individual Shareholders holding securities in Demat mode with <b>CDSL</b> | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cDSLindia.com">helpdesk.evoting@cDSLindia.com</a> or contact at toll free no. 1800 22 55 33 |
| Individual Shareholders holding securities in Demat mode with <b>NSDL</b> | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 022-4886 7000 and 022-2499 7000         |

## B. ACCESS THROUGH CDSL E-VOTING SYSTEM IN CASE OF SHAREHOLDERS HOLDING SHARES IN PHYSICAL MODE AND NON-INDIVIDUAL SHAREHOLDERS IN DEMAT MODE

- (i) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**
- The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - Click on "Shareholders" module.
  - Now enter your User ID
    - For CDSL: 16 digits beneficiary ID,
    - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
  - Next enter the Image Verification as displayed and Click on Login.
  - If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
  - If you are a first-time user follow the steps given below:

|   | For Physical shareholders and other than individual shareholders holding shares in Demat.   |
|---|---|
| <b>PAN</b>  | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul> |
| Dividend Bank Details <b>OR</b> Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>                 |

- (ii) After entering these details appropriately, click on "SUBMIT" tab.
  - (iii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - (iv) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
  - (v) Click on the EVSN for the relevant < GAIL (INDIA) LIMITED > on which you choose to vote.
  - (vi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
  - (vii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
  - (viii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
  - (ix) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
  - (x) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
  - (xi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
  - (xii) There is also an optional provision to upload Board Resolution/Power of Attorney, if any uploaded, which will be made available to scrutinizer for verification.
- (xiii) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
  - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non-Individual shareholders are required mandatorily to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [shareholders@gail.co.in](mailto:shareholders@gail.co.in) (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
- C. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**
- i) The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
  - ii) The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
  - iii) Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
  - iv) Shareholders are encouraged to join the Meeting through Laptops/IPads/TAB for better experience.
  - v) Further shareholders will be required to allow camera and use Internet with a good speed to avoid any disturbance during the meeting.
  - vi) Please note that participants connecting from mobile devices or tablets or through laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
  - vii) Shareholders who would like to express their views/ ask questions during the meeting do so by registering themselves as a speaker by sending their request in advance from **Monday, 14<sup>th</sup> August, 2023 (9:00 a.m.) (IST) to Friday, 18<sup>th</sup> August, 2023 (5.00 p.m.) (IST)** mentioning their name, demat account number/folio number, email id, mobile number at [shareholders@gail.co.in](mailto:shareholders@gail.co.in). Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- The Company reserves the right to restrict the number of speakers depending upon the availability of time for the AGM.

Further, the Members seeking information with regard to the Financial Statements or any other matter placed at the 39<sup>th</sup> AGM are requested to write to the Company on or before **Saturday, 19<sup>th</sup> August, 2023** mentioning their name, demat account number/folio number, email id, mobile number along with query to [shareholders@gail.co.in](mailto:shareholders@gail.co.in). These queries will be suitably replied by the Company through email.

- viii) Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- ix) Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- x) If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

#### **D. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES**

- i) For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
- ii) For Demat shareholders - Please update your email id & mobile no. with your respective **Depository Participant (DP)**
- iii) **For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining meeting through VC/OAVM.**

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800 22 55 33.

#### **23. General Instructions:**

- i) Members who have not yet registered their e-mail id(s) or who want to change their e-mail id are requested to approach their respective DP (for electronic holding) or with R&TA/ Company (for physical holding), so as to receive all communications electronically including annual report, notices, circulars, NACH intimation etc. sent by the Company from time to time.
- ii) The voting rights of members shall be in proportion to their shares to the paid-up equity share capital of the Company as on the cut-off date i.e. **Wednesday, 16<sup>th</sup> August, 2023**. Members may cast their votes separately for each business to be transacted in the Annual General Meeting and may also elect not to vote on any of the resolution(s).
- iii) Based on the consent received from Shri Sachin Agarwal, Partner, M/s Agarwal S. & Associates, Company Secretaries, Board has appointed him as the Scrutinizer to scrutinize voting process in a fair and transparent manner.
- iv) After the conclusion of the meeting, the Chairperson will declare the AGM as closed. The Scrutinizer shall after the conclusion of voting at the AGM unblock the votes cast through remote e-voting including e-voting on the date of AGM in the presence of at least two witnesses, not in the employment of the Company and will prepare a consolidated scrutinizer's report of the total votes cast in favour or against, if any, within prescribed timelines. The said report will be countersigned by the Chairman or person authorized by him in writing and declare the result of the voting forthwith.
- v) The results declared along with the Scrutinizer's Report will be hosted on the Company's website [www.gailonline.com](http://www.gailonline.com) and on the website of CDSL e-voting. The results shall simultaneously be communicated to the Stock Exchanges(s).
- vi) The results will also be displayed on the Notice Board of the company at its Registered Office.



## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 READ WITH THE SECRETARIAL STANDARD (SS-2) ON GENERAL MEETINGS AND SEBI LODR REGULATIONS, 2015

### ITEM NO. 5- FIXATION OF REMUNERATION OF THE STATUTORY AUDITOR(S) OF THE COMPANY FOR THE FY 2023-24 AND FOR THE FUTURE YEARS EFFECTIVE FROM FINANCIAL YEAR 2024-25

As per provisions of section 142 of the Companies Act, 2013, the remuneration payable to the Auditors shall be fixed in the General Meeting of the Company or in such manner as may be determined therein. Further, as per section 177 of Companies Act, 2013, read with regulation 18(3) of SEBI LODR Regulations, Audit Committee is required to recommend the appointment and fixation of remuneration of Statutory Auditors to the Board.

In exercise of the powers conferred by section 139(5) of the Companies Act 2013, the Comptroller and Auditor General of India (C&AG) appoints Statutory Auditor(s) of the Company. Accordingly, on receipt of communication from C&AG regarding appointment of Statutory Auditors and authorization by the members in the AGM, the Board of Directors decides and fixes the remuneration of Statutory Auditors based on the recommendation of the Audit Committee. The remuneration is commensurate with the quantum of work required to be undertaken by the Statutory Auditors, amendment in prevailing Laws & Regulations and in line with audit fees in peer companies. It is proposed to authorize Board of Directors of the Company to decide and fix the remuneration of the Statutory Auditor(s) of the Company appointed by Comptroller and Auditor General of India for the Financial Year 2023-24 and onwards.

None of the Directors, Key Managerial Personnel and/or their relatives, is/ are interested or concerned, financially or otherwise in the resolution except as may be deemed to be concerned or interested in the proposed resolution to the extent of their shareholding in the Company, if any.

The Board of Directors of the Company recommended the Resolution(s) as set out in the accompanied Notice for approval of the shareholders.

### ITEM NO. 6 - APPROVAL FOR APPOINTMENT OF SHRI PRAVEEN MAL KHANOOJA (DIN 09746472) AS A GOVERNMENT NOMINEE DIRECTOR OF THE COMPANY

Shri Praveen Mal Khanooja, Additional Secretary, MoP&NG was nominated as Government Nominee Director by the President of India vide letter no. CA-31032/1/2021-PNG-37493 dated 16.05.2023. He was appointed as Nominee Director w.e.f. 16.05.2023 for a period of 3 years on co-terminus basis or until further orders, whichever is earlier as per the provisions of Section 161(3) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 on the Board of Directors of your Company.

The Board recommends that Shri Praveen Mal Khanooja may be appointed as Government Nominee Director of the Company, liable to retire by rotation, on such terms and

conditions and tenure as may be determined by the President of India/ Government of India from time to time. Qualifications & Experience, relationship with other KMPs and Directors, Shareholding in the Company, Membership/ Chairmanship of Committees of other Boards etc. form part of the Notice.

Shri Praveen Mal Khanooja is interested in this resolution to the extent of his appointment as a Director.

As per Regulation 17 (1C) of SEBI LODR Regulations, 2015 - GAIL is required to obtain the approval of the shareholders for appointment or re-appointment of a person on the Board of Directors at the next General Meeting.

None of the Directors, Key Managerial Personnel and/ or their relatives, is/ are interested or concerned, financially or otherwise in the resolution except as may be deemed to be concerned or interested in the proposed resolution to the extent of their shareholding in the Company, if any.

The Board of Directors of the Company recommends the Resolution(s) as set out in the accompanied Notice for approval of the shareholders.

### ITEM NO. 7 - APPROVAL FOR APPOINTMENT OF SHRI KUSHAGRA MITTAL (DIN 09026246) AS A GOVERNMENT NOMINEE DIRECTOR OF THE COMPANY

Shri Kushagra Mittal, Deputy Secretary, MoP&NG was nominated as Government Nominee Director by the President of India vide letter no. CA-31032/1/2021-PNG-37493 dated 16.05.2023. He was appointed as Nominee Director w.e.f. 16.05.2023 for a period of 3 years on co-terminus basis or until further orders, whichever is earlier as per the provisions of Section 161(3) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 on the Board of Directors of your Company.

The Board recommends that Shri Kushagra Mittal may be appointed as Government Nominee Director of the Company, liable to retire by rotation, on such terms and conditions and tenure as may be determined by the President of India/ Government of India from time to time. Qualifications & Experience, relationship with other KMPs and Directors, Shareholding in the Company, Membership/Chairmanship of Committees of other Boards etc. form part of the Notice.

Shri Kushagra Mittal is interested in this resolution to the extent of his appointment as a Director.

As per Regulation 17 (1C) of SEBI LODR Regulations, 2015 - GAIL is required to obtain the approval of the shareholders for appointment or re-appointment of a person on the Board of Directors at the next General Meeting.

None of the Directors, Key Managerial Personnel and/ or their relatives, is/ are interested or concerned, financially or otherwise in the resolution except as may be deemed to be concerned or interested in the proposed resolution to the extent of their shareholding in the Company, if any.

The Board of Directors of the Company recommends the Resolution(s) as set out in the accompanied Notice for approval of the shareholders.

**ITEM NO. 8 - APPROVAL FOR APPOINTMENT OF SHRI SANJAY KUMAR (DIN 08346704) AS A DIRECTOR (MARKETING) OF THE COMPANY**

Shri Sanjay Kumar was nominated as Director (Marketing) on whole-time basis by the President of India vide letter no. CA-31022/2/2021-PNG (38788) dated 13.06.2023. He was appointed as an Additional Director from the date of his assumption of charge by the Board in its 457<sup>th</sup> Board meeting held on 14.06.2023 as per the provisions of Section 161(1) and other applicable provisions of the Companies Act, 2013 on the Board of Directors of your Company up to the date of this Annual General Meeting. He assumed the charge of Director (Marketing) w.e.f. 15.06.2023.

The Board recommends that Shri Sanjay Kumar may be appointed as Director (Marketing) of the Company, liable to retire by rotation on such terms and conditions, remuneration and tenure as may be determined by the President of India/ Government of India from time to time.

The Company has received a notice along with requisite fee from a member of the Company under section 160 of the Companies Act, 2013, proposing his candidature as Director of the Company. Qualifications & Experience, relationship with other KMPs and Directors, Shareholding in the Company, Membership/ Chairmanship of Committees of other Boards etc. form part of the Notice.

Shri Sanjay Kumar is interested in this resolution to the extent of his appointment as a Director.

As per Regulation 17 (1C) of SEBI LODR Regulations, 2015 - GAIL is required to obtain the approval of the shareholders for appointment or re-appointment of a person on the Board of Directors at the next General Meeting.

None of the Directors, Key Managerial Personnel and/ or their relatives, is/ are interested or concerned, financially or otherwise in the resolution except as may be deemed to be concerned or interested in the proposed resolution to the extent of their shareholding in the Company, if any.

The Board of Directors of the Company recommends the Resolution(s) as set out in the accompanied Notice for approval of the shareholders.

**ITEM NO. 9 - RATIFICATION OF REMUNERATION OF COST AUDITORS OF THE COMPANY**

The Board of Directors of the Company on the recommendation of the Audit Committee, approved the appointment and remuneration of following Cost Auditors to conduct the audit of the cost records of the Company for the financial year 2022-23:

| S.No. | Name of the Cost Auditor            | Region             |
|-------|-------------------------------------|--------------------|
| 1     | M/s R J Goel & Co., New Delhi       | Northern Region-I  |
| 2     | M/s Chandra Wadhwa & Co., New Delhi | Northern Region-II |

| S.No. | Name of the Cost Auditor                 | Region          |
|-------|--|-----------------|
| 3     | M/s Shome & Banerjee, Kolkata            | Central Region  |
| 4     | M/s A B K & Associates, Mumbai           | Western Region  |
| 5     | M/s Dhananjay V Joshi & Associates, Pune | Southern Region |
| 6     | M/s Mani & Co., Kolkata                  | Eastern Region  |

In accordance with the provisions of section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be ratified by the members of the Company. Accordingly, the Members are requested to ratify the remuneration as approved by the Board, to the Cost Auditors during the financial year 2022-23 for the services rendered by them.

None of the Directors, Key Managerial Personnel and/or their relatives, is/are interested or concerned, financially or otherwise in the resolution except as may be deemed to be concerned or interested in the proposed resolution to the extent of their shareholding in the Company, if any.

The Board of Directors of the Company recommended the Resolution(s) as set out in the accompanied Notice for approval of the shareholders.

**ITEM NO. 10 TO 18 - APPROVAL FOR MATERIAL RELATED PARTY TRANSACTIONS WITH RELATED PARTIES**

As per provision of Section 188 of the Companies Act, 2013, Related Party Transactions (RPT) such as sale, purchase or supply of any goods or materials; selling or otherwise disposing of, or buying, property of any kind; leasing of property of any kind; availing or rendering of any services; appointment of any agent for purchase or sale of goods, materials, services or property etc. which are not in ordinary course of business or not on arm's length basis and exceeding the specified limits of turnover/net-worth require consent of the members through ordinary resolution.

As per Regulation 23(4) of SEBI LODR Regulations approval of the shareholders through ordinary resolution is required, if the transaction(s) to be entered into individually or taken together with the previous transaction(s) during a financial year with a related party, exceeds ₹ 1,000 crore or 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the company, whichever is lower, even if such transaction is in ordinary course of business and at arms' length.

The Company undertakes transactions with Related Parties i.e. its Subsidiaries, Associates and Joint Venture Companies, in the ordinary course of its business and on arms' length basis for furtherance of the business interest of the Company. The Company proposes to enter into material RPT with Related Parties as mentioned in Item no. 10, 11, 12, 13, 14, 15, 16, 17 and 18. The Audit Committee had already reviewed the material RPT and recommended the same for approval of the Board. The Board of the Company also reviewed the material RPT and recommended the same for approval of the Shareholders. Accordingly, Shareholders approval for the material RPT is being sought at ensuing AGM.

The summary of information required under Regulation 23(4) of SEBI LODR Regulations read with SEBI Circular dated November 22, 2021 and other relevant SEBI circulars, if any, for RPT's which are likely to exceed ₹ 1,000 crore during FY 2024-25 is provided at **Annexure-1**.

Further, the Company undertakes transactions with Subsidiaries which is expected to exceed ₹ 1,000 crore during FY 2024-25. However, approval of shareholders for Material RPTs with such Subsidiaries is exempted under SEBI LODR Regulations, being Government Company or wholly-owned subsidiaries of GAIL, whose accounts are consolidated with GAIL and placed before the shareholders at the general meeting for approval.

None of the Directors, Key Managerial Personnel and/or their relative, is/are interested or concerned, financially or otherwise in the resolution or may be deemed to be concerned or interested in the proposed resolution to the extent of their shareholding in the Company, if any, except as given below:

- Shri Sandeep Kumar Gupta, Chairman and Managing Director, GAIL is non-executive Director on the Board of Petronet LNG Limited.
- Shri M.V. Iyer, Director (BD), GAIL is non-executive Chairman on the Board of Mahanagar Gas Limited and Central U.P. Gas Limited.
- Shri R.K. Jain, Director (Finance) & CFO, GAIL is non-executive Chairman on the Board of Indraprastha Gas Limited.
- Shri Deepak Gupta, Director (Projects), GAIL is non-executive Chairman on the Board of Green Gas Limited and non-executive Director on the Board of Talcher Fertilizers Limited.

The Board of Directors of the Company recommended the Resolution(s) as set out in the accompanied Notice for approval of the shareholders.

#### **BRIEF RESUME OF THE DIRECTORS, PROPOSED FOR APPOINTMENT/ RE-APPOINTMENT PURSUANT TO REGULATION 36(3) OF SEBI LODR REGULATIONS, 2015**

##### **ITEM NO. 3**

Shri Rakesh Kumar Jain (57 Years) is a Cost and Management Accountant by profession, Shri Jain joined GAIL in 1992 as a Management Trainee and has been part of growth trajectory of the company.

Prior to his appointment as Director (Finance), Shri Jain held the position of Executive Director (Finance & Accounts) in GAIL. As Executive Director (Finance & Accounts), he headed Corporate Finance and Treasury section in large mobilisation of funds from domestic and international markets and took investment decisions in large infrastructure projects. He was also actively involved in Investor relations and interactions with analysts fraternity.

Shri Jain has worked in the areas of Corporate Finance and Treasury including Forex Risk Management, Capital Budgeting, Corporate Budgets, Corporate Accounts, Finalization of Long Term international LNG and Gas Agreements, Pricing, Liquefaction and Regasification Terminal Service Agreement, Mergers & Acquisitions, Taxation, Regulatory aspects etc.

Besides serving a long tenure at GAIL, he was on deputation to Petroleum and Natural Gas Regulatory Board (PNGRB), as Jt. Director (Commercial and Finance). During his stint at PNGRB, he was actively engaged in the review of tariff regulations, conceptualization of unified tariff, authorization of CGD 9<sup>th</sup> & 10<sup>th</sup> bidding rounds, finance functions etc. He has also worked in almost all business verticals of GAIL including GAIL's largest Petrochemical plant at Pata.

Shri Jain holds Nil equity shares of the Company (self and as a beneficial owner).

Shri Jain does not have any relation inter-se with other Director(s) and KMP(s) of the Company.

Shri Jain attended 15 Board meetings of the Company during FY 2022-23.

Shri Jain has not resigned from any listed entities in the past three years.

Shri Jain holds the Directorship and Chairpersonship/ Membership of the Committee(s) in other Companies as under:

| S. No. | Directorship held in other Company | Name of the Committee | Position held in the Committee |
|--------|------------------------------------|-----------------------|--------------------------------|
| 1      | Indraprastha Gas Limited           | --                    | --                             |
| 2      | GAIL Global (USA) Inc.             | --                    | --                             |
| 3      | GAIL Global (USA) LNG LLC          | --                    | --                             |
| 4      | GAIL Gas Limited                   | Audit Committee       | Chair-person                   |

##### **ITEM NO. 4**

Shri Deepak Gupta (54 Years) is a Mechanical Engineer, a DCE alumnus, with more than 31 years of rich and diverse experience in Oil and Gas Sector encompassing Project Management, Construction Management and Business Development functions. He is a certified Project Management Professional (PMP) by the PMI, USA.

He has comprehensive and extensive experience in Project Management of Refinery, Petrochemical and Pipeline Projects from concept to commissioning and has led the execution of several successful Projects in India in all modes of Project implementation viz. EPC (LSTK), EPCM, OBE and PMC. He has successfully collaborated with multi-disciplinary and cross-functional teams across geographies for implementing the highly complex and challenging Oil and Gas Projects.

In EIL, he has been on the forefront in leading the implementation of the multi-billion dollar 650 KBPSD Dangote Refinery and Petrochemical Project in Nigeria, the largest single train grassroots Refinery in the world, which is also the largest Refinery Complex under implementation in the African continent. Besides this mammoth project, he has also led the implementation of the one of the largest Polymer facilities for HMEL at Bhatinda and the upcoming maiden Refinery Project in Mongolia. Besides the above, he has made significant contribution as part of team EIL that is credited with the successful implementation of the Petrochemical Expansion Project at Pata for GAIL and the PFCC Unit of MRPL Phase III Expansion Project at Mangalore.

As the convener of CHT Committee on Project Execution Best Practices he has made meaningful contribution in identifying key areas of improvement in project execution.

Shri Gupta has authored several papers and books sharing his experiences, feedbacks and ideas for fast track Project execution. Several key innovations and initiatives proposed by him are now a part of the best execution practices within the organisation. His special interests include project execution innovations, petrochemicals, strategy formulation, business growth initiatives, system improvement and digitalisation- for fast track project execution.

Shri Gupta has made presentations on strategies for mega project implementation and digitalization at key forums, both in India and Overseas and has won wide appreciation for his thoughts and ideas.

Shri Gupta holds Nil equity shares of the Company (self and as a beneficial owner).

Shri Gupta does not have any relation inter-se with other Director(s) and KMP(s) of the Company.

Shri Gupta attended 15 Board meetings of the Company during FY 2022-23.

Shri Gupta has not resigned from any listed entities in the past three years.

Shri Gupta holds the Directorship and Chairpersonship/ Membership of the Committee(s) in other Companies as under:

| S. No. | Directorship held in other Company | Name of the Committee | Position held in the Committee |
|--------|------------------------------------|-----------------------|--------------------------------|
| 1      | Green Gas Limited                  | --                    | --                             |
| 2      | ONGC Petro Additions Limited       | --                    | --                             |
| 3      | Talcher Fertilizers Limited        | Audit Committee       | Chair-person                   |

#### ITEM NO. 6

Shri Praveen Mal Khanooja (54 Years) is currently working as Additional Secretary in the Ministry of Petroleum & Natural Gas. Prior to this assignment, he was Director General, Petroleum Planning & Analysis Cell (PPAC), an attached office of the Ministry of Petroleum & Natural Gas since November 2019.

He is a B Tech in Chemical Engineering and M Tech in Management & Systems. He belongs to 1994 batch of Indian Audit & Accounts Service (IA&AS) and has worked in various capacities in Defence Audit, Railways Audit, State Government Accounts & Audit at many field and Headquarters' postings. He has also earlier served as Director (Finance) for the Department of Revenue and Central Board of Excise & Customs; Expert in the State Audit Institution, Sultanate of Oman and Additional DG in the Central Economic Intelligence Bureau.

He has conducted Compliance and Performance Audits of FAO, Rome; WIPO, Geneva, WTO, Spain; GFMD Geneva, and UNITAID Geneva.

He is a very avid reader and has participated in many discussions making considered suggestions on many energy related issues at various forums.

Shri Khanooja holds Nil equity shares of the Company (self and as a beneficial owner).

Shri Khanooja does not have any relation inter-se with other Director(s) and KMP(s) of the Company.

Shri Khanooja attended 3 Board meetings of the Company after his appointment as Nominee Director by the Board till the date of AGM notice.

Shri Khanooja has not resigned from any listed entities in the past three years.

Shri Khanooja holds the Directorship and Chairpersonship/ Membership of the Committee(s) in other Companies as under:

| S. No. | Directorship held in other Company          | Name of the Committee | Position held in the Committee |
|--------|---|-----------------------|--------------------------------|
| 1      | Oil and Natural Gas Corporation Limited     | --                    | --                             |
| 2      | Indian Strategic Petroleum Reserves Limited | Audit Committee       | Chair-person                   |

#### ITEM NO. 7

Shri Kushagra Mittal (40 Years) is a B.Tech. in Mechanical Engineering from MNNIT, Allahabad. He has subsequently pursued Master's in Public Policy from IIM, Bangalore where he was awarded Director's Gold Medal for best overall performance.

He is working as Deputy Secretary in the Ministry of Petroleum & Natural Gas. He is an IRTS Officer from Civil Services batch of 2010. He looks after the matters relating to Marketing division of the Ministry and oversees Pricing Policy, LPG verticals there. He has worked as Assistant Operations Manager, Divisional Operations Manager, Area Railway Manager and Senior Divisional Commercial Manager at various divisions of Western Railway where he oversaw train operations and business development in addition to general administration. Prior to joining Civil Services, he has worked with BHEL, a Maharatna CPSE thermal power plant design. He has keen interest in Business processes and financial management and is a Behavior Economics enthusiast.

Shri Mittal holds Nil equity shares of the Company (self and as a beneficial owner).

Shri Mittal does not have any relation inter-se with other Director(s) and KMP(s) of the Company.

Shri Mittal attended 2 Board meetings of the Company after his appointment as Nominee Director by the Board till the date of AGM notice.

Shri Mittal has not resigned from any listed entities in the past three years.

Shri Mittal does not holds the Directorship and Chairpersonship/ Membership of the Committee(s) in other Companies.

**ITEM NO. 8**

Shri Sanjay Kumar (56 Years) is a graduate in Mechanical Engineering from IIT Kharagpur and also holds a Master of Business Administration (MBA) Degree. He joined GAIL in the year 1988 and over the next three and a half decades has worked in various roles across domains including Gas Marketing, CGD Business, LNG Sourcing/Trading/Shipping, Business Development, Gas Transmission, Projects Management & Gas Pipeline Operation & Maintenance. This cross functional and multifarious experience has enabled him to gain deep insight on all aspects of the gas and LNG value chain.

Shri Sanjay Kumar played an important role in developing GAIL's overseas LNG trading subsidiary GAIL Global (Singapore) Pte. Ltd. into a standalone entity that is now well established in the global LNG business.

Shri Sanjay Kumar was Managing Director of Indraprastha Gas Limited (IGL), the largest CNG distribution Company of India before assuming the Charge of Director (Marketing), GAIL.

Shri Kumar holds Nil equity shares of the Company (self and as a beneficial owner).

Shri Kumar does not have any relation inter-se with other Director(s) and KMP(s) of the Company.

Shri Kumar attended 1 Board meeting of the Company after his appointment as Director (Marketing) by the Board till the date of AGM notice.

Shri Kumar has not resigned from any listed entities in the past three years.

Shri Kumar holds the Directorship and Chairpersonship/ Membership of the Committee(s) in other Companies as under:

| S. No. | Directorship held in other Company   | Name of the Committee | Position held in the Committee |
|--------|--------------------------------------|-----------------------|--------------------------------|
| 1      | GAIL Global (Singapore) Pte. Limited | -                     | -                              |
| 2      | Bengal Gas Company Limited           | -                     | -                              |

## Annexure-1

| Item No.                                   | 10  | 11   | 12  | 13   | 14   | 15  | 16   | 17  | 18   |
|--|---|--|---|--|--|---|--|---|--|
| <b>Name of the Related Party</b>           | Petronet LNG Limited (PLL)  | Ramagundam Fertilizers and Chemicals Limited (RFCL)  | Talcher Fertilizers Limited (TFL)   | Indraprastha Gas Limited (IGL)   | Mahanagar Gas Limited (MGL)  | Maharashtra Natural Gas Limited (MNGL)  | Avantika Gas Limited (AGL)   | Central U.P. Gas Limited (CUGL)   | Green Gas Limited (GGL)  |
| <b>Nature of Business of Related Party</b> | LNG imports / distribution and regasification   | Manufacturing of Gas based Urea  | Production of Ammonia and Urea (yet to commence)  | City Gas Distribution  | City Gas Distribution  | City Gas Distribution   | City Gas Distribution  | City Gas Distribution   | City Gas Distribution  |
| <b>Nature of Relationship</b>              | Associate/ Joint Venture and GAIL holds 12.50% equity stake   | Associate/ Joint Venture and GAIL holds 14.30% equity stake  | Associate/ Joint Venture and GAIL holds 33.33% equity stake   | Associate/ Joint Venture and GAIL holds 22.50% equity stake  | Associate/ Joint Venture and GAIL holds 32.50% equity stake  | Associate/ Joint Venture and GAIL holds 22.50% equity stake   | Associate/ Joint Venture and GAIL holds 49.99% equity stake  | Associate/ Joint Venture and GAIL holds 25.00% equity stake   | Associate/ Joint Venture and GAIL holds 49.98% equity stake  |
| <b>Type of Related Party Transactions</b>  | <ul style="list-style-type: none"> <li>Purchase of Natural Gas</li> <li>Utilizes re-gasification facilities</li> <li>Receipt of Dividend</li> </ul>   | <ul style="list-style-type: none"> <li>Sale and distribution of Natural Gas</li> <li>Equity investment</li> <li>Reimbursement of expenditure</li> </ul>  | <ul style="list-style-type: none"> <li>Sale and distribution of Natural Gas (domestic and imported)</li> <li>Receipt of Dividend</li> <li>Reimbursement of expenditure</li> <li>Receipt of sitting fee/ commission of profit in respect of GAIL nominated Directors</li> </ul>  | <ul style="list-style-type: none"> <li>Sale and distribution of Natural Gas (domestic and imported)</li> <li>Receipt of Dividend</li> <li>Reimbursement of expenditure</li> </ul>  | <ul style="list-style-type: none"> <li>Sale and distribution of Natural Gas (domestic and imported)</li> <li>Receipt of Dividend</li> <li>Reimbursement of expenditure</li> </ul>  | <ul style="list-style-type: none"> <li>Sale and distribution of Natural Gas (domestic and imported)</li> <li>Receipt of Dividend</li> <li>Reimbursement of expenditure</li> </ul>   | <ul style="list-style-type: none"> <li>Sale and distribution of Natural Gas (domestic and imported)</li> <li>Receipt of Dividend</li> <li>Reimbursement of expenditure</li> </ul>  | <ul style="list-style-type: none"> <li>Sale and distribution of Natural Gas (domestic and imported)</li> <li>Receipt of Dividend</li> <li>Reimbursement of expenditure</li> </ul>   | <ul style="list-style-type: none"> <li>Sale and distribution of Natural Gas (domestic and imported)</li> <li>Receipt of Dividend</li> <li>Reimbursement of expenditure</li> </ul>  |
| <b>Material terms and conditions</b>       | <ul style="list-style-type: none"> <li>Long term agreement for purchase of Natural Gas including utilization of Regasification Services is entered with PLL which inter-alia includes the commercial terms which are market linked and similar to the contract executed by PLL with other off-takers. Spot contracts are executed through tenders.</li> </ul> | <ul style="list-style-type: none"> <li>Long term/ short term agreement for sale and distribution of Natural Gas is entered which inter-alia includes the commercial terms which are market linked and executed by GAIL with other off-takers.</li> </ul> | <ul style="list-style-type: none"> <li>Equity investment as per Joint Venture Agreement and at face value</li> <li>Short term agreement for sale and distribution of Natural Gas is entered which inter-alia includes the commercial terms which are market linked and executed by GAIL with other off-takers.</li> </ul> | <ul style="list-style-type: none"> <li>Long term/ short term agreement for sale and distribution of Natural Gas is entered which inter-alia includes the commercial terms which are market linked and executed by GAIL with other off-takers.</li> <li>As approved by IGL Board/ Shareholders as per their Dividend Distribution Policy</li> </ul> | <ul style="list-style-type: none"> <li>Long term/ short term agreement for sale and distribution of Natural Gas is entered which inter-alia includes the commercial terms which are market linked and executed by GAIL with other off-takers.</li> <li>As approved by MGL Board/ Shareholders as per their Dividend Distribution Policy</li> </ul> | <ul style="list-style-type: none"> <li>Long term/ short term agreement for sale and distribution of Natural Gas is entered which inter-alia includes the commercial terms which are market linked and executed by GAIL with other off-takers.</li> <li>As approved by MNGL Board/ Shareholders as per their Dividend Distribution Policy</li> </ul> | <ul style="list-style-type: none"> <li>Long term/ short term agreement for sale and distribution of Natural Gas is entered which inter-alia includes the commercial terms which are market linked and executed by AGL Board/ Shareholders as per their Dividend Distribution Policy</li> <li>As approved by IGL Board/ Shareholders as per their Dividend Distribution Policy</li> </ul> | <ul style="list-style-type: none"> <li>Long term/ short term agreement for sale and distribution of Natural Gas is entered which inter-alia includes the commercial terms which are market linked and executed by GAIL with other off-takers.</li> <li>As approved by CUGL Board/ Shareholders as per their Dividend Distribution Policy</li> </ul> | <ul style="list-style-type: none"> <li>Long term/ short term agreement for sale and distribution of Natural Gas is entered which inter-alia includes the commercial terms which are market linked and executed by GAIL with other off-takers.</li> <li>As approved by GGL Board/ Shareholders as per their Dividend Distribution Policy</li> </ul> |

| Item No.  | 10   | 11   | 12  | 13  | 14  | 15  | 16  | 17  | 18  |
|---|--|--|---|---|---|---|---|---|---|
|   | <ul style="list-style-type: none"> <li>As approved by PLL Board/ Shareholders as per their Dividend Distribution Policy</li> </ul>   |  | <ul style="list-style-type: none"> <li>Reimbursement of salary of employees on deputation etc.</li> </ul>   | <ul style="list-style-type: none"> <li>Reimbursement of salary of employees on deputation etc.</li> <li>As per approved policy of IGL</li> </ul>  | <ul style="list-style-type: none"> <li>Reimbursement of salary of employees on deputation etc.</li> <li>As per approved policy of MGL</li> </ul>  |   |   |   | <ul style="list-style-type: none"> <li>As approved by GGL Board/ Shareholders</li> <li>Reimbursement of salary of employees on deputation etc. is on cost-to-cost basis</li> </ul>                              |
| Expected value of Related Party Transactions during FY 2024-25      | ₹ 33,000 crore   | ₹ 5,030 crore  | ₹ 1,250 crore   | ₹ 16,100 crore  | ₹ 7,740 crore   | ₹ 3,200 crore   | ₹ 1,100 crore   | ₹ 1,100 crore   | ₹ 1,500 crore   |
| Tenure of the Related Party Transactions                            | Ongoing transactions (year on year), however, approval is being sought for one year i.e. FY 2024-25  | Ongoing transactions (year on year), however, approval is being sought for one year i.e. FY 2024-25  | Ongoing transactions (year on year), however, approval is being sought for one year i.e. FY 2024-25   | Ongoing transactions (year on year), however, approval is being sought for one year i.e. FY 2024-25   | Ongoing transactions (year on year), however, approval is being sought for one year i.e. FY 2024-25   | Ongoing transactions (year on year), however, approval is being sought for one year i.e. FY 2024-25   | Ongoing transactions (year on year), however, approval is being sought for one year i.e. FY 2024-25   | Ongoing transactions (year on year), however, approval is being sought for one year i.e. FY 2024-25   | Ongoing transactions (year on year), however, approval is being sought for one year i.e. FY 2024-25   |
| Justification for Related Party Transactions with the Related Party | GAIL is in the business of marketing and transmission of gas. GAIL procures LNG Cargoes and re-gasified Liquefied Natural Gas from PLL and utilizes re-gasification facilities of PLL located at Dahej, Gujarat and Kochi, Kerala. | A. GAIL is in the business of marketing and transmission of gas. GAIL sales and distributes Natural Gas (domestic and imported) to its customers across India, which inter-alia, includes Related Parties of GAIL. | A. GAIL has made investment in its JVs/ Subsidiaries. It requires to make equity investment to meet their fund requirement.<br>B. Arrangement(s)/ Transaction(s) are commercially beneficial. | GAIL is in the business of marketing and transmission of gas. GAIL sales and distributes Natural Gas (domestic and imported) to its customers across India, which inter-alia, includes Related Parties of GAIL. | GAIL is in the business of marketing and transmission of gas. GAIL sales and distributes Natural Gas (domestic and imported) to its customers across India, which inter-alia, includes Related Parties of GAIL. | GAIL is in the business of marketing and transmission of gas. GAIL sales and distributes Natural Gas (domestic and imported) to its customers across India, which inter-alia, includes Related Parties of GAIL. | GAIL is in the business of marketing and transmission of gas. GAIL sales and distributes Natural Gas (domestic and imported) to its customers across India, which inter-alia, includes Related Parties of GAIL. | GAIL is in the business of marketing and transmission of gas. GAIL sales and distributes Natural Gas (domestic and imported) to its customers across India, which inter-alia, includes Related Parties of GAIL. | GAIL is in the business of marketing and transmission of gas. GAIL sales and distributes Natural Gas (domestic and imported) to its customers across India, which inter-alia, includes Related Parties of GAIL. |

| Item No.  | 10  | 11  | 12                         | 13      | 14      | 15      | 16      | 17      | 18      |
|---|---|---|----------------------------|---------|---------|---------|---------|---------|---------|
|   | Arrangement(s)/ Transaction(s) are commercially beneficial. | Arrangement(s)/ Transaction(s) are commercially beneficial. |                            |         |         |         |         |         |         |
| Expected value of transaction with Related Party (FY 2024-25) represented by % of GAIL's consolidated turnover of FY 2022-23 (₹ 1,45,531 crore) | 22.68%  | 3.46%   | 0.86%                      | 11.06%  | 5.32%   | 2.20%   | 0.76%   | 0.76%   | 1.03%   |
| Expected value of transaction with Related Party (FY 2024-25) represented by % of Related Party consolidated turnover of FY 2022-23             | 55.09%  | 110.17%   | Production yet to commence | 103.19% | 111.83% | 118.51% | 174.07% | 147.27% | 170.57% |





# CONTENTS

|   |     |
|---|-----|
| 01. MESSAGE FROM CMD  | 02  |
| 02. CORPORATE PORTRAIT  | 05  |
| 03. BOARD OF DIRECTORS  | 16  |
| 04. BOARD'S REPORT  | 30  |
| 05. MANAGEMENT DISCUSSION & ANALYSIS  | 42  |
| 06. REPORT ON CORPORATE GOVERNANCE  | 69  |
| 07. ANNUAL REPORT ON CSR ACTIVITIES   | 88  |
| 08. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT                           | 101 |
| 09. FIVE YEAR PROFILE   | 139 |
| 10. STANDALONE FINANCIAL STATEMENTS   | 147 |
| 11. COMMENTS OF C&AG - SUPPLEMENTARY AUDIT ON STANDALONE FINANCIAL STATEMENTS   | 251 |
| 12. CONSOLIDATED FINANCIAL STATEMENTS   | 253 |
| 13. COMMENTS OF C&AG - SUPPLEMENTARY AUDIT ON CONSOLIDATED FINANCIAL STATEMENTS | 350 |
| 14. GLOSSARY  | 352 |



## MESSAGE FROM CMD

“

Your Company believes in benefitting communities and protecting the environment that will ultimately determine the sustainability of continued progress.

”

**Sandeep Kumar Gupta**  
Chairman & Managing Director



## Dear Shareholders,

My heartiest greetings to you all on my behalf and on behalf of the GAIL Parivar.

The year 2022 witnessed extreme volatility and geopolitical dynamics in the world's energy system and it tested the resilience, strength and perseverance of your Company. GAIL has put in strenuous efforts to overcome the challenges while leveraging every opportunity and remaining steadfast in all its endeavors. I am happy to share with you, your Company's achievements in the year gone by, against the backdrop of this black swan event of the global energy crisis.

Your Company has recorded sustained performance in key physical and financial parameters during the financial year. For FY 2023, GAIL achieved the highest-ever Gross turnover of ₹ 1,43,976 crore, an increase of 57% over the previous year. I am glad to share that this is the first time that the turnover of your Company has surpassed the ₹ One lakh crore mark in its history. Revenue from operations from Natural Gas Transmission segment in FY 2022-23 increased to ₹ 6,661 crore as against ₹ 6,392 crore in FY 2021-22. Revenue from operations from Natural Gas Marketing in FY 2022-23 increased to ₹ 1,35,290 crore as against ₹ 77,326 crore in FY 2021-22.

The geopolitical crisis had a direct impact on your Company's operations leading to the disruption in gas supply under one of its long-term contracts, coupled with very high volatility in the price of Spot LNG in the international market. These events made it extremely difficult for GAIL to service its customers as well as its own processing plants and petrochemical unit. This in turn resulted in supply regulations and sourcing of costly LNG from spot market for keeping contractual commitments. The situation was monitored closely so as to ensure the continuity of business operations of priority sectors like fertilizers/CGDs and to minimize the adverse impact on the company.

GAIL has been supporting the Government's priorities to ensure energy security, making natural gas available at affordable prices to every corner of the country and helping transition towards lower carbon energy options. Your Company has commissioned 1,074 km of pipeline and achieved 1,330 km of pipeline lowering during last FY. Hon'ble Prime Minister dedicated the Bokaro-Angul Pipeline (533 km) to the nation and also laid the foundation stone for Srikakulam-Angul Pipeline (744 km). Your Company commissioned Dhamra-Angul Mainline with spur lines to Jamshedpur, Ranchi, Cuttack & Bhubaneswar which enabled RLNG supply from Dhamra LNG terminal. Further, GAIL also completed Sultanpur-Jhajjar-Hisar and Haridwar-Rishikesh-Dehradun Pipeline. In addition, GAIL also connected 30 nos. of CGDs Connectivity for gas supply. With ~15,600 km of pipelines under operation and 4,200 km of pipelines under construction, your company will complete around 20,000 km of National Gas grid.

I am happy to share that based on enabling regulations and GAIL's submission, PNGRB has determined the levelized Integrated Tariff for GAIL's Integrated Natural Gas Pipeline which shall lead to an increase in natural gas transmission revenue for your Company. Further, the implementation of Unified Tariff will significantly boost capacity utilization in the eastern/northeastern regions and among customers located far from source.

With a vision towards enabling clean energy access to the nation, your Company provided more than 10 lakh domestic PNG connections

and added more than 350 new CNG Stations during the year along with its Subsidiaries and JV companies. GAIL Group of companies received PNGRB authorization for 2 Geographical Areas (GAs) during the last year, and with this we now have 67 GAs. Additionally, GAIL is developing an LNG supply value chain to develop new markets and increase the consumption of natural gas in the country. The present focus is on developing a retail LNG network through trucks and the installation of LNG infrastructure inclusive of LNG dispensing stations, small-scale LNG skids, etc. to increase its reach to newer customer segments.

New business initiatives remain at the core of your Company's strategic outlook for enhancing the company's profitability and market reach. I am thrilled to share that your Company has acquired 1.25 MMTPA PTA plant JBF Petrochemical Ltd. (renamed as GAIL Mangalore Petrochemicals Ltd.) and has made it a part of GAIL's umbrella. Your Company is also implementing 560 KTA of Polypropylene (PP) plant at Usar and Pata. Your Company is also implementing its first specialty chemical plant of 50 KTA Iso-Propyl alcohol at Usar. With these additions, your company's portfolio of petrochemicals/ chemicals would become 2.95 MMTPA.

Your Company has always been at the forefront of innovation and technology. Your Company's future growth is propelled by sustainable growth strategies focused on its core areas while leveraging and incorporating changes in the technology space, marketplace, regulatory practices and also of macro-policy direction. GAIL is actively involved in the LNG trading business in the international market and to mitigate Commodity Price Risk of LPG production, your Company has commenced first-of-its-kind exotic derivatives trading of Saudi CP Propane and Butane prices and has taken derivatives for requisite quantity of LPG. For the first time, it would begin direct marketing of Crude Oil from its E&P assets. Keeping pace with the digital era and adopting state-of-the-art technologies, an in-house designed web portal for LNG sale/swap/sourcing transactions has been successfully launched. Implementation of QR Code-based Inventory Management Application across GAIL has also been introduced. It has launched Sarathi Centre and Sparsh portal for Vendor Invoice Management. During the FY 2022-23, your Company has signed investment agreement with 1 start-up in the Fintech sector whose vision is to effectively deploy credit products for underserve segment with inclusive end use with financial commitment of ₹ 1.5 crore. So far, GAIL has supported 34 numbers of start-ups with a total investment commitment of ₹ 69.69 crore.

Your Company considers its shareholders as a valuable and integral part of the organization. GAIL has been gratifying its shareholders with regular dividends, successful buyback of the share at premium and bonus issue of the share. During the FY 2022-23, Company paid Interim Dividend @40% on equity shares of ₹ 10 each (₹ 4.00/- per equity share each) amounting to ₹ 2,630.04 crore in March, 2023; in addition to Final Dividend @10% on equity shares of ₹ 10 each (₹ 1.00/- per equity share each) for FY 2021-22 amounting to ₹ 438.34 crore in September, 2022. Your Company completed buyback of ~5.70 crore fully paid-up equity shares of face value of ₹ 10 each (representing 1.28 % of the total number of fully paid-up equity shares) at a price of ₹ 190 (Rupees One Hundred Ninety only) per equity share. In addition, your Company issued and allotted Bonus Shares to the shareholders in ratio of one equity share of ₹ 10 each for every two equity shares of ₹ 10 each held.

Given the global impetus towards decarbonization and the transition towards net zero goals, your Company leads the path and has developed its Net Zero strategy target for GHG Emissions of 100% reduction in Scope 1 and Scope 2 emissions and a 35% reduction in Scope 3 emissions by 2040. Deep dive efforts are being carried out for penetration of renewable energy in the supply mix, with a focus towards electrification, new energy forms-CBG, hydrogen etc. as key drivers of GAIL's energy transition journey. Your Company is also actively involved in installing Compressed Bio Gas (CBG) plants based on Municipal Solid Waste (MSW) in Ranchi & Bengaluru as an integral part of the MoP&NG's initiative – SATAT (Sustainable Alternative towards Affordable Transportation).

Your Company firmly believes in integrating Environmental, Social and Governance (ESG) norms in its value chain and aims at contributing to creating a better world for the next generation. As you are aware that GAIL had launched India's maiden pilot project of hydrogen blending in CGD Network at Aavantika Gas Limited (AGL- a JV of GAIL and HPCL) which is now blending 5% v/v hydrogen in AGL's PNG network. Your Company is also setting up a 10 MW PEM based green hydrogen plant and India's first Small Scale LNG plant at Vijapur.

Your Company firmly believes that the commitment towards playing a defining role in the development of its stakeholders extends to uplifting lives of the marginalized segments of the society, living in and around its areas of operation. Your Company strongly believes and practices investing in sustainable development of the marginalised societies around the area of our operation for creating opportunities and spreading well-being. Your Company has invested substantially in CSR initiatives and has made transformational impact for millions of underprivileged people. The principles of Corporate Social

Responsibility (CSR) are deeply imbibed in your Company's corporate culture. To amplify outreach efforts, your Company incurred more than the statutory mandated CSR budget during the year.

Overall, I am pleased to share that your company has done well in a volatile global environment in the year gone by and achieved the feat of an "Excellent" MoU rating from DPE for MoU 2021-22 and also received "NIL" Comments from CAG for 14<sup>th</sup> consecutive year, FY 2022-23. The year brought us several laurels like the coveted Platts Global Energy Award for Energy Transition - Midstream, SAFA Best Presented Annual Report Awards, Integrated Reporting Awards & SAARC Anniversary Awards for Corporate Governance Disclosure, Gold Trophy for the TIOL National Taxation Awards, Green Ribbon Champion and PCRA- 'Significant contribution towards energy conservation & fuel efficiency' during Saksham-2023.

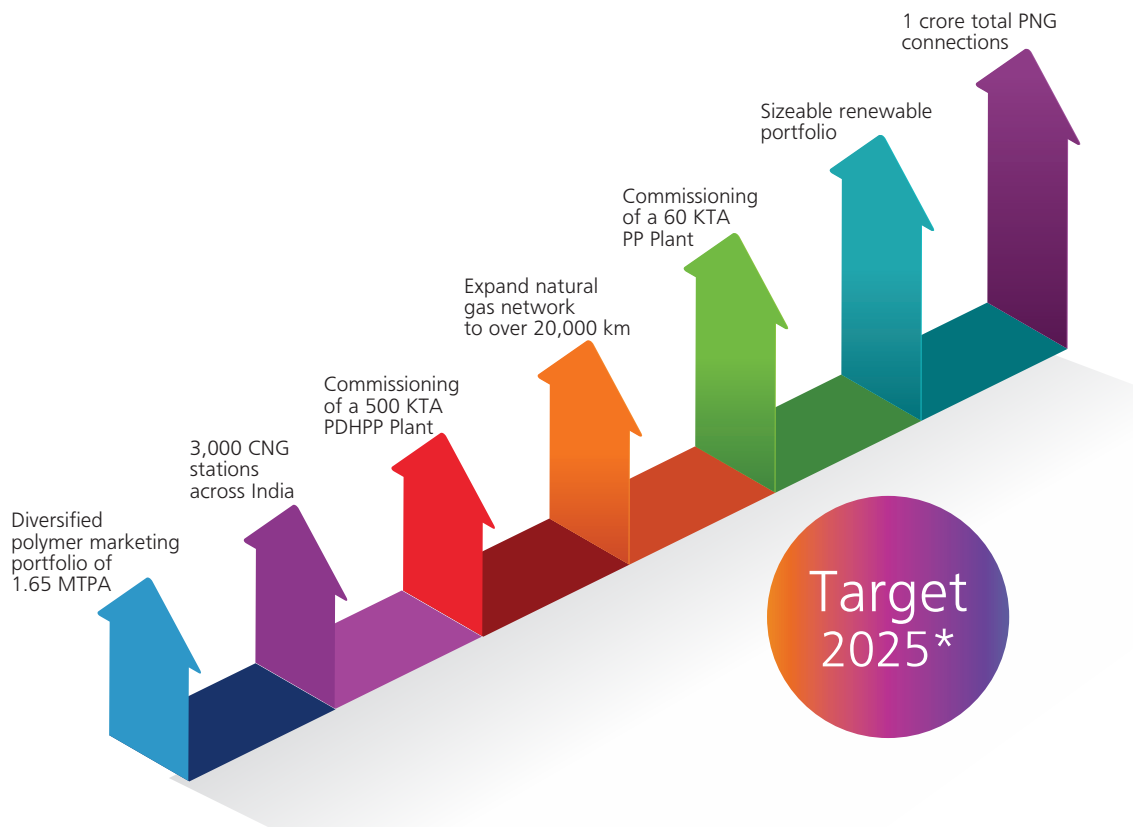
Your Company is exploring opportunities of ethane sourcing for its existing petrochemical plant. Your Company has also issued an EoI to explore opportunity of equity acquisition in LNG liquefaction terminal along with 1 MMTPA LNG tie up from USA. Further, your company is also in the look-out for affordable long term LNG contract from other sources for addition in existing LNG portfolio.

Your Company, over its journey of four decades, has strived to maintain strong relationships with Customers, Vendors, Partners, Communities and Regulators along with proactive engagement with other Stakeholders, Central and State Governments. I have the privilege to thank you for your continued belief and patronage of GAIL's endeavors.

Thank you, shareholders, for your conviction to invest in GAIL

Sd/-

**Sandeep Kumar Gupta**  
Chairman & Managing Director



\*All targets are inclusive of contribution from group companies

## MISSION

Enhancing quality of life through clean energy and beyond

## VISION

Be the leader in natural gas value chain and beyond, with global presence, creating value for stakeholders with environmental responsibility

### GAIL'S ASPIRATIONS TO ACHIEVE ITS VISION:

#### Quality of Life

The Company strives to transform the lives of the people it touches by providing improved and environment-friendly products and services in a sustainable way.

#### Stakeholders

The Company aspires to fulfil the aspirations of its larger stakeholder community, from its employees to customers, partners and society by creating sustainable value. It is accountable for delivering superior results, creating value and generating economic opportunities for the deprived section.

#### Clean Energy and Beyond

The Company promotes use of superior, sustainable, environment-friendly and efficient energy sources including natural gas, renewables and other clean alternative energies.

#### Environmental Responsibility

The Company promotes highest levels of operational safety, employee health and cleaner environment. It further strives to minimise its negative impact on the environment and the community.

## GAIL's CORE VALUES



### INTEGRITY & ETHICS

It is transparent, fair and consistent in dealing with people. It insists on honesty, integrity and trustworthiness in all its activities and seeks to exhibit highest levels of personal and institutional integrity.



### EXCELLENCE

It seeks to achieve the pinnacle of excellence in all the business verticals where it has significant presence with continuous improvement and learning.



### RESPECT

It believes in people, recognises its responsibility towards the employees and respects their unique contribution, teamwork, dignity, rights and privacy.



### TECHNOLOGY & INNOVATION

It acknowledges entrepreneurial spirit and constantly supports development of newer technologies, introduction of new ideas/products, improved processes, better services and management practices.



### CUSTOMER

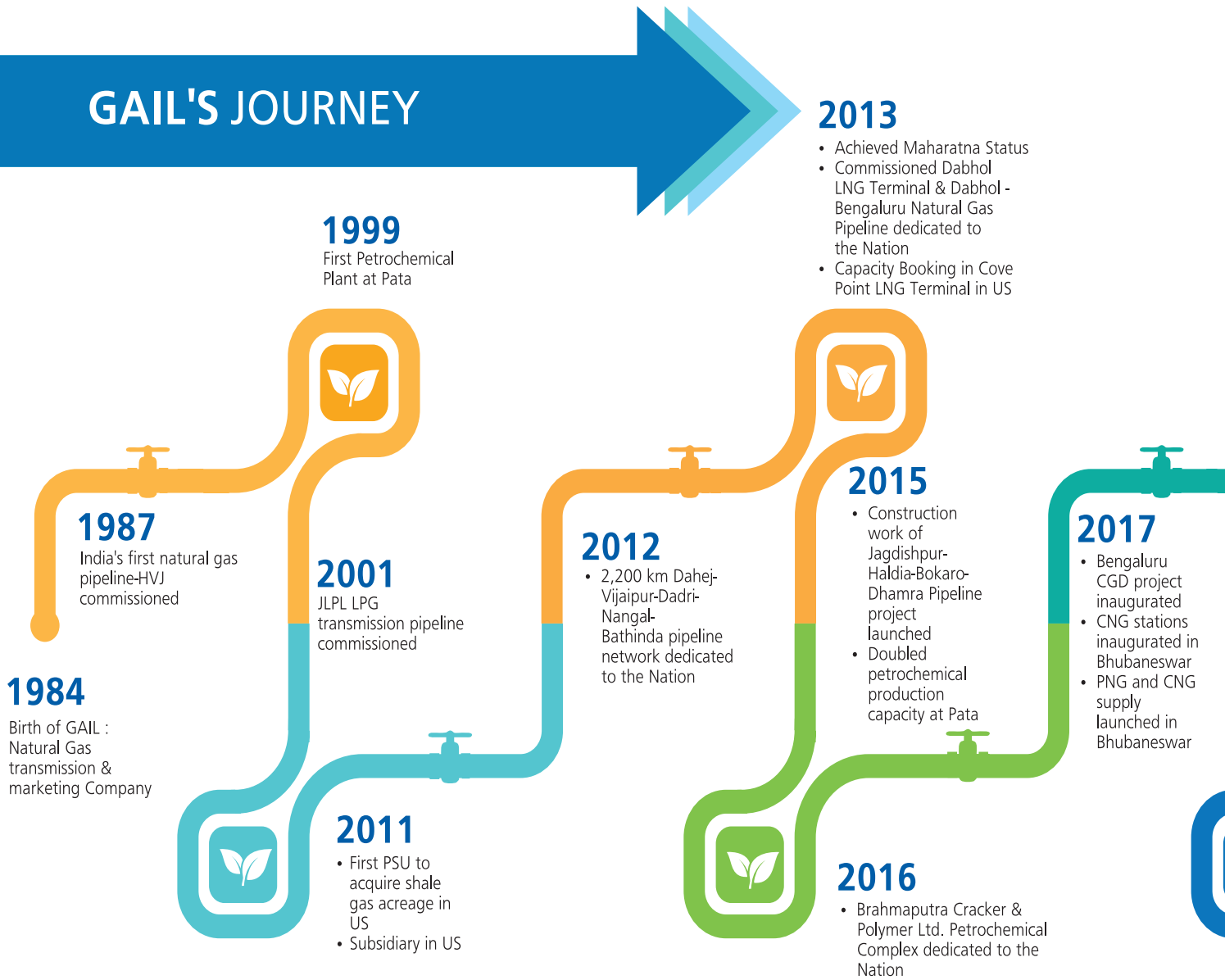
It strives relentlessly to exceed the expectations of its customers and to be their first preference by delivering superior products and services, and creating sustainable value.



### SAFETY

It aims at providing a safe workplace for its workforce and the communities around it, along with respecting the environment.

# GAIL'S JOURNEY





## 2018

- Launch of commencement of work of Talcher Fertilizers Limited (TFL)
- Varanasi CGD project inaugurated
- India's first LNG cargo from USA received in GAIL's first charter hired vessel
- First LNG cargo under long term contract with Russia received
- CNG Stations inaugurated in Cuttack

## 2019

- Jamshedpur CGD project inaugurated
- Ranchi CGD project inaugurated
- Patna CGD project inaugurated
- Phase 1 of 'Pradhan Mantri Urja Ganga' Dedicated to the Nation

## 2021

- Kochi-Mangaluru Natural Gas Pipeline dedicated to the Nation
- Dobhi-Durgapur Natural Gas Pipeline Dedicated to the Nation

## 2022

- Dedication of CNG boats at Varanasi
- Bokaro-Angul Natural Gas Pipeline dedicated to the Nation

## 2023

- Acquisition of JBF Petrochemicals Ltd.

### Contributing To Nation's Progress



Contributes more than  
**50%**  
of the Natural Gas (NG)  
sold in India



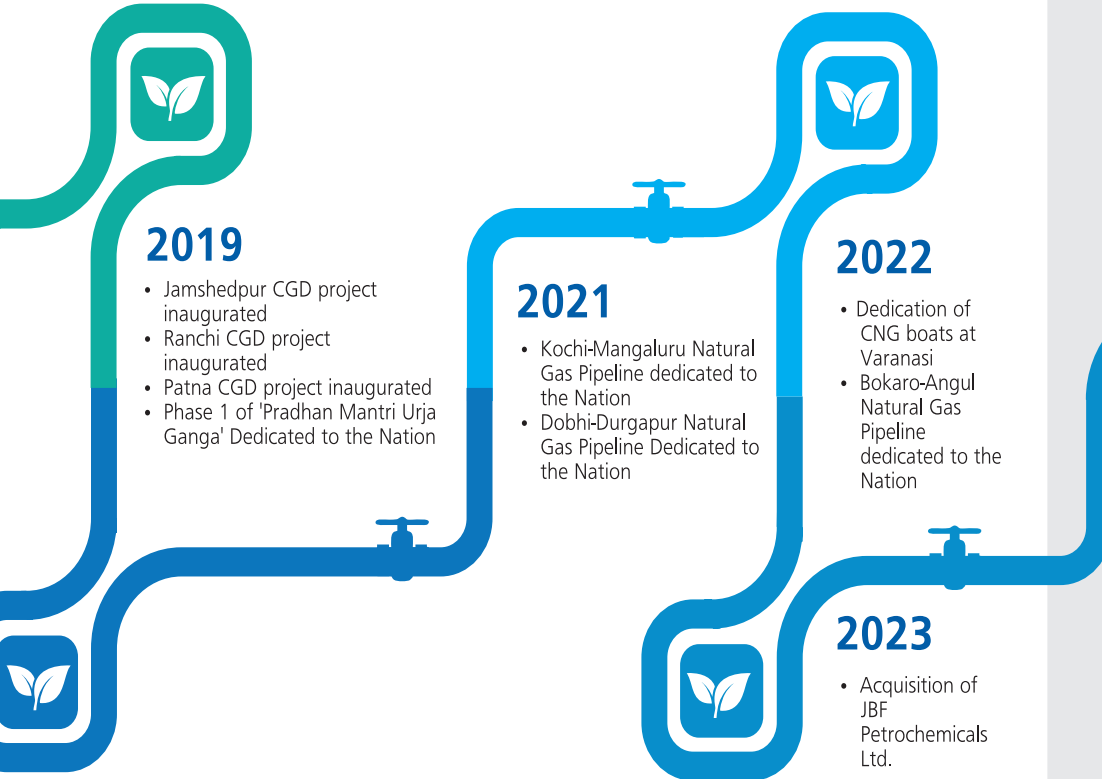
Operates  
**74%**  
of the total Natural Gas  
transmission  
pipelines in India

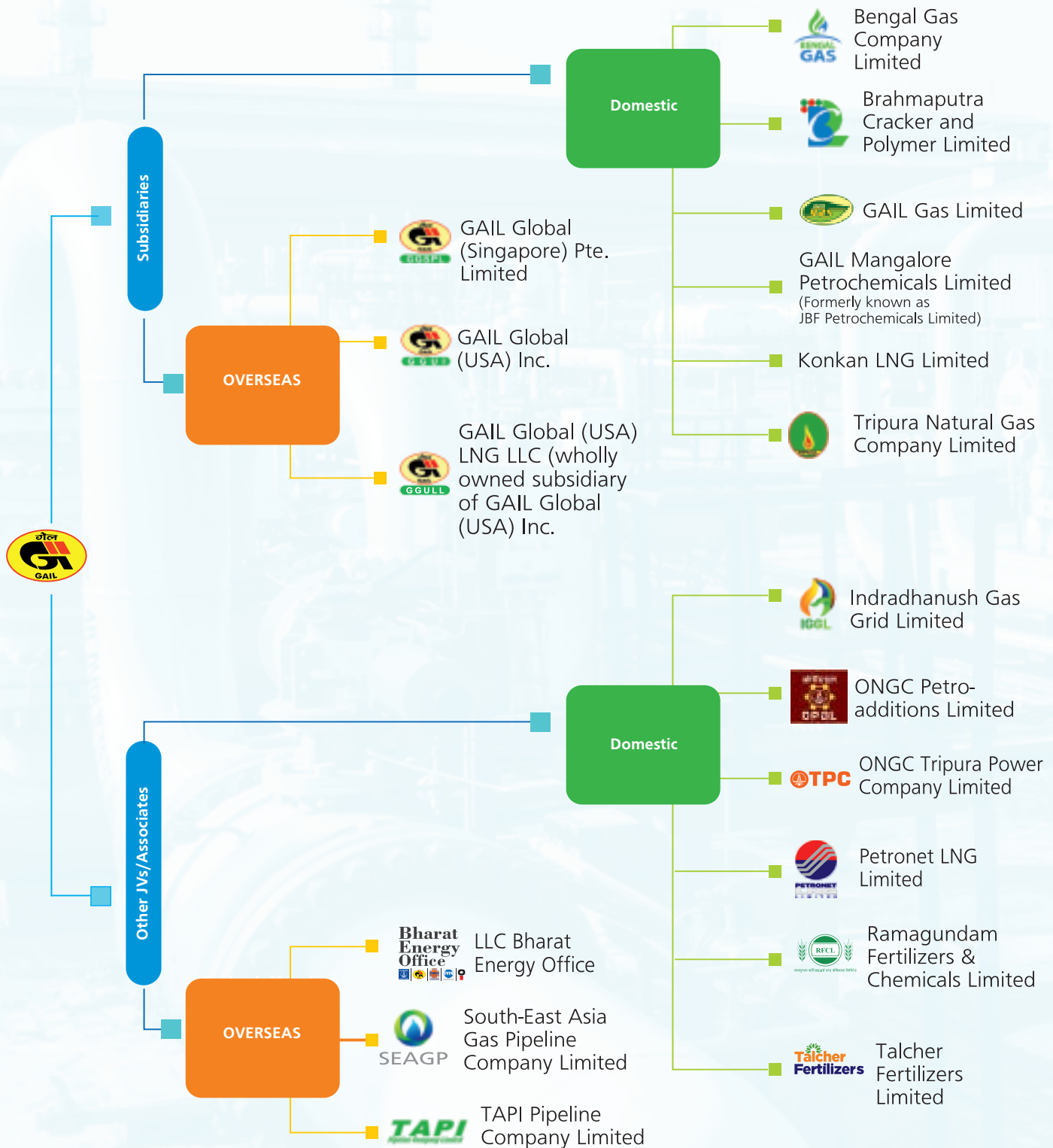


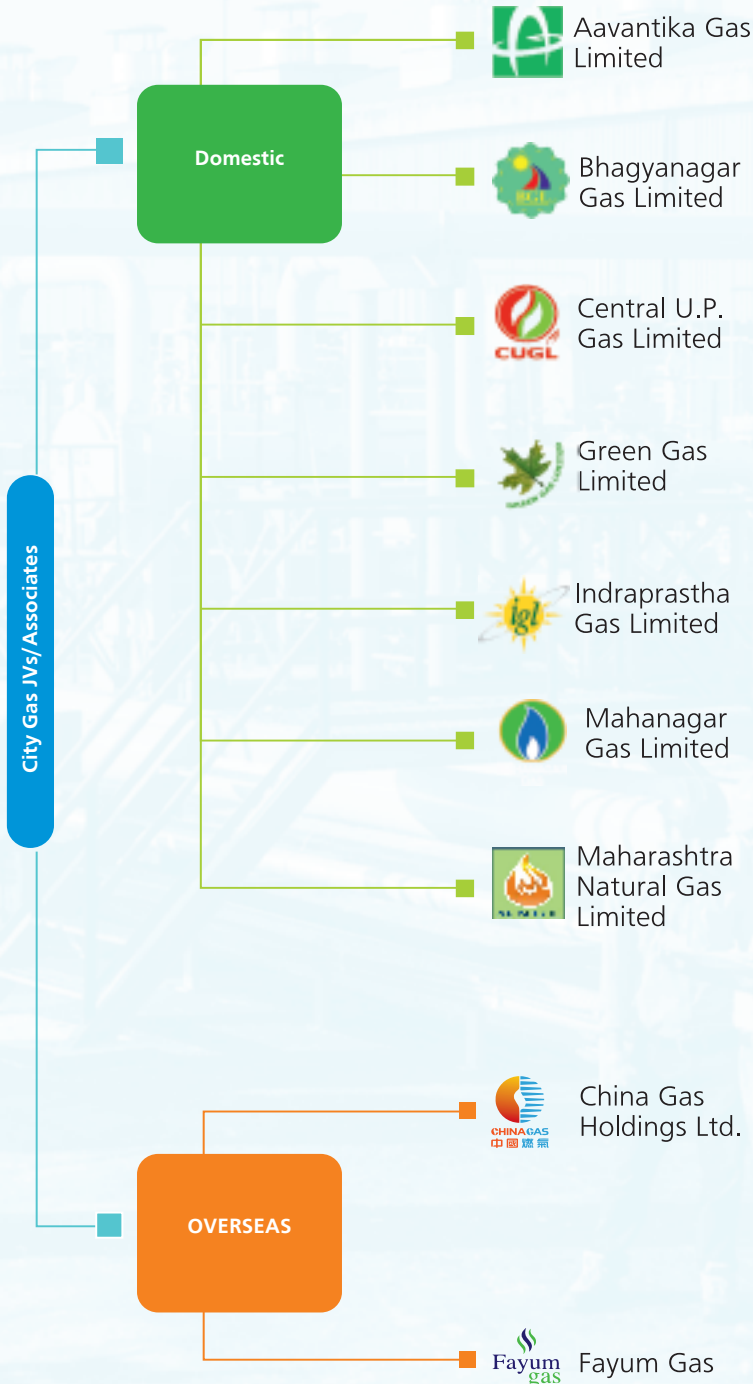
Operating around  
**42%**  
of India's CNG stations  
(CGD JVs/GAIL Gas)



Produces every  
**33<sup>rd</sup>** LPG  
cylinder sold in India







# GROUP BUSINESS STRUCTURE

Your Company's commitment towards a greener future is strengthened by its network of Subsidiaries and Joint Ventures (JV's)/Associates spread across the country and parts of the world.



## GAIL'S DIVERSIFIED PORTFOLIO

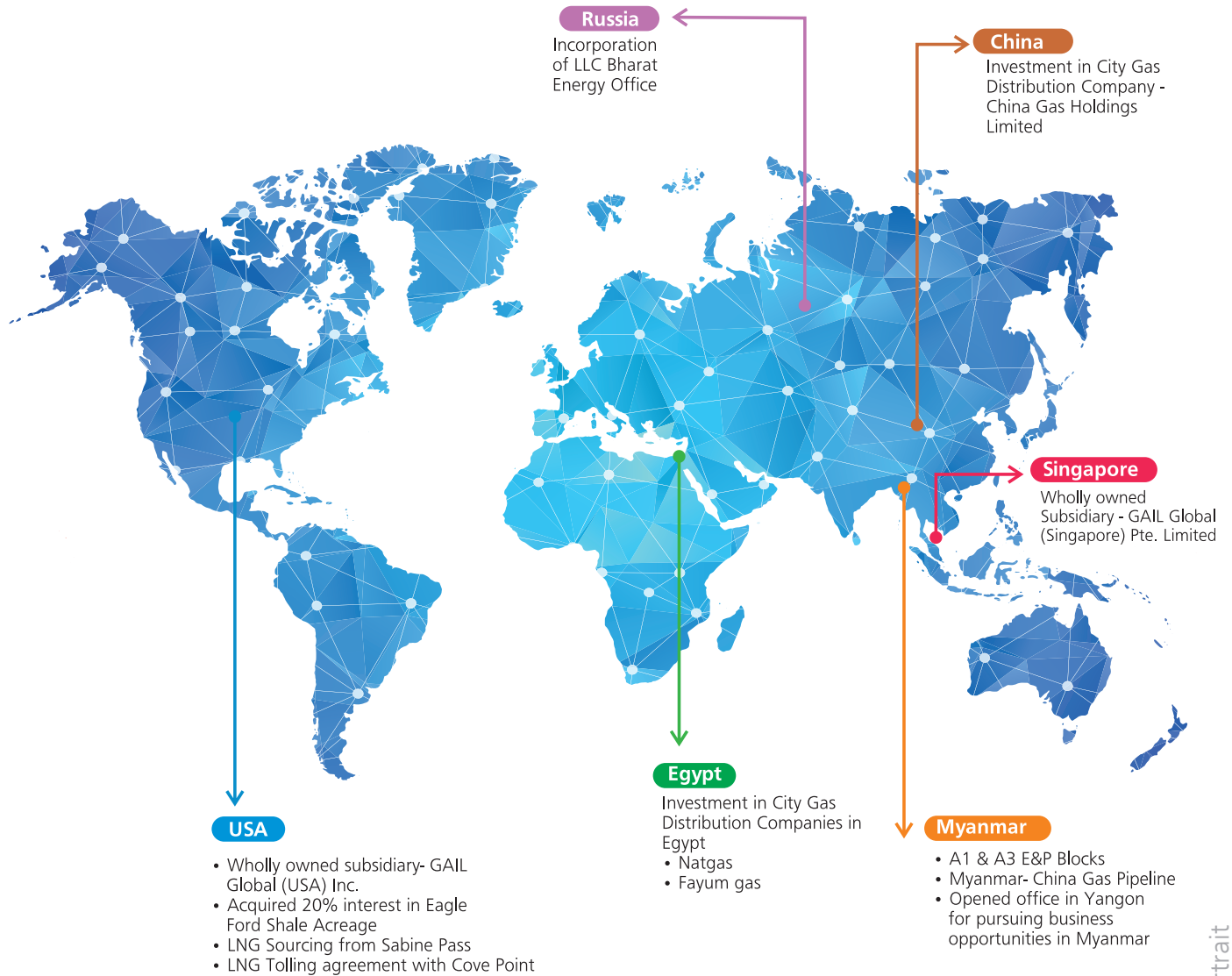
GAIL aims to maximise the value potential of its portfolio by capitalising on its market position and strengthening areas of value creation.



**GAIL'S  
EXTENSIVE  
GLOBAL PRESENCE**

Among Top 10  
global LNG  
portfolio marketers

LNG portfolio of around  
14 MMTPA  
from Qatar, USA, Australia, Russia



## INPUT

### Financial Capital

- Capex of ₹ 9,099 crore
- Paid up Equity ₹ 6,575.10 crore

### Manufactured Capital

- 15,600 km of gas network
- Owns and operates 2,040 km LPG pipeline network
- 118 MW of wind and 14 MW of Solar power capacity

### Intellectual Capital

- ₹ 180.62 crore investment in R&D
- Collaborating with organizations and institutions under the Green Hydrogen initiative

### Human Capital

- Total permanent employees 4,823
- Total training of 18,34,647 man hours (inclusive of contractual workers)
- Average spent on Training and development of FTEs ₹ 33,812

### Social and Relationship Capital

- ₹ 99.1 crore CSR Spend
- Conducted 20 Vendor Development Programs across various work centres
- Targets 25% of procurement from MSEs
- Carries out Customer Satisfaction Index (CSI) online survey

### Natural Capital

- 5,00,65,334 GJ of Total energy consumption
- Water consumption of 17.50 million m<sup>3</sup>
- Formulated Net-zero action plan

## OUTCOMES



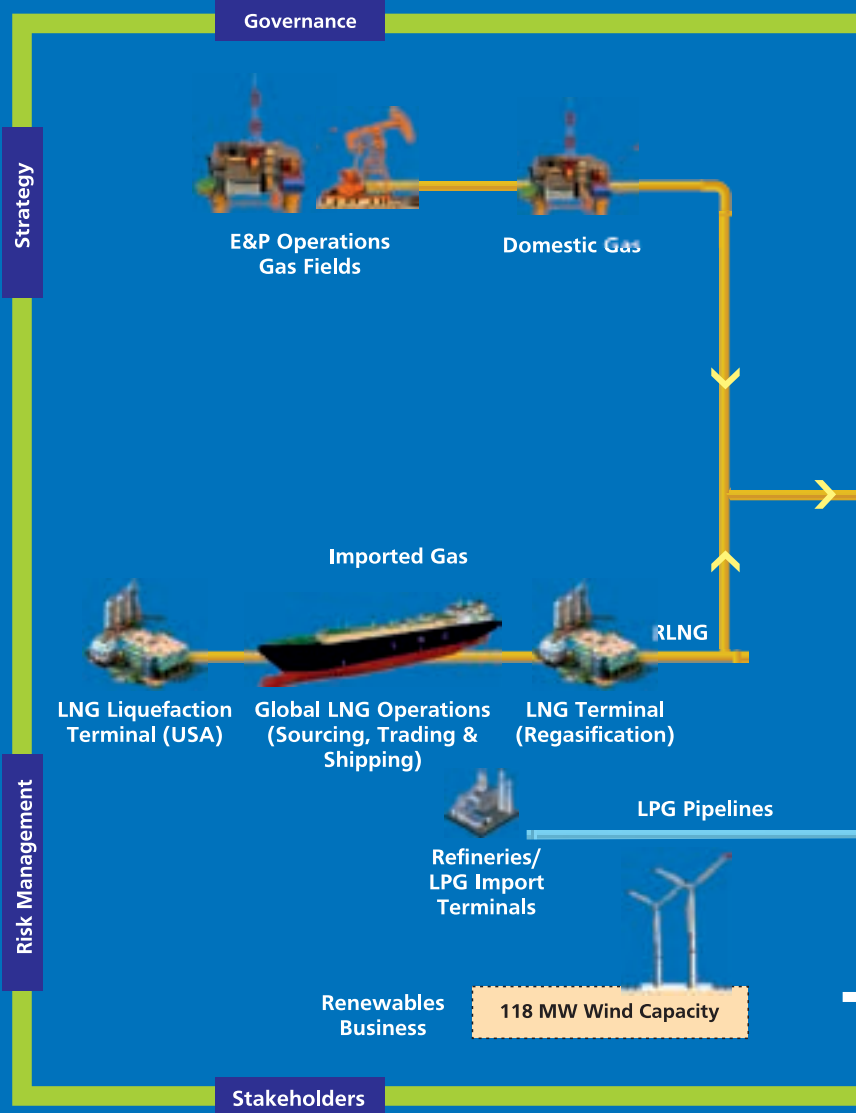
Contributing to Nation's progress with more than 50% contribution of the Natural Gas sold in India



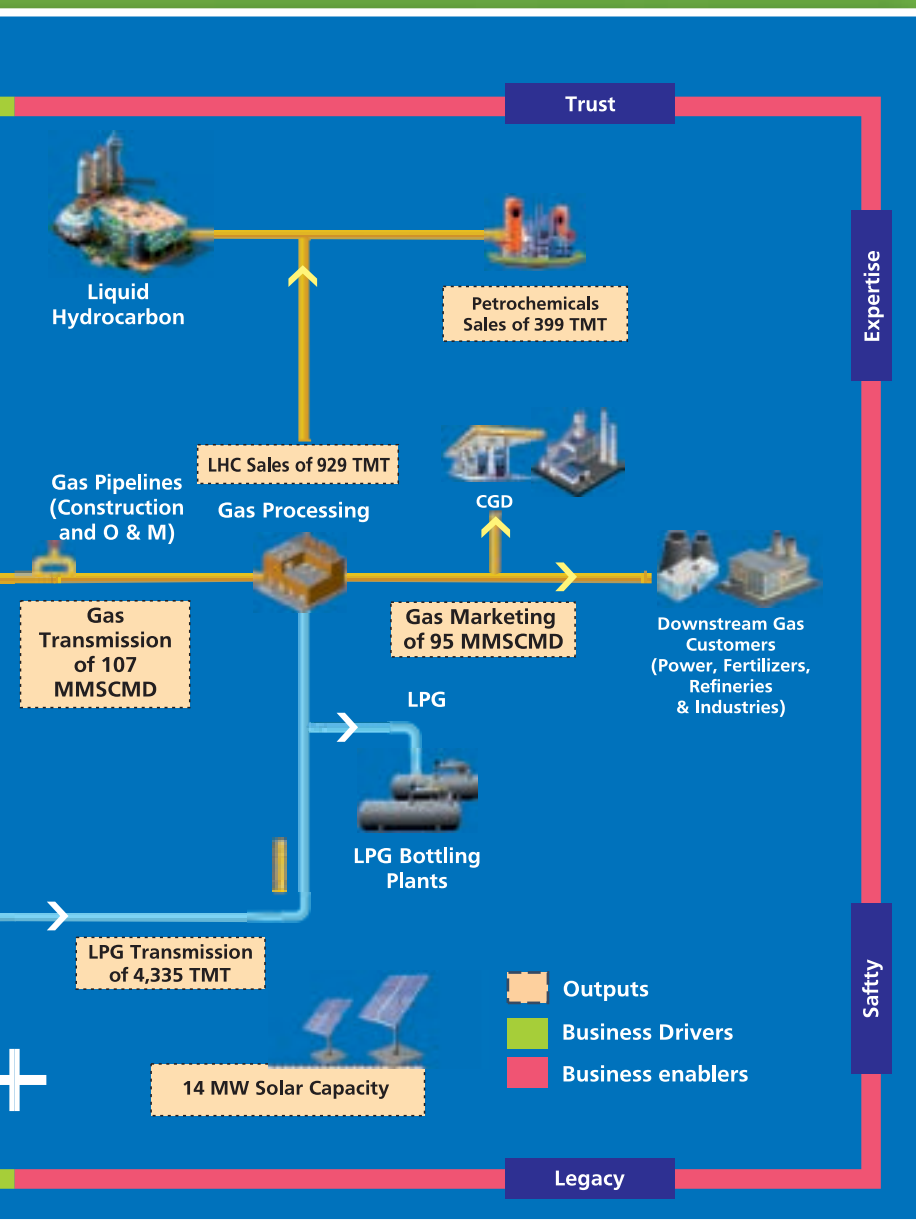
India's largest natural gas company

# VALUE CREATION

## Presence across entire gas value chain



# MODEL



## OUTPUT

### Financial Capital

- ₹ 1,44,302 crore revenue from operations
- ₹ 6,584 crore Profit before tax
- ₹ 8.04 earning per share

### Manufactured Capital

- Gas transmission of 107.28 MMSCMD
- LPG throughput of 4.34 MMTPA
- Total liquid hydrocarbon production of about 0.93 Million MT from GPUs

### Intellectual Capital

- Collaborative research work mainly on emerging areas such as green hydrogen, CO<sub>2</sub> utilisation
- In the process of building India's largest green hydrogen plant

### Human Capital

- Achieved 80% coverage of employees training programme with a training efficacy score of >92.75%
- Employee turnover rate of just 4.06%
- HSE Score of 97.60% for the FY 2022-23 against an internal target of 95%

### Social and Relationship Capital

- More than 15,18,348 beneficiaries through CSR Program
- ₹ 1,541 crore Procurement from MSEs (~46.09% of the total eligible value)
- Customer satisfaction score of 89%
- ₹ 2,541 crore Procurement from Government e-Marketplace (GeM)

### Natural Capital

- Total Operational GHG emission of 39,75,555 tCO<sub>2</sub>e
- Target to achieve Net zero 100% Scope 1 and Scope 2 GHG Emission by 2040
- Target to achieve 35% GHG Scope 3 Emission Reduction by 2040



Operating around 42% of India's CNG station



Market capitalisation of ₹ 69,203 crore (BSE)



Spent more than 2% (including set-off) of the average net profit of the preceding three years on CSR

# GOVERNANCE FOR GROWTH BOARD OF DIRECTORS



**1 Shri Ayush Gupta**  
Director (HR)  
(DIN 09681775)  
(w.e.f. 22.08.2022)

**2 Shri Sandeep Kumar Gupta**  
Chairman and  
Managing Director  
(DIN 07570165)  
(w.e.f. 03.10.2022)

**3 Shri Sanjay Kumar**  
Director (Marketing)  
(DIN 08346704)  
(w.e.f. 15.06.2023)

**4 Shri M. V. Iyer**  
Director (Business  
Development)  
(DIN 08198178)

**5 Shri Deepak Gupta**  
Director (Projects)  
(DIN 09503339)

**6 Shri R. K. Jain**  
Director (Finance) & CFO  
(DIN 08788595)





**Shri Praveen Mal Khanooja**  
Government Nominee Director  
(DIN 09746472)  
(w.e.f. 16.05.2023)



**Shri Kushagra Mittal**  
Government Nominee Director  
(DIN 09026246)  
(w.e.f. 16.05.2023)



**Shri Akhilesh Jain**  
Non-official Independent Director  
(DIN 07731983)



**Shri Sher Singh**  
Non-official Independent Director  
(DIN 09404758)



**Shri Sanjay Kashyap**  
Non-official Independent Director  
(DIN 09402360)



**Dr. Nandhagopal Narayanasamy**  
Non-official Independent Director  
(DIN 06535490)



**Smt. Kangabam Inaocha Devi**  
Non-official Independent Director  
(DIN 07812922)



**Prof. Dr. Ravikant Kolhe**  
Non-official Independent Director  
(DIN 09406892)



**Shri Manoj Jain**  
Chairman and Managing Director  
(DIN 07556033)  
(Upto 31.08.2022)



**Dr. Navneet Mohan Kothari**  
Government Nominee Director  
(DIN 02651712)  
(Upto 18.04.2023)

Your Company's Board of Directors provides leadership and strategic guidance to safeguard stakeholder value creation within a framework of judicious and effective controls. The Board is supported by 13 committees for effective functioning. These committees assist the Board in the discharge of its duties and responsibilities. The functioning of these committees is delegated successfully for the Board's effective decision making.

You can read further about GAIL's corporate governance structure, committees and mechanisms in the 'Report on Corporate Governance', which is part of the Board's Report.



## GAIL's Board Committees

### Audit Committee

- Shri Akhilesh Jain -Chairperson
- Director (Marketing)
- Prof. Dr. Ravikant Kolhe

#### Permanent Invitee:

- Director (Finance)
- Head of IA

### Business Development & Marketing Committee

- Director (Finance) - Chairperson
- Shri Kushagra Mittal
- Dr. Nandhagopal Narayanasamy

#### Invitee(s) :

- Concerned Functional Director

### Corporate Social Responsibility Committee (CSR)

- CMD- Chairperson
- Director (HR)
- Shri Akhilesh Jain
- Shri Sanjay Kashyap

### Empowered Contracts & Procurement Committee (ECPC)

- CMD – Chairperson
- All the Functional Directors

### Empowered Committee (Natural Gas, LNG & Polymers)

- CMD – Chairperson
- Director (BD)
- Director (Finance)
- Director (Marketing)

### Finance Committee

- Prof. Dr. Ravikant Kolhe- Chairperson
- Director (Finance)
- Director (Projects)

### H.R. Committee

- CMD-Chairperson
- All the Functional Directors

### Nomination and Remuneration Committee

- Dr. Nandhagopal Narayanasamy - Chairperson
- Shri Kushagra Mittal
- Shri Sher Singh

#### Permanent Invitee:

- Director (Finance)
- Director (HR)

### Project Appraisal Committee

- CMD-Chairperson
- Shri Kushagra Mittal
- Director (Finance)
- Director (Projects)
- Concerned Functional Director

### Risk Management Committee

- Shri Sher Singh -Chairperson
- Director (BD)
- Director (Finance)
- Director (Marketing)
- Smt. Kangabam Inaocha Devi

#### Permanent Invitee:

- Chief Risk Officer
- HOD Corporate Strategy
- HOD Treasury
- HOD Corporate BIS

### Stakeholders' Grievance Redressal Committee

- Shri Sanjay Kashyap-Chairperson
- Director (Finance)
- Concerned Functional Director not involved w.r.t. subject disputes, such as:
  - For Projects related dispute- Director (HR)
  - For Marketing related dispute-Director (BD)
  - For HR related dispute – Director (Projects)
  - For BD related dispute – Director (Marketing)

### Stakeholders Relationship Committee

- Smt. Kangabam Inaocha Devi - Chairperson
- Director (Finance)
- Director (HR)

### Sustainable Development Committee

- CMD-Chairperson
- Director (BD)
- Director (Projects)

#### Invitee:

- Dr. Nandhagopal Narayanasamy
  - Shri Sanjay Kashyap
- To Review of Net Zero Ambition and Action Plan

## AWARDS AND RECOGNITION IN FY 2022-23

Best CEO Award for Oil and Gas sector – India Today Group

GAIL has won the coveted "Platts Global Energy Award" in the "Energy Transition – Midstream" category in this year in 2022

Director (Finance) was conferred with "CFO Leader of the Year" under the category "Best CFO Oil & Gas" at the ET Ascent 21<sup>st</sup> Global Edition

Best Natural Gas Pipeline Transportation Company of the Year Award at the Oil & Gas Awards 2022 by FIPI

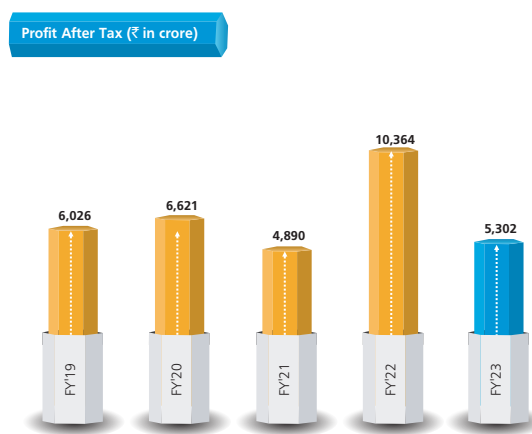
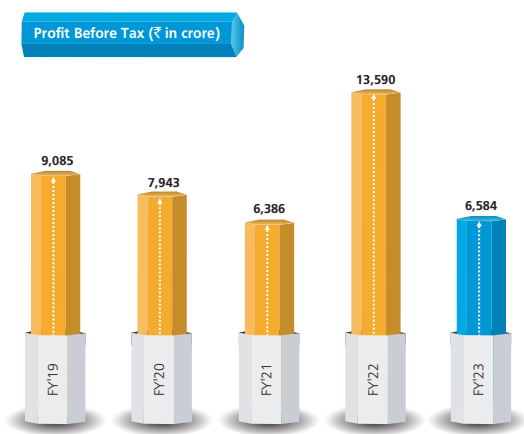
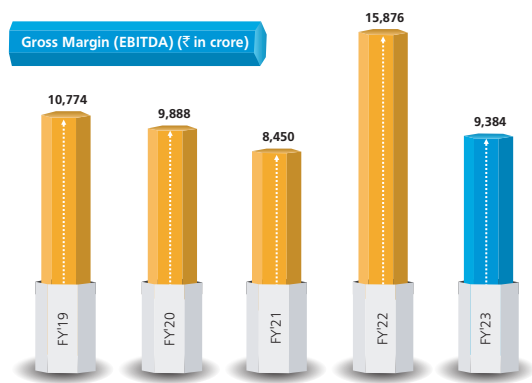
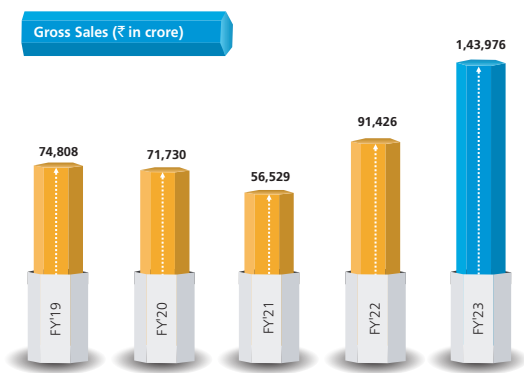
GAIL won the 2<sup>nd</sup> prize for the year 2019-20 and the 3<sup>rd</sup> prize for the year 2021-22 for Best Implementation of Official Language under Petroleum Rajbhasha Shield Scheme



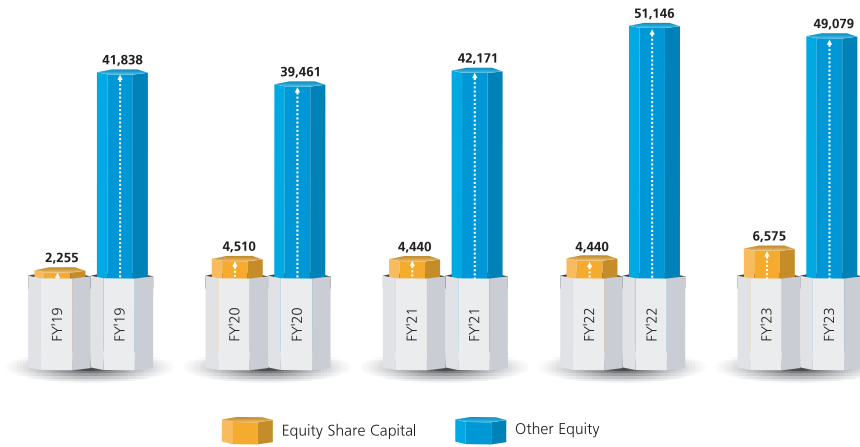
# FINANCIAL HIGHLIGHTS



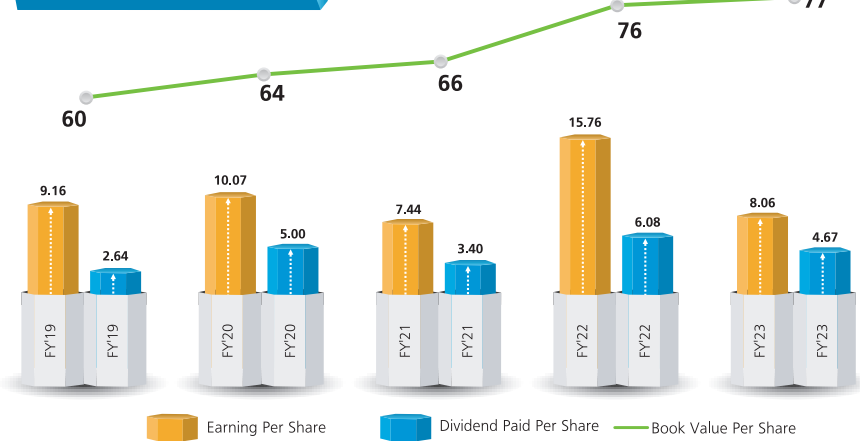
### Key Financial Highlights (Standalone)



Shareholders' Fund (₹ in crore)

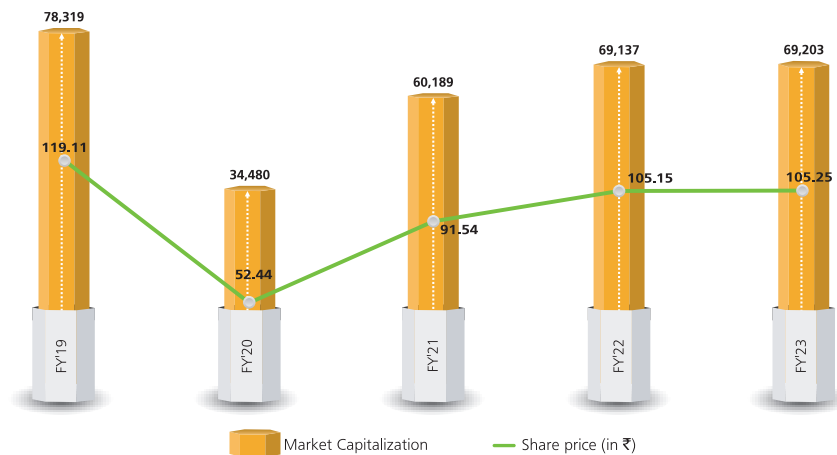


EPS, DPS & Book Value Per Share (in ₹)



Note: EPS, DPS & Book value are based on closing capital as on 31-03-2023. Previous year figures have been restated accordingly.

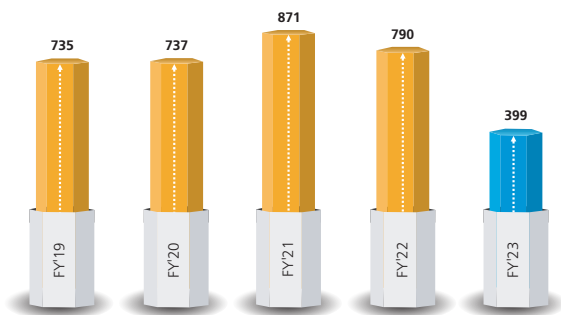
Market Capitalization - BSE (₹ in crore)



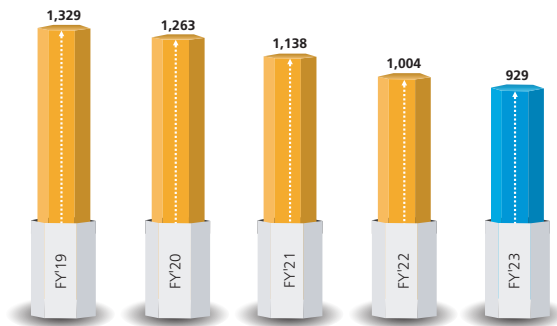
Note: During FY 2022-23, bonus shares were issued. Share price for previous years have been changed accordingly

## Operational Performance Highlights

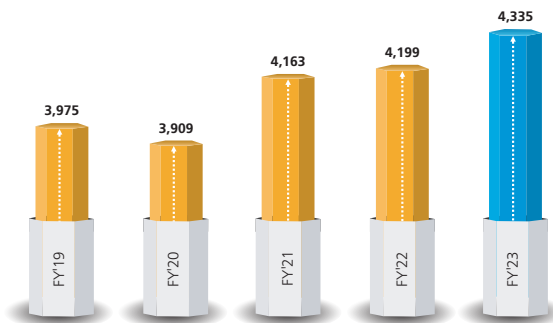
Petrochemicals Sales (TMT)



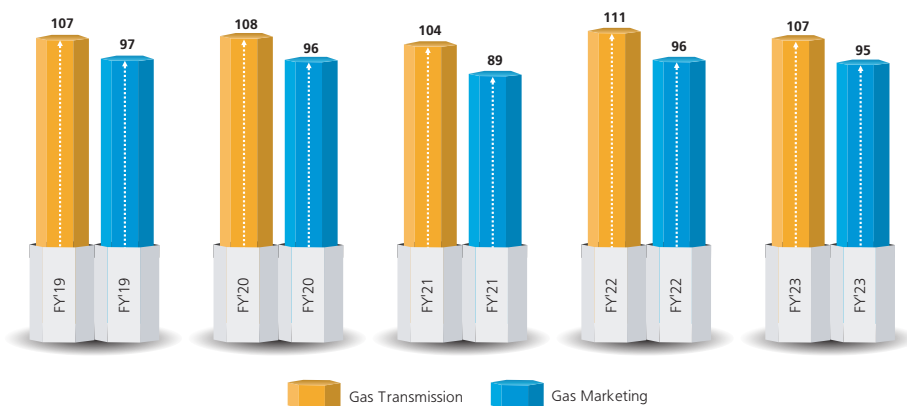
Liquid Hydrocarbons Sales (TMT)



LPG Transmission (TMT)



Gas Volume Trend (MMSCMD)

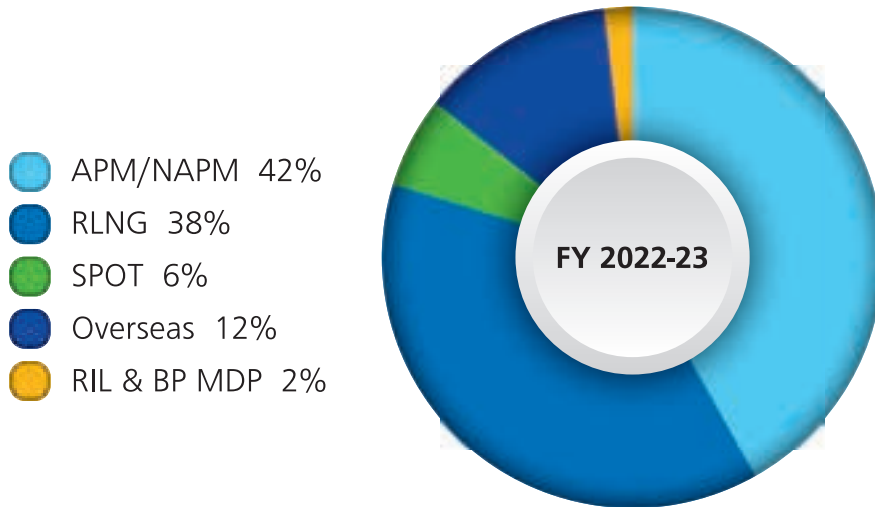


Gas Transmission Gas Marketing

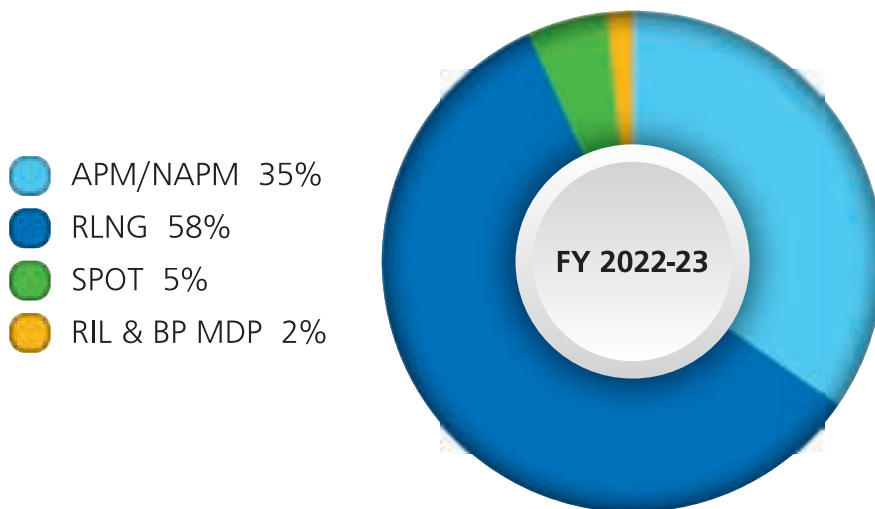


### Operational Performance Highlights

#### Gas Marketing Mix

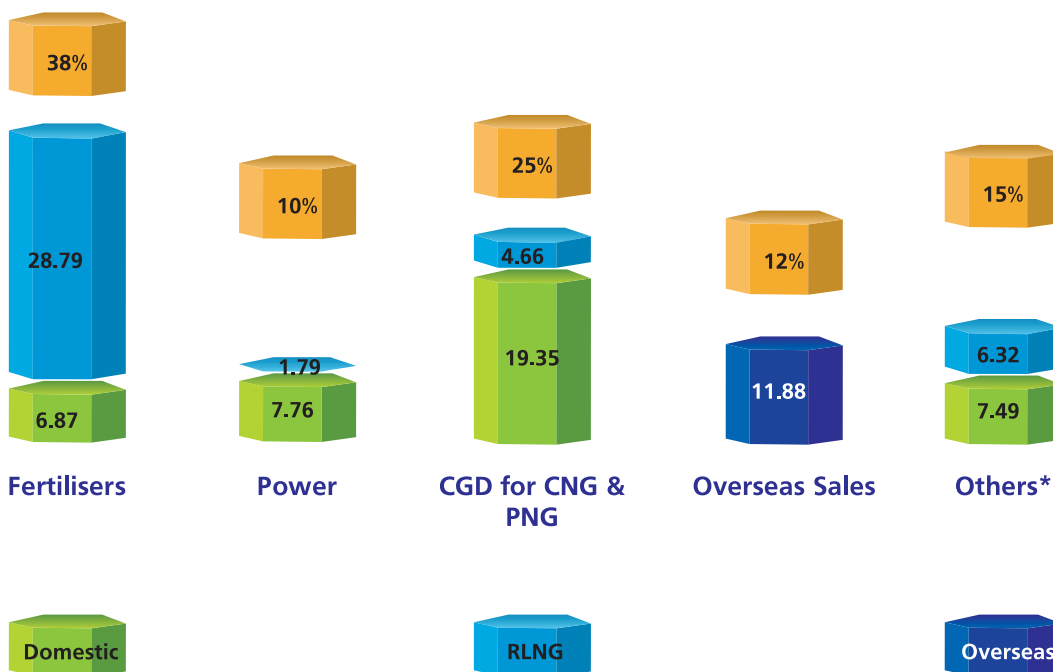
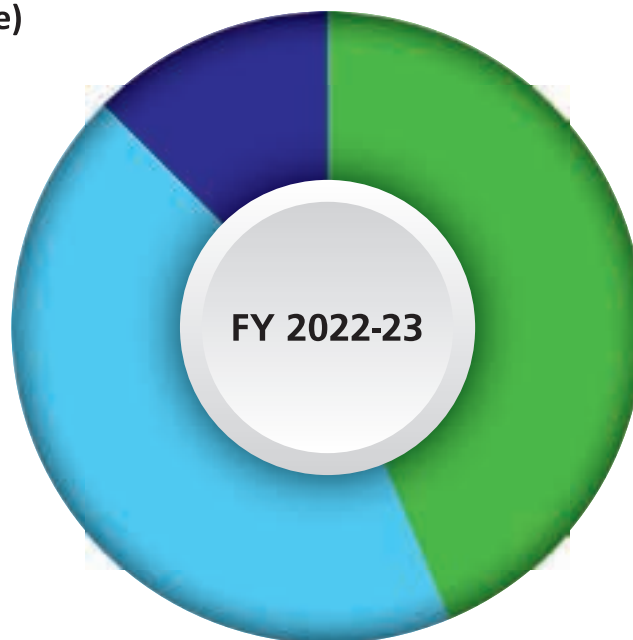


#### Gas Transmission Mix



### Gas Sourcing & Sector Wise Supply

(Total 94.91 MMSCMD, % share)

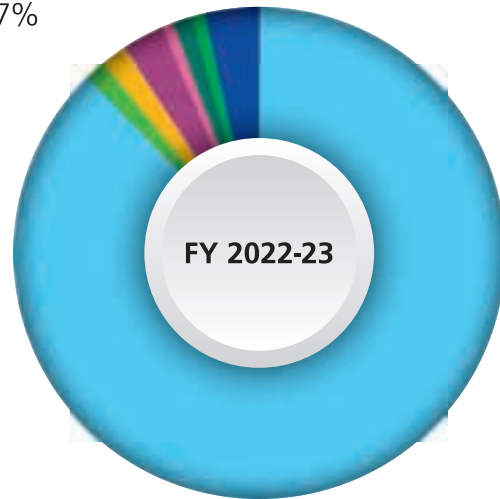


- Imported Gas primarily consists of Long Term RLNG and Spot
- Major sources for domestic gas are ONGC (APM & MDP),Ravva, Ravva satellite, CBM etc.
- Highest demand of Natural Gas from Fertilizer, Power & CGD companies

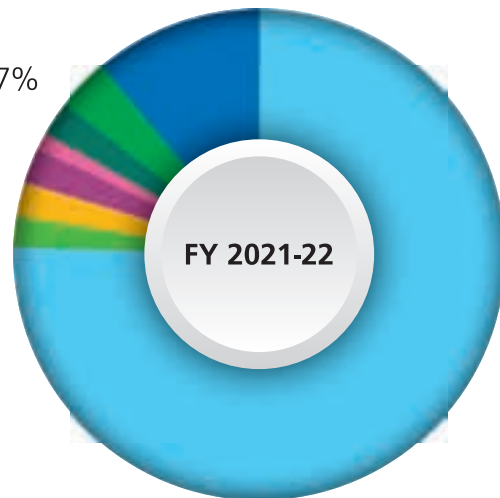
\* Others include Steel, Refineries, Sponge Iron, Petrochemicals, GAIL Internal consumption etc.

### Cost & Profit as a Percentage of Total Revenue

- Purchase & Cost of Material Consumed 87%
- Employee Benefit Expenses 1%
- Depreciation & Amortization 2%
- Power, Fuel & Water Charges 3%
- Stores & Spares (incl.R&M expense) 1%
- Other Expenses & Exceptional Items 1%
- Tax Expenses 1%
- Profit After Tax 4%

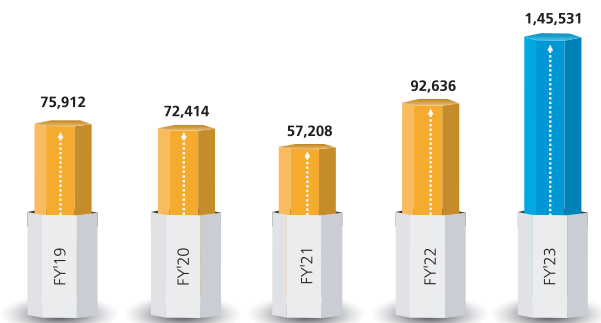


- Purchase & Cost of Material Consumed 77%
- Employee Benefit Expenses 2%
- Depreciation & Amortization 2%
- Power, Fuel & Water Charges 2%
- Stores & Spares (incl.R&M expense) 1%
- Other Expenses & Exceptional Items 2%
- Tax Expenses 3%
- Profit After Tax 11%

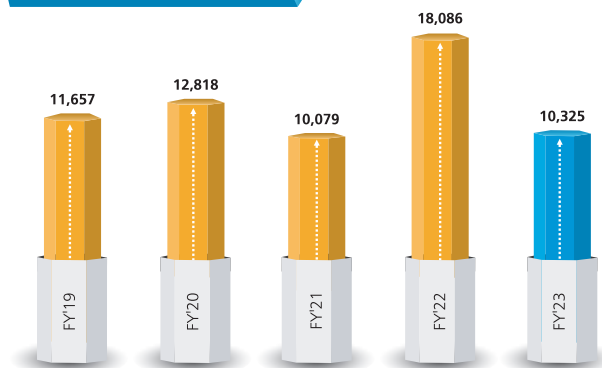


## Key Financial Highlights (Consolidated )

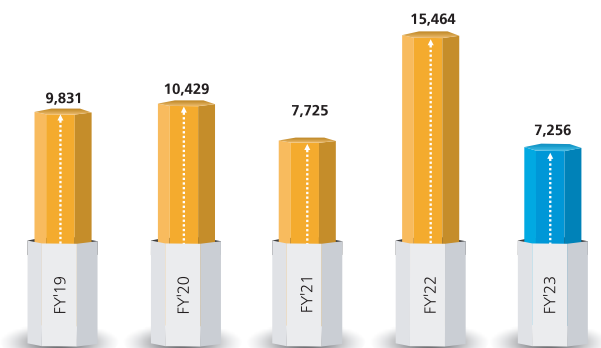
Gross Sales (₹ in crore)



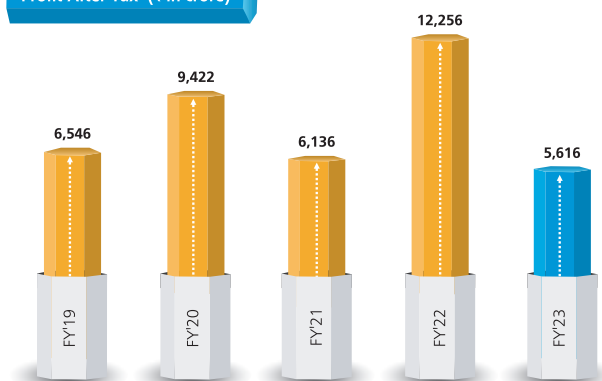
Gross Margin (EBITDA) (₹ in crore)



Profit Before Tax (₹ in crore)



Profit After Tax (₹ in crore)



# BOARD'S REPORT



## BOARD'S REPORT

### Dear Shareholders,

On behalf of the Board of Directors, I am delighted to present the 39th Board's Report of your Company, along with Audited Standalone and Consolidated Financial Statements for the Financial Year 2022-23:

#### a. Financial highlights on standalone basis for FY 2022-23 are as under:

| Particulars   | FY 2022-23    |              | FY 2021-22    |              |
|---|---------------|--------------|---------------|--------------|
|   | US \$ Million | (₹ in crore) | US \$ Million | (₹ in crore) |
| Revenue from Operations   | 18,181        | 1,44,302     | 12,218        | 91,646       |
| Other Income  | 338           | 2,685        | 273           | 2,047        |
| Cost of Sales (excluding Finance Cost and Depreciation & amortisation expenses) | 17,337        | 1,37,603     | 10,374        | 77,817       |
| Gross Margin  | 1,182         | 9,384        | 2,117         | 15,876       |
| Finance Cost  | 39            | 312          | 23            | 174          |
| Depreciation and amortisation expenses  | 313           | 2,488        | 281           | 2,111        |
| Profit Before Tax (PBT)   | 830           | 6,584        | 1,813         | 13,590       |
| Tax Expense   | 162           | 1,282        | 430           | 3,226        |
| Profit After Tax (PAT)  | 668           | 5,302        | 1,383         | 10,364       |
| Final Dividend for previous year  | 55            | 438          | -             | -            |
| Interim Dividend for current year   | 331           | 2,630        | 533           | 3,996        |
| Net transfer to (from) Bond Redemption Reserve                                  | -             | -            | (14)          | (105)        |
| Transfer to General Reserve   | -             | -            | 138           | 1,036        |
| Net Surplus after Appropriations  | 282           | 2,234        | 726           | 5,437        |
|   | (US \$)       | (in ₹)       | (US \$)       | (in ₹)       |
| Earnings per Share <sup>##</sup>  | 0.10          | 8.04         | 0.21          | 15.56        |
| Book value per Share <sup>##</sup>  | 0.94          | 77.35        | 1.00          | 75.92        |

Note: The following exchange rates are used in calculations:

For FY 2022-23: Average rate 1 US\$ = ₹79.37 & Closing rate 1 US\$ = ₹82.57 (for book value per share only)

For FY 2021-22: Average rate 1 US\$ = ₹75.01 & Closing rate 1 US\$ = ₹76.17 (for book value per share only)

<sup>##</sup> Previous year's figures are adjusted for bonus issue of 1:2 shares during FY 2022-23.

#### b. Key Financial Highlights on a Consolidated basis for FY 2022-23

In accordance with the provisions of the Companies Act 2013 "the Act", SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 "SEBI (LODR) Regulations", and applicable Accounting Standards, the Audited Consolidated Financial Statements of the Company for FY 2022-23, together with the Auditors' Report form part of this Annual Report.

The key highlights of the Consolidated Financial Results are as follows:

| Particulars             | FY 2022-23    |              | FY 2021-22    |              |
|-------------------------|---------------|--------------|---------------|--------------|
|                         | US \$ Million | (₹ in crore) | US \$ Million | (₹ in crore) |
| Revenue from Operations | 18,379        | 1,45,875     | 12,382        | 92,874       |
| Profit Before Tax       | 914           | 7,256        | 2,062         | 15,464       |
| Profit After Tax        | 705           | 5,596        | 1,640         | 12,304       |
| Less: Share of Minority | (3)           | (20)         | 6             | 48           |
| Profit for the Group    | 708           | 5,616        | 1,634         | 12,256       |

**Note:** The following exchange rates are used in calculations:

For FY 2022-23: Average rate 1 US\$ = ₹79.37

For FY 2021-22: Average rate 1 US\$ = ₹75.01

### Business Overview

#### 1. Pipeline Transmission

##### • Natural Gas Transmission

Your Company has expanded the network of Natural Gas pipeline to ~15,600 km across the length and breadth of our country. The average gas transmission through this network during FY 2022-23 was 107.28 MMSCMD vis-à-vis 110.98 MMSCMD in the previous financial year. Revenue from operations from Natural Gas Transmission segment in FY 2022-23 was ₹ 6,661 crore as against ₹ 6,392 crore in FY 2021-22. The share in country's Natural Gas Transmission is 65%.

##### • LPG Transmission

Your Company owns and operates 2,040 km LPG pipeline network majorly are Jamnagar-Loni Pipeline (JLPL) and the Vizag-Secunderabad Pipeline (VSPL). JLPL and VSPL networks together achieved a throughput of 4.335 MMTPA during the FY 2022-23 against 4.199 MMTPA in the previous FY 2021-22. Revenue from operations from LPG transmission in FY 2022-23 was ₹ 722 crore as against ₹ 669 crore in FY 2021-22.

#### 2. Natural Gas Marketing

During FY 2022-23, your Company clocked a sales figure of 94.91 MMSCMD (which included sales within India of 83.03 MMSCMD and overseas sales of 11.88 MMSCMD) as against 96.24 MMSCMD (which included sales within India of 86.55 MMSCMD and overseas sales of 9.69 MMSCMD) during FY 2021-22. Revenue from operations from Natural Gas Marketing in FY 2022-23 was ₹ 1,35,290 crore as against ₹ 77,326 crore in FY 2021-22. The share in country's Domestic Gas Market is 50%.

#### 3. Petrochemicals

During FY 2022-23, your Company recorded a total production of 442 KTA against a total production of 777 KTA in the FY 2021-22 and sales of 399 KTA in FY 2022-23 as against total sales of 790 KTA in the FY 2021-22. Revenue from Operations from this segment was ₹ 4,917 crore as against ₹ 8,549 crore in FY 2021-22.

#### 4. LPG and Other Liquid Hydrocarbon

Your Company has five Gas Processing Units (GPUs) at four locations in the country having a total LPG & LHC production capacity of 1.4 Million MT. During FY 2022-23, total liquid



Laying of Foundation Stone of Srikakulam-Angul Natural Gas Pipeline by Hon'ble Prime Minister, Shri Narendra Modi

hydrocarbon production from GPUs was about 0.93 Million MT as against 1.0 Million MT in FY 2021-22, of which almost 92% constitutes LPG and Propane. Revenue from Operations from Liquid Hydrocarbons in FY 2022-23 also improved to ₹ 5,570 crore as against ₹ 4,865 crore in FY 2021-22.

#### 5. Exploration and Production (E&P)

Your Company has participating interest in 13 E&P blocks out of which 10 are in India, 2 blocks in Myanmar and 1 Shale Gas JV in Eagle Ford Basin, Texas, USA (through wholly-owned subsidiary - GGUI). Out of these, your Company is an Operator in three onland blocks viz. (i) CB-ONN-2010/11 and CB-ONHP-2017/12 in Cambay basin awarded during NELP-IX and OALP-I bidding rounds respectively and (ii) block RJ-ONHP-2021/1 in Rajasthan basin awarded during OALP-VII bid round. The twelve E&P blocks (excluding Shale Gas in Eagle Ford Basin) hold an acreage of 2,656 km<sup>2</sup> as per its Participation Interest (P.I.) in various consortiums.

Revenue from the sale of hydrocarbons is being generated from 5 producing blocks namely A-1 & A-3 in Myanmar and CB-ONN-2000/1 & CB-ONN-2003/2 (Cambay onshore blocks) in India and one (1) shale gas JV acreage in Eagle Ford Basin, Texas, USA.

Revenue from Operations of ₹ 1,134 crore has been generated from E&P activities during FY 2022-23 as against ₹ 834 crore in FY 2021-22. Your Company, as an operator, has recently started commercial crude oil production from Galiyana#1 field in Gujarat from March 18, 2023.

#### 6. Renewable Energy

Your Company is committed to reducing its carbon emissions and therefore implementing several renewable projects. It has a total installed capacity of 132 MW of alternative energy; out of which 117.95 MW is wind energy projects and 14.05 MW are solar energy projects including small solar units. Revenue from Operations of ₹ 46 Crore has been generated from Power Generation activities during FY 2022-23 as against ₹ 51 crore in FY 2021-22. Further, in line with the Government

of India (GoI) Hydrogen Mission, your company is running a pilot project for hydrogen blending in city gas network at Indore, Madhya Pradesh and is setting up a 10MW Green Hydrogen plant at Vijaipur, Guna District, Madhya Pradesh.

#### 7. Project Execution

FY 2022-23 has been fruitful particularly for Pipeline Project execution. During the year ~1074 km of natural gas pipeline has been commissioned. Your Company has achieved 1,330 km of pipeline lowering in FY 2022-23. Pipeline Projects continue to be major thrust area for your company to build natural gas infrastructure in the country and 4,200 km of pipeline project as a part of National Gas Grid & other small connectivities are under different stages of project execution.

Your Company has expanded the reach of Pradhan Mantri Urja Ganga Pipeline Project, also known as Jagdishpur Haldia and Bokaro Dhamra pipeline (JHBDPL) with the commissioning of 2,096 km out of 2,655 km total pipeline length. All the 4 major anchor Fertilizers plants, namely M/s Matix Fertilizers, Durgapur and 03 units of M/s Hindustan Urvarak & Rasayan Limited (HURL) at Gorakhpur, Sindri, and Barauni are drawing full volumes.

During FY 2022-23, the major addition to JHBDPL network was made through commissioning of Bokaro-Angul Mainline. On 12.07.2022, Hon'ble Prime Minister of India Shri Narendra Modi dedicated the Bokaro-Angul Section (~533 km) of JHBDPL to the Nation. Dhamra-Angul Mainline with spur lines to Jamshedpur, Ranchi, Cuttack & Bhubaneswar have been commissioned. This will fast track the expansion of CGD network to these important cities. Your company has also commissioned Sultanpur-Jhajjar-Hisar pipeline (135 km) on 31.03.2023 and completed Chainsa-Jhajjar-Hissar (CJHPL) network. With the commissioning of Dhamra-Angul Mainline, your Company has connected another gas source to JHBDPL network enabling RLNG supply from Dhamra LNG terminal on the east coast of India in the state of Orissa.

Your company is also extending JHBDPL project to the



Shri Hardeep Singh Puri, Hon'ble Union Minister for Petroleum and Natural Gas & Housing & Urban Affairs, addressing at the CNG Boat Rally organised at Varanasi by GAIL, a curtain raiser event of IEW 2023

North-eastern region of India up to Guwahati in Assam with construction of 729 km Barauni-Guwahati Pipeline. Bihar section of Barauni-Guwahati Pipeline have been commissioned on 31.03.2023.

Guwahati is the gateway to the North Eastern Gas Grid being implemented by M/s Indradhanush Gas Grid Limited (IGGL), a Joint Venture of GAIL, IOCL, ONGC, OIL and NRL which is executing around 1,656 km natural gas pipelines to connect the eight states of North-East India.

Further, your Company is committed to increase reach of Natural Gas in the country by way of providing Last Mile Connectivity to Industrial customers and to City Gas Distribution (CGD) entities for supply of natural gas as CNG and PNG to various cities. During the year, the Company has completed 30 nos. of hook-up connections to CGD Geographic Areas (GAs), 5 nos. Last Mile Connections to Industrial customers and 02 nos. of Tie-in connectivities from Natural Gas Sources during the year. Further, work is under progress to provide connectivity to another 6 Industrial customers & 40 CGD Geographic Areas (GAs).

In order to strengthen and increase your Company's natural gas transmission network to ~20000 km, your company is also executing other important pipeline projects which include Mumbai-Nagpur-Jharsuguda Pipeline (1755 km), Srikakulam-Angul Pipeline (744 km), part of Kochi-Koottanad-Bangalore-Mangalore Pipeline (KKBMPL) (~294 km) remaining in the State of Tamil Nadu, Dhamra-Haldia Pipeline (253 km) & Haridwar-Rishikesh-Dehradun Pipeline (50 km). These projects are at various stages of project execution.

Hon'ble Prime Minister laid the foundation stone for Srikakulam- Angul Pipeline on 12.11.2022.

Under the Petrochemicals business vertical, work is under progress on 500 KTA Propane Dehydrogenation and Polypropylene (PDH-PP) Project at Usar, Maharashtra, and 60 KTA Polypropylene (PP) project at Pata, Uttar Pradesh. Through Corporate Insolvency Resolution process (CIRP), your Company

was declared successful Resolution Applicant to acquire Purified Terephthalic Acid (PTA) plant of JBF Petrochemicals, Mangalore and the process for its revival is underway.

#### Buyback of Shares

Your Company has made buyback of 5,69,85,463 (Five Crore Sixty Nine Lakh Eighty Five Thousand Four Hundred and Sixty Three) fully paid-up equity shares of face value of ₹ 10 each (representing 1.28 % of the total number of fully paid-up equity shares) at a price of ₹ 190 (Rupees One Hundred Ninety only) per equity share payable in cash for an aggregate consideration of ₹ 1082,72,37,970 (Rupees One Thousand Eighty Two Crore Seventy Two Lakh Thirty Seven Thousand Nine Hundred and Seventy only) excluding taxes. After buyback process, the paid-up equity share capital of the Company reduced from ₹ 4,440.39 crore to ₹ 4,383.40 crore w.e.f. June 21, 2022.

#### Disinvestment by President of India

Your Company is promoted by the Government of India (GOI). GOI tendered 2,62,03,384 equity shares of the Company under the buyback offer and the same was bought back by the Company. Post buyback of shares, the GOI's shareholding was 2,25,83,86,698 equity shares representing 51.52% of paid-up share capital on 26.06.2022 as against 51.45% held prior to buyback.

#### Increase in Authorised Share Capital

Pursuant to shareholders approval in 38<sup>th</sup> AGM held on 26.08.2022, the Authorised Share Capital of the Company was increased from ₹ 5,000 crore (₹ Five Thousand Crore) to ₹ 10,000 crore (₹ Ten Thousand Crore).

#### Issue of Shares

In September, 2022, your Company issued and allotted Bonus Shares to the shareholders in ratio of one equity share of ₹ 10 each for every two equity shares of ₹ 10 each held as on record date i.e. 07.09.2022. As a result, the Paid-up Equity Capital has increased from ₹ 4,383.40 crores to ₹ 6,575.10 crores by capitalizing the General Reserves of ₹ 2191.70 crore.

#### Dividend



Your Company takes pride in being a consistent dividend-paying Company. The Board of Directors had approved payment of Interim Dividend during the financial year @ 40% on equity shares of ₹ 10 each (₹ 4.00/- per equity share each) amounting to ₹ 2,630.04 crore. The Interim Dividend(s) was paid in March, 2023 in addition to Final Dividend @10% on equity shares of ₹ 10 each (₹ 1.00/- per equity share each) for FY 2021-22 amounting to ₹ 438.34 crore paid in September, 2022.

The details of the Unclaimed Dividend are covered in the Corporate Governance Report section, which forms part of the Board's Report.

### Employee Stock Option (ESOP)

Your Company has not provided any Employee Stock Option, therefore, disclosure requirement in relation to ESOP under Rule 12(9) and Rule 16(4) of the Companies (Share Capital and Debentures) Rules, 2014 is not applicable.

### Contribution to Exchequer

Your Company has contributed ₹ 14,446 crore in FY 2022-23 to the Central & State exchequer through duties, taxes, and others as compared to ₹ 13,090 crore in FY 2021-22.

### Credit Rating of the Company

#### Domestic rating

Your Company has been reaffirmed with the highest domestic credit rating of 'AAA' with stable outlook by ICRA, CARE and India ratings. This signifies the highest domestic long term credit rating in India, and hence, signifies a very low credit risk of the Company.

#### International Rating

The International rating agency, Moody's International, Singapore, has assigned to your Company the Long Term Corporate Issuer rating of 'Baa3' with stable outlook which is equal to the sovereign rating of India. Further, Fitch Ratings has assigned to your Company a Long-term Issuer Rating of 'BBB-' with a stable outlook, which is also equivalent to the sovereign rating of India. Both these international rating agencies have indicated that your Company's rating is now capped to the Sovereign rating of India and it may be upgraded once the sovereign rating of India improves.

### Debt portfolio management

The Company managed its liquidity requirements through a judicious mix of long-term and short-term borrowings and internal accruals. This helped the Company to reduce its cost of capital without impacting the planned Capex. To rationalise the Cost of Capital, the Company makes effort to refinance old loans at lower interest rates and to tie-up for long-term and short-term facilities with Banks and Financial Institutions for fresh borrowings at competitive rates. These measures results in reduction in effective long-term borrowing cost.

### Particulars of Loans, Investments and Corporate Guarantees

Details of investments, loans and guarantees covered under Section 186 of the Companies Act, 2013 forms part of the Financial Statements presented in this Annual Report.

### Subsidiaries / Associates / Joint Ventures

Your Company has formed various subsidiaries/associates/joint venture companies for different business areas such as City Gas Distribution (GAIL Gas Limited, Indraprastha Gas Limited, Mahanagar Gas Limited etc.), Petrochemical production (Brahmaputra Cracker and Polymer Limited, ONGC Petro-additions Limited), LNG Regasification (Konkan LNG Limited, Petronet LNG Limited), Gas trading (GAIL Global (Singapore) Pte. Limited) and Shale Gas (GAIL Global (USA) Inc.), LNG sourcing (GAIL Global (USA) LNG LLC). Contracts or arrangements/transactions carried out with all the related parties were on arm's length basis and in the ordinary course of business.

During the FY 2022-23, your Company has acquired 26% stake in M/s LNG Japonica Shipping Corporation Limited ("Japonica") from M/s Mitsui O.S.K. Lines, Ltd., Tokyo, Japan. "Japonica" operates LNG vessel "GAIL Bhuvan" and your Company has signed Time Charter Party Agreement (TCP) with Japonica for shipping LNG from USA.

Your Company is constantly in search for acquisition of Companies in synergy with GAIL or in diverse fields. Equity investments opportunities are scrutinized on regular basis. One such opportunity was acquisition of a JBF Petrochemicals Limited (JBF), a Petrochemicals Company incorporated in 2008 for setting up of 1.25 MMTPA Purified Terephthalic Acid (PTA) Plant within Mangalore Special Economic Zone (MSEZ) in the State of Karnataka.

In the year 2022, Resolution Professional of JBF submitted GAIL's Resolution Plan for approval of the Hon'ble NCLT, Ahmedabad Bench in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016 (IBC). Resolution Plan of GAIL was approved by NCLT, Ahmedabad on 13.03.2023. As per implementation of the Resolution Plan, your Company infused ₹ 2,101 crores (Equity – ₹ 625.00 crore and Debt - ₹ 1,476.00 crore) towards total Resolution Plan amount in JBF on 01.06.2023. Consequently, JBF has become a wholly-owned subsidiary of your Company with effect from 01.06.2023.

The subsidiaries/associates/joint venture companies have contributed significantly to your Company's business expansion activities. A statement containing the salient features of the Financial Statements of your Company's Subsidiaries, Associate Companies and Joint Ventures as per the proviso of Section 129(3) of the Companies Act, 2013 including the individual contribution of these companies towards the overall performance of Company during the period is given under Consolidated Financial Statements forming part of this Annual Report.

Investment in no subsidiary/joint venture company ceased to exist during the year.

### Vigilance

Corporate Vigilance department of your Company is ISO-9001:2015 certified for having adopted Quality Management System in compliance with the requirements of ISO.

During the year, various steps have been taken that focused on



Vigilance Commissioner Shri P. K. Srivastava launched the e-Vigilance portal of GAIL (India) Limited on the occasion of Vigilance Awareness Week 2022. He also released a Vigilance Awareness Magazine "Jagrook" and the updated Contracts & Procurement procedure of GAIL



Shri Hardeep Singh Puri, Hon'ble Minister for Petroleum & Natural Gas and Housing & Urban Affairs, Shri Pankaj Jain, Secretary, MoPNG, Shri Sandeep Kumar Gupta, CMD GAIL along with senior officials of MoPNG and Oil & Gas sector companies during CNG Boat Rally at Varanasi, a curtain raiser event of IEW 2023

bringing in systemic improvement for ensuring greater transparency, fairness, efficiency and accountability. To sensitize the employees about various aspects of contract management, specialized trainings were organized at different GAIL locations and Vigilance Awareness Week (VAW) 2022 was observed at Corporate Office and site Offices from 31<sup>st</sup> October to 6th November 2022, under the guidance of Central Vigilance Commission (CVC) on the theme "Corruption free India for a developed Nation"; "भ्रष्टाचार मुक्त भारत— विकसित भारत" A Summary of vigilance cases during the year 2022-23 is as under:

| Complaint/ Detailed Investigations | Opening Balance (as on 01.04.2022) | Received during the year | Total | Disposed off during the year | Closing balance as on 31.03.2023 (under investigation) |
|------------------------------------|------------------------------------|--------------------------|-------|------------------------------|--|
| Complaints                         | 25                                 | 93                       | 118   | 98                           | 20   |
| Detailed Investigation             | 1                                  | 11                       | 12    | 9                            | 3  |

#### Customer Relationship

Customer loyalty and satisfaction are at the heart of your Company's business and is highly essential for its long-term growth. GAIL reviews its strategies, redefines its approaches and undertakes business initiatives focused on providing better services. It believes in keeping its customers informed about the business operations to build lasting relationships and ensure better customer satisfaction.

#### Information Systems and Technology

As a leading company in the Natural Gas value chain in India, your Company recognizes the importance of leveraging information technology (IT) to drive business growth and innovation. Your Company has adopted start-of-the-art technology solutions with a vision to improve productivity, efficiency, customer experience and gain a competitive advantage while reducing costs. Your Company remains committed to leveraging IT to support business growth and drive value for its stakeholders.

Your Company has implemented robust cyber security measures to protect the IT systems and data from cyber threats and attacks. This includes operating round-the-clock Security Operations Centre (SOC) with advanced security software, implementing regular security audits, and providing ongoing training and education to our employees. The IT data centres are ISO27001:2013 certified.

#### Representation of Priority Section

Your Company has been complying with the Presidential Directives and other instructions/guidelines issued from time to time pertaining to Policies and Procedures of Government of India regarding reservation, relaxations, concessions etc. for Scheduled Castes (SCs), Scheduled Tribes (STs), Other Backward Classes (OBCs), Economically

Weaker Sections (EWSs) and Persons with Benchmark Disabilities (PwBDs) in Direct Recruitment.

Group wise details with regard to total number of employees and the representation of Scheduled Castes, Scheduled Tribes, Other Backward Classes, Economically Weaker Sections, Persons with Benchmark Disabilities amongst them as on 31<sup>st</sup> March, 2023 are given in the table below:

| Group   | Total No. of Employees on Roll | SC         | ST         | OBC         | PwBD      | EWS under General |
|---|--------------------------------|------------|------------|-------------|-----------|-------------------|
| A   | 3776                           | 604        | 270        | 841         | 59        | 40                |
| B   | 308                            | 34         | 19         | 98          | 7         | 0                 |
| C   | 690                            | 129        | 34         | 246         | 31        | 0                 |
| D   | 43                             | 12         | 5          | 12          | 0         | 0                 |
| <b>CMD, Whole-time Directors &amp; CVO</b>        | 6                              | 0          | 0          | 0           | 0         | 0                 |
| <b>Grand Total (31.03.2023)</b>                   | <b>4,823</b>                   | <b>779</b> | <b>328</b> | <b>1197</b> | <b>97</b> | <b>40</b>         |
| <b>Total number of employees as on 31.03.2022</b> |                                |            |            |             |           |                   |
|   | 4,754                          | 780        | 322        | 1,130       | 96        | 26                |

A total of 264 new employees joined your Company during the FY 2022-23. Total Manpower of the Company as on 31<sup>st</sup> March, 2023 stood at 4823 (including CMD, Whole-time Directors & CVO) with 16% of its employees belonging to the SC category, 7% to the ST category, 25% to the OBC category, 8% to the Minorities and 2% to the Persons with Benchmark Disabilities (PwBDs) category. Your Company's workforce is comprised of 312 women employees (i.e. 6% of its employees) as on 31<sup>st</sup> March, 2023. The Company's attrition rate is 0.97%, which is a testament to its strong human capital management.

#### Official Language

The Official Language Implementation Committees at the Corporate and Work Centre level meets every quarter to monitor and review the progress made for achieving the targets fixed in the Annual Program issued by the Official Language Department, Ministry of Home Affairs, Government of India.

As many as 152 Hindi workshops were conducted during FY 2022-23 in which 3,119 employees were imparted training. Hindi Fortnight was observed across your Company from 14<sup>th</sup> to 29<sup>th</sup> September,

2022 to propagate linguistic harmony and to motivate the employees for the progressive usage of Hindi in their day-to-day work. Vishwa Hindi Divas was celebrated across GAIL on 10<sup>th</sup> January, 2023.

The First Sub-Committee of Committee of Parliament on Official Language inspected GAIL Madanpur Khadar, Mumbai, Vadodara, Kochi, Hyderabad Zonal Office, Varanasi, Abu Road, Nasirabad, Lucknow Zonal & Dibiypur to review the steps undertaken to promote the Official Language.

Your Company has been awarded the Second prize for the year 2019-20 and Third prize for the year 2021-22 under the Petroleum Rajbhasha Shield Scheme for Commendable performance in the field of Official Language. These awards were presented by Shri Hardeep Singh Puri, Hon'ble Minister of Petroleum and Natural Gas during the Hindi Advisory Committee Meeting of MoPNG held on 25<sup>th</sup> November, 2022.

**Disclosure in relation to Sexual Harassment of Women at Workplace**

Your Company has in place a robust Policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 with respect to FY 2022-23 is as under:

|    |  |     |
|----|--|-----|
| a) | Number of complaint pending at the beginning of the financial year | NIL |
| b) | Number of complaint filed during the financial year                | NIL |
| c) | Number of complaint disposed off during the financial year         | NIL |
| d) | Number of complaint pending at the end of the financial year       | NIL |

**Procurement from Micro and Small Enterprises (MSEs)**

Your Company is a socially responsible business organization and offers ample opportunities via its Public Procurement Policy (PPP) for vendors and suppliers. This gives fair opportunities to MSEs, encouraging participation and cultivating sustainable growth.

While implementing its Public Procurement Policy (PPP) for MSEs, your Company focuses on the following allocation: 25% of the procurement from MSEs, 4% from MSEs owned by the SC/ST entrepreneurs and 3% from MSEs owned by the women entrepreneurs.

In terms of the said policy, during the FY 2022-23, your Company made total procurement of ₹ 1541 crore from MSEs which is approx. 46.09 % of the total eligible value of annual procurement of approx. ₹ 3415 crore. The procurement made from MSEs owned by SC/ST Entrepreneurs is ₹ 137 crore which is approx. 4.01 % of the total eligible value of annual procurement and that from MSEs owned by Women Entrepreneurs is ₹ 108 crore which is approx. 3.61 % of the total eligible value of annual procurement.

Further, 20 Vendor Development Programmes for MSEs (including 4 Special Vendor Development Programmes/Hand Holding Sessions especially for MSEs owned by SC/ST & Women Entrepreneurs) were conducted.

Your Company is already registered on the Trade Receivable e-Discounting System (TReDS) portal of all the three service providers (i.e. M/s Mynd Solutions, M/s A TReDS, and M/s RXIL) and is also making payment to MSEs vendors through TReDS.

**Procurement through Government e-Marketplace (GeM):**

The Government e-Marketplace (GeM) is a Government-run e-commerce portal. It is a one-stop to facilitate and enable easy online procurement of Goods & Services that are needed by various Government Departments, Organizations and PSUs.

All work centers of your Company are registered on GeM Portal and are procuring the Goods & Services available on the portal through GeM only.

During the FY 2022-23, the Company had made procurement of ₹ 2541 crore through GeM (which is more than 25% of total eligible procurement in the year).

**MoU Performance**



GAIL was privileged to have Shri Rameswar Teli, Hon'ble Union Minister of State for Petroleum and Natural Gas & Labour & Employment at its Corporate Office for review of the activities of the Company

The Memorandum of Understanding (MoU) is signed every year between your Company and its administrative ministry i.e., MoP&NG, to assess and enhance performance of Company through the targets set therein. The MoU for FY 2022-23 was signed between Secretary (P&NG), Government of India and CMD of your Company.

The evaluation of MoU of your Company for FY 2022-23 is under process. Evaluation of MoU for FY 2021-22 has been completed by DPE and GAIL has achieved a score of '94.45', which corresponds to 'Excellent' rating.

### Right to Information

To promote transparency and accountability, an appropriate mechanism has been set up across the Company in line with the provisions of Right to Information Act, 2005. Your Company has nominated 01 **Central Public Information Officer (CPIO)** & 01 **Link-CPIO/Nodal Officer (Online RTI)** at Corporate office, 58 **Assistant CPIOs** and 25 **First Appellate Authorities** across all its units/offices to provide information to citizens under the provisions of the RTI Act, 2005.

Your Company has hosted RTI Guidelines and related information on its website and the same may be accessed at <https://gailonline.com/RTI.html>. Besides, MIS Report on RTI Applications, Record Retention Schedule, and latest RTI Audit Report have also been web-hosted under the same link.

Keeping in view the purpose of suo-motu disclosures under Section 4 of the RTI Act, 2005, your Company has hosted a dedicated page on its website, through which a large amount of information in the public domain is placed on a proactive basis. This is being done to make the functioning more transparent and reduce the need for filing individual RTI applications.

Further, your Company has been made LIVE on the Government of India-DoPT Online RTI Portal from July, 2016 and ever since GAIL is providing information through Online mode also. Approximately, 85% of the RTI applications/1<sup>st</sup> stage appeals are received through online mode. All RTI applications received (online/physically mode) are being processed as per the provisions of the RTI Act, 2005 and the information is provided accordingly within prescribed time limit.

For FY 2022-23, your Company's Corporate RTI Cell has a 100% disposal rate in respect of RTI Applications and First stage RTI Appeals received. A total of 875 RTI applications and 110 RTI Appeals were disposed-off within the prescribed time schedule as per the provisions of the RTI Act. Further, there was no penalty/adverse remarks received from Hon'ble Central Information Commission during the FY 2022-23 in respect of the second appeal(s) filed by RTI Appellant(s).

### Risk Management

The details on the Risk Management activities including the implementation of risk management policy, key risks identified, and their mitigations are covered in the Management Discussion and Analysis section, which forms part of the Board's Report.

### Management Discussion and Analysis

In terms of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and clause 7.5 of DPE Guidelines on Corporate Governance, the detailed Management Discussion and Analysis forms part of the Board's Report as **Annexure- A**.

### Corporate Governance

Your Company believes that good corporate governance plays a critical role in establishing a positive organizational culture. Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE guidelines on Corporate Governance, a report on Corporate Governance is part of Board's Report as **Annexure- B**.

The details of the meetings & composition of the Board, Statutory Committees of the Board including the terms of reference, Company's policy on Directors' appointment and their remuneration, their shareholding in the Company, details of the establishment of whistle-blower mechanism, details related to Annual General Meeting, information pertaining to Dividends declared, IEPF details and other matters, etc. are part of report on Corporate Governance.

There are no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and operations of your Company in the future.

The Statutory Auditors of the Company have examined and certified your Company's compliance with respect to conditions enumerated in SEBI (LODR) Regulations and DPE guidelines on Corporate Governance. The certificate is part of Board's Report as **Annexure- C**.

### Business Responsibility & Sustainability Report

As per SEBI (LODR) Regulations for FY 2022-23, your Company is required to submit a Business Responsibility and Sustainability Report in place of Business Responsibility Report. Your Company has adopted Business Responsibility & Sustainability Report (BRSR) describing the initiatives taken by the Company from an Environmental, Social and Governance perspective and the same is part of the Annual Report.

Bankers' Meet

### Auditors and Audit Reports

#### 1. Statutory Auditors

The Statutory Auditors of your Company are appointed by the Comptroller & Auditor General of India (C&AG). M/s A.R. & Co., Chartered Accountants, New Delhi and M/s Gandhi Minocha & Co., Chartered Accountants, New Delhi were appointed as Joint Statutory Auditors for the FY 2022-23.

Notes on Financial Statements referred to in the Statutory Auditors' Report are self-explanatory. There are no qualifications on the financial statements by the Statutory Auditors for FY 2022-23.

#### Comptroller and Auditor General of India (C&AG) Audit

**Supplementary Audit of Financial Statements:** Review and Comments of C&AG, if any on the Company's Financial Statements for the financial year ended 31<sup>st</sup> March, 2023 forms part of the Financial Statements.



Shri R. K. Jain, Director (Finance), GAIL addressing a Bankers' Meet

**C&AG paras from other audits:** In addition to the supplementary audit of the financial statements mentioned above, the C&AG conducts audits of various nature. As on 31<sup>st</sup> March 2023, there are fourteen pending published Paras related to C&AG audit including Irregular payment of stagnation relief, Irregular payment of income tax on perquisites to employee, Benefit extended to Private power producers, Non recovery from RIL, Abandon E&P blocks, Irregular payment towards encashment of Half pay/Sick

leave/Earned leave, Irregular payment towards employer's share of EPF contribution on leave encashment, Petrochemical Production and Project Management, Safety preparedness of Oil & Gas transmission pipelines, Special Monetary Appreciation to its employees, Benefit extended to the executives in form of shift allowance, Delay in completion of Minimum Work Program related to E&P, Infertuous expenditure due to non-compliance with O&M guidelines, Benefit to the executives in the form of payment of running and maintenance expenses of vehicles. The replies to these paras have been submitted and the status reports are also being furnished from time to time.

## 2. Cost Auditors

Your Company appointed six Cost Auditors for FY 2022-23 as follows:

| S.No. | Name of the Cost Auditor                 | Region             |
|-------|--|--------------------|
| 1     | M/s R J Goel & Co., New Delhi            | Northern Region-I  |
| 2     | M/s Chandra Wadhwa & Co., New Delhi      | Northern Region-II |
| 3     | M/s Shome & Banerjee, Kolkata            | Central Region     |
| 4     | M/s A B K & Associates, Mumbai           | Western Region     |
| 5     | M/s Dhananjay V Joshi & Associates, Pune | Southern Region    |
| 6     | M/s Mani & Co., Kolkata                  | Eastern Region     |

M/s R J Goel & Co., New Delhi is the lead Cost Auditor.

Your Company is maintaining Cost Accounting Records as prescribed under the Companies (Cost Records and Audit) Rules, 2014, specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

The cost audit reports are filed by the Lead Cost Auditor with the Central Government in the prescribed form within the stipulated time. There are no qualifications in the cost records by the Cost Auditors for FY 2021-22.

The Cost Audit Report for the financial year ended March 31, 2023 shall be filed within the prescribed time period under the Companies (Cost Records & Audit) Rules, 2014.

## 3. Internal Auditor

Your Company has an In-house Internal Audit Department, which is headed by Executive Director. Your Company had also outsourced the internal audit of selected sites and had appointed four Internal Audit Firm(s) during FY 2022-23 for each region. The details of Internal Audit Firm(s) are as under:-

| S.No. | Name of the Internal Auditor                     | Region   |
|-------|--|----------|
| 1     | M/s G S Mathur & Co. Chartered Accountants       | Northern |
| 2     | M/s Niranjana & Narayan, Chartered Accountants   | Southern |
| 3     | M/s Bandopadhyaya Bhaumik & Co. Cost Accountants | Eastern  |
| 4     | M/s K G Somani & Co. LLP, Chartered Accountants  | Western  |

## 4. Secretarial Auditor

Your Company appointed M/s Agarwal S. & Associates as Secretarial Auditor for FY 2022-23. Secretarial Audit Report confirming compliance by Practicing Company Secretary to the applicable provisions of the Companies Act, 2013, SEBI (LODR)

Regulations, and other applicable laws is part of the Board's Report as **Annexure-D**.

Secretarial Auditor has made an observation that GAIL has been furnishing shorter notice to Stock Exchanges in respect of prior intimation about the meeting of the Board of Directors held on 27.05.2022 for consideration of final dividend.

Your Company's substantive response to the qualifications made in the Secretarial Audit Report was as under:

For the FY 2021-22, GAIL was already complying Guidelines on Capital Restructuring of Central Public Sector Enterprises issued by Department of Investment & Public Asset Management (DIPAM) as Company had already paid 1<sup>st</sup> Interim Dividend (@ ₹ 4 per share) & 2<sup>nd</sup> Interim Dividend (@ ₹ 5 per share) in December, 2021 & March, 2022 respectively. However, based on Q4 performance, it was considered appropriate by the Management on 26.05.2022 that matter for considering Final Dividend for the benefit of the shareholders may be put up in the proposed 441<sup>st</sup> Board meeting scheduled for 27.05.2022. Accordingly, the intimation regarding consideration of Final Dividend in 441<sup>st</sup> Board Meeting to be held on 27.05.2022 was sent to Stock Exchanges on 26<sup>th</sup> May, 2022. The Company had requested to Stock Exchanges vide letter dated 16.06.2022 for waiver of fine imposed on account of such non-compliance. However, NSE did not acceded to GAIL request for waiver of fine which was intimated vide letter dated 01.06.2023 and accordingly, fine was deposited to NSE on 07.06.2023. Reply from BSE is awaited.

The Company was fully compliant with the mandatory requirements of SEBI (LODR) Regulations and the Companies Act, 2013 during the FY 2022-23 except as stated above.

## Performance Evaluation of Directors

Your Company is a Central Public Sector Enterprise (CPSE) and appointment/nomination of all the Directors including Independent Directors are being done by the President of India, through the MoP&NG, Government of India. Therefore, performance evaluation of individual Directors including Independent Directors is carried out by the Government of India.

## Corporate Social Responsibility (CSR)

Your Company firmly believes that the commitment towards playing a defining role in the development of its stakeholders extends to uplifting lives of the marginalized segments of the society, living in and around its areas of operation. The principles of Corporate Social Responsibility (CSR) are deeply imbibed in your Company's corporate culture. To amplify outreach efforts, the Company has incurred an expenditure of ₹ 99.1 crores. i.e. 2.18% of the avg. net profit of the preceding three years after setting off the excess expenditure of previous financial years.

Annual Report on CSR activities as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 is placed at **Annexure-E**.

*Your Company's CSR Policy is also available on Company website at <https://www.gailonline.com/CSRPolicy.html>*

## Energy Conservation, Technology Absorption and Foreign Exchange Earnings & Outgo

As per requirement of Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, details of conservation of energy and technology absorption and foreign exchange earnings and outgo are part of the Board's report at **Annexure-F**.



GAIL signed Advance Pricing Agreement with the CBDT

#### Particulars of Contracts or Arrangements with Related Parties

As per requirement of Section 134 (3) (h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 particulars of contracts or arrangements with Related Parties as referred in section 188(1) of the Companies Act, 2013 in the prescribed form AOC-2 forms part of the Board's report at **Annexure-G**.

Your Company has formulated the policy on dealing with Related Party Transactions and the same is hosted on the website at <https://www.gailonline.com/pdf/InvestorsZone/GAILRelatedPartyTransactionPolicyMarch2022.pdf>

#### Particulars of Employees

As per notification dated June 5, 2015 issued by the Ministry of Corporate Affairs, Government of India, Government Companies are exempted from complying with the provisions of Section 197 of the Companies Act, 2013. As your Company is a Government Company, information as required under said provisions have not been included in the Board's Report.

#### Annual Return

Annual Return is hosted on your Company's website at <https://gailonline.com/IZAnnualReports.html>

#### Dividend Distribution Policy

As per Regulations 43A of the SEBI (LODR) Regulations, your Company has formulated a Dividend Distribution Policy. The dividend pay-out is made in accordance with the Company's Dividend Distribution Policy.

The Dividend Distribution Policy of the Company is available on the Company's website, at <http://gailonline.com/pdf/InvestorsZone/GAIL%20Dividend%20Distribution%20Policy.pdf>

#### Acceptance of Deposits

Your Company has not accepted any Deposit during the FY 2022-23.

#### Fund Raising

During FY 2022-23, your Company had issued 15,750 numbers of 7.34% Senior, Unsecured, Listed, Rated, Taxable, Non-Cumulative,

Redeemable, Non-Convertible Debentures (Series-I) of ₹10,00,000/- (Rupees Ten Lakh) each aggregating to ₹ 1575,00,00,000 (Rupees One Thousand Five Hundred Seventy-Five Crore) on Private Placement basis on 20<sup>th</sup> December, 2022 (ISIN- INE129A0801). The same are listed both on the National Stock Exchange of India Limited (NSE) as well as on BSE Limited (BSE).

#### Foreign Exchange Earnings and Outgo

During FY 2022-23, Foreign exchange inflows were ₹ 28,136.38 crore and Foreign Currency outflows were ₹ 69,228.61 crore.

#### Board of Directors and Key Managerial Personnel

The following changes took place in the Board of Directors/Key Managerial Personnel of your Company since 01<sup>st</sup> April, 2022:

#### Appointments:

- Shri Sandeep Kumar Gupta, Chairman and Managing Director w.e.f. 03.10.2022
- Shri Ayush Gupta, Director (HR) w.e.f. 22.08.2022
- Shri Mahesh Kumar Agarwal, Company Secretary w.e.f. 27.08.2022
- Shri Praveen Mal Khanooja, Government Nominee Director w.e.f. 16.05.2023
- Shri Kushagra Mittal, Government Nominee Director w.e.f. 16.05.2023
- Shri Sanjay Kumar, Director (Marketing) w.e.f. 15.06.2023

#### Cessations:

- Shri E. S. Ranganathan, Director upto 11.08.2022
- Shri A. K. Jha, Company Secretary upto 26.08.2022
- Shri Manoj Jain, Chairman and Managing Director upto 31.08.2022
- Dr. Navneet Mohan Kothari, Government Nominee Director upto 18.04.2023

The Board placed on record its deep appreciation for the valuable services rendered by outgoing Directors during their association with the company.

### Independent Directors' Declaration

The Company has received necessary declaration from Independent Directors in accordance with Section 149(7) of the Companies Act, 2013 and Regulation 25(8) of the SEBI (LODR) Regulations, confirming that:

- They meet the criteria of independence as laid out in Section 149(6) of the Act and Regulation 16(1) (b) of the SEBI (LODR) Regulations.
- They have registered themselves with the database of Independent Directors maintained by the Indian Institute of Corporate Affairs under the Ministry of Corporate Affairs.

### Familiarization Program for Independent Directors

The details of Independent Directors' training/familiarization programmes are available on the Company's website at <https://www.gailonline.com/pdf/InvestorsZone/GAILfamiliarizationprogram23032022.pdf>

### Code of Conduct

Pursuant to the requirements of SEBI (LODR) Regulations and DPE Guidelines on Corporate Governance, the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the financial year ended 31<sup>st</sup> March, 2023.

### Insolvency and Bankruptcy Code, 2016

No application has been made under the Insolvency and Bankruptcy Code; hence the requirement to disclose the details of the application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year is not applicable.

### Directors' Responsibility Statement

Your Directors confirm that they have:

- i) followed applicable accounting standards, along with proper explanation relating to material departures in the preparation of the annual accounts for the financial year ended March 31, 2023;
- ii) selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and

prudent to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;

- iii) taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) prepared the annual accounts for the financial year ended March 31, 2023 on a going concern basis;
- v) devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively; and
- vi) laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.

### Acknowledgment

Your Directors express their gratitude for the help, guidance and support received from the Government of India, especially the Ministry of Petroleum and Natural Gas as well as the various State Governments, regulatory and statutory authorities.

Your Directors acknowledge the constructive suggestions received from Comptroller and Auditor General of India and Auditors, and are grateful for their continued support and cooperation.

Your Directors also thank all the share owners, business partners, and members of the GAIL family for reposing their faith, trust and confidence in your Company.

All that we have achieved would not have been possible without the relentless and focused efforts of your Company's employees; we place our deep appreciation for their commitment.

Your Directors also express their gratitude for the help, guidance and support received from the outgoing Board Members.

Your Directors and employees look forward to the future with confidence and stand committed towards creating a mutually rewarding future for all stakeholders.

**For and on behalf of the Board**

Sd/-

**Sandeep Kumar Gupta**  
Chairman & Managing Director  
(DIN: 07570165)

**Place: New Delhi**

**Dated: 10.07.2023**



Raw Water Reservoir Tanks at GAIL, Vijaipur

View of Gas processing plant in Gujarat





# MANAGEMENT DISCUSSION AND ANALYSIS



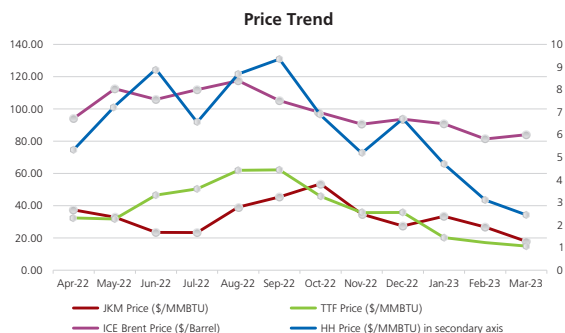
## MANAGEMENT DISCUSSION AND ANALYSIS

### 1. INDUSTRY STRUCTURE & DEVELOPMENTS

#### A. Global Energy Sector

The energy sector has traversed through a tumultuous phase in FY 2022-23. While the global energy market was already facing supply constraints owing to faster than expected economic recovery from COVID-19, the geopolitical conflict in Europe, along with other factors, stirred further uncertainties around energy supply, price volatility and triggered significant peaks in energy prices.

The global gas prices were turbulent in 2021, with prices spiking at the start and the end of the year. Gas prices continued to rise during the early part of 2022, driven by the geopolitical conflict. The uncertainty regarding Russian gas exports to Europe pushed European prices to new record highs. All the gas indices such as JKM, TTF, HH etc. had witnessed price volatility during 2022 with prices softening during last quarter of FY2023.



The Crude oil prices increased during the first half of the year mainly because of supply concerns due to ongoing geopolitical conflict. The prices generally decreased in the latter half owing to concerns about reduced demand due to possible economic recession. Further, the severe COVID-19 containment measures in China also contributed to lower global petroleum demand leading to decrease in prices.

The recent discussions on the global energy policies have focused on the significance of decarbonization and the transition towards net zero goals. The events in the past year, especially in the energy sector, have set a reminder for all the stakeholders that the energy transition should take into account all the three components of a balanced energy equation i.e. security, affordability and sustainability. The success of an enduring energy transition should address all the above elements.

Post COP-26 (Conference of the Parties), Governments across the globe are working towards tackling climate change with focus on implementing various low-carbon energy systems like renewables, electric vehicles, blue and green hydrogen projects, Carbon Capture Utilization & Storage (CCUS) etc. As per BP outlook on World Energy 2023, the future of global energy will be dominated by four major trends: declining role for hydrocarbons, rapid expansion in renewables, increasing electrification, and growing use of low-carbon hydrogen.

The Renewables will expand rapidly offsetting the declining role of fossil fuels which is underpinned by the continuing electrification of the energy system. The decarbonization of the energy system will also be supported by the growing use of low-carbon hydrogen in hard-to-abate industries. Natural Gas being the cleanest fossil fuel will continue to play an important role in energy transition acting as bridging fuel. Natural Gas can meet growing demand for clean, affordable energy with limited deployment of capital and significant impact on emissions.

#### B. Global Gas Sector

The last year has been a challenging phase for the global Natural Gas market. The geopolitical crisis put an unprecedented supply pressure thereby triggering a global energy crisis. Russia's gas pipeline cuts including disruption in the Nord Stream pipeline also had implications for gas consumers beyond Europe leading to record high spot prices. In spite of this, the majority of European countries were able to fill their gas inventory well above the required level, supported by a combination of policy measures, record inflow of Liquefied Natural Gas (LNG) and a sharp drop in consumption.

Global Natural Gas prices have remained very volatile in FY2022-23 and have seen large rise and falls. The market volatility was strong in the first half mainly driven by the dynamics in the European markets. As per the latest World Bank report, the European gas price now has fallen more than 70% after reaching an all-time high in August 2022 and in the United States, prices have dropped to an 18-month low, a stark turnaround from last year. In Japan, the benchmark reached an all-time high in September 2022<sup>1</sup>. Unseasonably warm weather, improved energy efficiency, and behavioral changes in gas consumption were the main contributors for the decline.

The Natural Gas crisis triggered by geopolitical conflict last year has led to a series of market adjustments. LNG trade undertook a directional shift in 2022 as EU demand for LNG surged to replace Russian pipeline imports and amidst high European prices, global LNG trade were redirected to Europe. The increased LNG procurement by Europe led to market tightening and demand destruction in various importing nations especially developing Asian countries. This event has impacted the LNG contracting behaviors<sup>2</sup>, with comeback of traditional features like longer-duration contracts.

The geopolitical conflicts in Ukraine, reduction of gas supplies to European Union countries and disruption of the Nord Stream pipeline have led to a dramatic reduction in Russian pipeline gas exports. EU already is working on plans to reduce its dependency on Russian gas and under such scenario, the resumption of gas supply between Russia and key European importers seems highly unlikely. However, Russia will like to play a crucial role in global gas markets. Under the prevailing market dynamics, Russia will aim to increase gas sales to non-European countries through various options such as: increase gas sales through pipeline to Asia (Power Siberia 1 & 2), increase Liquefied Natural Gas (LNG) exports, increase domestic use and export through intermediaries (e.g. Turkey).

<sup>1</sup> <https://blogs.worldbank.org/opendata/bubble-trouble-whats-behind-highs-and-lows-natural-gas-markets>

<sup>2</sup> <https://www.iea.org/reports/gas-market-report-q4-2022>



Participants of GAIL Strategy Review Meet

As per IEA Gas Market Report Q2-2023, Global gas demand is expected to remain flat in 2023, with higher demand coming from Asia Pacific region. The Asian gas demand is projected to increase by 3%, with China and India as the main drivers.

### C. India Energy Sector

As one of the fastest growing economies of the world, India is also witnessing robust growth in the energy consumption supported by increase in energy access, urbanization and increasing income levels. India is the world's third-largest energy consuming country and all the leading international agencies like IEA and BP are predicting sustained further growth in the energy consumption over the next two decades.

As per BP Statistical Review of World Energy – 2022, India's total primary energy consumption increased by 10% from 2020 level to 992 BCM in 2021. The combined share of energy consumption from oil, gas and coal stood at 90% (Coal – 56.7%, Oil – 26.5%, Gas – 6.3%). Renewables, Hydroelectric and nuclear contributed for the other 10%. Further, the Natural Gas consumption increased to 62 BCM (a 3 % increase). However, the share of Natural Gas in primary energy decreased from 6.8% to 6.3% on account of increase in the overall energy basket.

To cater to increasing energy demand in the country, India will need to embrace all forms of energy i.e. both fossil fuels and low-carbon fuel. India's economic growth is closely related to its energy demand, therefore, the need for oil and gas is projected to grow further, thereby making the sector quite conducive for investment. India's medium-term outlook for Natural Gas consumption remains strong due to rising infrastructure and supportive environment policies.

India is also on a path of diversification of its energy basket by investing in Natural Gas, renewable energy, bio fuel sectors, hydrogen, etc. Government has brought various policy measures to promote investment in infrastructure, increase share of Natural Gas in the primary energy mix and liberalizing policies to boost domestic production of hydrocarbon. Further, the wider adoption of electric vehicles and affordable storage technologies are going to transform the energy landscape in times to come.

### D. India Gas Sector Developments

With a view to develop a Natural Gas Grid, projects are being undertaken to connect every part of the country. The

development of Natural Gas infrastructure like National Gas Grid (NGG), development of CGD GAs across the country, Gas discoveries of gas in the East Coast, ramping up the production activities, etc. gives positive signals to the gas market. With the supporting policies and initiatives, GoI is paving the journey towards Gas Based Economy.

At the India Energy Week held at Bengaluru from 6<sup>th</sup> to 8<sup>th</sup> February, 2023, Hon'ble Prime Minister Shri Narendra Modi underlined the role of the energy sector in setting the direction of future of the 21<sup>st</sup> century world. He provided guidance on the strategy for the energy sector under four major verticals - increasing domestic exploration & production, diversifying the supply, expanding fuels like biofuel, ethanol, compressed biogas & solar and de-carbonization via electric vehicles and hydrogen. The Hon'ble Prime Minister also emphasized that the Government is working on mission mode to increase the consumption of Natural Gas in the energy mix from 6% to 15% by 2030 where all the needed infrastructure will be provided under 'One Nation One Grid'.

On the regulatory front, there have been several initiatives undertaken by the Government, Ministry of Petroleum and Natural Gas (MoP&NG), Petroleum and Natural Gas Regulatory Board (PNGRB), for furthering the use of gas in India and building a robust gas-based economy. PNGRB has amended "Determination of Natural Gas Pipeline Tariff Regulations" to incorporate the regulations pertaining to Unified Tariff for Natural Gas pipelines with a mission of "One Nation, One Grid and One tariff". The reform will specially benefit the consumers located in the far-flung areas where currently the additive tariff is applicable and facilitate development of gas markets and vision of Government to increase the gas utilization in the country.

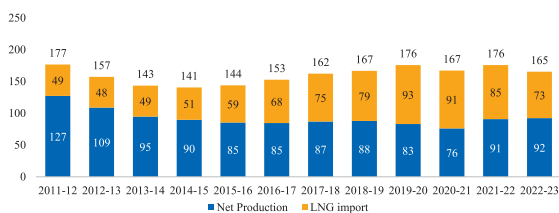
The GoI has also announced new Natural Gas pricing regime based on the recommendations of Kirit Parikh Committee. The new pricing system will announce prices monthly and link them to 10% of the international price of the Indian crude basket.

India's energy map comprises of seven key drivers which have been steering India's energy vision for a clean and sustainable energy mix. The 7 key drivers include targets such as moving towards Gas Based Economy, cleaner use of fossil fuels, increase of bio-fuels, setting up of 500 GW of Renewable Energy by the year 2030, use of EV's to help in decarbonization goal, explore emerging fuels like hydrogen and spreading digital innovation across all energy systems.



Shri Sandeep Kumar Gupta, CMD, GAIL (India) Limited and Ms Fatema Al Nuaimi, CEO ADNOC LNG exchanged Memorandum of Understanding in the presence of Shri Hardeep Singh Puri, Hon'ble Minister of Petroleum & Natural Gas and Minister of Housing & Urban Affairs, India and His Excellency Dr. Sultan Ahmed Al Jaber, Hon'ble Minister of Industry and Advanced Technology, UAE Special Envoy for Climate Change, and ADNOC Managing Director and Group CEO at ADIPEC

**Natural Gas Consumption Trend (MMSCMD)**



(Source-PPAC)

**Data Depicting Consumption of Natural Gas Across Various Sectors (% wise)**

| Sector                | 2019-20 | 2020-21 | 2021-22 | 2022-23 |
|-----------------------|---------|---------|---------|---------|
| Fertilizer            | 28.52   | 31.70   | 29.4    | 33.05   |
| City Gas Distribution | 19.26   | 16.40   | 19.8    | 20.49   |
| Power                 | 19.61   | 19.30   | 16.5    | 13.89   |
| Refinery              | 13.78   | 14.10   | 8.6     | 6.66    |
| Petrochemicals        | 6.31    | 5.50    | 4.7     | 3.34    |
| Others                | 12.52   | 13      | 21.0    | 22.58   |

(Source-PPAC)

It can be clearly seen from the table that there is a shift in the consumption pattern among the top three anchor consumers. While fertilizer industry continues to be the major consumer of Natural Gas, CGD Sector has now surpassed the Power Sector to become the second largest consumer of Natural Gas.

India's gas consumption has declined by 4.5% in FY2023 on account of high gas prices. The high gas prices impacted the gas consumption in power sector (down 19.7% y-o-y), refining (down 26.4% y-o-y), petrochemicals sector (down 31.6% y-o-y) while demand in CGD sector remained broadly flat. While the consumption in the fertilizer segment saw modest expansion, it was not enough to compensate for the declines in the more price-sensitive market.

Natural Gas demand for CGD sector is expected to rise steadily due to the addition of gas networks in new cities as a result of the 11 and 11A bidding round, economic and increased use of PNG in domestic, industrial and commercial sectors. Also, it should be noted that number of CNG vehicles have been experiencing a strong growth.

India is planning a network of Liquefied Natural Gas (LNG) fueling stations along its 6,000-km-long golden quadrilateral highways, a move that would encourage thousands of truckers to switch to the cleaner fuel from polluting diesel.

GAIL is running a pilot project, with Coal India Ltd. (CIL), for retrofitting LNG kits in dumpers - the big trucks engaged in transportation of coal in mines. GAIL is also putting together a plan and persuading all possible participants - city gas distributors, gas suppliers, financiers, fleet owners and truck manufacturers - to get them on board and help build an effective ecosystem for LNG-fueled vehicles in the country. A shift to LNG-powered trucks from diesel will result in reduction in pollution.

GAIL recognizes the role of Natural Gas in India as a transition fuel in terms of environment, efficiency and cost competitiveness and is aligned with Government of India initiative pertaining to climate change and net zero emissions. GAIL has been working continuously to grow its core business segment such as Gas Marketing & Transmission, building of Natural Gas infrastructure like NGG, development of CGD GAs across the country, petrochemical portfolio expansion etc. In addition, it is also preparing roadmap for net-zero target and exploring business opportunities into cleaner energy domains like Hydrogen, Renewables, CBG, etc.

**E. Indian Petrochemical Sector**

India has a huge demand for chemical and petrochemical products and it aspires to become a global manufacturing hub for chemicals & petrochemicals. With the increasing demand, India is projected to contribute to more than 10 percent of the incremental global growth in petrochemicals over the next decade. Currently, the Indian Chemical and Petrochemical Industry is estimated to be worth \$178 billion & all analyst are quite bullish on the growth trajectory of India for next two decades.

The per capita consumption of polymers is about one-third of the global average. Average per capita consumption of Polymer in India is 12 Kg w.r.t global average of 38 Kg. Hence, even a 1 kg increase in per capita consumption means that India need a cracker of 1.3 Million MT every year. The key drivers for petrochemical industry growth include robust GDP outlook, under penetrated markets, rapidly growing end-user industries, and significant import substitution opportunity.

A large share (around 80 %) of India's petrochemicals capacity continues to be refinery integrated due to limited feedstock availability. Historically, naphtha has been the dominant feedstock for Indian producers. This is in contrast with other regions such as the Middle East and US, where abundant gas supply has led to a development of stand-alone petrochemicals assets. Notable exceptions to this are GAIL's petrochemical plant at Pata, erstwhile IPCL petrochemical at Nagothane and Dahej which use Natural Gas as feedstock. However, major new greenfield petrochemicals plants in India are increasingly adopting mixed feed in their assets. GAIL's upcoming PDHPP plant at Usar is based on Propane as feedstock.

Most of the upstream producer have started gas processing to extract various value-added products such as ethane, propane etc. and transporting majorly the lean gas. All these factors are going to increase the availability of multiple feedstock in the eco-system and will reduce the dependency on single feedstock. Indian petrochemical players may explore utilizing various feedstocks available to build flexibility and gain cost advantage and reduce import dependency leading towards Atmanirbhar Bharat.

## 2. GAIL PERFORMANCE – DOMESTIC & OVERSEAS

### 2.1 Operational Performance

The operational performance of your Company for FY 2022-23 is as follows:

| Particulars               | UoM    | 2022-23  |                                       | 2021-22  |                                       |
|---------------------------|--------|----------|---------------------------------------|----------|---------------------------------------|
|                           |        | Quantity | Revenue from Operations* (₹ In crore) | Quantity | Revenue from Operations* (₹ In crore) |
| Natural Gas Marketing     | MMSCMD | 94.91    | 1,35,290                              | 96.24    | 77,326                                |
| Natural Gas Transmission  | MMSCMD | 107.28   | 6,661                                 | 110.98   | 6,392                                 |
| LPG Transported           | TMT    | 4,335    | 722                                   | 4,199    | 669                                   |
| Polymers Sales            | TMT    | 399      | 4,917                                 | 790      | 8,549                                 |
| Liquid Hydro-carbon Sales | TMT    | 929      | 5,570                                 | 1004     | 4,865                                 |

\*including intersegment revenue

#### » Natural Gas Marketing

Natural Gas (NG) trading continues to be one of your Company's core businesses. During the FY 2022-23, the Company clocked a sales figure of 94.91MMSCMD (which included sales within India of 83.03 MMSCMD and overseas sales of 11.88 MMSCMD) as against 96.24 MMSCMD (which included sales within India of 86.55 MMSCMD and overseas sales of 9.69 MMSCMD) during FY 2021-22. Revenue from operations from Natural Gas Marketing in FY 2022-23 was ₹ 1,35,290 crore as against ₹ 77,326 crore in FY 2021-22.

Your Company marketed 41.47 MMSCMD domestic gas in FY 2022-23 as against 41.85 MMSCMD in the previous FY 2021-22. Domestic gas volume contributed around 50% of the overall Natural Gas volume marketed by the Company in India. The rest 41.56 MMSCMD (50%) gas marketed in India was through imported long-term, mid-term, and spot LNG volumes. Sector-wise details are as below:

**Fertilizer Sector:** Your Company supplied around 67% of the gas consumed in the Fertilizer sector in the country during FY 2022-23. During this FY, your Company supplied Gas to

Matix Fertilizers & Chemicals Ltd, Panagarh, Hindustan Urvarak & Rasayan Limited (HURL), Gorakhpur, Sindri and Barauni for commissioning of these plants and helped these plants in successfully achieving commercial urea production.

**Power Sector:** Your Company supplied around 43% of the gas consumed by gas-based power plants in the country during FY 2022-23. Over the past few years, the Company has successfully collaborated with various power producers to operationalize their stranded units. It continues to explore opportunities for the supply of Natural Gas to gas-based power generation units at affordable prices and is currently supplying around 1.79 MMSCMD of Regasified Liquefied Natural Gas (RLNG) to power plants apart from domestic gas.

#### » Natural Gas Transmission

Your Company expanded its network of ~15,600 km of Natural Gas pipelines across the length and breadth of our country. The average gas transmission during FY 2022-23 was 107.28 MMSCMD vis-à-vis 110.98 MMSCMD in the previous FY. Revenue from operation from Natural Gas Transmission in FY 2022-23 was ₹ 6,661 crore as against ₹ 6,392 crore in FY 2021-22.

#### » Liquefied Petroleum Gas (LPG) Transmission

Your Company owns and operates 2,040 km LPG pipeline network for LPG transmission, namely the Jamnagar-Loni Pipeline (JLPL) and the Vizag-Secunderabad Pipeline (VSPL). JLPL and VSPL networks together achieved a throughput of 4.335 MMTPA during the FY 2022-23 against 4.199 MMTPA in the previous FY 2021-22. Revenue from operation from LPG transmission in FY 2022-23 was ₹ 722 crore as against ₹ 669 crore in FY 2021-22.

#### » Petrochemicals

Your Company has a nameplate polymer production capacity of 810 Kilo Tons per annum (KTA) at the Pata complex. GAIL's subsidiary, Brahmaputra Cracker & Polymer Limited (BCPL) having GAIL equity of 70% has a capacity of 280 KTA. The marketing right of the BCPL plant is with GAIL taking the total marketing portfolio to 1,090 KTA.

GAIL's PATA Petrochemical complex has achieved around 55 % capacity utilization in FY 2022-23. Your Company was able to earn revenue from operations of ₹ 4,917 Crores in FY 2022-23 as against ₹ 8,549 Crore in FY 2021-22.

#### » LPG and Other Liquid Hydrocarbons (LHC)

Your Company has five Gas Processing Plants units (GPUs) at four locations in the country having total LHC production capacity of 1.4 Million MT. During FY 2022-23, total liquid hydrocarbon production was about 0.93 Million MT as against 1.0 Million MT in FY 2021-22 of which almost 92% constitutes LPG and Propane. Revenue from operations from Liquid Hydrocarbons in FY 2022-23 also improved to ₹ 5,570 crore as against ₹ 4,865 crore in FY 2021-22.

#### » Exploration & Production (E&P)

Your Company has participating interest in 13 E&P blocks of which 10 are in India, 2 blocks in Myanmar and 1 Shale Gas JV in Eagle Ford Basin, Texas, USA (through wholly-owned subsidiary - GGUI). Out of these, the Company is an Operator in three onland blocks viz. (i) CB-ONN-2010/11 and CB-ONHP-2017/12 in Cambay Basin awarded during NELP-IX and OALP-I bidding rounds respectively and

(ii) block RJ-ONHP-2021/1 in Rajasthan basin awarded during OALP-VII bid round. The twelve E&P blocks (excluding Shale Gas in Eagle Ford Basin) hold an acreage of 2,656 km<sup>2</sup> as per its Participation Interest (P.I.) in various consortiums.

Revenue from the sale of hydrocarbons is being generated from 5 producing blocks namely A-1 & A-3 in Myanmar and CB-ONN-2000/1 & CB-ONN-2003/2 (Cambay onshore blocks) in India and one (1) shale gas JV acreage in Eagle Ford Basin, Texas, USA.

Revenue from Operations of ₹ 1,134 crore has been generated from E&P activities during FY 2022-23 as against ₹ 834 crore in FY 2021-22. Your Company, as an operator has recently started the commercial crude oil production from its operated field Galiyana#1 in Gujarat from March 18, 2023.

#### » Renewable Energy

Your Company is committed to reduce its carbon emissions and implement renewable projects. It has a total installed capacity of 132 MW of alternative energy; out of which 117.95 MW are wind energy projects and 14.05 MW are solar energy projects including small solar units. The power generated from the plants will substitute power drawn from the grid, which will help in reducing its carbon footprint in addition to optimization of the power cost.

Revenue from Operations of ₹ 46 Crore has been generated from Power Generation activities during FY 2022-23 as against ₹ 51 crore in FY 2021-22.

#### » City Gas Distribution

- Your Company (including CGD JVCs/Subsidiaries) is currently authorized to operate in 67 Geographical Areas (GAs) throughout India including major metro cities of Delhi, Mumbai, Hyderabad, Bengaluru, Kolkata, etc. These City Gas Distribution (CGD) networks together cater to around 66% of the total of ~ 110 lakh Domestic PNG (DPNG) connections in the country. Out of the total of ~ 5,600 CNG stations in the country, GAIL and its CGD JVCs/Subsidiaries operates 2,360 CNG stations representing 42% share. This year, your Company along with its CGD JVs and Subsidiaries has achieved more than 10 lakh domestic PNG connection.
- GAIL Gas Limited (a wholly-owned subsidiary of your Company) is executing and operating CGD projects in 16 GAs, including Bengaluru. Currently, GAIL Gas Limited has 6 Joint Venture Companies (JVCs) and these JVs are implementing CGD project in 9 GAs. GAIL Gas Limited along with its JVCs is providing DPNG to more than 8.66 lakh households and catering to clean fuel requirements for vehicles through 456 CNG stations.



C&MD, GAIL and Chairman GAIL Gas Limited, Shri Sandeep Kumar Gupta inaugurated the Industrial PNG supply for Fuel Cell installed at Data Centre of Nextra Data Limited (a subsidiary of Bharti Airtel) by Bloom Energy in Whitefield, Bengaluru

- During FY 2022-23, GAIL Gas along with its JVCs has achieved around 0.87 lakh domestic PNG connections and set up 132 CNG stations.
- Bengaluru remained a major focus for your Company for CGD expansion. 40 CNG stations were set up and more than 34000 domestic PNG connections were provided in the Bengaluru GA area during FY 2022-23.

#### 2.2 Financial Performance

(₹ in crore)

| Particulars             | FY 2022-23 | FY 2021-22 | Change Increase/ (Decrease) |
|-------------------------|------------|------------|-----------------------------|
| Revenue from Operations | 1,44,302   | 91,646     | 57%                         |
| Profit Before Tax       | 6,584      | 13,590     | (52%)                       |
| Profit After Tax        | 5,302      | 10,364     | (49%)                       |

#### » Financial Parameter

(₹ in crore)

| Particulars  | FY 2022-23 | FY 2021-22 |
|--|------------|------------|
| Capex (including equity contribution to group companies)   | 9,099      | 7,738      |
| Reserves and Surplus (excluding Transition Reserve, Other Comprehensive Income & Bond Redemption Reserve) i.e. Free Reserves | 44,284     | 45,480     |
| Net worth  | 50,860     | 49,920     |
| Total Loans outstanding  | 14,309     | 6,353      |

As against the total Foreign Currency Loans of ₹ 21.32 crore was outstanding as on 31<sup>st</sup> March, 2023. Further, 100% of loan are hedged with financial derivatives

#### » Ratio Analysis

| Particulars  | FY 2022-23 | FY 2021-22 |
|--|------------|------------|
| Debt-Equity ratio  | 0.22       | 0.15       |
| Debt Service Coverage Ratio (times)  | 3.91       | 7.47       |
| Interest Coverage Ratio (times)  | 13.89      | 46.07      |
| Return to Net Worth (PAT/Net Worth) (%)  | 10.42      | 20.76      |
| Return on Capital Employed (PBIT/Capital Employed) (%)                         | 9.64       | 20.36      |
| Debtors Turnover (Net Credit Sales (i.e. Net Sales)/Average Trade Receivables) | 14.56      | 14.22      |
| Inventory Turnover (Cost of Goods Sold/Average Inventory)                      | 33.77      | 28.45      |
| Current Ratio (Current Assets/ Current Liabilities)                            | 0.92       | 1.08       |
| Operating Profit Margin [(EBIT - Other Income) / Net Sales] (%)                | 3.20       | 13.01      |
| Net Profit Margin [Profit after Tax (PAT) / Net Sales] (%)                     | 3.68       | 11.34      |

Company clocked record Turnover of ₹ 1,43,976 crore during FY 2022-23 with an increase of 57% over previous year due to comparatively better product prices. Profit Before Tax stood at ₹ 6,584 crore, a decrease of 52% while Profit after Tax stood at



Glimpses of GAIL's participation in IEW Exhibition

₹ 5,302 crore, a decrease of 49% as compared to Previous Financial Year. This decline in profitability is mainly due to supply disruption from upstream supplier (GMTS), geopolitical crisis involving Russia-Ukraine war which led to skyrocketing spot gas prices, deallocation of domestic gas from NG Transmission segment, increase in APM gas prices coupled with various other factors.

All such factors have impacted Key Financial Ratios significantly during this financial year as compared to previous financial year and as a result Company's Operating Profit Margin remain under pressure and stood at 3.20% along with Net Profit Margin at 3.68%. Further, Return on Net Worth reduced to 10.42%, Return on Capital Employed to 9.64%, Interest Service Coverage Ratio (ISCR) to 13.89 times and also Debt Service Coverage Ratio (DSCR) to 3.91 times. Debt to Equity Ratio has increased primarily due to increase in borrowings to meet the capex requirements during the current financial year. The company's average collection period continues to remain at same level i.e., ~ 25 days and inventory-holding period has improved to 11 days as compared to 13 days during previous year.

#### » Market Capitalization

Market capitalization (BSE) of the Company increased from ₹ 69,137 crore on 31<sup>st</sup> March, 2022 to ₹ 69,203 crore on 31<sup>st</sup> March, 2023, due to an increase in share price from ₹ 105.15\*\* /Share to ₹ 105.25/Share.

\*\* Adjusted to bonus effect

### 2.3 Company's Global Presence

Your Company is constantly expanding its global presence through its participation in projects/ventures along the Natural Gas value chain. With the LNG portfolio of around 14 MMTPA from the USA, Qatar, Australia, Russia etc., the Company has emerged as one of the leading global LNG players and is actively involved in the LNG trading business in the international market.

Your Company is part of a consortium in two offshore E&P blocks (A-1 & A-3) in Myanmar. Around 15.33 MMSCMD of gas is being produced from these blocks and supplied to China and Myanmar through South East Asia Gas Pipeline Company Limited (SEAGP), in which GAIL is also an equity partner. SEAGP is paying dividends to GAIL regularly. During the year, full Loan repayment (Principle plus interest) has been made by SEAGP. GAIL's Branch Office in Myanmar is scouting for business opportunities in Myanmar and other South East Asian countries, in the areas of the gas value chain and beyond.

Your Company is the Government of India's nominee in the Turkmenistan-Afghanistan-Pakistan-India (TAPI) Natural Gas project for import of gas to India from Turkmenistan. TAPI Pipeline Company Limited (TPCL) has been incorporated in Isle of Man to build, own and operate the TAPI Pipeline. The pipeline, when constructed, is expected to carry 90 MMSCMD (33 bcm) of Natural Gas, of which India will receive 38 MMSCMD. The project is currently under the pre-FID stage, wherein various activities are being undertaken by



Press Conference on Annual Results of GAIL

TPCL. Considering the changes in the global energy market, GAIL is discussing with Turkmen gas for arriving at mutually acceptable terms and conditions to enhance the marketability of the pipeline gas to be received from Turkmenistan. Due to prevalent situation in Afghanistan, the activities within Afghanistan are kept on-hold.

Your Company holds equity interest in two CGD companies in Egypt, namely Fayoum Gas Company (FGC) and National Gas Company (Natgas) involved in the supply of Natural Gas to residential, commercial and small industrial customers in Egypt.

Your Company is also an equity partner in China Gas Holdings Limited (China Gas), a retail gas company involved in city gas and CNG business in China and listed on the Hong Kong Stock Exchange. China Gas is performing well and paying dividends regularly.

Your Company has formed GAIL Global (USA) Inc. ("GGUI") during 2011 in Houston, Texas as its wholly-owned subsidiary. GGUI has 20% interest in Eagle Ford shale acreages in Texas, USA. M/s Callon (Eagle Ford) LLC and M/s Texas American Resources II LLC are working as Operator for the Joint Venture acreage in Eagle Ford.

Your Company has formed GAIL Global (USA) LNG LLC ("GGULL"), a wholly-owned stepdown subsidiary in March, 2013 to enter into a long term (20 years) Terminal Service Agreement ("TSA") and a Pipeline Precedent Agreement ("PPA") with Cove Point LNG, LP ("CPLL"), earlier known as Dominion Energy Cove Point LNG, LP for booking of 2.3 MMTPA capacity in the Cove Point Terminal and corresponding capacity in Cove Point pipeline for the purpose of liquefaction & transmission of Natural Gas. GGULL is selling ~34 LNG cargoes per year to GAIL from Cove Point Terminal.

GGULL has also entered into a Gas Sale and Purchase Agreement ("GSPA") with WGL Midstream, Inc. ("WGLM") for purchase and supply of upto 430,000 Dth/day of Natural Gas for delivery at the inlet of LNG terminal. In April 2021, Six One Commodities Vega LLC has purchased 100% interest in WGLM and WGLM has been converted to Six One Commodities Vega LLC.

Your Company has also formed GAIL Global Singapore Pte. Ltd (GGSP) in 2004 as its wholly-owned subsidiary in Singapore. GGSP is engaged in LNG trading.

Your Company jointly with ONGC Videsh Singapore Pte Ltd, IOCL Singapore Pte Ltd, Oil India International Pte Ltd, and Engineers India Ltd has formed Bharat Energy Office LLC (BEO), Moscow, Russia for exploring business opportunities in Russia.

In this financial year, your Company has acquired 26% stake in M/s LNG Japonica Shipping Corporation Limited ("Japonica") from M/s Mitsui O.S.K. Lines, Ltd, Japan. "Japonica" operates LNG vessel "GAIL Bhuwan" and your Company has entered into Time Charter Party Agreement with Japonica for shipping LNG from USA.

### 3. OUTLOOK FOR THE FUTURE

#### 3.1 Strategy

Your Company remains actively engaged with the Government in shaping policy contours for expanding gas markets in India. Poised with the implementation of Strategy 2030, your Company has been working to chart renewed strategic direction ensuring the readiness of the organization while transitioning towards future energy.



GAIL, Jubilee Tower Office at Noida



Recognizing the pace of rapid changes in the technology space, marketplace, regulatory practices and also of macro-policy direction, the Company has been periodically reviewing 'Strategy 2030' and has laid a path of growth in these exciting but challenging times.

In line with the above, the Strategy of your company outlines several ambitious initiatives. Your Company is pursuing and expanding the scale of its core business areas while leveraging capabilities to venture into newer opportunities in diversified sectors like Gas Sourcing and Marketing, expansion of the LNG portfolio, expansion of the National Gas Grid (NGG), growth and expansion of Petrochemicals portfolio including PDHPP, investment in CGDs, Specialty Chemicals etc. for the next decade for fostering the growth of GAIL.

Your Company has built more than 1300 KM of pipelines during the year providing clean energy access across the nation. Important limbs of the National Gas Grid - Bokaro-Angul Pipeline (533 km) was dedicated to the nation and the foundation stone for Srikakulam-Angul Pipeline (744 km) was laid by Hon'ble Prime Minister.

In order to secure Natural Gas for the nation and its customers, your Company has been making strenuous efforts. Your Company has won in E-Auctions a cumulative quantity of 109.5 MMSCM in FY 2022-23 from various gas blocks on the domestic front, while also sourcing through bilateral agreements and Gas Exchange. Your Company is exploring sourcing long-term LNG sourcing opportunities expeditiously with major global LNG producers.

Apart from pursuing business interests in new international markets, your Company is working towards building requisite capabilities & resources. Gas transmission and gas marketing are the key drivers of GAIL's business and it transmitted ~107 MMSCMD of Natural Gas. Your Company has acquired 26% equity in the 'LNG Japonica' vessel of Mitsui OSK Lines, Japan and has chartered a long-term vessel with a total charter period of 7 years plus 02 years extension.

Your Company looks forward to the growing chemical portfolio and was qualified as the Prospective Resolution Applicant and submitted Resolution Plan for business operations of JBF Petrochemicals Ltd. NCLT approved your Company's ₹ 2,079 Crore resolution plan for acquisition of JBF Petrochemicals Ltd. which has a production capacity of 1.25 MMTPA Purified Terephthalic Acid (PTA). As per implementation of the Resolution Plan, your Company infused ₹ 2,101 crore in JBF on 01.06.2023. Consequently, JBF has become a wholly-owned subsidiary of GAIL with effect from 01.06.2023. Your Company is setting up a 500 KTA Polypropylene plant at Usar (Maharashtra) and has approved the proposal for setting up 50 KTA Iso Propyl Alcohol (IPA) unit while prospects of setting up of Ethane Cracker is also being studied.

Your Company is taking steps towards strengthening LNG markets in the country and is putting up small-scale liquefaction skids capable of producing LNG on a pilot basis. These plants will help in the distribution of Natural Gas through liquefaction in new CGD areas, and liquefaction of gas at isolated fields and will support setting-up of LNG fueling stations. It will be first of its kind in the country to introduce portable and scalable liquefaction units.

India is planning a network of Liquefied Natural Gas (LNG) fueling stations along its 6,000-km-long golden quadrilateral highways, a move that would encourage thousands of truckers

to switch to the cleaner fuel from polluting diesel. As stated earlier, GAIL is running a pilot project, with Coal India Ltd. (CIL), for retrofitting LNG kits in dumpers and putting together a plan and persuading all possible participants to help build an effective ecosystem for LNG-fueled vehicles in the country.

To ensure growth in the gas market share, higher gas usage in the industrial segments including refineries, transport segment using CNG & LNG, tri-generation etc. has been a primary focus area. GAIL has envisaged expanding its global presence through its diverse gas portfolio. Your Company along with its CGD Subsidiaries and Joint Venture Companies (JVCs) have achieved more than 10 lakh DPNG connections and more than 350 CNG Stations for this FY. LCNG station at Ajmer was inaugurated while LNG station at Savroli has been mechanically completed. During the recently concluded 11<sup>th</sup> and 11A CGD Bidding Rounds, GAIL's JVCs were awarded 2 Geographical Areas (GAs) Banda, Chitrakoot and Mahoba districts and Kondagaon, Bastar, Sukma, Narayanpur, Bijapur and Dantewada districts.

Your Company has developed Net Zero GHG Emissions target to achieve a 100% reduction in Scope 1 and Scope 2 emissions and a 35% reduction in Scope 3 emissions by 2040. Your Company has made its Net Zero strategy based on 4 strategic pillars: Operational Decarbonization, Energy transition, Carbon Capture and Utilization (CCUS), and Offsetting. With an impetus towards charting the net zero path your Company has further opened up its energy basket with forays into Wind, Solar, Ethanol Blending, CBG, circular economy and Green Hydrogen contributing towards shaping a Net Zero future.

Your Company is exploring both organic as well inorganic routes to expand its RE portfolio via participation in tenders and acquisition of operating RE assets. With the perspective of environmental benefits and to reduce import dependency to achieve Aatmanirbharta, your Company is actively pursuing business opportunities in biofuels (Ethanol, CBG). GAIL is exploring business opportunity in setting up two 1G Ethanol Plants of 500 (Kilo Litres Per Day) KLPD each in the States of Gujarat and Rajasthan through joint venture mode. Your Company is setting up Compressed Bio Gas (CBG) plant based on Municipal Solid Waste (MSW) in Ranchi & Bengaluru.

Your Company has started a first of its kind pilot project where injection of blending of hydrogen upto 2% in Natural Gas in CGD network of Aavantika Gas Limited. Further, PNGRB has also given approval to M/s AGL to implement the proposal for hydrogen blending with Natural Gas up to 5% vol in PNG network. Your Company is also setting up a 10 MW green hydrogen production capacity at Vijapur, MP.

### Digital Strategy

Your Company has always been at the forefront of implementing and adopting new technologies, making significant investments in digital technologies. To address the dynamic market environment, your Company has leveraged advances in digital technologies to support effective decision-making and improve business operations and performance. The digitalization initiatives in your Company are focused on improving operations, maintenance, and sustainability. New digital solutions are facilitating timely capturing and monitoring of relevant data and helping to conduct operations in a better way.



GAIL inaugurates state-of-the-art centre for digitization and centralization of its payments process. The Centre named 'SARATHI' partners with IBM Consulting and went live with SAP-OpenText's Vendor Invoice Management (VIM)

Your Company has recently implemented first of its kind, state-of-the-art center for Vendor Invoice Management (VIM) - Shared Service Centre (SSC) called 'SARATHI', which is a major step towards complete digitization, centralization and automation of Vendor Invoice payment processes. The VIM solution, that went live from April 2023, digitalizes the entire invoicing process, moving away from a paper-based system. This includes electronic receipt of invoices, automated data fetching and workflow to streamline the approval process. Additionally, your Company has set up a centralized invoice management center to manage vendor invoices from one place. The VIM solution improves efficiency, reduces costs and enhances overall productivity.

Your Company has adopted Robotic Process Automation (RPA) technology to automate repetitive tasks through the use of software bots. RPA implementation helps increase efficiency, accuracy and productivity while reducing the possibility of human error in repetitive and time-consuming tasks.



Launch of e-BG and SBLC through SWIFT Platform

### 3.2 Opportunities & New Initiatives

#### » Natural Gas Marketing

Your Company is strengthening its existing customer base while simultaneously working on expanding gas consumption in existing/emerging sectors. Your Company has completed connectivity with major anchor load customers along JHBDPL enabling them to draw full load, gas supplies to new Fertilizer plants like Matix Fertilizers & Chemicals Ltd, Panagarh, HURL Barauni, HURL Gorakhpur & HURL Sindri. In the LNG business, GAIL imported 95 LNG cargoes to India amounting to approx. 6.08 MMT of LNG volumes during FY 2022-23, to cater to the growing need.

Your Company is also working closely with other industry players and stakeholders for commercial off-take of Compressed Bio-Gas from CBG producers towards shaping a Net Zero future.

Your Company has 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 M/s Aavantika Gas Limited in Indore.

In line with the National Hydrogen Mission, your Company has started hydrogen blending as a pilot project to establish the techno-commercial feasibility of blending hydrogen in City Gas Distribution (CGD) network. This project marks the stepping stone of India's journey towards hydrogen based and carbon neutral future. It is expected that this pilot project would help in creation of a robust standard and regulatory framework in India to cover the aspects of injecting hydrogen into Natural Gas. This will pave the path for carrying out more similar projects in India.

Your Company along with its JVs and Subsidiaries is also working towards constructing LNG stations along major highways so that LNG can be utilized as an automotive fuel in the Heavy-Duty Vehicles (HDVs) segment. Efforts are also going on to commence the use of LNG as an automotive fuel for heavy equipment in the mining sector which can commercially replace High - Speed Diesel (HSD).

#### » Sourcing & Trading

Your Company has established itself as a major global LNG player. In the past several years, the Company undertook various deals including time swap transactions and third-party sales on a FOB basis to de-risk the LNG portfolio. With growing gas demand in India, the Company would be bringing most of the US volumes to India through an optimal mix of own ship charters and structured optimization transactions like Destination Swap, etc.

Your Company is also scouting the market for long-term tie-up opportunities with leading global LNG producers/traders to meet the growing downstream gas demand in India.

Further, your Company is actively undertaking hedging to manage commodity price risk.



Shri Sanjay Kumar, Director (Marketing), GAIL addressing LNG Meet

#### » LNG Shipping

To transport the LNG sourced from the USA, your Company hired a newly built LNG Vessel "DSME H2520" from a subsidiary of Mitsui O.S.K. Lines, Japan. The vessel is of state-of-the-art technology and design. With hiring of this vessel, GAIL will have 03 modern LNG Vessels in its fleet on long-term charter.

Further, the Company continuously scouts the market for optimization of its shipping fleet as well as taking additional vessels on time-charter to ensure lifting of US FOB volume and optimize the transportation cost.



Breakwater under construction at Dabhol LNG Terminal

### » LNG Regasification Terminals

Konkan LNG Limited (KLL) is a subsidiary company of GAIL. Your Company is the commercial operator of the 5 MMTPA Dabhol terminal in Maharashtra under KLL. After 100% completion of the commissioning activities related to breakwater facilities, ambient air heating system, etc. KLL shall be able to operate throughout the year at full capacity.

Your Company has also booked regasification capacities at PLL's Dahej terminal on long-term basis and has been efficiently utilizing the capacity booked in the terminal.

In addition to this, Dhamra LNG terminal in Orissa has been commissioned and ready for commercial operation. GAIL placed its first cargo and started discharging LNG from 22<sup>nd</sup> May 2023. With this, GAIL's pipeline network got its first RLNG feeding point on the eastern side of India.

Further, in order to cater to GAIL's spot regasification requirements, GAIL from time-to-time books additional regasification capacity at Indian regasification terminals such as Hazira, Dahej etc.

### » Natural Gas Transmission

Your Company is committed to increasing the length of its Natural Gas pipeline infrastructure by developing new Natural Gas pipelines and expanding/extension of its existing pipelines. Your Company has taken steps to provide Tie-in connections with its Natural Gas pipelines to the upcoming new gas sources including in Rajasthan/ Gujarat Krishna Godavari (KG) Basin, Cauvery Basin, Coal Bed Methane (CBM) discoveries in Jharia, Bokaro & Shadol, new sources of domestic gas through bidding route and upcoming RLNG Terminals to enable more and new gas injections into its pipelines. Furthermore, Inter-Connections (ICs) are also being provided with the Natural Gas pipelines of other pipeline entities in the country.



Shri Deepak Gupta, Director (Projects), GAIL addressing Gas Infrastructure Conference

In addition to providing Last Mile Connectivity (LMC) to various industrial consumers to enable them to consume Natural Gas and shift from other alternative fuels, your Company is also providing Hooking-up connectivity (i.e. connectivity from the trunk Natural Gas pipeline to the CGD network) to about 100 CGD Networks in various parts of the country which have been

awarded up to 9th and 10th CGD Bidding Rounds by PNGRB. 05 new LMCs and 27 Hook-ups were completed to supply/transport gas during FY 2022-23.

Your Company has also firmed up modality with the newly established Gas Exchange for smooth transmission of gas traded in the Gas Exchange. In addition, your Company is the first gas pipeline company in the country that had started an online pipeline open-access portal for easier and transparent booking of Common Carrier Capacity in its Natural Gas pipeline. Around 9,700 Capacity Tranche (CT) requests have been processed through the portal during FY 2022-23 while over 21,000 CT requisitions were received since the launch of the online portal till 31<sup>st</sup> March, 2023 in 2018.

### » Developing the National Gas Grid (NGG)

To develop the National Gas Grid, your Company along with its JVs is executing projects to lay ~ 7,879 km of Natural Gas pipelines across India and another 2,047 km pipelines through its JVs/JVs of GAIL Gas (which includes 1,656 km by Indradhanush Gas Grid Ltd. and 391 km by Andhra Pradesh Gas Distribution Company Ltd.). The status of ongoing projects are as follows:

1. **Jagdishpur-Haldia & Bokaro-Dhamra Pipeline (JHBDPL) (2,655 km) and Barauni- Guwahati Pipeline (BGPL) (729 km) section as an integral part of JHBDPL:** This pipeline network shall pass through the Eastern part of U.P., Bihar, Jharkhand, Odisha, West Bengal, and Assam. The pipeline network would have two gas sources, one at Phulpur (Allahabad, U.P.) and the other at Dhamra RLNG Terminal (Odisha) and is also connected to Integrated HVJ network to receive gas supply. The pipeline from Barauni to Guwahati will connect the North eastern gas grid to National Gas Grid. Recently, PNGRB has granted authorization of Dhamra-Haldia Pipeline (DHPL) (253 km) for capacity expansion of JHBDPL network and increasing size of Dhamra-Paradip spur line. With this, the expansion capacity of the integrated JHBDPL network is now 23 MMSCMD from earlier 16 MMSCMD.
2. **Kochi-Koottanad-Bangalore-Mangalore Pipeline (KKB MPL) Project Phase-II (891 km):** Kochi to Mangalore pipeline (KMPL-450 km) passing through Kerala & Karnataka was commissioned & anchor customers Mangalore Chemicals and Fertilizers Limited, ONGC Mangalore Petrochemicals Limited & Mangalore Refinery and Petrochemicals Limited were also connected. 129 km section of Kootanad to Bangalore Pipeline has also been commissioned. Work is under progress in Tamil Nadu Section.
3. **Vijaipur-Auraiya-Phulpur Pipeline:** To de-bottleneck, the supply of the JHBDPL project, a parallel pipeline from Vijaipur to Phulpur via Auraiya (667 km) was executed. Phase-1 from Auraiya to Phulpur (315 km) was commissioned in March 2019. Further, Phase-2 from Vijaipur to Auraiya-352 km has been commissioned in March 2022.

Mumbai-Nagpur-Jharsuguda pipeline (1,755 km) MNJPL, part of National Gas Grid (NGG), will pass through 25 districts in the states of Maharashtra, Madhya Pradesh, Chhattisgarh & Odisha. It will originate from Thane (Maharashtra) & will connect to JHBDPL in Jharsuguda (Odisha). Also, spurline will extend from Nagpur (Maharashtra) to Jabalpur (Madhya Pradesh). The pipeline shall ensure availability of clean fuel

and cater the demand of CGD industries and anchor load customers. Construction work is in full swing for Mumbai-Nagpur section.

4. **Sultanpur-Jhajjar-Hisar pipeline (135 km)** has been commissioned on 31.03.2023.
5. Construction work is in progress for Srikakulam (Andhra Pradesh)-Angul (Odisha) Pipeline (744 km), Dhamra-Haldia Pipeline (253 km), Haridwar- Rishikesh-Dehradun Pipeline (50 km) to provide Natural Gas connectivity to cities en-route the pipeline.

#### » **Petrochemicals**

Under the Petrochemical business vertical, your Company is in the process of setting up a 500 KTA Propane dehydrogenation and Polypropylene (PDH-PP) Plant at Usar, Maharashtra, which is expected to be commissioned in 2025. This would be the first plant in India using Propane Dehydrogenation technology for the production of Propylene. For this project, M/s Lummus Technology LLC, USA has been selected as technology Licensor for the PDH unit & M/s Grace Technologies Inc. has been selected as Technology Licensor for PP Unit. Various project-related activities are in full swing.

Your Company is also setting up a 60 KTA Polypropylene (PP) plant at Pata. Environment Clearance for the Project has been granted by the Ministry of Environment, Forest & Climate Change. M/S Grace Technologies Inc, USA has been selected as the technology Licensor for the PP unit at Pata.

Your Company is also setting up 50 KTA Isopropanol (IPA) unit at Usar.

Digital Transformation is need of the hour. Considering high competitiveness in Petrochemicals market and growing demand, Your Company has adapted SAS Data Analytics Tool to enhance their ability to work faster, stay agile and give the organization a competitive edge over competitors. GAIL Petrochemicals business has developed Three Business Analytics Modules i.e. Margin Optimization, Price Forecasting, and Production Planning for Advanced Data Analytics. Apart from this our Company is in process of mapping Customer Journeys and improve Business Intelligence through State-of-art Customer 360 & Market Intelligence system.

#### **Acquisition of Petrochemicals Plant under Corporate Insolvency Resolution Process through NCLT**

Your Company is constantly in search for acquisition of Companies in synergy with GAIL or in diverse fields. Lot of equity investments are scrutinized on regular basis. One such opportunity was acquisition of a JBF Petrochemicals Limited (JBFPL), a Petrochemicals Company incorporated in 2008 for setting up of 1.25 MMTPA Purified Terephthalic Acid (PTA) Plant within Mangalore Special Economic Zone (MSEZ) in the State of Karnataka.

The plant, which is a backward integration project for polyester plants. The trial run of the Plant was conducted in March 2017; however, production was not started and was in the process of complying with the technical specifications and removing deficiencies. At that juncture, there was a need to infuse additional funds.

The Company was admitted to Corporate Insolvency and Resolution Process (CIRP) pursuant to NCLT order.

Your Company participated in the aforementioned Corporate Insolvency and Resolution Process and submitted the Resolution Plan in Sept '22. Subsequent to approval from Lenders, NCLT in March '23 accorded approval to GAIL's Resolution Plan for acquisition of JBFPL. As per implementation of the Resolution Plan, your Company infused ₹ 2,101 crores towards total

Resolution Plan amount in JBF on 01.06.2023. Consequently, JBF has become a wholly-owned subsidiary of GAIL with effect from 01.06.2023.

GAIL and the (acquired) JBFPL have presence in two different petrochemical sectors i.e. Polyethylene (PE) and Purified Terephthalic Acid (PTA) respectively which are differentiated w.r.t. molecular structures, feedstock, product characteristics and target consumer market. The PTA business is envisaged to be a complementary vertical to that of existing PE portfolio. It is understood that the Plant was under preservation until the year 2020 and as per GAIL's revival Plan presented to the Hon'ble NCLT, it is planned to commission the Plant by March '25.

#### » **Coal Gasification**

Your Company is in the process of setting up a coal gasification-based Urea project through a JV-Talcher Fertilizers Limited (TFL) formed with Coal India Limited (CIL), Rashtriya Chemicals and Fertilizers Limited (RCF), each having 31.85% stake and Fertilizer Corporation of India Limited (FCIL) having 4.45% equity. The project is envisaged to produce 2,200 MTPD Ammonia and 3,850 MTPD Urea.

The project has received investment approval from all the JV partners and project activities have already commenced with the award of 02 major LSTK tenders of coal gasification and ammonia/urea to M/s Wuhuan Engineering Co. Ltd., China along with other OSBL/Utilities packages. The selection of other vendors is in progress and all the pre-project construction activities at the site have been completed. Cabinet Committee on Economic Affairs (CCEA) has approved the exclusive subsidy policy for Urea to be produced by TFL on 20<sup>th</sup> April, 2021. The financial closure of the project has been successfully concluded in June 2021 with debt tie up of ₹ 9,560 crore (approx.). Contract of approx. value of ₹ 11,000 crore has already been awarded and project achieved an overall 23% progress.

GAIL signed an Addendum to MoU with Coal India Ltd on 12<sup>th</sup> October, 2022 for development of Coal to Synthetic Natural Gas (SNG) project at Eastern Coal Field (ECL) Bardhaman (W.B).

#### » **Start-up Initiative**

GAIL launched its ambitious Start-Up initiative '**Pankh**' in July' 2017 to invest in promising Start-ups. Your company's Start-Up Initiative "**Pankh**" aims to identify, invest and nurture start-ups that can become successful companies in the long run and provide returns from this diversification. Under this initiative, an initial Corpus of ₹ 100 crore has been created for funding in new & promising Start-ups working in focus areas. GAIL's Investment in Start-Ups is spread across diverse Areas like AI, Logistics, Electric Mobility, Nutrition, Rural Development, Health, Pipe Inspection, Energy, Renewable Energy, Environment, Bio Products, IOT, Industry 4.0 (process improvement) etc.

During the FY 2022-23, your Company has signed investment agreement with 01 Start-Up in Fintech sector with credit line product of Social cause with a financial commitment of ₹ 1.5 crore. Your Company has so far supported 34 numbers of Start-Ups with a total investment commitment of ₹ 69.69 crore. The valuations of some of these start-ups based upon the current market trends have appreciated many folds. In FY 2022-23, 04 nos. of GAIL supported Start-Ups have raised funds at higher valuation than the valuation at which GAIL made initial investment.

#### » **Advocacy Initiatives**

India seeks to reduce its carbon emissions and transition to a cleaner, more sustainable energy system. Hon'ble Prime Minister of India has stated that analogous to the seven

horses driving the chariot of Sun god, India's energy map is envisioned to have seven key drivers including accelerating efforts to move towards a gas-based economy.

Natural Gas being an environmentally benign energy source suffices to be the fuel of 21<sup>st</sup> century. Natural Gas commonly known as "The Green Fuel" is the cleanest and efficient hydrocarbon because of its chemical properties. Aiming the focus on steering our country towards decarbonisation & energy transition, various initiatives & steps have been taken by the government to promote Natural Gas and envisages the share of gas to be around 15% of country's primary energy mix by 2030. Natural Gas can complement as key drivers and augment the progress directly or indirectly depending on the nature.

Under the Cleaner use of fossil fuels initiative, the Coal Gasification plants could be established closer to the Natural Gas grid, so that product gas or hydrogen can be injected into Natural Gas pipelines. In addition, Natural Gas can also be used as a fuel/feedstock in the production of various products such as plastics and chemicals, which can help reduce the carbon footprint of these industries.

Various pipelines projects are under progress towards the development of National Gas grid in the country which will enable the gas availability to far flung areas including the Eastern and North Eastern parts of the country. For this, the government has taken several steps including provision of grants for development of pipeline projects and revival of anchor load customers such as fertiliser plants. In addition to the pan India presence of NG pipeline network, government is also making efforts for the development of CGD infrastructure in India for enhancing the availability and reach of Natural Gas to end consumers.

An emerging growth area for your Company is marketing of Biogas produced from anaerobic fermentation of organic waste. As a significant step towards promoting Biogas economy, MoP&NG launched SATAT (Sustainable Alternative Towards Affordable Transportation) initiative on 01<sup>st</sup> October'2018 to extract economic value from Biomass waste for production of Compressed Bio Gas (CBG) and its usage as an alternative fuel (similar to CNG) for transport vehicles. Further, MoP&NG has issued policy guidelines for synchronization of CBG produced by various plants with its utilization in CGD networks on a pan India basis. GAIL has been mandated to operationalize the CBG-CGD Synchronization Scheme, wherein Biogas/CBG would be supplied co-mingled with domestic gas at Uniform Base Price to all CGD entities for use in CNG (T) and PNG (D) segments. Enabling policy frameworks and systems / mechanisms aimed at accelerating the development of biogas economy in overall gas supply scenario is continuously evolving.

As far as renewables space is concerned, Natural Gas has the potential to mitigate the challenge of lack of round the clock availability of renewable resources as well as balancing the grid. Natural Gas might act as a flexible energy storage medium to relieve congestion during peak usage periods and balancing the grid.

Talking about transportation sector & mobility domain in the country, the establishment of Electric vehicles as a cleaner mobility solution would further require significant investment in electricity distribution and charging infrastructure. Through the faster growing CGD network, Natural Gas is trying to reduce the emissions and helping the clean mobility agenda.

Contributing towards the hydrogen economy, CGD infrastructure may be used for blending of the Hydrogen in Natural Gas for end use. After establishing the blending in CGD network through pilot projects, optimum level of hydrogen blending

in CGD network may be initiated subject to technical limit. Further for creating future hydrogen backbone infrastructure, ROU of gas pipeline infrastructure can be leveraged considering synergies such as nature of fuel & end consumers.

Over the years, GAIL has been a part of industry events organized to propagate gas as a better environmental fuel and endorse the market opportunities available for gas in India. GAIL is interacting with various Indian industry associations including FIPI, CII, FICCI, CSE, TERI NITI Aayog, etc. GAIL has been consistently engaged with global associations like International Gas Union, ADB, World Bank on Sustainable energy policy and reforms required in the gas sector. GAIL also regularly interacts with PNGRB, the regulatory body to update them on the current status and industry viewpoint. GAIL is also engaged with think tanks and govt. bodies for carrying forward Natural Gas advocacy and market development in India.

GAIL is part of various prestigious industry bodies and associations which provide platforms to discuss industry issues and convey the industry voice to the government in a collective way to make better inclusive policies and bring reforms. This forms a significant basis for the advancement of the public good. In FY 2022-23, GAIL was a part of the following associations:

- Indian Wind Power Association (IWPA)
- PHD Chamber of Commerce & Industry
- Chemicals & Petrochemicals Manufacturers Association (CPMA)
- Indian Centre for Plastic in Environment (ICPE)
- Indian Biogas Association (IBA)
- International Swaps & Derivatives Association Inc (ISDA)
- Indian Federation of Green Energy (IFGE)
- International Group of Liquefied Natural Gas Importers (GIIGNL)
- Society for Human Resource Management (SHRM)
- All India Management Association (AIMA)
- National Institute of Personnel Management (NIPM)
- Pipeline Operators Forum
- TERI Council for Business Sustainability (TERI-CBS)
- Global Reporting Initiative India Private Limited (GRI)
- Standing Conference of Public Enterprises (SCOPE)
- Federation of Indian Petroleum Industry (FIPI)
- Federation of Indian Chambers of Commerce and Industry (FICCI)
- British Safety Council (India) LLP
- India Myanmar Chamber of Commerce (IMCC)
- Confederation of Indian Industry (CII)
- International Gas Union (IGU)

» **Green energy initiatives**

Green Hydrogen is a renewable energy based alternative fuel for meeting Hydrogen requirements in fertilizer production and petroleum refining. It has the potential to reduce India's dependence on fossil fuels and decrease the carbon footprint

of these industrial processes. It can help curb the emissions from several processes that depend upon input materials or feedstock derived from fossil fuels such as production of fertilizers, chemicals, petrochemicals and steel. Hydrogen can also be used as a fuel for long range transportation and for long duration storage of renewable energy.



Roof top Solar Project at GAIL, Pata Petrochemical Plant

In line with Strategy 2030, your Company is exploring various opportunities for increasing its renewable portfolio through organic as well as inorganic routes.

Towards shaping a Net Zero future, your Company is exploring various business opportunities in the Production of Compressed Bio Gas (CBG). The Company is an integral part of the MoP&NG's initiative – SATAT (Sustainable Alternative towards Affordable Transportation) and invited Expression of Interest (EOI) from various CBG Producers for providing Marketing tie-up of CBG at the Retail Outlets of your Company and its JVs. During the FY 2022-23, the Company issued 327 'Letter of Intent (LoI)' to potential CBG producers.

Your Company has also taken the decision of venturing into CBG business by setting up CBG production plants. The Company is setting up its first CBG plant of 5 Tons per Day (TPD) CBG production capacity at Ranchi. It has signed a concession agreement for 22 years with Ranchi Municipal Corporation for the supply of Municipal Solid Waste (MSW) and associated infrastructure for setting up the plant. The Company has received approval from the Government of Karnataka on 30.12.2022 for setting up CBG Plant in Bengaluru, including the land allocation.

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 Tonnes per day at Vijaipur (M.P.). The unit will produce Green Hydrogen using Proton Exchange Membrane (PEM) technology based on water electrolysis. Also, study on technical feasibility of H<sub>2</sub> blending in NG/CGD network has been initiated.



Wind Energy assets of GAIL in Hassan, Karnataka

Subsequent to the launch of CBG-CGD Synchronization scheme in April 2021, the Company has already operationalized the Synchronisation Scheme all across the country. Following are

the key highlights of implementation of the Synchronisation scheme:

- Around 38000 SCMD (~28 TPD) Biogas/CBG was supplied/injected into 17 CGD GAs across India under the CBG-CGD Synchronization scheme.
- The Cumulative Biogas/CBG sale under Synchro scheme is 5490 MT. For FY 2022-23, CBG sale per volume under CBG-CGD synchronization scheme is 5322 TPA.
- 46 nos. of Tripartite Agreements (TPA) have been executed amongst CBG Producer, GAIL and CGD entity.
- 28 CBG plants and 18 CGD entities have tied-up under the Synchronisation scheme.

Your Company is setting up 10 MW PEM Electrolyser for producing Green Hydrogen. Your Company has also entered into MoU with Gujarat Alkalies and Chemicals Limited (GACL) to explore the feasibility of setting up 500 KLPD BioEthanol Plant in Gujarat and other business opportunities related to Petrochemical/Chemical plant, Solar and Wind assets.

Your Company has also taken few initiatives for development of solar energy such as (i) MOU with BHEL for development of solar power projects; (ii) setting up of Renewable Power plants for captive consumption; (iii) Opportunities explored for manufacturing of solar cells/modules; (iv) collaborated with International Solar Alliance (ISA) as a corporate partner.

#### » Small-Scale LNG

India has vastly expanded the city gas distribution network in recent years, adding to Natural Gas demand. Liquefaction facilities can help transfer gas from some fields that haven't been commercially exploited as they are too small to support an evacuation pipeline.

Your Company plans to set up small liquefaction facilities to cater to Natural Gas demand in areas not connected to pipelines and to help transport gas from isolated fields.

Your Company has placed orders for two small-scale liquefaction skids capable of producing Liquefied Natural Gas (LNG) on a pilot basis. Liquefaction will be achieved through proprietary technology-based mobile liquefaction skids. These plants will help in distribution of Natural Gas through liquefaction in new city gas distribution areas, liquefaction of gas at isolated fields and will support setting-up of LNG fueling stations and in bunkering. It will be first of its kind in the country to introduce portable and scalable liquefaction units.

Your Company is also discussing the possibility of manufacturing liquefaction skids in India.

#### 4. Threats, Risks, Challenges, and Mitigation

##### » PNGRB Regulatory Framework

The Petroleum & Natural Gas Regulatory Board (PNGRB) was established by the Government of India on 1<sup>st</sup> October, 2007 for carrying out the various provisions of the PNGRB Act, 2006. The PNGRB Act provides a legal framework for regulating the refining, processing, storage, transportation, distribution, marketing and sale of petroleum, petroleum products and Natural Gas but excluding the activities of production of crude oil and Natural Gas, to protect the interests of consumers and entities engaged in these activities. The main functions of PNGRB include, inter-alia, (a) granting authorizations for laying, building, operating, or expanding new pipelines as common carriers or contract carriers and for laying, building, operating, or expanding new

city gas distribution networks (CGD networks) (b) declaring existing Natural Gas pipelines, petroleum & petroleum product pipelines and CGD networks as common carriers or contract carriers (c) regulating access to common carriers or contract carriers (d) regulating transportation rates of common carriers or contract carriers and (e) to perform such other functions as may be entrusted to it by the Central Government to carry out the provisions of this Act.

During the FY 2022-23, PNGRB has notified various Amendments & Regulations in respect of Natural Gas Pipelines and CGD networks. In respect of Natural Gas Pipelines, based on regulatory provisions, PNGRB, by integrating the nine (09) inter-connected Natural Gas pipelines of your company, has determined an integrated tariff, duly apportioned into zonal tariffs, with effect from 01<sup>st</sup> April, 2023, which would significantly boost the Natural Gas transmission revenues of your Company.

During this period, PNGRB has also notified the Unified Tariff Regulations with effect from 01<sup>st</sup> April, 2023. Under this, Unified tariff is calculated as weighted average zonal tariff (as approved by PNGRB) for all the constituent natural gas pipelines comprising the National Gas Grid System (NGGS) and thereafter the same is apportioned into Zonal Unified tariff over three zones, with first zone covers a distance from gas source to 300 kms, the second zone being more than 300 kms and up to 1200 kms and third zone being more than 1200 kms. Under this, all customers across the country connected to pipelines comprising the NGGS shall pay a single zonal unified tariff as applicable to them based on their location. This Unified Tariff regime would benefit customers located in far-flung areas by way of tariff rationalization and facilitate development of new markets to increase gas utilization in all pipelines including those of your Company.

Further, the transportation tariff for other pipelines not forming a part of the NGGS is determined by PNGRB for each pipeline separately and further apportioned on a Zonal basis with each zone of 300 kms.

Recently, PNGRB has also come out with a proposal for developing CGD Networks in J&K/Ladakh and the North-East under the 12<sup>th</sup> Bidding Round. Based on the business potential, your Company would assess participating in the same.

Your Company had emerged as the successful bidder for Gurdaspur-Jammu natural gas Pipeline and PNGRB issued the letter of intent of authorization of Gurdaspur-Jammu natural gas Pipeline.

During the FY 2022-23, your Company has also been granted authorization for developing a Tie-In Connectivity pipeline in Jambusar region in Gujarat which shall bring in more gas from new domestic sources. In this period, affiliates of your Company have also been granted authorization for developing City Gas Distribution Network in Geographical Area located in the state of Chhattisgarh under the 11A Round of CGD Bidding.

PNGRB has also issued various orders and decisions in relevant matters. The details of the said regulations, amendments, authorizations, orders and decisions are available on the official website of PNGRB ([www.pngrb.gov.in](http://www.pngrb.gov.in)) and have varying implications on business. These regulations, amendments, authorizations, orders, decisions of PNGRB are appealable before the PNGRB Bench, Appellate Tribunal, and Courts and accordingly, some of them pertaining to your Company are also under various stages of appeals. The timing and content

of any final changes in regulations made by PNGRB is not in your Company's control. However, regular interactions with PNGRB on sectoral issues, participation in public consultation exercises conducted by the Regulatory Board and making logical submissions to the Regulator in writing helps your Company to anticipate or to minimize risks associated with any sudden or unforeseen changes in regulations.

#### » Natural Gas Prices

Your Company currently markets Natural Gas purchased from domestic and international sources.

The Government of India, vide its order dated 25<sup>th</sup> October, 2014, had notified the New Domestic Natural Gas Pricing Guidelines, 2014. As per the notification w.e.f. 1<sup>st</sup> November, 2014, the gas price is determined bi-annually as per a specific formula, which in essence, is a twelve-month average price (minus transportation and treatment charges) of Natural Gas traded in the major hubs worldwide. The New Domestic Natural Gas Pricing Guidelines, 2014 are applied uniformly to all nominated fields to ONGC & OIL, New Exploration Licensing Policy (NELP) blocks, and Pre-NELP blocks that require Government Approval as per PSC, whereas the same are not applicable in case of small and isolated fields of nominated blocks that are covered under the pricing guidelines of 2013.

Government of India formed Dr. Kirit Parikh Committee in Sept-22 to review the pricing formula for gas produced in the country as global energy prices soared. The Committee recommended the domestic gas prices to be linked to Indian Crude Oil Basket. The decision on recommendations of Dr. Kirit Parikh Committee has been finalized by the Government of India.

Accordingly, Ministry of Petroleum and Natural Gas notified amendment to New Domestic Gas Pricing Guidelines, 2014 on 7<sup>th</sup> April 2023. As per the amendment, Domestic Natural Gas Price (APM price) shall be 10% of the Indian Crude Basket Price as defined by Petroleum Planning and Analysis Cell (PPAC) from time to time. The APM prices would be declared on monthly basis by PPAC. For the gas produced by ONGC and OIL from their nomination fields, the APM price shall be subject to a floor and a ceiling. The initial floor and ceiling price shall be \$ 4/MMBTU and \$6.5/MMBTU respectively. The ceiling would be maintained for the next two years (FY 2023-24 and 2024-25) and then increased by \$0.25/MMBTU each year. Gas produced from new well or well intervention in the nomination fields of ONGC and OIL, where APM prices are subject to floor and ceiling, would be allowed a premium of 20% on these APM prices.

Further, the Government of India, vide its order dated 21<sup>st</sup> March, 2016, has notified guidelines on marketing including pricing freedom for the gas produced from discoveries in deep water, ultra-deepwater, and high pressure-high temperature areas. As per the guidelines, the Government has decided to ensure freedom of pricing for gas produced in these fields up to a ceiling price level calculated by taking a lower of the twelve-month average of landed price of imported fuel oil, substitute fuels, and LNG.

Your Company earns the marketing margin on the sale of domestic Natural Gas. Further, the Government of India, in its notification dated 24<sup>th</sup> December, 2015, applicable from 18<sup>th</sup> November, 2015, has put a ceiling on the marketing margin for the supply of domestic gas to fertilizer (Urea) and LPG producers to ₹ 200 per 1000 SCM.

In addition to the above, your Company purchases imported Natural Gas mainly from PLL at Dahej, Gujarat. The purchase and selling prices of such Re-gasified Liquefied Natural Gas (RLNG) are based on international crude price indices. Further, your Company also directly imports LNG through carriers from various suppliers worldwide and gets it re-gasified either at PLL's regasification terminal at Dahej, Gujarat and Kochi, Kerala or at KLL regasification terminal at Dabhol, Maharashtra or at Shell Energy India Pvt Ltd (Formerly known as Hazira LNG Private Limited). Such LNG imports is either under a long-term agreement ranging above three years, medium-term agreement ranging up to three years or under spot cargo purchases. Under long-term & medium-term import, the selling price is largely based on the purchase price. However, under spot cargo imports, the selling price is dependent upon the demand and supply scenario and customer affordability. Import of LNG spot cargo is based on a thorough assessment of the affordability & requirement of the end consumers and the availability of LNG in the international markets.

#### » **LNG Portfolio**

Your Company and its subsidiaries/Joint ventures/affiliates till date have executed two long-term LNG contracts in the USA and one long-term LNG contract with Singapore based company to meet the growing LNG demand:

- LNG Sale and Purchase Agreement with Sabine Pass Liquefaction LLC for sourcing of 3.50 MMTPA of LNG from Sabine Pass Liquefaction Terminal, USA with supplies commenced from February 2018.
- Terminal Service Agreement for booking of 2.30 MMTPA liquefaction capacity in the Cove Point LNG liquefaction Terminal, USA with supplies commenced from April 2018 and Gas Sale and Purchase Agreement with WGL Midstream (now Six One Commodities) for the commensurate gas quantities.
- LNG Sale and Purchase Agreement with SEFE Marketing & Trading Singapore (SMTS) erstwhile, (GMTS Singapore (Gazprom) for sourcing up to 2.85 MMTPA, i.e. around 10.26 MMSCMD of LNG with supplies commenced from FY 2018-19. GAIL has been handling the SMTS (erstwhile GMTS) disruption by making various efforts to minimize the implications. Necessary actions to maintain gas supplies at sustainable levels to downstream RLNG customers were taken by suitable rationalization, reducing GAIL's internal consumption, primarily in Pata Petrochemical plant and by procurement of additional volumes of LNG/RLNG at Market Price.
- LNG Sale and Purchase Agreement with Ras Laffan Liquefied Natural Gas Natural Gas Company Limited (3) for sourcing ~0.3 MMTPA, i.e. around 1.08 MMSCMD of LNG on CFR basis.

The aforesaid LNG contracts were entered by your Company with the primary objective of meeting the demand of a growing Indian economy and ensure the energy security of the nation.

Since FY 2016-17, your Company is undertaking hedging transactions also to mitigate the price and index risk. Further, as part of system enhancement, your Company has migrated from e-mail system to web based portal for undertaking LNG/Ship Chartering/Ship Services enquiries.

#### » **Power including Renewables**

India is increasing its renewable energy capacity at a brisk pace with an aim to reduce carbon emission. With an increase in renewable energy portfolio, the stability of the grid is a major concern for the industry. Natural Gas-based power plants can act as a balance to provide grid stability as gas plants can respond more quickly to load changes than coal-based plants and can further help in the reduction of emission. Plant Load Factor (PLF) for conventional fuel plants is on a decline and Natural Gas-based power plants continue to run with structural issues requiring resolution through policy intervention. Your Company has been working on a case-to-case basis and in close coordination with MoP&NG and the Ministry of Power to increase/revive off-take of Natural Gas by the power sector.

#### » **Polymer, LPG and other LHC**

Your Company is also marketing petrochemicals, LPG, and other LHC products. The prices of these products are influenced and determined by global and domestic factors influencing demand and supply. Your Company has developed a range of market acceptable products to ensure steady consumption of the petrochemical products and has optimized its portfolio by having production facilities at Pata (UP) and Assam. LPG marketing is decided in close coordination with the PSU Oil Marketing Companies. Continuous measures are taken towards managing margins across your Company's range of products.

#### » **Foreign Exchange Fluctuation Risk**

Your Company, largely imports LNG, capital goods and stores & spares for various new projects, and operation & maintenance. It has also taken loans in foreign currency for meeting the capex requirement and making overseas investments. The loan portfolio is fully hedged by way of derivative products (currency swap and interest rate swap) through the natural hedge from the foreign currency inflows. Your Company has an approved Foreign Currency & Interest Rate Risk Management Policy to manage foreign exchange exposure which has been reviewed during the FY. The short-term and long-term exposure of the foreign currency of your Company is being monitored as per the approved policy.

#### » **Commodity Price Risk**

Your Company has a Natural Gas Price Risk Management Policy to manage the price risk of Natural Gas. The price risk of Natural Gas used for internal consumption and as well as for selling to various downstream customers is being monitored as per the approved Policy. As and when the opportunity arises in the market, your Company has undertaken various derivative transactions to hedge the price risk arising out of fluctuation in the prices of imported Natural Gas.

#### » **Natural or Man-made Calamity Risk**

Various risks are associated with gas transportation and distribution like blowout of Natural Gas pipelines, earthquake, tsunami, terrorist activities etc. These risks are being mitigated right from the designing stage of these projects. However, such natural or man-made risks are emergent events and cannot be totally eliminated. If such an event occurs, it may incur significant liabilities for the Company. To mitigate the impact of such incidents, the Company has Emergency Response and Disaster Management Plan in place.



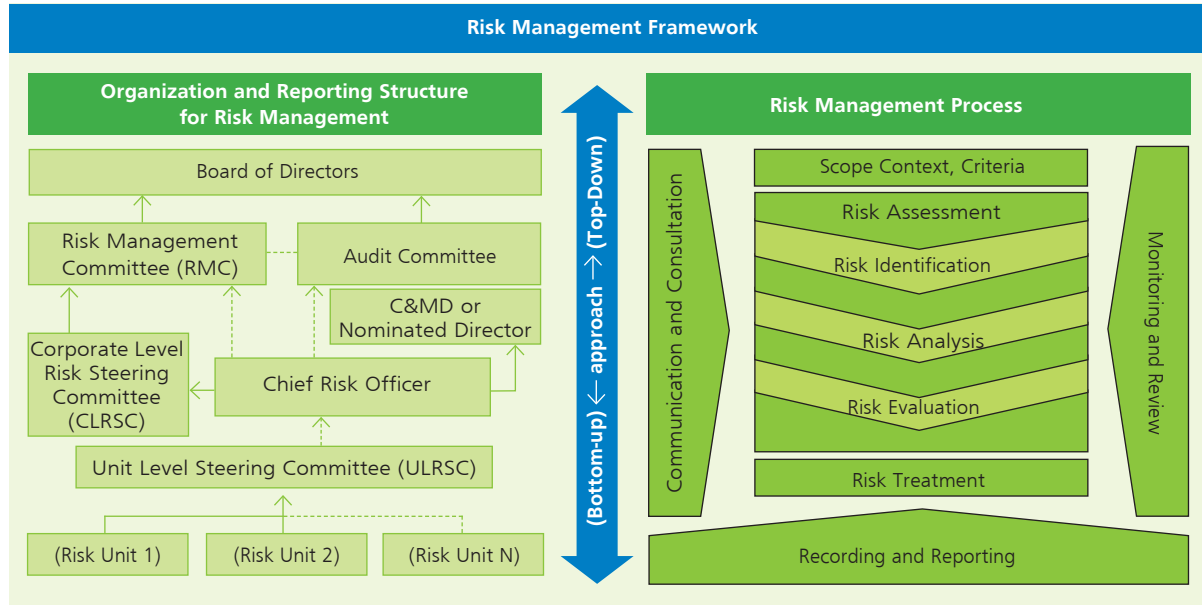
» **Risk Management Framework**

Risk management is an ongoing process and your Company has established a comprehensive Enterprise Risk Management (ERM) framework with the vision to integrate risk management with its overall strategic and operational practices. The Company has formed a Risk Management Committee (RMC) of the Board and its role is as specified in SEBI LODR Regulations. The primary objective is to ensure sustainable and stable business growth supported by a structured approach

to risk management. The ERM framework includes designing, implementing, monitoring, reviewing and constantly improving the risk management procedures for the organization.

The ERM framework at GAIL is designed after incorporating the requirements of ISO 31000 (Risk Management - Principles and Guidelines) and recommendations of the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

The structure of Risk Management Framework of your Company is as under:



Your Company has a Risk Management Policy and procedure to protect & add value to the organization & its stakeholders with the objective to establish a risk intelligence framework for objectively managing expected/ perceived & existing risk exposures by the decision-makers in compliance to prevailing statutory regulations so as to assure demonstrable achievement of objectives and improvement of financial stability of your Company.

**Risk Management Approach**

Your Company uses a structured 'Top-down' and 'Bottom-up' approach for managing risks. A 'Top-down' approach helps to distil insights and provide clarity on the key risks whereas the 'Bottom-up' approach helps to ensure comprehensive risk identification and prioritisation along with processes that control decision making across the Company ensuring a robust risk management culture.

**Risk Identification**

Your Company assesses different types of risks including business and financial risks as well as the non-financial risks such as climate change, fuel prices, energy supply security that could potentially influence and impact the business in the future. The identified risks are assigned a 'Risk Rating' based on their impact on the organisation and the likelihood of the occurrence. 'Risk Velocity' is taken into consideration based on the time between the occurrence of an event and its impact on the Company.

In the changing business scenario and expansion of your Company into various other activities, business risks and their mitigation plans are assessed on regular basis. Top Corporate Level Key Risks are as under:

1. Risk of delay in Project Execution due to delay in obtaining Right of Use (RoU)/Land.
2. Underutilization of gas transmission pipeline will result in loss of revenue.
3. GAIL's Restructuring Risk. [Challenges due to Monetization of GAIL's Pipeline Assets and Creation of Transport System Operator (TSO)]
4. Inadequate controls to protect the systems against malicious attacks may result in loss of data and disruption of operations.
5. Risk of reduction in margin of Petrochemical due to lower industry demand, lower price & high input cost.
6. Market Risk of LNG in terms of adverse movement of crude oil price/ LNG prices, shortage of LNG cargos and expected increase in domestic gas volumes.



Shri Deepak Gupta, Director (Projects), GAIL shared his views at IEW in the executive session on 'Revolutionising and scaling gas infrastructure'

7. Risk of major leakage –
  - (a) Explosion / high fatality in case of leakage from LPG/ Natural Gas pipeline under high population density region.
  - (b) Explosion/high fatality in case of leakage in Petrochemical & GPU/C2-C3 Recovery Plants.
  - (c) Explosion / high fatality in case of leakage in GAIL CGDs NG pipelines
8. Risk of Third-Party Damage & Encroachment.
9. Risk of unfavorable Regulatory changes.
10. Effect on GAIL business on account of shutdown of ONGC facilities and reduction in allocation of APM/non-APM Gas for GAIL's internal consumption.

All above Top Corporate Key Risks along with Mitigation measures are being monitored closely by the Top Management.

Identified risks are deeply examined and quarterly reviewed by Corporate Level Risk Steering Committee (CLRSC), Bi-annually by Risk Management Committee (RMC), Annually by Audit Committee and Board.

## 5. Investor Relations and Engagement

Investor Relations (IR) is playing an increasingly important role in today's volatile world in enabling companies to manage investor expectations. The objectives of Company's investor relations activities are to boost confidence and develop a long-term relationship of trust with stakeholders including Shareholders, Investors & Analysts, through true and fair disclosure of information/explanation, and bilateral communication.

In order to pursue these objectives at all times, your Company continuously discloses necessary information and conducts various investor relations activities. Engaging closely with the investor community helps the Company to gain investor confidence, thereby enabling it to drive maximum value out of the IR programme.

During the FY 2022-23, your Company conducted following major activities for Investor Relations and Engagement:

- a) Organized Investors' & Analysts' Meet 2022
- b) Organized Earning Calls immediately after announcement of the financial results for Q1 FY'23 and Q2/H1 FY'23, Q3 FY'23
- c) Participated in 8 domestic investor conferences and 1 International Investor conference organized by top brokerage houses of the country
- d) Interactive Meet with Investor/Analysts in March'23 to explain the key changes in regulations, key projects etc. and its impact on the Company

All these meetings/ conferences were attended by Top Management/ Senior Executives of the Company. Besides organizing such meet and arranging Earnings call, Company also arranged office meeting with Investors on need basis.

Your company has witnessed increased interest by the Investor community and to meet the expectation, Company has been engaging with Investors and analysts to respond to their queries in a fair and transparent way keeping in mind the regulatory and fairness requirements.

In addition, Your Company also arranges Site Visit for Analyst & Investors community to showcase the on ground development of project which in turn helps to get an insight to the Investors/Analysts on the functioning of plant. All such initiatives by the company towards disseminating information to investors & Analysts has been recognized & appreciated by the Investor and Analyst Community from time to time.

In line with SEBI (Prohibition of Insider Trading) Regulations, 2015 & SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, Structured digital database system is already in place at GAIL's Intranet for (i) obtaining the necessary disclosures from Designated Person(s) w.r.t. Immediate Relatives, (ii) sharing of Unpublished Price Sensitive Information (UPSI) for furtherance of duties. This system enabled the Company to maintain the digital database as required under SEBI PIT Regulations 2015.

The investor presentation(s) and the mentioned guidelines are shared with Stock exchanges and are also hosted on the website of your Company.

## 6. Capability Development

### » Human Capital

As on 31<sup>st</sup> March, 2023, your Company had 4823 (including Whole-time Directors and CVO) employees on its roll. Your Company understands that more investment a company makes in human capital, the chances of its productivity, innovation and success become higher.

Along with this, the Company has been following the practice of assigning mid-level employees who have been involved with a project/task to make presentation before CMD/Directors whenever the opportunity exists. The practice brings the young talent to the fore-front and gives them opportunity to hone their skills while giving a chance to be recognized by the Top Management.

Your Company has dedicated resources to develop its human capital through training and mentoring. People are our most precious resource and their effective investment and management are critical to the continued success of GAIL.

Your Company has a well-defined policy for allowing leave for Study Purposes in place, which facilitates employees with 5 years or more experience to go on sabbatical for study purposes.

Regular performance feedback is one of the key aspects through which performance culture is achieved. A focused emphasis has been given on the "Art of giving feedback" through workshops. In-house videos (03 nos.) on the same subject were released to help reporting officers understand the ways to assess individual capabilities, suggest areas of improvement etc.

A major deciding factor in improving human capital is improving the quality of life being offered at various work locations through the quality of infrastructure provided to the employees and their families. The Company puts this aspect on high importance and makes sure that employees have access to the best of facilities like Township, Hospital, School, Clubs, Sports facilities etc. The maintenance of the infrastructure is taken care at Local Level by HR Department.



Sports facility at GAIL, Vijapur

Your Company's focus with regard to human capital management is to provide a safe and healthy work environment to deliver the performance required for business continuity while pursuing individual aspirations. Through strategic and targeted development programmes and employee engagement initiatives, your Company is building an employee base that can leverage their potential and talents to create a world where access to clean energy is given.

Value Added per Employee reflects its emphasis to make the optimal & productive use of the available resources and business opportunities. For the FY 2022-23, Value Added per Employee was ₹ 218.29 lakh.



Shri Ayush Gupta, Director (HR), GAIL spoke on "Efficiency at the heart of growth : technology, innovation, digitalization and talent" during the India Energy Week 2023

### » Leadership Development Program

Taking cognizance of the challenges of coming years, the Company has defined its business strategy till 2030 to continue the unstinted growth pattern. The new projects will need to be spearheaded by leaders who have the fortitude to act entrepreneurially by actively looking and advocating for new opportunities for the Company. The Board has approved Succession Planning Policy to be followed for executives at 3 levels below the Board. The policy lists out in detail the approach and methodology to be adopted for the Succession Planning Process. It identifies Unique Role (UR) between E-7 to E-9 grade. For URs in the said levels, specification in terms of essential and desired qualification and experience has been prepared.



Culmination of YOUphoria Theatre Workshop attended by CMD and Board Members of GAIL

Succession and Staffing for all the identified Unique Roles in E-7 to E-9 grade is conducted through extant Career Progression/ DPC and Placement/APE Policy Framework. Role Specifications for each of the target UR will be referred to assess readiness level of the potential successor at the time of APE/ DPC.

Your Company believes that capacity building and enhancing the competency of employees is the key to the successful execution of its strategic plans. As a part of preparedness for coming challenges, your Company has put an Integrated Leadership Development Framework and Succession Planning Framework for facilitating leadership development and career planning.

The Development strategy comprises multi-pronged Talent Development Interventions which includes:

- 360 Degree Feedback Exercise
- Senior Management Development Centre (SMDC) Exercise
- Focused development programmes

360 Degree Feedback is aimed to provide an effective feedback to the concerned executive(s) via his/her peers, subordinates, and seniors.

Senior Management Development Centre (SMDC) exercise has been undertaken for senior executives in Chief Manager (E-5) Grade & above. SMDC is an aid to ensure better and inspiring leadership in the organization. Based on the input of SMDC exercise, the executives are provided competency- specific training in premier B-schools and supplemented with books & e-learning modules.

Additionally, a structured Management Development Program is also imparted to all newly promoted General Manager/ Chief General Manager (E-7 and E-8) level Executives.

Your Company is grooming the senior-level executives of GAIL at the level of Executive Director and Chief General Manager for the Board Position through capability building programs like Master Class for Directors and Board Room Effectiveness. Also, to develop future leaders, a special initiative was taken to conduct program on *Vigilance Awareness through Case Study* at various work centres.

### » Capability Development

GAIL Training Institute (GTI) has extended its wings to cater to the requirement of the Human Resource development and professional training, to the entire Oil and Gas fraternity especially in the domain of *Gas Transmission and Distribution, City Gas Distribution, Gas Processing, Petrochemicals and LNG*. GAIL Training institute celebrated 25 years of its foundation on 6th June 2022 with the theme "Joy of Learning".

GTI resumed the trainings in physical mode from April 2022, post COVID-19. GTI (Noida and Jaipur) conducted about 221 training programs based on the Training Need Assessment (TNA) of the employees and covered more than 4520 employees under these training programs during the FY 2022-23.

GTI is accredited by *American Society of Mechanical Engineers (ASME)* as Authorized Training Provider (ATP) for conducting ASME training programs such as ASME B31.8 and ASME 31.8S codes. GAIL has its own Subject Matter Experts certified as Authorized Training Instructor (ATI), who are taking various sessions on ASME B31.8 and ASME B31.8S standard, for internal participants as well as participants from external organizations.



Launch of GAIL Abha at GTI, Noida

In line with the global business environment and India's future growth trajectory, Capability building programs in the emerging areas such as *Renewable and Alternate Energy (Solar and Wind Energy)*, *Specialty Chemicals*, *Hydrogen Transport in NG Pipeline*, *Industry 4.0 & Automation and Role of Hydrogen in Emerging Economy* were organized with the help of reputed Academic Institutions like IIT Delhi, IIT Bombay and National Institute of Wind Energy, Chennai etc. For the year 2022-23 more than 150 Executives have been trained with a total of about 550 Executives trained in last three years, in the areas of GAIL's Strategy and other emerging business areas.

GTI has imparted training to the executives of various organisations in the field of Oil and Gas including BPCL, IOCL, IGL etc. and various participants from across globe. GTI partnered with Ministry of External Affairs in India's Development Partnership through Capacity Building Initiative under ITEC (Indian Technical and Economic Cooperation) Program organized for Developing and Neighboring Countries and conducted a training program through International Centre for Information Systems and Audit (ICISA).

Under Industry- Academia collaboration, GAIL is providing support to academic institutions by providing Faculty / Subject Matter expert for the elective course titled *Natural Gas Engineering*, for the students of Undergraduate Engineering program.

GTI conducted awareness programs on City Gas Distribution including CNG and PNG during *Azadi ka Amrit Mahostav* during April 2022 to July 2022.

To form a sector wide engagement platform for the Millennial executives in the Oil & Natural Gas PSUs, a HR Task Force was constituted under MoPNG's administrative control and was mandated with an industry wide youth engagement platform named YOUphoria. GTI Organized a fortnight long Theatre Work-Shop for young participants from Oil & Gas PSUs. The work-shop culminated in the form of a play that was staged on 26<sup>th</sup> January 2023, at GTI.

GTI-Noida has been awarded with two highly Coveted Awards during the year (2022-23).

- 1) Special Commendation Award by ISTD during 31<sup>st</sup> National Award for Innovative Training Practices on 25<sup>th</sup> June 2022.
- 2) 16<sup>th</sup> edition of BML Munjal Awards for Business Excellence through Learning and Development.

**Skill Development programs:**

Your Company is also playing a proactive role to support the National Skill Development Mission through active participation of Hydrocarbon Sector Skill Council (HSSC) and other Sector Skill Councils for providing Skill Trainings at Skill Development

Institute (SDI) at Raebareli, and GAIL Institute of Skills at Guna and Nagaram.

- a) **GAIL Institute of Skills-Guna:** A total of 400 youths were trained in various job roles during FY 2022-23 for getting gainful employment.
- b) **GAIL Institute of Skills-Nagaram:** 180 youths were trained in various job roles during FY 2022-23 for getting gainful employment.
- c) **Skill Development Institute- SDI- Raebareli:**
  - i. SDI Raebareli has been registered and approved as Government Training Partner (GTP) with NSDC for skill training under PMKVY 4.0 Scheme of Govt. of India, in a step towards self-sustainable model. The institute is accredited and affiliated with 5 star rating.
  - ii. A total of 405 youth were skillfully trained for gainful employment including 117 candidates trained under UPSDM scheme of skilling during the FY 2022-23 on self-sustainable model.
  - iii. Further, SDI Raebareli has registered 120 beneficiaries for providing skill training under PMKVY4.0 scheme of Ministry of Skill Development and Entrepreneurship for FY 2022-23.
  - iv. A smart phone distribution program was organized on 10.01.2023 at Skill Development Institute- Raebareli under DigiShakti Program of UP Govt. in which smart phones were distributed to the trainees of the Institute.
  - v. Total of 98 girls were trained during FY 2022-23 in job-roles of Data Entry Operator, Industrial Electrician & Process Instrumentation Operator.
  - vi. Online lectures on each course and other events of SDI are hosted on YouTube channel "SDI Raebareli" to facilitate the trainees.

**7. Health, Safety, and Environment Management**



Extensive Green belt maintained at GAIL Pata plant along with Rooftop Solar PV plant at GAIL, Pata

» **Corporate HSE Policy**

Your Company has the VISION of promoting highest levels of safety, employee health and clean environment. It always strives to have positive impact on the environment and the community.

Your Company has formulated Corporate Health Safety and Environment Policy, which is being reviewed periodically to align the HSE Policy in line with Vision of Organization. This HSE Policy document clearly entails the top management commitment and employee's responsibilities to conduct business with in line with integrated Health, Safety and Environment (HSE) Management System.

Your Company endeavors to generate value through Sustainable Development by placing commitment to

Occupational Health, Safety, and Environment of its business areas and various stakeholders. Your Company is committed to Design, Construct, Operate and Maintain its facilities as per National & International Standards to ensure adequate safety in all spheres of business areas. It encourage all employees including contract workers to adopt safe working habits and behavior to create positive HSE Culture within organization in order to have the responsibility and authority to notify and stop any unsafe work/act, as deemed fit.

#### » Safety Performance

Your company has developed systems as per existing Health, Safety and Environment Management System. In order to ensure the effective implementation of HSE Management System and Management Governance pertaining to HSE matters, HSE Score System is in place to monitor the HSE Performance of GAIL Installations. HSE Score System is a unique tool to measure the performance of O&M installations on significant aspects like Leadership Commitment, Employees Participation, Standard Operating Procedures, Risk Assessment, Healthiness and Operability of Fire Fighting System and Appliances, Emergency Preparedness, Safety Audits etc. of HSE Management System through pre-defined parameters with weightage.



Laying of Natural Gas pipeline from Mumbai to Nagpur under MNGPL project

Your Company achieved an "HSE Score" of 97.60 in the FY 2022-23.

#### » Safety Training & Awareness

Your company is having excellent training institutes located at Noida and Jaipur to impart Technical, Behavioral, Management & Functional Training to its regular employees.

HSE Training and Awareness has been identified as one of the key elements of HSE Management System of your Company to understand the hazards and risks associated with workplace so as to implement the mitigation measures for loss control. Your Company has established an Internal Operational and Safety Training System at O&M Installations, in accordance with OISD & PNGRB Codes/Standards. The objective of this Internal Operational and Safety Training Procedures is to provide structured training to managers, supervisors, workers and other stakeholders so that they have the:

- Knowledge and skills needed to carry out their work safely and avoid creating hazards that could place themselves or others at risk.
- Awareness and understanding of workplace hazards and how to identify, report, and control them.
- Specialized training, when their work involves unique hazards.

Also, in order to address specific requirements, a specialized

training on " Safety Aspects of Scaffolding, Rescue from Work at Height & Confined Space Work " conducted for two batches of employees at Pata from 13<sup>th</sup> -15<sup>th</sup> & 16<sup>th</sup> - 18<sup>th</sup> February, 2023 respectively.

Case studies on Worldwide Industrial Incidents (occurred in the past) are also circulated to employees on monthly basis and Key Learnings from case studies are also discussed at GAIL Installations during Monthly Safety Day Meeting on every 10<sup>th</sup> day of the month.

#### » Safety Audits

Your Company undertakes Safety Audits of O&M Installations to identify the gaps with respect to applicable Codes & Standards and identify the improvement areas, if any. Various Audits of Installations are carried out by Third Party Inspection Agencies (TPIA), in accordance with the applicable Central and State Regulations:

- External Safety Audit of Major Installations is carried out once in a year in line with Manufacturer, Storage & Import of Hazardous Chemical Rules (MSIHC), 1989.
- Technical and Safety Audits of GAIL, LPG Storages and Handling facilities, NG/LPG Pipelines and CGD Networks are being carried out by Third Party Inspection Agency duly approved by PNGRB to ensure compliance wrt applicable PNGRB Regulations. A Compliance Assessment Audit to the PNGRB Regulations, 2009 of Hazira-Vijaipur section of Hazira-Vijaipur-Jagdishpur (HVJ) Natural Gas Pipeline (NGPL) was conducted by PNGRB nominated committee during the FY 2022-23.
- Oil Industry Safety Directorate (OISD), a technical wing of MOPNG, Government of India also conducts Safety Audits of Gas Processing Plants, Petrochemicals and NG/LPG Pipelines once in 3/4 years to check the conformity with various OISD Standards and Guidelines.

Your company has established structured procedure to carry out Internal Technical and Safety Audit of O&M Facilities. Internal Audit (Proactive Safety Audit and Internal Audit-CO) is being conducted at least once in a year by in-house team to identify the improvement areas w.r.t PNGRB and other regulations, OISD Standards, Management Governance etc. Also, 02 Nos. of Electrical Safety Audit of O&M Installations have been undertaken to ensure various compliances with regard to electrical safety aspects.

#### » Occupational Health

Your Company has formulated Occupational Health Guidelines to implement Occupational health, Hygiene Measures and Medical Surveillance Programs to monitor and enhance occupational health of employees. The Corporate Occupational Health Committee meets once in three months to evaluate the effectiveness of the Occupational Health Programs in GAIL. Occupational Health check-up of regular employees were also conducted during the FY 2022-23 at O&M installations.

Occupational Health Audit was also undertaken by in-house multi-disciplinary teams at Gas Processing Units Vaghodia and Gandhar in the FY 2022-23 to check effectiveness of Occupational Health System / facilities.

#### » HSE Initiative and Achievements

Your Company has taken various initiatives to further improve HSE Management System. Some of the important HSE initiatives and achievements are:

- 10<sup>th</sup> day of every month is observed as **“Monthly Safety Day”** at each Operations & Maintenance (O&M) site in your Company during the FY 2022-23. On this day, the Officer-In-Charge of all installations (OICs) reviews all the safety related aspects of their installations under their jurisdiction.
- 08 Nos. of Health, Safety and Environment Review Meeting organized, chaired by Executive Directors/Functional Directors.
- 19<sup>th</sup> Annual HSE Workshop on the theme **“Achieving HSE Excellence through Innovations and Learnings”** organized on 22<sup>nd</sup> June, 2022. The Workshop was inaugurated by Honorable Chairman and Managing Director.
- Petroleum & Natural Gas Regulatory Board (PNGRB) organized a **‘Knowledge Sharing Workshop on Natural Gas Pipelines’** in association with GAIL at GAIL Jubilee Towers, Noida on 10<sup>th</sup> June, 2022. The Knowledge Sharing Workshop was attended by members from Cross Country Pipelines and City Gas Distribution Networks Entities.
- Organizational HSE Audit of GAIL was carried out by multi-organizational team headed by ED (IOCL), coordinated by OISD from 16<sup>th</sup> – 20<sup>th</sup> January 2023, as recommended by High Level Committee set up to inquire into the incident of Baghjan and Cyclone Tauktae,
- Senior Level Committee headed by Executive Director, Corporate Operational & Maintenance visited City Gas Distribution Networks to review the compliances of GAIL’s HSE Management System and identify the systemic improvement areas.
- 09 Nos. of T4S/OISD Audit Compliance checks were carried out by Corporate HSE Officials at O&M sites to physically verify the compliances of audit recommendations.
- 25 Nos. of Awareness Sessions covering more than 400 employees on EHSM Modules were organized to further strengthen the HSE Management System in GAIL.
- GAIL has participated in 3<sup>rd</sup> Session of National platform for Disaster Risk Reduction in Vigyan Bhawan, New Delhi from 10.03–11.03.2023.
- Internal Technical and Safety Audit of City Gas Distribution Networks and associated Retail Outlets carried by multi-disciplinary team in compliance to PNGRB (Third Party Conformity Assessment) Regulations 2015.



Shri Ayush Gupta, Director (HR), GAIL receiving The Dun & Bradstreet PSU & Government Award for Transport and Logistics in Natural Gas segment, presented to GAIL (India) Limited

- Various HSE guidelines like Corporate HSE Policy, HSEM

system, F&S Policy document, Incident reporting system, have been revised and updated in line with applicable HSE requirements.

### 8. Innovation, Research and Development

Technology & Innovation is one of the core values of your company. In this aspect, innovation through R&D at GAIL plays a key role in addressing the dual challenges of developing affordable energy transition pathways and reducing the environmental carbon foot print. This includes deployment of decarbonizing technological interventions such as solar power, wind power and bio-fuels and development of new sustainable energy value chains, such as hydrogen, waste valorization and CO<sub>2</sub> utilization. In this year, R&D efforts mainly focused on leveraging these energy transition and resource conservation and augmentation opportunities for advancing breakthrough energy research works for providing a wider, more sustainable mix of energy sources for the country’s economic growth.

Solving the emerging complex energy transition challenges of oil and gas industries requires collaboration between countless teams of scientists and engineers from academics and professionals from industries. In this direction, the Company continuously emphasis on open innovation through collaborative R&D works. This innovative paradigm is a powerful tool for enhancing the capability for innovation as it multiplies the R&D resources and also provide more choices for solving scientific and technical problems with reduced risks.

Your company is continuously forging new research partnerships with various academic and research institutes across India, to work together to advance energy research works from concept to scale. The collaborative research projects are defined by commitment to green energy while sustaining the growth strategy. Accordingly, in this year, your company is pursuing research works in the following research themes focusing on Waste valorization & Waste water recycling, CO<sub>2</sub> separation, pipeline integrity management Indigenous catalyst development and Hydrogen Initiatives etc.

R&D programmes under waste valorization & waste water recycling signifies effort on waste minimization. Under this initiative, your company is collaborating with IIT-Roorkee for developing a co-gasification hydro thermal process for simultaneous valorization of lignocellulosic biomass with effluent water from petrochemical plant for production of hydrogen rich methane and nanometal- impregnated carbon hydrides as a byproduct. These byproducts can be used in fuel cell, battery applications as electrocatalyst. The successful outcome of this project may provide a sustainable solution for treatment of industrial waste water while extracting valuables.

Towards the realization of Zero Liquid Discharge, your company in association with IIT-Madras has developed a lab scale “hydrate forming” process for purification of effluent water for its reuse/ recycle in the plant. As compare to other conventional recycling process, hydrate process is considered “green process” as it produces minimum sludge and consume less energy. The lab scale process has shown nearly 75-90% separation efficiency and is being scaled up to a continuous bench scale mode for further validation.

Your Company is also working on development of novel separation processes that could lower the energy required during the purification of Natural Gas. GAIL R&D in association with IIT-Guwahati is developing a novel high-performance mixed-matrix membrane with high selectivity and permeability

for efficient separation of CO<sub>2</sub> from Natural Gas. In future, this process may be integrated in the unit operations to improve energy efficiency and mitigate emissions and enable easy enrichment of Natural Gas/biogas.



Shri M. V. Iyer, the then acting CMD and Director (Business Development & Marketing) welcoming Shri Rameswar Teli, Hon'ble Union Minister of State for Petroleum & Natural Gas and Employment & Labour during his visit to GAIL Corporate Office

Commensurate with your company's core value of safety, your company continuously emphasis on pipeline integrity management to secure its pipeline assets. In this reference, your company is developing an indigenous fiber optic-based intrusion and leak detection system using the existing optical fiber cable (OFC) system. This system is being co-developed in association with IIT-Madras and shall leverage machine learning techniques and big data analytics to provide highly reliable, meaningful information about actual intrusions incidents and early detection of gas leakages.

Your company is also making remarkable efforts in the development of indigenous catalysts for petrochemical production. On this matter, extensive research carried out in collaboration with CSIR-NCL has resulted in successful design of chromium based single site catalyst for polymer (HDPE) production with improved product quality. Further, research

works are in progress for improving its thermal stability.

In addition to collaboration with CSIR Labs and reputed academic institutes, your company has also partnered with other Oil and Gas PSU's for setting up of a Center for excellence for Oil, Gas and Energy (CoE-OGEx) in IIT-Bombay for capacity building of Oil & Gas executives and to develop sustainable research solutions for the challenges faced by fossil fuel industries through mission mode approaches.



Meter Prover Facility at GAIL, Hazira

Further, to support the GoI initiative in "National Hydrogen Energy Mission" for promotion of usage of green hydrogen in hydrogen value chain, the Company is also carrying out a pilot project on injection of green hydrogen in CGD network and evaluation of its impact Natural Gas pipeline in association with EIL and IIT-Kanpur. Currently 5 % of hydrogen is being blended and soon it will be increased in small increments for further evaluations. Further, your company is also in process of setting up 10 MW green hydrogen plant based on PEM water electrolyzers (largest in India) in Guna, Madhya Pradesh. On commissioning, this plant shall produce nearly 4.3 metric tons of green hydrogen per day.

This year, your company has filed five nos. of Indian patents in the fields of waste plastic to diesel, bulk synthesis of 2D COF adsorbents, waste water treatment using gas hydrate process, unmanned aerial vehicle for inspection of cross-country gas pipeline and sodium-ion battery. In addition, your company has also been granted five nos. patents in the areas of pipeline



NGMC at GAIL, Jubilee Tower

health monitoring, improved process for PV preparation, methane recovery from marine hydrate, sea water desalination using LNG refrigeration, and 3D-COF adsorbents for methane storage. So far, your company has been granted 20 nos. of patents (17 Indian + 3 Foreign) for unique concepts, products and processes.

Your company also vigorously implements technological upgradation innovation initiatives under the R&D head at its various facilities. These technology transformations and renovation projects are implemented to improve efficiency in operations or cost reduction at our installations. Some of the outstanding measures carried out under this scheme include; use of low flow intelligent pigging tool for in line inspection, setting up of Natural Gas close loop calibration facility, optimization of LHC production by enhancing C2/C3/C4 recovery and integration of continuous emission monitoring system (CEMS) analyzers as per latest CPCB guidelines.

The road to innovation starts with a strong innovation ecosystem which promotes team work and system thinking to solve business problems. To promote this innovative, culture your company encourages ingenious business ideas from all employees through Central Suggestion Scheme and such ideas are evaluated continuously. Based on their feasibility, best suggestions among them are implemented to improve operational flexibility and efficacy.

**9. Total Quality Management**

Your Company is committed to enhance customer satisfaction and standardizing business processes through the implementation of a Quality Management System. Your Company endeavours for continual and sustainable improvement through the implementation of effective quality practices, innovation and standardization. Quality Management System and Energy Management System have been implemented along various Pipelines & Process units also at Corporate and Marketing offices. Your Company undertakes Quality Circle Projects with engagement of its employees resulting in high employee morale and increased productivity. Voice of customers is being captured through Customer Value Management and Customer Satisfaction Index surveys. Your Company is proud to share that Customer Satisfaction Index for FY 2022-23 is 89%.

**10. Sustainability Initiatives**

Your Company firmly believe in integrating Environmental, Social and Governance (ESG) in its value chain and aims at contributing to creating a better world for the next generation. Your company, being India's top gas distributor, is dedicated towards advancing the country's energy sector in a sustainable way, by incorporating sustainability in its operations and decision making. Sustainability, is a method of creating long-term value by examining company's operations in terms of the environment's ecological, economic and social elements. The Company's sustainability roadmap has been carefully crafted based on stakeholder requirements, nation's strategy for clean and accessible energy and the rising demand for Natural Gas in the country.

It is an achievement for your Company to be included in the FTSE4 Good Index Series (FTSE ESG Rating) as a part of London Stock Exchange Group Sustainability Index for the year 2022 affirming the strength in demonstrating environmental, social and governance practices of international standards. The Company has been awarded by PCRA for 'Significant

contribution towards energy conservation & fuel efficiency' during Sakasham-2023 and Green Ribbon award for its sustainability and decarbonisation initiatives by CNBC Network 18. These awards are a recognition of Company's continued sustainability efforts.

Being a responsible energy company and to further accelerate its decarbonization goals, GAIL has developed a Net-Zero strategy and clear organization-wide carbon roadmap to achieve a 100% reduction in Scope 1 and Scope 2 emissions and a 35% reduction in Scope 3 emissions by 2040. The action plan has been developed after conducting a detailed study on science-based Net-Zero ambition and action plan for GAIL.

The Company has entered into MoU with the Center of Excellence in Oil, Gas and Energy (CoEOGE) under the aegis of IIT Bombay for conducting study titled 'Decarbonization of Petrochemical, Gas Processing, and Petroleum Refineries: Technology evaluation and Life Cycle Assessment' in line with its Net Zero 2040 Vision. It has undertaken a Techno Commercial Study on Carbon Capture Utilisation and Sequestration (CCUS) with leading technology provider for reducing carbon footprint at its installations.

To assess the Carbon Credit potential of CBG plants being setup at India under LOI issued by GAIL and its CGD JVs, the Company has undertaken a model study in 03 CBG plants across India.

**11. Environment Protection and Conservation/Renewable Energy Developments**

Your Company is committed towards maintaining and ensuring a safe and clean environment by having certified Integrated Management System (Quality Management System, Environment Management System and Occupation Health & Safety Management System). Being a flagship energy company, your Company is committed to play a key role in building a sustainable energy future for the country. Your Company has a Corporate HSE as well as Sustainable Development Policy to prevent environmental degradation and aims to continue growing in a sustainable manner to the benefit of Communities, Environment and Stakeholders at large. Sustainability Steering Committee supports the Sustainable Development Policy directives, and is accountable for executing the company's sustainability ambitions and management of relevant risks and performance.



Interactive Meet with Analysts and Investors

Your Company by virtue of its business in Natural Gas plays an instrumental role in transitioning towards a low-carbon economy. Your Company has significantly contributed in reducing the carbon emissions by development of pipeline networks, which has led to the supply of gas as a fuel and



feedstock to power, fertilizer, CGD, and other industries, where Natural Gas emits 50 to 60 percent less carbon dioxide (CO<sub>2</sub>) than conventional fuels. It also emits greenhouse gases with a lower life cycle into the atmosphere. Unlike coal, Natural Gas does not require huge amount of water for its purification and it does not contaminate the ground water. Further, it is either transported through the pipeline as a gas or closed cryogenic vessel as liquid and therefore does not contaminate air during transportation. When used in power generation or as a transport fuel, Natural Gas results in negligible emissions of SO<sub>x</sub>, NO<sub>x</sub>, Hg and particulates compared with other fuels. The increased use of Natural Gas offers a significant contribution to improved local air quality and public health.

Your Company's O&M Installations are compliant to provisions of Environment (Protection) Rules and operate under valid Environmental Clearance from the Ministry of Environment, Forests & Climate Change. Air and Water Consent for Operation have been obtained from State Pollution Control Boards, and the same is in place as applicable. Your Company monitors environmental parameters to assess the environmental quality on regular basis through an in-house team and as well as by independent third-party agencies. Updated and latest technological instruments are used for monitoring environmental quality. The monitoring is done regularly and reports are sent to the respective State Pollution Control Boards. An audit is also conducted for the process plants and pipelines to ensure the proper functioning of the environmental management systems. Since your Company uses Natural Gas for its feedstock as well as fuel requirements, the level of pollutants emitted is consistently much below the national stipulated norms. Adequate stack height has been provided for the effective dispersion of pollutants. Low NO<sub>x</sub> burners are used in all the furnaces. Loading facilities are provided with vapor-return circuits. Your Company's petrochemical complex at Pata and Vijaiapur have the facility of monitoring stack air and ambient air on continuous basis. State-of-the-art permanent ambient air monitoring stations measure sulphur dioxide, oxides of nitrogen, hydrocarbons, carbon monoxide and noise levels on a real time basis.

Your Company has been continuously taking initiatives to safeguard the environment and biodiversity along with its

diverse business segments. All major installations of your Company carry out extensive afforestation in their respective sites and maintain the requisite area as **Green belt**. These greenbelt regions are home to a wide range of native plants and fauna. Within these green-belt zones, there are also large water reservoirs that are home to a variety of aquatic animals. In collaboration with local administration, a scientific approach to care and preservation of these green-belt regions is used. Regular surveys as well as studies pertaining to environment and ecology of the area in and around GAIL units conducted to ensure prevention and timely mitigation of environmental issues.

Your Company always encourages and supports innovative and smart approaches to conserve water at sites through various water management initiatives such as reduction of freshwater consumption, rainwater harvesting system/rainwater collection system, monitoring and management of waste-water discharge, waste-water treatment and recycling based on our Environmental Policy, National, Local and Regional Guidelines. Your Company considers water as a precious natural resource and hence its consumption is closely monitored and controlled. Further, state-of-the-art technologies have been adopted to reduce and treat the waste-water generated. Your Company maximizes the concept of reuse and recycle of water. Discharge at all locations is compliant to the norms of the respective State Pollution Control Boards. Your Company's operations at all locations are state-of-the-art and involve clean technologies. Adequate treatment and reuse of treated waste-water is adopted across the Company. Treated effluent water is recycled and used in-house for horticulture purposes within plant and township premises. Further, adequate measures are taken for waste management. Your Company manages its waste by efficiently segregating, treating and disposing based on the type of waste generated i.e. hazardous and non-hazardous. The water and wastewater samples are also analyzed at the in-house laboratory as well as external laboratories regularly.

Your Company has taken a number of initiatives to improve energy efficiency through effective management processes in the reporting year 2022-23 including the adoption (replacement and retrofitting) of efficient technologies, best practices, energy efficiency training/workshops, and 'climate



Aerial View of GAIL, Hazira

change adaptation and mitigation' measures. Monitoring energy consumption, conducting energy audits, and implementing energy efficiency measures are all made easier by our highly efficient Integrated Energy Management System

In addition to the above, significant initiatives/achievements that have been taken by your Company during the year 2022-23 are:

- **Utilization of CO<sub>2</sub> captured through Microbial route in Pilot Scale at GAIL, Pata:** In recent years, cultivation of micro algae has received renewed attention on account of its possibility as a feasible CO<sub>2</sub> sequestration technology. Algae-based CO<sub>2</sub> conversion offers a cost effective option towards reducing the carbon footprint. GAIL, Pata in collaboration with Central Institute of Mining and Fuel Research (CIMFR), Dhanbad has commissioned a Pilot-scale project for CO<sub>2</sub> capture through Microbial Route. Artificial system of micro algal cultivation for CO<sub>2</sub> sequestration has also been developed.
- **Miyawaki Plantation:** GAIL, Pata undertook a Project for plantation of 1,50,000 saplings based on Miyawaki Methodology. The Plantation was carried out in an Area of 4.3 Hectares near to GAIL, Pata. This is the largest Miyawaki Plantation in U.P. The Plantation was carried out through Uttar Pradesh State Forest Department (UPSFD) on the occasion of Van Mahotsav 2022.
- **EPR of GAIL Pata:** GAIL, Pata has been registered on centralized portal of CPCB as brand owner of Polymer Products on 24.11.2022 under Plastic Waste Management Rules, 2016. EPR Obligations for the FY 2021-22 (995 MT) and FY 2022-23 (2885 MT) have been suitably completed by receipt of EPR Certificates for 3880 MT (Category-II Recycling) on the EPR Portal.
- **SANJEEVANI – A Sustainable Journey:** GAIL Pata has published the third edition of magazine, "SANJEEVANI – A Sustainable Journey", fully designed and crafted by in-house team which was released on 02.01.2023. Employees of GAIL Pata and their family members have beautifully contributed for this publication. This publication is one of the initiatives which further showcases our commitment towards environment and sustainability awareness among our employees.
- **Zero Liquid Discharge:** Design basis and Basic Engineering for Zero Liquid Discharge/treated waste water recycling at GAIL Pata has been prepared. After approval of the project, implementation shall be started at site. GAIL, Vijapur is already being operated on zero discharge basis.
- **Construction of Butterfly Garden:** Roadmap was prepared for development of butterfly garden at GAIL, Pata. Construction and developmental activities for the butterfly garden has been completed and inaugurated during FY 2022-23.
- **GreenCo Rating:** GreenCo Rating is the 'first of its kind in the world' holistic framework that evaluates companies on the environmental friendliness of their activities using the life cycle approach. GAIL had embarked upon the journey of adoption of GreenCo Rating in FY 2019-20. In this endeavour GAIL, Vaghodia and GAIL, Vijapur have received silver rating and GAIL, Pata has received a Gold rating by CII GreenCo.
- **CEMS:** Continuous Emission Monitoring System (CEMS) for plant emission stacks are installed for all stacks at different

locations through which emissions quality are maintained on real time basis.

- **Organic Waste Composting:** Organic Waste Composting (OWC) plants are being operated at Pata, Vijapur and other locations. Produced manure is utilized at plant premises and surrounding area for horticulture purpose.

## 12. Internal Control Systems & Their Adequacy

Your Company has distinct and efficient Internal Control Systems in place. It has a clearly defined organizational structure, manuals and standard operating procedures for its business units and service entities to ensure orderly, ethical and efficient conduct of its business. The Company's internal control system ensures efficiency, reliability, completeness of accounting records and timely preparation of reliable financial and management information. Internal financial controls framework and Risk Control Matrix (RCM) for various business processes is in place and reviewed continuously by the management. In addition, it also ensures compliance of all applicable laws and regulations, optimum utilization and safeguard of the Company's assets.

Your Company has independent and integral internal audit department having diligent professionals covering aspects relating to commercial and technical domains. The Internal Audit department functionally reports to the Audit Committee and administratively reports to the Director (Finance). The audit assignments are conducted as per the annual audit program approved by the Audit Committee. The Internal audit examines the effectiveness of internal controls through a risk-based audit of business processes. In congruence with the mission of internal audit **"To provide comprehensive and quality audit services, which facilitates efficiency of business operation, enhance integrity of information and result in recommendations that improves operating procedures, to enable the company to achieve its objective"**, the significant audit observations along with its root cause and impact are reported to the management. The Audit Committee reviews the significant findings of internal audit and C&AG audit regularly.

## 13. Corporate Social Responsibility

Your Company as a socially responsible Corporate understands and acknowledges its responsibilities towards the communities, the environment and all other stakeholders involved in the process. CSR function at your Company aims to promote social good and integrate economic, environmental and social objectives with the company's operations and growth. In alignment with the vision of your Company, the CSR initiatives strive to enhance value creation in the society and the communities in which it operates, through its services, conduct & initiatives, so as to trigger poverty alleviation, promote sustained growth for the society, the community and those at the bottom of the pyramid, with the long term goal of contributing towards the development of prosperous and inclusive India.

Your Company has complied with DPE guidelines regarding spending on identified Thematic Areas, i.e. Health & Nutrition.

## 14. LiFE (Lifestyle for environment)

India's Mission LiFE seeks to empower people to fight against climate change. The concept of 'Lifestyle for the Environment (LiFE)' was introduced by Prime Minister Narendra Modi at COP26 in Glasgow on 1<sup>st</sup> November 2021, calling upon the

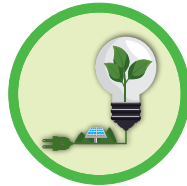
global community of individuals and institutions to drive LIFE as an international mass movement towards “mindful and deliberate utilization, instead of mindless and destructive consumption” to protect and preserve the environment. LIFE puts individual and collective duty on everyone to live a life that is in tune with Earth and does not harm it. Those who practice such a lifestyle are recognized as Pro Planet People under LIFE.

GAIL is committed to contributing to India’s decarbonization goals and ensuring its energy security. In an article in the May 2022 issue of Business World, GAIL is listed among the top 10 companies in the country that have paved the way towards a sustainable future by considering crucial aspects such as efficient utilization of resources, promotion of social welfare, incorporation of inclusive supply chains, and other significant sustainability metrics. Mission LIFE will play an important role in incorporating best practices for employees and company’s culture to promote lifestyle for environment.

Theme-wise initiatives by GAIL for Mission LIFE:

» **Save Energy**

Energy transition includes the technology switch and initiatives taken to replace existing source of energy. While currently Natural Gas is a clean transitional fuel, it is not the clean fuel of the future. Hence GAIL is exploring alternate green fuel sources to reduce its emissions such as CBG, Ethanol blended petrol, Green Hydrogen.



Gail has total installed capacity of 131.75 MW of alternative energy and various RE projects are planned under its Net Zero Roadmap.

GAIL is also focussing on operational decarbonization which includes the technology and initiatives to reduce its direct in-house GHG emissions by means of energy efficiency, fuel switch, electrification, etc.

» **Save Water**

GAIL ensures that its operations have no negative effects on the supply and quality of water resources throughout the various sites. GAIL has proactively evaluated and mitigated any water related risk in the future to make its operations resilient. At GAIL, we regularly conduct water audits (both internal and third party) to monitor the water demand. GAIL encourages and supports water saving innovative ideas across sites via various initiatives such as reduced freshwater consumption, rainwater harvesting/collection system, monitoring and management of waste-water discharge, wastewater treatment and recycling based on its Environmental Policy, national, local, and regional guidelines.



» **Say no to single use plastic**

GAIL is committed to avoid single use plastic in its all operations and offices by creating awareness and establishing system to avoid usage of single use plastic.



» **Reduce Waste**

GAIL ensures that waste materials are disposed of in a way that minimizes their impact on the environment and human health. We strive to implement circular economy across our operations by deploying resource efficient technology. We follow effective waste management practices which involve reducing, reusing, recycling, and responsibly disposing of Hazardous and Non-hazardous waste at all sites.



» **Adopt healthy Lifestyles**

The Saksham Cyclothon, was organized by GAIL, Karaikal as part of an awakening campaign, " Azadi Ka Amrit Mahotsav Through Green & Clean Energy" -an initiative of the Petroleum Conservation Research Association (PCRA) under the aegis of the Union Ministry of Petroleum and Natural Gas. The objective of this cyclothon is to create awareness amongst the people about the fuel conservation, environment protection and promote the use of cycle for short distances, which will not only save fuel but also help in creating a cleaner, greener & healthier environment. Further, GAIL ensures availability of Open Gym, Recreational and sports facilities in its townships for leading a healthy lifestyle and soliciting employees to participate in Yoga Day, Walkathons, Marathons etc



Gym facility at GAIL Township, Vijaiapur

» **Reduce E-Waste**

GAIL has effective waste management system which includes e-waste disposal, which is done with utmost care and responsibility by engaging authorized vendors. GAIL’s sites have Extended Producer Responsibility plan submitted to respective Pollution Control Boards. Accordingly, it manages its waste collection and recycling.



15. **Awards & Accolades**

- CMD, GAIL (India) Limited has received India's 'Best CEO' award for Oil and Gas Sector, presented to him by the Union Minister of Civil Aviation & Steel, Government of India.
- GAIL won the "Platts Global Energy Award" in the "Energy Transition – Midstream" category in 2022.
- GAIL has won the Bronze Shield in "SAFA Best Presented Annual Report Awards, Integrated Reporting Awards & SAARC Anniversary Awards for Corporate Governance Disclosure, 2021 in Power and Energy Category.

- GAIL bags the 17<sup>th</sup> National Awards for "Excellence in Cost Management 2019" for JLPL by ICAI in 2022.
- GAIL bags the "Gold Shield in the category XI- Public Sector Entities of ICAI Awards of Excellence" in Financial Reporting (2020-21) in 2022.
- GTI was awarded the prestigious ISTD "Innovative Training Practice" award in 2022.
- GAIL has been awarded the 3<sup>rd</sup> prize for 2021-22 under the Petroleum Rajbhasha Shield Scheme for commendable performance in Official Language.
- Director (Finance) has been conferred the 'CFO of the Year Award 2022' at the Global Refinery & Petrochemicals Congress (2022) and Downstream India Excellence Awards 2022 in recognition of his stellar leadership & path-breaking initiatives.
- Director (Finance) has been conferred with "CFO Leader of The Year" under the category "Best CFO Oil & Gas" at the ET Ascent - 21<sup>st</sup> Global Edition & 6th Edition India Business Leader of the Year.
- GPU Gandhar won the "CII GreenCo Silver Rating."
- VSPL Pipeline was awarded the "CII GreenCo Silver Rating" - in Pipeline Segment in GAIL in 2022.
- KKBMPPL bags Shrestha Suraksha Puraskar by National Safety Council – 2022.
- VSPL bags GreenCo Silver Award from CII, Hyderabad, at HICC, Hyderabad.
- The National Safety Council of India has awarded GAIL Vijaipur, Gas Processing Unit the Winner of Suraksha Puraskar (Bronze Trophy) – 2022.
- GAIL has been awarded prestigious' Digital PSU – Digital 2.0' by Governance Now under 9<sup>th</sup> PSU Award.
- Asian Leadership Awards - CSR Leadership Award (an international recognition held at Dubai)
- ET Ascent National Award for Leadership & Excellence in CSR & Sustainability 2022

- National CSR Award 2022
- GAIL's "Hawa Badlo" initiative won Economic Times Brand Equity Shark Awards '22 for persistent Social Awareness Campaigns against Air Pollution for a better environment.

### CAUTIONARY STATEMENT

*Statements in the Board's Report and Management Discussion & Analysis, describing the Company's objectives, strategies, projections and estimates, expectations, etc. may be "forward looking statements" and progressive within the meaning of the applicable laws and regulations. By their nature, forward-looking statements require your Company to make assumptions and are subject to inherent risks and uncertainties. Forward looking statements which involve a number of underlying identified/non-identified risks and uncertainties that could cause actual results to differ materially from the expectations. Critical factors that could influence the Company's operations include global and domestic demand and supply conditions, changes in Government regulations/tax laws, economic developments within the country and factors such as litigation and industrial relations. Since the factors underlying these assumptions are subject to change over time, the estimates on which they are based, are also likely to change accordingly. These forward-looking statements represent only your Company's current intentions, beliefs and expectations. Your Company assumes no obligation to revise or update any forward-looking statement, whether as a result of new information, future events, or otherwise. Readers are cautioned not to place undue reliance on the forward-looking statements.*



## REPORT ON CORPORATE GOVERNANCE

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate governance implies the way in which a company is managed to ensure that all of its stakeholders get their fair share in its earnings and assets and disclosure of all material information. Good corporate governance involves the commitment of a company to run its businesses in a legal, ethical and in transparent manner. Corporate Governance involves a set of relationships between a company's management, its Board, its shareholders and other stakeholders. Corporate Governance also provides the structure through which the objectives of the company are set and the means of attaining those objectives and monitoring.

Transparency, integrity and accountability are the three principles that guide corporate governance at GAIL. The governance system is intended to set high standards of ethical and responsible conduct of the Company's business to maximise value for all stakeholders, including shareholders, customers, employees, contractors, vendors, and society at large. It aims to strengthen the relationship of trust between Company and its stakeholders and help the Company achieve its goals and objectives.

Corporate governance in GAIL reflects our value system. Through effective corporate governance, Board seeks to embed and sustain a culture that will enable GAIL to fulfil its purpose and achieve its long-term strategic objectives, by building durable partnerships and upholding its core values of Integrity & Ethics, respect, customer, safety, excellence and Technology & Innovation.

GAIL is committed to conduct business using highest standards of governance, ethics and integrity. The Company focuses at

following the global best practices. The governance standards are benchmarked globally and we strive to adopt the emerging best practices being followed worldwide.

### 2. BOARD OF DIRECTORS

#### i. Terms of Reference

In line with the sound Corporate Governance framework, all the statutory, significant and material information including as enlisted in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR) Regulations, 2015], the Companies Act, 2013, Guidelines on Corporate Governance for CPSEs, 2010 issued by the Department of Public Enterprises (DPE Guidelines for Corporate Governance) etc., is periodically placed before the Board.

#### ii. Composition

The Company is a Government Company under the administrative control of the Ministry of Petroleum and Natural Gas (MoP&NG), Government of India. The Directors are nominated/ appointed by the Government of India.

The Board of Directors has a combination of Executive (Functional/Whole-time) and Non-Executive (Government Nominee and Independent) Directors. As on 31<sup>st</sup> March, 2023, there were 12 (twelve) Directors on the Board comprising of 5 (five) Functional Directors including the Chairman & Managing Director, 7 (seven) Non-Executive Directors [comprising of 1 (one) Government Nominee Director and 6 (six) Independent Director(s)].

The details of attendance, number of other Directorships and Chairmanship/Membership of Committees of each Director as on 31<sup>st</sup> March, 2023 is as under:

| Name and Designation of the Director  | No. of Board Meetings attended during the Tenure | Attendance at last Annual General Meeting | Directorships held in Other Companies as on 31 <sup>st</sup> March, 2023 | Names of other listed entities where the person is a Director along with the category of Directorship as on 31 <sup>st</sup> March, 2023 | Committee Membership in other Companies as on 31 <sup>st</sup> March, 2023                                  | Chairperson of Committees of other Companies as on 31 <sup>st</sup> March, 2023      |
|---|--|---|--|--|---|--|
| <b>I. Functional Directors (Whole-time)</b>                                     |  |   |  |  |   |  |
| Shri Sandeep Kumar Gupta<br>Chairman and Managing Director<br>w.e.f. 03.10.2022 | 5  | NA  | 3  | <ul style="list-style-type: none"> <li>Petronet LNG Limited - Director</li> </ul>  | <ul style="list-style-type: none"> <li>Petronet LNG Limited -Stakeholders Relationship Committee</li> </ul> | -  |
| Shri Manoj Jain<br>Chairman and Managing Director<br>upto 31.08.2022*           | 9  | Yes                                       | -  | -  | -   | -  |
| Shri M V Iyer<br>Director (Business Development)**                              | 14   | Yes                                       | 8  | <ul style="list-style-type: none"> <li>Mahanagar Gas Limited - Chairperson</li> </ul>  | -   | -  |
| Shri Rakesh Kumar Jain<br>Director (Finance) & CFO                              | 15   | Yes                                       | 4  | <ul style="list-style-type: none"> <li>Indraprastha Gas Limited- Chairperson</li> </ul>  | -   | <ul style="list-style-type: none"> <li>GAIL Gas Limited – Audit Committee</li> </ul> |

| Name and Designation of the Director                     | No. of Board Meetings attended during the Tenure | Attendance at last Annual General Meeting | Directorships held in Other Companies as on 31 <sup>st</sup> March, 2023 | Names of other listed entities where the person is a Director along with the category of Directorship as on 31 <sup>st</sup> March, 2023 | Committee Membership in other Companies as on 31 <sup>st</sup> March, 2023 | Chairperson of Committees of other Companies as on 31 <sup>st</sup> March, 2023 |
|--|--|---|--|--|--|---|
| Shri Deepak Gupta<br>Director (Projects)                 | 15   | Yes                                       | 2  | -  | -  | -   |
| Shri Ayush Gupta<br>Director (HR)<br>w.e.f. 22.08.2022   | 7  | Yes                                       | 1  | -  | -  | -   |
| Shri E S Ranganathan<br>Director<br>(upto 11.08.2022)*** | NA   | NA  | NA   | NA   | NA   | NA  |
| <b>II. Non-Executive Directors (Government Nominee)</b>  |  |   |  |  |  |   |
| Dr. Navneet Mohan Kothari                                | 15   | Yes                                       | -  | -  | -  | -   |
| <b>III. Non-Executive Directors (Independent)</b>        |  |   |  |  |  |   |
| Shri Akhilesh Jain                                       | 15   | Yes                                       | -  | -  | -  | -   |
| Shri Sher Singh  | 15   | Yes                                       | -  | -  | -  | -   |
| Shri Sanjay Kashyap                                      | 15   | Yes                                       | -  | -  | -  | -   |
| Dr. Nandhagopal Narayanasamy                             | 15   | Yes                                       | -  | -  | -  | -   |
| Smt. Kangabam Inaocha Devi                               | 15   | Yes                                       | 1  | -  | -  | -   |
| Prof. Dr. Ravikant Kolhe                                 | 15   | Yes                                       | -  | -  | -  | -   |

\*Ministry of Petroleum & Natural Gas (MoP&NG) entrusted additional charge of the post of Director (HR), GAIL to Shri Manoj Jain, Chairman & Managing Director (CMD), GAIL w.e.f. 01.04.2022 to 21.08.2022 during the year.

\*\*MoP&NG entrusted additional charge of the post of CMD, GAIL to Shri M.V. Iyer (Business Development) w.e.f. 01.09.2022 upto 02.10.2022. Further, MoP&NG continued the entrustment of additional charge of the post of Director (Marketing) to Shri M.V. Iyer (Business Development) during FY 2022-23.

\*\*\*Shri E S Ranganathan, Director (Marketing), GAIL was placed under suspension by the President of India vide letter no. C-31022/1/2022-VIG-PNG dated 18<sup>th</sup> January, 2022. Further, MoP&NG vide Letter No. CA-31022/1/2018-PNG (41987) dated 28.08.2022 forwarded DoP&T order dated 12.08.2022 conveying the decision of Appointments Committee of the Cabinet (ACC) for pre-mature termination of the tenure of Shri E. S. Ranganathan from the post of Director (Marketing), GAIL (India) Limited w.e.f. 12.08.2022 and his consequent repatriation to the post of Executive Director (ED), GAIL (India) Limited within the lien period.

#### Notes:

- The Directorship(s) held by Directors as mentioned above include Directorship(s) in public limited, private limited and foreign companies.
- The Membership / Chairmanship of Committee(s) is considered only for Audit Committee and Stakeholders Relationship Committee.
- 38<sup>th</sup> Annual General Meeting (AGM) of the Company was held on Friday, the 26<sup>th</sup> August, 2022.
- Based on the disclosures received from the concerned Director(s) for the FY ended 31<sup>st</sup> March, 2023:
  - Directors inter-se are not related to each other and also to other Key Managerial Personnel. Independent Director(s) declared that they meet the criteria of independence as provided in SEBI (LODR) Regulations, 2015 and the Companies Act, 2013.
  - None of the Director(s) on the Board is a Member of more than 10 (Ten) Committee(s) or Chairperson of more than 5 (Five) Committee(s) across all the public companies in which he/she is a Director.
  - None of the non-executive Directors hold any Equity Shares of the Company.
  - None of the non-executive Directors had any pecuniary relationship or transactions with the Company during the FY ending on 31<sup>st</sup> March, 2023.
- Brief resume of Directors to be appointed/ to be re-appointed at the forthcoming 39<sup>th</sup> AGM is forming part of Notice of the AGM for the FY ended 31<sup>st</sup> March, 2023.
- GAIL (India) Limited is a Government Company under the administrative control of the Ministry of Petroleum & Natural Gas (MoP&NG), the power to appoint/ nominate Director(s) vests with the Government of India. All Directors of the Company viz. Executive, Non- Executive Directors are appointed/ nominated by MoP&NG based on the skills/ expertise/competencies required for the Company. In view thereof, the Board of Directors has not identified the list of core skills / expertise / competencies required by a Director in the context of Company's business, as required under SEBI (LODR) Regulations, 2015.
- Video-conferencing facilities are also used to facilitate Directors to participate in Board/Committee meetings as per Secretarial Standards.
- All Independent Directors on the Board of the Company during the FY 2022-23 were registered on the Independent Director's Databank on the website of the Indian Institute of Corporate Affairs (IICA).

### iii. Meeting Details

During the Financial Year 2022-23, 15 (Fifteen) meetings of the Board were held - 6<sup>th</sup> May, 27<sup>th</sup> May, 19<sup>th</sup> June, 14<sup>th</sup> July, 27<sup>th</sup> July, 4<sup>th</sup> August, 17<sup>th</sup> August, 22<sup>nd</sup> August, 26<sup>th</sup> August, 26<sup>th</sup> September, 21<sup>st</sup> October, 4<sup>th</sup> November, 5<sup>th</sup> December in the year 2022 & 30<sup>th</sup> January and 13<sup>th</sup> March in the year 2023.

### iv. Independent Directors Meeting

A separate meeting of Independent Directors wherein all Independent Directors were present during the FY 2022-23 was held on 13<sup>th</sup> March, 2023 without the attendance of the non-independent Directors and members of management as per the requirement of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

### v. Board induction and training/Succession planning

Upon appointment, the newly appointed Directors are provided a welcome kit detailing their roles and responsibilities and necessary information on their legal and regulatory obligations. Newly appointed Directors are given orientation presentation on the Company's Business and its activities.

In addition, the Company has formulated a Training Policy for Board Members of the Company. The Company's Directors are nominated from time to time to attend conferences on corporate governance, roles & responsibilities of Directors and other industry related matters conducted by DPE, SCOPE and other reputed Institutes.

The details of Independent Directors' training/ familiarization programmes are available on the Company's website at <https://www.gailonline.com/pdf/InvestorsZone/GAILfamiliarizationprogram17112022.pdf>

## 3. COMMITTEES OF THE BOARD

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas/ activities which concern the Company and need a closer view. The Board constitutes, assigns, co-opts and fixes the terms of reference of various Committees including its quorum. All decisions and recommendations of the Committees are placed before the Board for information or for approval. The approved minutes are circulated to the members of the Committee and also to the concerned department/group for implementation of the decision. The minutes of the Committees are further placed in the next Committee meeting for noting by the members and in Board meeting for information. Action Taken Report requiring action taken and to be reported back to the Committee(s) are also put up to the respective Committee on regular basis.

Presently, there are 13 Committees of the Board including five statutory Committees viz. Audit Committee, Corporate Social Responsibility Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and Risk Management Committee. Details of statutory Committees of the Board are detailed below and information about all Committees of the Board is forming part of Annual Report separately also.

### A. AUDIT COMMITTEE

#### i. Terms of Reference

The terms of reference of the Audit Committee are in accordance with the provisions of the Companies Act, 2013, SEBI (LODR) Regulations, 2015 and the DPE Guidelines for Corporate Governance and as amended from time to time.

It inter-alia includes, oversight of financial reporting process, recommending fixation of fees for auditors, approval of payment to auditors for payment of any other services rendered, reviewing annual and quarterly financial statements, reviewing performance of statutory/internal auditors and adequacy of internal control system, reviewing adequacy of internal audit function, discussion with internal auditors, reviewing findings of internal investigations, discussion with statutory auditors, reviewing whistle blower mechanism, approval or any subsequent modification of transactions of the Company with related parties; scrutiny of inter-corporate loans and investments; valuation of undertakings or assets of the Company, wherever it is necessary; evaluation of internal financial controls and risk management systems. Further, it deals with all the aspects of ethics in the Company and also reviews the budgeted capex on quarterly basis, reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments.

Role, responsibilities and powers of Audit Committee are as per SEBI (LODR) Regulations, 2015; Companies Act, 2013; DPE guidelines from time to time.

#### ii. Composition

As on 31<sup>st</sup> March, 2023, the Audit Committee comprised of Shri Akhilesh Jain as the Chairperson, Shri Ayush Gupta and Prof. Dr. Ravikant Kolhe as the members. All members of the Committee have requisite experience in financial and management matters.

Director (Finance) and Head of Internal Audit are the permanent invitees to the meetings of Audit Committee. Other Functional Directors and senior functional executives are also invited, as and when required, to provide necessary information/clarification to the Committee. The representatives of the Statutory Auditors attended the Committee meetings in which quarterly financial result/financial statements were considered. The representatives of the Cost Auditors are also invited to meetings of the Audit Committee whenever matters relating to Cost Audit Report are considered. The Company Secretary acts as the Secretary to the Committee.

#### iii. Meeting Details

During the FY ended 2022-23, 10 (Ten) meetings of Audit Committee were held: 28<sup>th</sup> April, 27<sup>th</sup> May, 19<sup>th</sup> June, 14<sup>th</sup> July, 4<sup>th</sup> August, 17<sup>th</sup> August, 29<sup>th</sup> September, 4<sup>th</sup> November in 2022 & 30<sup>th</sup> January and 13<sup>th</sup> March in 2023. The attendance of the Members at the meetings was as under:

| S. No. | Members                                 | No. of Meetings        |          |
|--------|---|------------------------|----------|
|        |   | Held during the tenure | Attended |
| 1.     | Shri Akhilesh Jain-Chairperson          | 10                     | 10       |
| 2.     | Shri M V Iyer<br>(Upto 31.08.2022)      | 6                      | 6        |
| 3.     | Shri Ayush Gupta<br>(w.e.f. 01.09.2022) | 4                      | 4        |
| 4.     | Prof. Dr. Ravikant Kolhe                | 10                     | 10       |

#### iv. Vigil Mechanism - Policy on Whistle Blower and Fraud Prevention

The Company has implemented 'Whistle Blower Policy'

wherein employees are free to report any improper activity resulting in violations of laws, rules, regulations or code of conduct by any of the employees to the competent authority.

The policy allows direct access to the Chairperson of the Audit Committee in exceptional cases. Further, during enquiry of any complaint under the whistleblower policy, the identity of the complainant/ informant is not disclosed by the designated agency entrusted for investigation even to the Chairperson of the Audit Committee except the contents of the complaint.

The link of the Whistle blower policy can be accessed at the following link- [https://www.gailonline.com/pdf/others/Circular\\_Whistle%20blower%20Policy\\_12.02.2019-english.pdf](https://www.gailonline.com/pdf/others/Circular_Whistle%20blower%20Policy_12.02.2019-english.pdf)

Further, the Company has framed the Fraud Prevention Policy to prevent, detect and allow for speedy disposal of fraud or suspected fraud. Mechanism followed is appropriately communicated within organization across all levels and has been displayed on Company's website at <https://www.gailonline.com/pdf/others/FraudPreventionPolicyRev01withSOPonFPPRev00.pdf>

The link for –“Procedure for action in case of corrupt/ fraudulent/ collusive/ coercive practices”- can be accessed at the following link- <https://gailonline.com/pdf/others/Annexure-II.pdf>

Audit Committee reviews the complaints received under whistle blower mechanism and fraud prevention policy, if there is any complaint received under the said policies.

During the FY 2022-23, no complaint was received under Whistle Blower Policy and Fraud Prevention Policy.

## B. STAKEHOLDERS RELATIONSHIP COMMITTEE

### i. Terms of Reference

The terms of reference of the Committee are to inter-alia, look into the various aspects of interest of shareholders, debenture holders and other security holders of the Company and matters relating to Registrar & Share Transfer Agent (R&TA), to approve issuance of duplicate share certificate, to resolve the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc., to review the measures taken for effective exercise of voting rights by shareholders, to review adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent, to review the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

The role of Stakeholders Relationship Committee is as per SEBI (LODR) Regulations, 2015 and the Companies Act, 2013 as amended from time to time.

### ii. Composition

As on 31<sup>st</sup> March, 2023, the Stakeholders Relationship Committee comprised of Smt. Kangabam Inaocha Devi as the Chairperson, Shri Deepak Gupta and Shri Ayush Gupta as the members.

### iii. Meeting & Other Details

During the FY ended 2022-23, 2 (Two) meetings of the Committee were held: 4<sup>th</sup> November in 2022 and 14<sup>th</sup> March

in 2023. The attendance of the Members at the meeting was as under:

| S. No. | Members                                  | No. of Meetings        |          |
|--------|--|------------------------|----------|
|        |  | Held during the tenure | Attended |
| 1.     | Smt. Kangabam Inaocha Devi-Chairperson   | 2                      | 2        |
| 2.     | Shri Rakesh Kumar Jain (upto 31.08.2022) | N.A.                   | N.A.     |
| 3.     | Shri Deepak Gupta                        | 2                      | 2        |
| 4.     | Shri Ayush Gupta (w.e.f. 01.09.2022)     | 2                      | 2        |

Letters of shareholders received through SEBI SCORES/ Stock Exchanges/ Ministry of Corporate Affairs (MCA) / Depositories/ other statutory authorities including day-to-day shareholders requests/complaints received by MCS Share Transfer Agent Limited, Registrar & Transfer Agent (R&TA) or Company are considered as 'Complaints'. Status of the Complaints received and redressed during the respective quarters is being placed before the Board.

During the year 2022-23, 1,209 complaints were received from the shareholders/ investors through SEBI/ Stock Exchanges and other statutory bodies, which pertained to matters like non-receipt of dividend, annual report, etc. As on 31<sup>st</sup> March, 2023, 3 complaints were pending which have been resolved within the statutory timelines.

Company has taken various steps to ensure that the shareholder related matters/issues are given due priority and are resolved within a reasonable period of time by R&TA.

To facilitate the member(s) to register their requests if any, designated e-mail ID(s) of the R&TA and Company are [admin@mcsregistrars.com](mailto:admin@mcsregistrars.com) and [shareholders@gail.co.in](mailto:shareholders@gail.co.in) which are adequately disclosed for information of member(s). Further, there is a separate dedicated section on the Company's website: [www.gailonline.com](http://www.gailonline.com) captioned 'Investor Relations' for awareness of the shareholders about latest developments and updated information about the quarterly compliances including, financial information, shareholding pattern, corporate governance reports; Annual Reports of the Company and its subsidiaries, Information related to Independent Directors, General Information including various Press Releases, Newspaper Publications, notices, etc., Policies, Investor's Information viz. dividend declaration, Investor Education & Protection Fund (IEPF) transfer, unpaid dividends, Dividend History, etc.

## C. NOMINATION AND REMUNERATION COMMITTEE

### i. Terms of Reference

The terms of reference of this Committee are to:

- Deliberate and decide on Performance Related Pay (PRP) pool and policy of distribution of PRP to employees.
- Examination of issues relating to pay and perks other than PRP prior to consideration by the Board.
- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees; Formulation of criteria for evaluation of Independent Directors and the Board; Devising a policy on Board diversity; Identifying persons who are qualified to become Directors and who may



be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

- d. Recommend to the Board, all remuneration in whatever form payable to senior management.

The role of Nomination and Remuneration Committee is as per SEBI (LODR) Regulations, 2015; the Companies Act, 2013 and DPE guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 as amended from time to time.

## ii. Performance Evaluation of Board

Company is a Central Public Sector Enterprise (CPSE) and appointment/nomination of all the Directors including Independent Directors are being done by the President of India, through the MoP&NG, Government of India. Therefore, performance evaluation of individual Directors including Independent Directors is being undertaken by the Government of India being the appointing authority. Further, as per notification dated 5th June, 2015 issued by the Ministry of Corporate Affairs, Government of India, Government Companies are exempted from complying with the provisions of section 134(3)(p) of the Companies Act, 2013 with respect to performance evaluation of Board and its Committees.

## iii. Composition

As on 31<sup>st</sup> March 2023, the Nomination and Remuneration Committee of the Company comprised of Dr. Nandhagopal

Narayanasamy as the Chairperson, Dr. Navneet Mohan Kothari and Shri Sher Singh as the member(s).

Director (Finance) and Director (HR) are the permanent invitees to the meetings of Nomination and Remuneration Committee.

## iv. Meeting & Other Details

During the FY 2022-23, 1 (one) meeting of the Nomination and Remuneration Committee was held on 17<sup>th</sup> August, 2022. The attendance of the Members at the meetings was as under:

| S. No. | Members                                   | No. of Meetings        |          |
|--------|---|------------------------|----------|
|        |   | Held during the tenure | Attended |
| 1.     | Dr. Nandhagopal Narayanasamy- Chairperson | 1                      | 1        |
| 2.     | Dr. Navneet Mohan Kothari                 | 1                      | 0        |
| 3.     | Shri Sher Singh                           | 1                      | 1        |

## v. Remuneration of Directors

The Company is a Government Company, therefore, the remuneration of its Functional Directors is determined by the Government of India. The Government Nominee Directors do not receive any remuneration from the Company. Independent Directors are being paid only sitting fee of ₹ 40,000/- and ₹ 30,000/- for attending each meeting of the Board and Committee respectively in addition to expenses incidental thereto.

The details of remuneration paid to Whole-time Directors of the Company for the Financial Year 2022-23 are as below:

(₹ in lacs)

| S. No. | Name of the Director  | Salary & Allowances | Contribution to PF | Other Benefits and Perquisites | Performance Related Payment | Total  |
|--------|---|---------------------|--------------------|--------------------------------|-----------------------------|--------|
| 1.     | Shri Manoj Jain<br>Chairman and Managing Director<br>(upto 31.08.2022)          | 94.91               | 4.23               | 7.76                           | 27.88                       | 134.78 |
| 2.     | Shri Sandeep Kumar Gupta<br>Chairman and Managing Director<br>w.e.f. 03.10.2022 | 29.85               | 4.98               | 0.20                           | 0.00                        | 35.02  |
| 3.     | Shri E S Ranganathan<br>Director (Marketing) (upto 11.08.2022)                  | 47.69               | 0.00               | 0.30                           | 0.00                        | 47.99  |
| 4.     | Shri M V Iyer<br>Director (Business Development)                                | 51.06               | 9.84               | 14.52                          | 26.39                       | 101.82 |
| 5.     | Shri Rakesh Kumar Jain<br>Director (Finance) & CFO                              | 62.02               | 9.52               | 2.90                           | 25.48                       | 99.92  |
| 6.     | Shri Deepak Gupta<br>Director (Projects)  | 57.38               | 9.34               | 2.65                           | 3.35                        | 72.73  |
| 7.     | Shri Ayush Gupta<br>Director (HR)<br>w.e.f. 22.08.2022                          | 35.82               | 5.56               | 1.71                           | 20.59                       | 63.67  |

During the year under review, the Company had not introduced any stock-option scheme.

The service contract of Functional Directors is for five years or till superannuation or until further orders, whichever is earliest. The notice period of three months or salary in lieu thereof is required in case of severance of service. Independent

Directors are usually appointed for a three years period by the Government of India. Further, Government Nominee Directors representing administrative Ministry of the Government of India are appointed for a period of three years from the date of their induction on the Board on co-terminus basis or until further orders, whichever is earlier.

The Company issues formal appointment letters to the Independent Directors. Further, as required by Regulation 46 of the SEBI (LODR) Regulations, 2015, the terms and conditions of appointment of the Independent Directors are available on the Company's website at the link: <https://www.gailonline.com/IZInvestorInformation.html>

During the FY 2022-23, the details of sitting fees paid to the Independent Directors, excluding Good and Service Tax under reverse charge mechanism paid by the Company, for attending the meetings of the Board of Directors and Committee(s) thereof are as under:

| S. No. | Name of the Independent Director(s) | No. of Meetings of the Board attended | No. of Meetings of the Committee(s) attended | Amount (₹ in lacs) |
|--------|-------------------------------------|---------------------------------------|--|--------------------|
| 1      | Shri Akhilesh Jain                  | 15                                    | 13   | 9.90               |
| 2      | Shri Sher Singh                     | 15                                    | 3  | 6.90               |
| 3      | Shri Sanjay Kashyap                 | 15                                    | 4  | 7.20               |
| 4      | Dr. Nandhagopal Narayanasamy        | 15                                    | 12   | 9.60               |
| 5      | Smt. Kangabam Inaocha Devi          | 15                                    | 4  | 7.20               |
| 6      | Prof. Dr. Ravikant Kolhe            | 15                                    | 14   | 10.20              |

#### vi. Equity Shares held by the Director(s) as on 31.03.2022

Except as stated hereunder, none of the Directors hold any Equity Shares in the Company as per the declarations made by them to the Company in their own names including as Beneficial Owner:

| S. No. | Name of the Director(s) | No. of Shares held (as on 31 <sup>st</sup> March, 2023) |
|--------|-------------------------|---|
| 1      | Shri M V Iyer           | 816   |

## D. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

### i. Terms of Reference

The terms of reference of CSR Committee are to, inter-alia, formulate and recommend to the Board, a CSR Policy, recommend the amount of expenditure to be incurred and monitor the CSR Policy of the Company from time to time and to do any other activity delegated by the Board.

The role of CSR Committee is as per the Companies Act, 2013 and DPE guidelines as amended from time to time.

### ii. Composition

As on 31<sup>st</sup> March, 2023 the CSR Committee of the Company comprised of Shri Sandeep Kumar Gupta as the Chairperson, Shri Ayush Gupta, Shri Akhilesh Jain and Shri Sanjay Kashyap as the member(s).

### iii. Meeting & Other Details

During the FY 2022-23, 3 (Three) meetings of CSR Committee were held on 14<sup>th</sup> June, 21<sup>st</sup> October in 2022 and on 18<sup>th</sup> January in 2023. The attendance of the Members at the meetings was as follows:

| S. No. | Members   | No. of Meetings        |          |
|--------|---|------------------------|----------|
|        |   | Held during the tenure | Attended |
| 1      | Shri Manoj Jain<br>(Chairman upto 31.08.2022)   | 1                      | 1        |
| 2      | Shri M V Iyer<br>(Member upto 02.10.2022 and Chairman w.e.f. 01.09.2022 upto 2.10.2022) | 1                      | 1        |
| 3      | Shri Sandeep Kumar Gupta<br>(Chairman w.e.f. 03.10.2022)                                | 2                      | 2        |
| 4      | Shri Akhilesh Jain  | 3                      | 3        |
| 5      | Shri Sanjay Kashyap   | 3                      | 3        |
| 6      | Shri Ayush Gupta<br>(w.e.f. 01.09.2022)   | 2                      | 2        |

The details of the CSR activities and the expenditure incurred on the same have been detailed in a separate section in the Directors' Report/ Management Discussion & Analysis. As per the Policy, every year at least two percent of the Profit after Tax is earmarked for various CSR programmes of the Company that are structured to result in effective outcomes. It follows global best practices in identifying, implementing, sustaining and monitoring its CSR programmes to maximize sustainability, scalability and transparency in line with the provisions of the Companies Act 2013 and Rules made thereunder.

## E. RISK MANAGEMENT COMMITTEE

### i. Terms of Reference

The terms of reference of Risk Management Committee are:

- 1) To formulate a detailed risk management policy which shall include:
  - a. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - b. Measures for risk mitigation including systems and processes for internal control of identified risks.
  - c. Business continuity plan.
- 2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- 3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- 4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- 5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

7) Monitoring and reviewing the risk management plan, cyber security.

Role of Risk Management Committee shall be as per SEBI (LODR) Regulations, 2015; Companies Act, 2013 and approved Risk Management Policy as amended from time to time.

#### ii. Composition

As on 31<sup>st</sup> March, 2023, the Risk Management Committee of the Company comprised of Shri Sher Singh as the Chairman, Shri R K Jain, Shri Deepak Gupta and Smt. Kangabam Inaocha Devi as the member(s).

#### iii. Meeting & Other Details

During the FY 2022-23, 2 (Two) meetings of Risk Management Committee were held on 22<sup>nd</sup> August in 2022 and on 10<sup>th</sup> February 2023. The attendance of the Members at the meetings was as follows:

| S. No. | Members                          | No. of Meetings        |          |
|--------|----------------------------------|------------------------|----------|
|        |                                  | Held during the tenure | Attended |
| 1      | Shri Sher Singh (Chairperson)    | 2                      | 2        |
| 2      | Shri M.V. Iyer (upto 31.08.2022) | 1                      | 0        |
| 3      | Shri R. K. Jain                  | 2                      | 2        |
| 4      | Shri Deepak Gupta                | 1                      | 1        |
| 5      | Smt. Kangabam Inaocha Devi       | 2                      | 2        |

A robust Risk Management Framework supports the Company's business strategy and operations. Risk Management Framework is constantly updated for new and emerging risks emanating from business expansion and interests.

The risks are evaluated, quantified & prioritized and mitigation plans are reviewed & monitored at various stages. The Risk Management policy & procedures are periodically reviewed & monitored by Risk Management Committee, Audit Committee & Board. The Risk Management Framework has been detailed in the Management and Discussions Analysis section of Boards' Report.

## 4. GENERAL BODY MEETINGS

### i. Location and Time – Last Three AGMs

The location, time and details of special resolutions passed during last three AGM are as follows:

| Financial Year                   | 2019-20   | 2020-21   | 2021-22   |
|----------------------------------|---|---|---|
| <b>AGM</b>                       | <b>36<sup>th</sup></b>  | <b>37<sup>th</sup></b>  | <b>38<sup>th</sup></b>  |
| <b>Date &amp; Time</b>           | 22.09.2020 at 11:30 A.M.  | 09.09.2021 at 11:30 A.M.  | 26.08.2022 at 11:30 A.M.  |
| <b>Venue</b>                     | Video Conferencing (VC) from the Registered office of the Company | Video Conferencing (VC) from the Registered office of the Company | Video Conferencing (VC) from the Registered office of the Company   |
| <b>Special Resolution passed</b> | -   | -   | Amendment of Objects clause of Memorandum of Association of the Company   |
| <b>Details</b>                   | -   | -   | GAIL was exploring the possibility of entering into new business areas to embed and sustain a culture that will enable the Company to achieve its long-term strategic objectives and sustainable growth. Therefore, approval of shareholders of the Company was sought for Amendment in the Memorandum of Association of the company. |

No Extraordinary General Meeting of the Members was held during the Financial Year 2022-23.

### ii. Postal Ballot

Pursuant to the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013 ('Act'), read with the Companies (Management and Administration) Rules, 2014 ('Rules'), Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021, 20/2021 dated December 8, 2021 and Circular No. 03/2022 dated May 05, 2022 other relevant circulars and notifications issued by the Ministry of Corporate Affairs and other applicable laws and regulations (including any statutory

modification or re-enactment thereof for the time being in force) Two Postal Ballots were conducted through electronic means (remote e-voting) only to seek approval of the Members for the resolutions as prescribed in the Postal Ballot Notice(s) dated March 24, 2022 and October 06, 2022 respectively.

The Postal Ballot Notice(s) were sent only in electronic form to the Members whose names appeared in the Register of Members/List of Beneficial Owners as received from the National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL') and who had registered their e-mail addresses with the Company/Depositories. The details of the business items contained in the Postal Ballot Notice(s) passed through Special Resolutions are as under:

a. **Postal Ballot Notice dated March 24, 2022**

|  |  |
|--|--|
| Cut-off Date   | Friday, 25 <sup>th</sup> March, 2022   |
| Period of Postal Ballot                                    | Friday, 1 <sup>st</sup> April, 2022 (9:00 am) (IST) till Saturday, 30 <sup>th</sup> April, 2022 (5:00 pm) (IST).   |
| Mode   | Remote e-voting.   |
| Details of person who conducted the postal ballot exercise | Shri Sachin Agarwal, Partner, Agarwal S. & Associates was appointed as the Scrutinizer to scrutinize the postal ballot process only by voting through electronic means (remote e-voting) in a fair and transparent manner. |

| Details of Special Resolution(s) passed through postal ballot  | Details of voting pattern |                    |
|--|---------------------------|--------------------|
|  | Voting % (in favour)      | Voting % (against) |
| (1) Appointment of Prof. Dr. Ravikant Kolhe (DIN 09406892) as an Independent Director of the Company     | 98.59                     | 1.41               |
| (2) Appointment of Shri Sher Singh (DIN 09404758) as an Independent Director of the Company              | 98.17                     | 1.83               |
| (3) Appointment of Dr. Nandhagopal Narayanswami (DIN 06535490) as an Independent Director of the Company | 97.91                     | 2.09               |
| (4) Appointment of Shri Akhilesh Jain (DIN 07731983) as an Independent Director of the Company           | 97.74                     | 2.26               |
| (5) Appointment of Shri Sanjay Kashyap (DIN 09402360) as an Independent Director of the Company          | 98.17                     | 1.83               |
| (6) Appointment of Smt. Kangabam Inaocha Devi (DIN 07812922), as an Independent Director of the Company  | 98.18                     | 1.82               |

b. **Postal Ballot Notice dated October 6, 2022**

|  |  |
|--|--|
| Cut-off Date   | Friday, October 7, 2022  |
| Period of voting through Postal Ballot                     | Friday, 14 <sup>th</sup> October, 2022 (9:00 am) (IST) till Saturday, 12 <sup>th</sup> November, 2022 (5:00 pm) (IST).   |
| Mode   | Remote e-voting.   |
| Details of person who conducted the postal ballot exercise | Shri Sachin Agarwal, Partner, Agarwal S. & Associates was appointed as the Scrutinizer to scrutinize the postal ballot process only by voting through electronic means (remote e-voting) in a fair and transparent manner. |

No Special Resolution was passed in the Postal Ballot Process

## 5. MEANS OF COMMUNICATION

Timely disclosure of relevant and reliable information on financial performance is at the core of good governance. Towards this end, major steps taken were as under:

- Quarterly/ Annual Financial Results** : The quarterly unaudited financial results and audited yearly financial results of the Company are announced within stipulated period. The results are published in leading newspapers like Economic Times, Business Standard etc. Further, these are also hosted on the website of the Company at <https://www.gailonline.com/IZFinancialResult.html>
- NEAPS (NSE Electronic Application Processing System), NSE Digital Exchange Portal and BSE Corporate Compliance & Listing Centre** : NSE and BSE have developed web-based applications for corporates. Periodical compliances like financial results, shareholding pattern, corporate governance reports, etc. are filed electronically on NEAPS, NSE Digital Exchange Portal and BSE Listing Centre.
- News Release, Presentations etc.** : The Company annually organizes Investors' Meet to communicate with institutional investors and analysts, etc. Official news/press releases and presentations, transcripts of the Conference Calls made to investors/analysts are hosted on the Company's website from time to time and also informed to Stock Exchanges.
- Website** : The Company's website [www.gailonline.com](http://www.gailonline.com) contains dedicated section 'Investor Relations' having updated relevant information for shareholders.
- Annual Report** : Annual Report, inter-alia, containing Board's Report, Management Discussion and Analysis, Corporate Governance Report, Standalone Audited Financial Statements, Audited Consolidated Financial Statements, Auditors' Report, is circulated to the members and others entitled thereto. Copies of Annual Report are laid in Parliament. The same is also uploaded on the website of the Company which can be accessed at the following link- <https://gailonline.com/IZAnnualReports.html>
- Chairman's Speech/Communique** made during the meeting is hosted at Company's website for information of shareholders.
- SCORES (SEBI Complaints Redressal System)** : SEBI processes investors' complaints in a centralized web-based complaints redressal system i.e. SCORES. Through this system, a shareholder can lodge complaint(s) against a Company for his grievance, Company/RTA uploads the action taken on the complaint which can be viewed by shareholder. The Company and shareholder can seek clarifications online through SEBI.
- Letters to Investors** : Regular reminders are being sent to the Shareholders for claiming unpaid/unclaimed dividend/ Shares every year.

- **Green initiative** : sending important communication to shareholders through email - In terms of the Green initiative launched by the Ministry of Corporate Affairs, to allow service of documents to the members through electronic mode, the Company from the last few years has been sending various communications/ documents like Annual Report, Notice of AGM, NACH intimation etc. through e-mail to those shareholders who have registered their email id with the DP/ R&TA.

- **Designated email-ID** : The Company has a designated email-ID for investor servicing: shareholders@gail.co.in

- In compliance of MCA/SEBI Circulars, Annual Report was sent to all eligible shareholders through email only.

Efforts have also been made to update/validate the registered email-IDs of Shareholders, through CDSL and NSDL, prior to sending emails to eligible shareholders.

- To comply with the newly enacted provisions of the

Income Tax Act, 1961 and to give fair chance to all eligible shareholders w.r.t. exemption from deduction of TDS on dividend, communication was sent to shareholders to give them an opportunity to submit necessary documents (Form 15 G, Form 15 H, Form 10 F, declaration-Resident shareholders, NRI, FPI, FII, AIF, etc.).

## 6. GENERAL SHAREHOLDER INFORMATION

### » Forthcoming Annual General Meeting (AGM): Date, Time and Venue

39<sup>th</sup> Annual General Meeting of the Company is scheduled for Wednesday, the 23<sup>rd</sup> day of August, 2023 at 11.30 a.m. through Video Conference/ Other Audio Video Means.

### » Dividend details:

During Financial Year 2022-23, the Board of Directors/ Shareholders approved the payment of dividend, for which the details of Record Date/ Book Closure Date(s) and payment of dividend are as under:

| S. No. | Dividend Declared        | Date of approval of dividend | Dividend                 | Record Date / Book Closure | Dividend Payment Date |
|--------|--------------------------|------------------------------|--------------------------|----------------------------|-----------------------|
| 1.     | Final Dividend 2021-22   | 26.08.2022                   | 10% (₹ 1.00/- per share) | 02.08.2022                 | 09.09.2022            |
| 2.     | Interim Dividend 2022-23 | 13.03.2023                   | 40% (₹ 4.00/- per share) | 21.03.2023                 | 27.03.2023            |

As per the SEBI (LODR) Regulations, 2015, the Company is using electronic mode of payment approved by the Reserve Bank of India for making payment to the members. Where dividend payments are made through electronic mode, intimations regarding such remittance is being sent separately to the members. Where the dividend cannot be paid through electronic mode, the same is paid by warrants/ DD with bank account details printed thereon. In case of non-availability of bank account details, address of the members will be printed on the warrants.

### » Investor Education and Protection Fund (IEPF)

Pursuant to Section 125 of the Companies Act, 2013, dividend amount(s) remaining unclaimed and unpaid for a period of seven years, from the date they became due for payment, is required to be transferred to IEPF established by the Central Government in this behalf.

During the year, the Company has transferred an amount of ₹ 37.77 lakhs in the IEPF for unclaimed/unpaid Interim & Final dividend for FY 2014-15 and Interim dividend for FY 2015-16. Till 31.03.2023 ₹ 4.57 crores had been transferred to IEPF. Pursuant to the requirement of section 124(6) and Rule 6(5) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 all shares in respect of which dividend have not been paid or claimed for seven consecutive years or more to be transferred to IEPF Authority Account. In this regard, during the year 2022-23, 16,574 shares have been transferred to IEPF Authority account. Till 31.03.2023, 2,63,662 shares have been transferred to IEPF Authority account.

The subsequent due dates of transfer of unpaid/ unclaimed dividend and shares to IEPF Authority Account during FY 2023-24 are as under:

| FY      | Type of Dividend | Dividend (%) | Last date for claiming Unpaid Dividend | Due date for transfer to IEPF |
|---------|------------------|--------------|--|-------------------------------|
| 2015-16 | FINAL            | 30           | 22.10.2023                             | 22.11.2023                    |
| 2016-17 | INTERIM          | 85           | 24.02.2024                             | 24.03.2024                    |

After the transfer of unpaid/unclaimed amount to IEPF, no claim shall lie against Company/R&TA. Members who have not yet encashed their Dividend Warrant(s) may approach the R&TA/Company for issuance of demand draft(s) in lieu of such warrant. However, shareholders whose unpaid/unclaimed dividend has been transferred to IEPF shall be entitled to get refund in respect of such claims in accordance with provisions of the Companies Act, 2013 and rules framed in this regard by Government of India. More details are available at <https://www.gailonline.com/IZInvestorsZone.html> and <https://www.gailonline.com/IZGeneralInformation.html>

The Company has uploaded the information in respect of the Unclaimed Dividends on the website of the Company as per IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012.

### » Other Details

For change of address/bank details/dividend mandate/ email Id(s), if any, members can approach-

- If shares are held in **physical mode**, to the R&TA/Company.
- If shares are held in **electronic mode**, to their Depository Participant (DP).

Bank Account details and MICR Code of their Bankers, as noted in the records of their DP are used for the purpose of overprinting on Dividend Warrants or remittance of dividend

through National Automated Clearing House, wherever applicable. A detailed reference note on dividend related activities is also available at Company's website under 'Investor Relations'.

» **Listing of Securities on Stock Exchanges**

| Stock Exchange & Address                 | Security Code |
|--|---------------|
| <b>Equity Shares</b>                     |               |
| BSE Limited                              | 532155        |
| National Stock Exchange of India Limited | GAIL-EQ       |
| <b>GDRs</b>                              |               |
| London Stock Exchange                    | GAID GAILY    |
| <b>Non-Convertible Debentures</b>        |               |
| BSE Limited                              | 974439        |
| National Stock Exchange of India Limited | GAIL          |

- ISIN of Equity Shares - INE129A01019
- ISIN of Debt Private Placement - INE129A08014

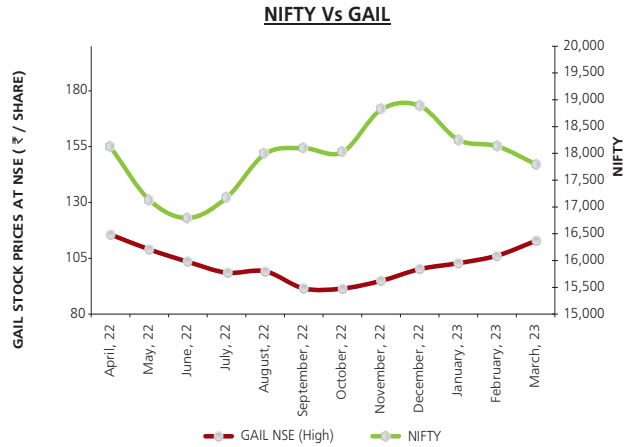
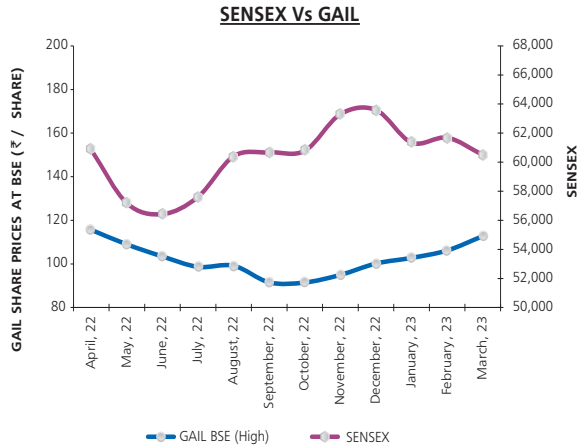
Beacon Trusteeship Limited, 4 C and D Siddhivinayak Chambers, Gandhi Nagar, Opposite MIG Cricket Club, Bandra East, Mumbai -400051, is the Debenture Trustee for the above-mentioned Debenture Series.

The Annual listing fees for the listed equity shares and Debenture of the Company, pertaining to the Financial Year 2022-23 has been paid to the concerned Stock Exchange(s) on demand. The Company has also made the payment of the Annual Custody Fees to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), for the FY 2022-23. During Financial Year 2022-23, the securities of the Company were not suspended from trading.

**Market Price Data (FY 2022-23)**

**Market Price Data for financial year 2022-23**

| Months                          | GAIL BSE       |               |   | GAIL NSE       |               |   | MARKET CAPITALISATION<br>(₹ in crores)                   |  | MARKET INDEX<br>(High) |          |
|---------------------------------|----------------|---------------|---|----------------|---------------|---|--|--|------------------------|----------|
|                                 | HIGH<br>(in ₹) | LOW<br>(in ₹) | VOLUME<br>(No. of Shares<br>traded on<br>closing day of<br>month) | HIGH<br>(in ₹) | LOW<br>(in ₹) | VOLUME<br>(No. of Shares<br>traded on<br>closing day of<br>month) | BSE<br>(Based on<br>Closing<br>Price<br>of the<br>Month) | NSE<br>(Based on<br>Closing<br>Price<br>of the<br>Month) | SENSEX                 | NIFTY    |
| April, 22                       | 173.45         | 154.50        | 539998  | 173.50         | 154.50        | 12674567  | 70646.53   | 70668.73   | 60845.10               | 18114.65 |
| May, 22                         | 163.45         | 141.55        | 624382  | 163.50         | 141.50        | 29501879  | 65362.47   | 65362.47   | 57184.21               | 17132.85 |
| June, 22                        | 155.15         | 129.05        | 330991  | 155.20         | 129.00        | 9851023   | 59219.73   | 59263.56   | 56432.65               | 16793.85 |
| July, 22                        | 148.00         | 129.60        | 370555  | 147.90         | 129.55        | 4676585   | 64194.89   | 64260.64   | 57619.27               | 17172.80 |
| August, 22                      | 148.75         | 128.50        | 971228  | 148.80         | 128.10        | 11123165  | 59636.15   | 59658.07   | 60411.20               | 17992.20 |
| <b>Post Bonus – Share Price</b> |                |               |   |                |               |   |  |  |                        |          |
| September, 22                   | 93.20          | 83.00         | 864599  | 93.40          | 83.00         | 11829278  | 57203.37   | 57236.24   | 60676.12               | 18096.15 |
| October, 22                     | 91.50          | 84.15         | 1442396   | 91.50          | 84.15         | 12658201  | 60030.66   | 60030.66   | 60786.70               | 18022.80 |
| November, 22                    | 95.00          | 87.90         | 766436  | 94.95          | 87.90         | 18501717  | 62299.07   | 62299.07   | 63303.01               | 18816.05 |
| December, 22                    | 100.20         | 90.20         | 549905  | 100.20         | 90.20         | 7280552   | 63186.71   | 63153.83   | 63583.07               | 18887.60 |
| January, 23                     | 102.80         | 91.80         | 1914510   | 102.85         | 91.85         | 24892166  | 62627.82   | 62562.07   | 61343.96               | 18251.95 |
| February, 23                    | 106.20         | 91.00         | 865727  | 106.20         | 91.05         | 17617907  | 67559.15   | 67493.40   | 61682.25               | 18134.75 |
| March, 23                       | 112.80         | 102.00        | 540643  | 112.80         | 101.90        | 15641500  | 69202.92   | 69137.17   | 60498.48               | 17799.95 |



GAIL Share Price is adjusted in both graphs considering the Issue of Bonus Shares (1:2) in September, 2022

### » Share Transfer System

**Demat Transfer:** The shares of the Company are being compulsorily traded in dematerialized form and are available for trading under both the depositories in India viz. NSDL and CDSL. MCS Share Transfer Agent Limited is the depository interface and Share Transfer Agent of the Company.

**Physical Transfer:** SEBI vide its circular dated 25.01.2022 has mandated that all listed entities shall issue the securities in dematerialised form only. Accordingly, the Company is considering and addressing the requests for issue of duplicate share certificates, transmission, transposition etc. as per SEBI Notification. For more details please visit Investor Relations section at [www.gailonline.com](http://www.gailonline.com)

### » Distribution of Shareholding

The distribution of shareholding of the Company as on 31<sup>st</sup> March, 2023 is detailed below:

| No. of shares held | No. of Shares        | % to Total    | No. of Shareholders | % to Total    |
|--------------------|----------------------|---------------|---------------------|---------------|
| 1                  | 83,744               | 0.00          | 83,744              | 8.84          |
| 2-10               | 9,27,629             | 0.01          | 1,64,623            | 17.37         |
| 11-50              | 57,60,978            | 0.09          | 2,13,087            | 22.48         |
| 51-100             | 91,04,224            | 0.14          | 1,16,733            | 12.32         |
| 101-200            | 1,86,20,969          | 0.28          | 1,26,007            | 13.30         |
| 201-750            | 6,24,90,355          | 0.95          | 1,56,273            | 16.49         |
| 751-5000           | 12,83,78,139         | 1.95          | 78,386              | 8.27          |
| 5001-10000         | 3,52,13,902          | 0.54          | 4,935               | 0.52          |
| 10001-15000        | 1,61,63,738          | 0.25          | 1,300               | 0.14          |
| 15001 and above    | 629,83,55,965        | 95.79         | 2,612               | 0.27          |
| <b>TOTAL</b>       | <b>657,50,99,643</b> | <b>100.00</b> | <b>9,47,700</b>     | <b>100.00</b> |

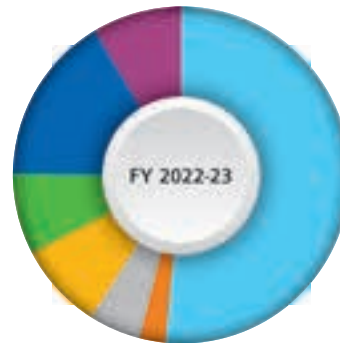
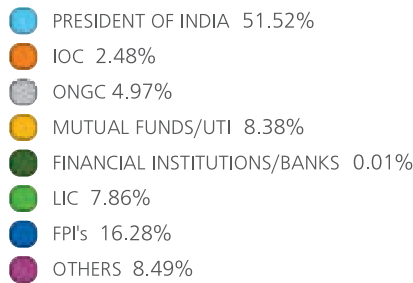
\* Includes 338,75,80,047 equity shares held by the President of India

### » Top 10 Shareholders as on 31st March, 2023

| S.No. | NAME   | SHARES                | %            |
|-------|--|-----------------------|--------------|
| 1     | THE PRESIDENT OF INDIA                                     | 3,38,75,80,047        | 51.52        |
| 2     | LIFE INSURANCE CORPORATION OF INDIA                        | 39,97,24,515          | 6.08         |
| 3     | OIL AND Natural Gas CORPORATION LIMITED                    | 32,67,16,386          | 4.97         |
| 4     | INDIAN OIL CORPORATION LIMITED                             | 16,33,58,190          | 2.48         |
| 5     | LIFE INSURANCE CORPORATION OF INDIA - P & GS Fund          | 11,35,75,966          | 1.73         |
| 6     | HDFC TRUSTEE COMPANY LTD. A/C HDFC BALANCED ADVANTAGE FUND | 5,93,93,088           | 0.90         |
| 7     | SBI BALANCED ADVANTAGE FUND                                | 5,32,93,368           | 0.81         |
| 8     | DEUTSCHE BANK TRUST COMPANY AMERICAS                       | 4,87,93,407           | 0.74         |
| 9     | STICHTING DEPOSITARY APG EMERGING MARKETS EQUITY P         | 4,49,25,112           | 0.68         |
| 10    | HDFC TRUSTEE COMPANY LIMITED-HDFC FLEXI CAP FUND           | 4,00,00,000           | 0.61         |
|       | <b>TOTAL</b>   | <b>4,63,73,60,079</b> | <b>70.52</b> |

\*Out of the total shareholding of The President of India, 3,188 shares related to offer for sale-2004 & Bonus shares thereon which are pending for credit due to non-availability of shareholders correct details

» Shareholding Profile as on 31<sup>st</sup> March, 2023



» Outstanding GDRs/ADRs/Warrants or Convertible Instruments

As on 31<sup>st</sup> March, 2023, a total number of 81,32,235 GDRs representing 4,87,93,407 (0.75%) number of equity shares were outstanding. One GDR represents six underlying equity shares. The conversion of GDRs into equity shares has no impact on total equity capital.

The performance of GDRs indicating the closing price of GDRs listed at London Stock Exchange is given as under:



» Dematerialization of Shares and Liquidity:

As on 31<sup>st</sup> March, 2023, the Company had 9,47,700 shareholders, out of which 9,47,105 shareholders were holding equity shares in demat mode and 595 shareholders were holding equity shares in physical mode. The ISIN of the Company's equity shares is INE129A01019 and Corporate Identification Number allotted to the Company by the Ministry of Corporate Affairs (MCA) is L40200DL1984GOI018976.

» Reconciliation of Share Capital Audit Report

The Practicing Company Secretary carried out a reconciliation of share capital audit on quarterly basis to reconcile the total share capital with National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and in physical mode with the total issued/paid-up capital. The audit confirms that the total issued/paid up capital is in agreement with total number of shares in physical forms and total number of dematerialized shares held with NSDL & CDSL.

» Commodity price risk or foreign exchange risk and hedging activities

The Company has an approved Commodity Price Risk Management Policy to manage the price risk on the import of Natural Gas procured for customers or internal consumption of Gas and sales of LPG/LHC products and sales of crude oil & Natural Gas produced from E&P blocks. The company has undertaken various hedge transactions during the Financial Year 2022-23 to mitigate the price risk arising from the volatility of various indices.

Further, the Company has Board approved Foreign Currency and Interest Rate Risk Management Policy in place to manage interest and currency risk in respect of Forex Exposure. The company has managed interest and currency risk related to various Foreign currency loans taken till date.

Disclosure regarding risk management activities in GAIL during the Financial Year 2022-23 including their commodity hedging position is given under the following Annexure.



Children of GAIL parivar performing at GAIL Gaon, Pata



**Annexure**

1. Risk management policy of the listed entity with respect to commodities including through hedging  
(Such policy shall take into account total exposure of the entity towards commodities, commodity risks faced by the entity, hedged exposures, etc. as specified below)
2. Exposure of the listed entity to commodity and commodity risks faced by the entity throughout the year:
  - a) Total exposure of the listed entity to commodities in INR: ₹ 38,475.22 crore
  - b) Exposure of the listed entity to various commodities:

| Commodity name    | Exposure in INR towards the particular commodity | Exposure in quantity terms towards the particular commodity | % of such exposure hedged through commodity derivatives |          |                      |          |        |
|-------------------|--|---|---|----------|----------------------|----------|--------|
|                   |  |   | Domestic market   |          | International market |          | Total  |
|                   |  |   | OTC   | Exchange | OTC                  | Exchange |        |
| Natural Gas       | ₹ 32,396.69 Crore                                | 372.19 TBTU   | NIL   | NIL      | 13.58%               | NIL      | 13.58% |
| LPG & LHC         | ₹ 4,945 Crore                                    | 929 TMT   | NIL   | NIL      | 3.50%                | NIL      | 3.50%  |
| E&P – Crude Oil   | ₹ 24.78 Crore                                    | 43,775 BBL  | NIL   | NIL      | NIL                  | NIL      | NIL    |
| E&P – Natural Gas | ₹ 1,108.75 Crore                                 | 16.60 TBTU  | NIL   | NIL      | NIL                  | NIL      | NIL    |

**Note**

- 1) Exposure does not include the quantity sold on back to back basis
- 2) Exposure pertains to financial year 2022-23

- c. Commodity risks faced by the listed entity during the year and how they have been managed: The Company has an approved Commodity Price Risk Management Policy to manage the price risk on the import of Natural Gas procured for customers or internal consumption of Gas and sales of LPG/LHC products and sales of crude oil & Natural Gas produced from E&P blocks. The company has undertaken various hedge transactions during the Financial Year 2022-23 to mitigate the price risk arising from the volatility of various indices.

» **Major Plant Locations**

The following are the major plant locations of the Company:-

|   |  |
|---|--|
| <b>Petrochemical Plant, Pata</b><br>P.O. Pata – 206241<br>Distt. Auraiya (U.P.) | <b>LPG Recovery Plant, Vijaipur</b><br>GAIL Complex<br>Vijaipur – 473112<br>Distt. Guna (M.P.) |
|---|--|

|   |  |
|---|--|
| <b>LPG Recovery Plant, Vaghodia</b><br>GIDC Industrial Estate<br>Vaghodia – 391760<br>Distt. Baroda (Gujarat) | <b>LPG Recovery Project, Gandhar</b><br>Village Rozantankaria Tal.<br>AMOD, Distt. Bharuch – 392140<br>(Gujarat) |
|---|--|

**Address for correspondence****GAIL (India) Limited**

16, Bhikaiji Cama Place, R.K. Puram, New Delhi - 110066

**Phone:** 91-11-26172580/26182955

**Fax No.:** 91-11-26185941

**Website:** www.gailonline.com

**E-mail:** shareholders@gail.co.in

Shareholders may approach to R&TA of the Company at:

MCS Share Transfer Agent Limited

**Unit: GAIL (India) Limited**

F-65, Okhla Industrial Area

Phase-I, New Delhi - 110020

**Phone:** 91-11-41406149/50/51/52

**Fax:** 91-11-41709881

**Website:** www.mcsregistrars.com

**E-mail:** admin@mcsregistrars.com

**7. DISCLOSURES****A. POLICIES**

- a. The Company has formulated a Related Party Transactions policy in terms of Regulation 23 of SEBI (LODR) Regulations, 2015. This policy is available at website of the Company at <https://www.gailonline.com/pdf/InvestorsZone/GAILRelatedPartyTransactionPolicyMarch2022.pdf>
- b. In pursuance of the Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Board has laid down “Code of Conduct for Prevention of Insider Trading” and “a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information” with an objective of preventing purchase and/or sale of shares of the Company by Designated Persons on the basis of unpublished price sensitive information, available to them by virtue of their position in the Company. The above all have been amended in line with the amendments in the SEBI (Prohibition of Insider Trading) Amendment Regulations, 2018. The objective of this Code is to protect the interest of the shareholders at large, to prevent misuse of any price sensitive information and to prevent any insider trading activity by dealing in shares of the Company. The amended Code of Insider Trading is available at website of the Company at <https://www.gailonline.com/pdf/InvestorsZone/GAILInsider%20Trading%20Code%202018-10.04.2019.pdf> and the amended Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information is available at website of the Company at [https://www.gailonline.com/pdf/InvestorsZone/GAIL-Principles-of-Fair Disclosures.pdf](https://www.gailonline.com/pdf/InvestorsZone/GAIL-Principles-of-Fair%20Disclosures.pdf)
- c. The Company has formulated a Policy for Determination of Materiality and Disclosure to ascertain the requirement of disclosure of events or information to stock exchange(s) and defining criteria for determining materiality of events and information as specified under clause (ii) of sub-regulation (4) of Regulation 30 of SEBI (LODR) Regulations, 2015. The policy is available at website of the Company at <https://www.gailonline.com/pdf/InvestorsZone/GAILPolicyforDeterminationofMaterialityandDisclosure06102022.pdf>

- d. As per the requirement of Regulation 43A of SEBI (LODR) Regulations, 2015, Dividend Distribution policy is hosted at Company's website at <https://www.gailonline.com/pdf/InvestorsZone/GAIL%20Dividend%20Distribution%20Policy.pdf>

#### B. AFFIRMATIONS & COMPLIANCES

- a. For periods up to and including the Financial Year ended 31<sup>st</sup> March 2023, the Company prepared its financial statements in accordance with the Accounting Standards notified under section 133 of the Companies Act 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. Accordingly, the Company has prepared its financial statements which comply with Ind-AS applicable for periods ending on 31<sup>st</sup> March 2023, together with the comparative period data as at and for the year ended 31<sup>st</sup> March 2022, as described in the summary of significant accounting policies.

During the Financial Year 2022-23, there have been no material significant related party transactions that may have potential conflict with the interest of the Company at large. The details of "Related Party Disclosures" have been disclosed at Note no. 44 of the Financial Statement in the Annual Report.

- b. The Board of Directors of the Company has adopted the Code of Conduct for Board Members and Senior Management Personnel. A copy of the code is available on Company's website at <https://www.gailonline.com/pdf/InvestorsZone/CodeofConductason09042019.pdf> Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the financial year ending on 31<sup>st</sup> March, 2023.
- c. The Company has filed report on Corporate Governance in specified format(s) within the stipulated time to the Stock Exchange(s), MoP&NG/ DPE.
- d. CEO and CFO of the Company, inter-alia, confirmed the correctness of the financial statements, adequacy of the internal control and certified other matters to the Audit Committee and Board as required under Regulation 17(8) of SEBI (LODR) Regulations, 2015.
- e. The Company has implemented online legal compliance management system covering the compliance of the applicable laws to the Company. A compliance Report is generated and the same is put up bi-annually for review of the Board.
- f. During the year under review (i.e. FY 2022-23), Presidential Directive, regarding continued implementation of Pay Revision of Board level and below Board level executives and non-unionised supervisors in GAIL w.e.f. 01.01.2023, has been received from MoP&NG vide letter dated 16.02.2023; and same is in force in GAIL for the next 3 years w.e.f. 01.01.2023.
- g. No item of expenditure has been debited in the books of account, which are not for the purposes of the business or expenses which are personal in nature.

Further, the administrative & office expenses and financial expenses constitute 1.67% and 0.22 % respectively of total expenses for 2022-23 as against 2.67 % and 0.22 % in 2021-22.

- h. All applicable Secretarial Standards on Board Meeting and General Meeting are duly complied.
- i. During the Financial Year 2022-23, no Independent Director resigned before the expiry of tenure.
- j. The list of all credit ratings obtained by the entity along with any revisions thereto can be referred to in the Board's Report.
- k. No funds were raised through preferential allotment or qualified institutions placement during the Financial Year 2022-23. However the Company had issued 15,750, 7.34% Senior, Unsecured, Listed, Rated, Taxable, Non-Cumulative, Redeemable, Non-Convertible Debentures (Series-I) of ₹ 10,00,000/- (Rupees Ten Lakh) each aggregating to ₹ 1575,00,00,000 (Rupees One Thousand Five Hundred Seventy-Five Crore) on Private Placement basis. The funds were fully utilised for the purpose for which these were raised and there has been no deviation or variation in utilisation of funds
- l. M/s Agarwal S. & Associates, Practicing Company Secretary has certified that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/MCA or any such statutory authority.
- m. During the Financial Year 2022-23, there was no instance, where the Board had not accepted the recommendation(s) of any committee of the Board which is mandatorily required.
- n. The total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditors (M/s A R & Co., Chartered Accountants, New Delhi and M/s Gandhi Minocha & Co., Chartered Accountants, New Delhi), and all entities in the network firm/ network entity of which the statutory auditor is a part is ₹ 1.78 crore.
- o. Disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is given in Board's Report 2022-23.

#### C. DISCLOSURE OF PENDING CASES/INSTANCES OF NON-COMPLIANCE

GAIL had received a communication from NSE & BSE vide e-mail dated 14.06.2022 for non-compliance of Regulation 29(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to delay in intimation of the date of Board meeting to consider recommendation of Final Dividend and imposed a fine of ₹ 11,800/- (including GST) each. In response to notice from NSE and BSE dated 14.06.2022, GAIL had requested NSE and BSE for waiver of fine levied by them. However, NSE did not acceded to GAIL's request for waiver of fine and accordingly, fine was deposited to NSE.

Further, due to non-appointment of requisite number of Independent Directors by Government of India, the company had requested BSE and NSE for waiver of fines amounting to ₹ 44,56,860/- and ₹ 58,72,860/- respectively imposed due to non-compliance with Regulation 17(2)/17 (2A) for the month ended September 30, 2021 & December 31, 2021, Regulation 17(1) for the quarter ended March 31, 2020 to December 31,

2021, Regulation 18(1) for the quarter ended December 31, 2020 to December 31, 2021, Regulation 19(1)/19(2) for the quarter ended September 30, 2020 to December 31, 2021, Regulation 20(2)/(2A) for the quarter ended December 31, 2021 and Regulation 21(2) for the quarter ended December 31, 2021.

Based on GAIL's continuous request for waiver of fine as per the Standard Operating Procedure issued by SEBI in this regard, aggregate fine of ₹ 58,72,860/- imposed by NSE was reduced to ₹ 10,66,720/- which was duly paid by the Company.

The Company was fully compliant with the mandatory requirements of SEBI (LODR) Regulations, 2015 and the Companies Act, 2013 during the FY 2022-23.

Besides the mandatory requirement of Part C of Schedule V of SEBI (LODR) Regulations 2015, the following discretionary/non-mandatory requirements as specified in Part E of Schedule II have been implemented to the extent as under:

- The Company is headed by Chairman and Managing Director who is the Chief Executive Officer of the Company, appointed by the President of India in terms of the Articles of Association of the Company.
- The financial results are being published widely and also hosted on the Company's website.
- The Company has not received any qualification from statutory auditors on its Financial Statements for FY 2022-23.
- The Company has an in-house Internal Audit Department functionally reporting to Audit Committee & administratively reporting to Director (Finance).
- Department of Public Enterprise has formulated Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010. The Company is complying with these guidelines.

## 8. SUBSIDIARY COMPANIES - MONITORING FRAMEWORK

The Company nominates its representatives on the Board of subsidiary companies. Further, the minutes of the meetings of the Board of Directors of subsidiary companies are put up to the Company's Board, from time to time. In terms of Regulation 24 of SEBI (LODR) Regulations, 2015 and DPE guidelines on Corporate Governance, performance of the subsidiary companies is, inter-alia, reviewed by the Audit Committee and the Board as under:

- (i) investments made by unlisted subsidiary companies;
- (ii) consolidated financial statements comprising of financial statements of subsidiary companies etc.,
- (iii) periodical statement of significant transactions and arrangements entered into by the Company's subsidiary companies

In terms of Regulation 46 of SEBI (LODR) Regulations, 2015, the Company has formulated a 'Policy for Material Subsidiary(s)'. The same is available at the website of the Company at <https://www.gailonline.com/pdf/InvestorsZone/GAILMaterialSubsidiarypolicyFinal2021.pdf>.

The Company does not have any material unlisted subsidiary company in terms of the SEBI (LODR) Regulations, 2015 and DPE guidelines on Corporate Governance for Central Public Sector Enterprises, 2010.

## 9. COMPLIANCE CERTIFICATE

The Certificate from the Auditors of the Company, confirming compliance with the conditions of Corporate Governance as stipulated under Schedule V (E) of the SEBI (LODR) Regulations, 2015 and DPE Guidelines on Corporate Governance, is annexed to this Report.



## Auditors' Certificate on Corporate Governance

### To the members of GAIL (India) Limited

We have examined the compliance of conditions of Corporate Governance by GAIL (India) Limited ("the Company") for the year ended March 31, 2023, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations - 2015") and Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 issued by Department of Public Enterprise (DPE Guidelines).

### Management Responsibility

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations - 2015 and DPE guidelines.

### Auditors' Responsibility

1. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
2. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance of the conditions of the Corporate Governance requirements by the Company.
3. We conducted our examination of the relevant records of the Company in accordance with the Guidance Note on Reports or Certificates for special purposes (Revised 2016) issued by the Institute of Chartered Accountants of India (ICAI). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI. We have complied with the relevant applicable requirements of the Standard on Quality (SQ) 1, Quality Control for firms that perform audits and reviews of historical financial information, and other assurance and related service engagements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 and in DPE Guidelines, except:

- a) As stated in Para No. 3C(ii) of the Corporate Governance Report, in view of exemption provided to government companies for complying the provisions of Section 134(3)(p) vide notification dated June 5, 2015 issued by Ministry of Corporate Affairs, the Company has not complied with regulation 17 (10) of the Listing Regulations- 2015, which requires performance evaluation of independent directors by the entire board of directors and regulation 25 (4) of the Listing Regulations - 2015, which requires review of performance of non-independent directors, the chairperson and the board of directors as a whole. However, the similar exemption under listing agreement is under consideration with Securities and Exchange Board of India.
- b) The National Stock Exchange of India Limited and BSE Limited have levied monetary fines for non-compliance under regulation 17,18,19 , 20 & 29 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 against which the company has submitted responses along with the waiver requests. However, NSE vide letter dated 21<sup>st</sup> September, 2022 & 1<sup>st</sup> June, 2023 imposed fine for non-compliance of Regulation 19 (for the quarter ended September 30, 2020 to December 31, 2021) & Regulation 29 (Period ended 31<sup>st</sup> May, 2022) respectively.

We further state that such compliance is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the management has conducted the affairs of the Company.

### Restrictions on use

The certificate is addressed and provided to the members of the Company solely for the purpose of complying with the requirement of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 and in DPE Guidelines, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

### For A.R. & Co.

Chartered Accountants  
Firm Registration No: 002744C

Sd/-

**Priyanshu Jain**

Partner

Membership No. 530262

UDIN : 23530262BGWUIK1227

**Place: New Delhi**

**Date: 14.07.2023**

### For Gandhi Minocha & Co.

Chartered Accountants  
Firm Registration No: 00458N

Sd/-

**Manoj Bhardwaj**

Partner

Membership No. 098606

UDIN : 23098606BGSSOD2237

**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2023**  
**{Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of**  
**The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014}**

**To,**  
**The Members,**  
**GAIL (India) Limited**

We have conducted the Secretarial Audit of compliance of applicable statutory provisions and adherence to good corporate practices by **GAIL (India) Limited** (hereinafter called GAIL/the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the GAIL's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and Compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by GAIL for the financial year ended on 31<sup>st</sup> March, 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (vi) Compliances/processes/systems under other specific applicable Laws (as applicable to the industry), as listed below, to the Company are being verified on the basis of periodic certificate under internal compliance system submitted to the Board of Directors of the Company:
  - 1) The Petroleum Act, 1934
  - 2) The Petroleum Rules, 2002
  - 3) The Oilfields (Regulation and Development) Act, 1948
  - 4) The Petroleum and Natural Gas Rules, 1959
  - 5) The Petroleum and Minerals Pipelines (Acquisition of Right of User in Land) Act, 1962
  - 6) The Explosives Act 1884 and Indian Explosives Rules 1983
  - 7) The Gas Cylinders Rules 2004
  - 8) Oil Industry Development Act, 1974
  - 9) The Petroleum and Natural Gas Regulatory Board Act, 2006
  - 10) The Solvent, Raffinate and Slop (Acquisition, Sale, Storage and Prevention of Use in Automobiles) Order, 2000
  - 11) The Petroleum and Natural Gas Regulatory Board (Exclusivity for City or Local Natural Gas Distribution Network) Regulations, 2008
  - 12) The Petroleum Products (Maintenance of Production, Storage and Supply) Order, 1999
  - 13) Environment Protection Act, 1986 and Environment (Protection) Rules, 1986
  - 14) Hazardous Wastes (Management and Handling) Rules, 1989
  - 15) The Noise Pollution (Regulation and Control) Rules, 2000
  - 16) Water (Prevention and Control of Pollution) Cess Act, 1977 and Water (Prevention and Control of Pollution) Cess Rules, 1978
  - 17) Batteries (Management and Handling) Rules, 2001
  - 18) The Central Motor Vehicles Rules, 1989
  - 19) The Water (Prevention and Control of Pollution) Act, 1974
  - 20) The Air (Prevention and Control of Pollution) Act, 1974
  - 21) Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989

- 22) Static and Mobile Pressure Vessels (Unfired) Rules, 1981 as amended by the SMPV (U) Rules, 1999
- 23) Indian Forest Act, 1927
- 24) The Ozone Depleting Substances (Regulation and Control) Rules, 2000
- 25) The Information Technology Act, 2000
- 26) The Indian Telegraph Act, 1885 and the Indian Telegraph Rules, 1951
- 27) The Indian Wireless Telegraphy (Commercial Radio Operators Certificate Proficiency and License to Operate Global Maritime Distress and Safety System) Rules, 1994
- 28) The Indian Wireless Telegraphy Act, 1933
- 29) The Mines Act, 1952.
- 30) The Arms Act, 1959.

We have also examined compliance with the applicable clauses of the following:

- (a) Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government.
- (b) The Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015; Equity Listing Agreement with National Stock Exchange of India Limited & BSE Limited, Debt Listing Agreement with NSE and GDR Listing with London Stock Exchange.
- (c) DPE Guidelines on Corporate Governance for CPSE (DPE Guidelines).

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, subject to the following observation:

#### Observation No. 1

*Non-Compliance of Regulation 29(2)/29(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015: The Company has delayed in furnishing prior*

*intimation about the meeting of the board of director held on 27.05.2022 for dividend.*

**We further report that** the Company has complied with the requirements pertaining to the composition of the Board of Directors, which is to be constituted as per the Companies Act, 2013, DPE Guidelines and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

**We further report that** the Company has complied with the SDD compliances as per the Regulation 3(5) and 3(6) of SEBI (PIT) Regulations, 2015.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period, no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above has occurred in the Company.

**We further report that** the National Stock Exchange of India Limited and BSE Limited have levied monetary fine for non-compliance under Regulation 29(2)/29(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015 against which the Company has submitted responses along with the waiver requests. Based on the Company's waiver request, NSE has waived the fine levied.

NSE has imposed an aggregate fine of ₹ 58,72,860/- for non-compliance under Regulation(s) 17(1), 17(2A), 18(1), 19(1)(2), 20, 21 of the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015 related to composition of Board and sub-committees of the Board. GAIL requested for waiver of fine. NSE vide letter no. NSE/LIST/SOP/0697 dated 21.09.2022 has reduced the aggregate fine of ₹ 58,72,860/- to ₹ 10,66,720/- which was duly paid by the Company.

**For Agarwal S. & Associates,**  
Company Secretaries,  
ICSI Unique Code: P2003DE049100  
Peer Review Cert. No.: 2725/2022

Sd/-

**CS Garima Grover**  
Partner  
ACS No. : 27100  
C.P No. : 23626

**Date: 09.05.2023**  
**Place: New Delhi**  
UDIN: A027100E000273161

This report is to be read with our letter of even date which is annexed as "**Annexure A**" and forms an integral part of this report.

To,  
The Members,  
**GAIL (India) Limited**

Our report of even date is to be read along with this letter.

- (i) Maintenance of secretarial records is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records, based on our inspection of records produced before us for Audit.
- (ii) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, followed provide a reasonable basis for our opinion.
- (iii) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and our report is not covering observations/comments/ weaknesses already pointed out by the other Auditors.
- (iv) Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.
- (v) The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis and to give our opinion whether Company has proper Board-processes and Compliance-mechanism in place or not.
- (vi) The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Agarwal S. & Associates,**  
Company Secretaries,  
ICSI Unique Code: P2003DE049100  
Peer Review Cert. No.: 2725/2022

Sd/-  
**CS Garima Grover**  
Partner  
ACS No. : 27100  
C.P No. : 23626

**Date: 09.05.2023**  
**Place: New Delhi**



**Bird's eye view of Butterfly Garden at GAIL Gaon Township, Pata**

**Annual Report on Corporate Social Responsibility (CSR) activities (Pursuant to Section 135 of the Companies Act, 2013, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 [Including any statutory modification(s) or re-enactment(s) for the time being in force]**

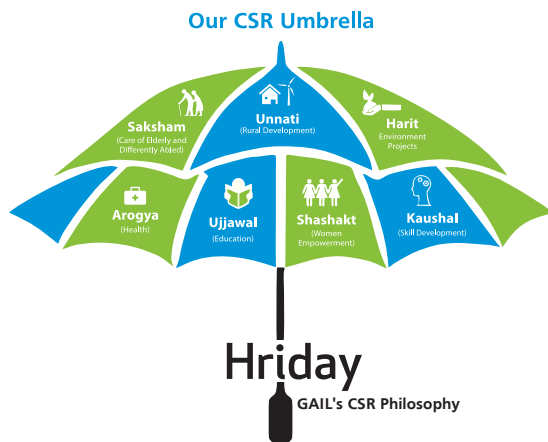
**1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY**

Your Company remains committed towards taking up CSR projects that benefit the communities in & around its work centres and results over a period of time, in enhancing the quality of life & economic well-being of the local populace. Your Company adopts a multi-stakeholder approach, collaborating with communities, government and non-government organisations, academic institutions and others, in an effort to identify emerging issues, develop projects and effectively respond to challenges. Your Company endeavours to follow best practices in identifying, implementing, sustaining and monitoring its CSR interventions to maximize sustainability, scalability and transparency. Your Company believes that responding to the needs of the people, benefiting communities and protecting the environment will ultimately lead to the goal of sustainable progress of the larger community.

In alignment with the vision of the Company, CSR Policy outlines that through its CSR initiatives, your Company strives to enhance value creation in the society/community in which it operates, through its services, conduct and initiatives to promote sustained growth for the society and community with environmental concern.

A robust monitoring mechanism is in place to ensure transparency and effectiveness of CSR programmes. Periodic monitoring is conducted through various mechanisms such as site visits, regular project reporting, documentary evidence, impact assessment of projects, video conferencing etc.

While your company has undertaken CSR projects and programmes on various subjects and areas as identified in Schedule VII of the statute, based on our experience of working with the communities surrounding our business areas, your company has chosen seven fields as the **focus areas** for intervention from among those prescribed in Schedule VII. These seven focus areas remain at the heart of all our CSR interventions and have been appropriately termed GAIL *Hriday*.



CSR initiatives of your Company have benefited more than 14,70,000 people in various geographies of the Nation in FY 2022-23.

Under GAIL *Arogya*, healthcare facilities were extended to the underprivileged population through doorstep medical care facility provided through operation of Mobile Medical Units which consist of qualified team of professionals including an MCI Registered MBBS Doctor, Pharmacist, ANM (Auxiliary Nurse and Midwife) and a Lab Technician. Other projects under GAIL *Arogya* include operation of STI (Sexually Transmitted Infections) clinics, providing nutrition kits to the malnourished women & children, organising health camps, provision of medical equipment in Government Hospitals and working towards providing clean drinking water and sanitation facilities. GAIL CSR is also supporting the construction and redevelopment of Shri Badrinath Dham town as a spiritual smart town through extension of Hospital and Public Service Building, which will be state of the art facility for providing medical support to the pilgrims. The various health initiatives undertaken by your Company have helped bridge gaps in existing health infrastructure and have touched around 13,00,000 lives during the year.



Beneficiaries of Mobile Medical Unit of GAIL

Under GAIL *Kaushal*, around 2,500 individuals were provided skill training in trades related to hydrocarbon sector, plastic product manufacturing etc. Vocational training was also provided to visually impaired beneficiaries. The majority of these trained beneficiaries have been gainfully employed in various sectors with each beneficiary contributing to the growth in their respective household incomes.



Youth undergoing Skill Training at GAIL Institute of Skills, Guna, M.P.

CSR initiatives under GAIL *Ujjawal* aided in providing and supporting quality education to over 30,000 students by promoting education to underprivileged students in rural and urban slums, infrastructure support in Government schools and support for Atal Innovation Mission of Government of India in Madhya Pradesh. Under project GAIL *Utkarsh*, 210 students were provided free residential coaching



for Engineering/Medical entrance examinations at 3 Utkarsh centres- Kanpur, Varanasi and Haldwani. GAIL *Utkarsh*, marked another resounding success this year with all 100 students from its Kanpur centre qualifying for the JEE Mains 2023 examination. Besides this, 47 out of 50 students from the Haldwani centre (Uttarakhand) and 28 of 30 students from the all-girls centre in Varanasi (UP) also cleared the prestigious JEE MAINS Exam. This is the second year in a row when GAIL *Utkarsh* saw 100 % success in JEE Mains from its Kanpur centre. The overall success rates this year is 97.76% by combining all 3 centres i.e. Kanpur, Haldwani and Varanasi in JEE Mains 2023.



Shri Ayush Gupta, Director (HR), GAIL felicitating a *Utkarsh* 100 successful student

Aids and assistance devices along with capacity building and skill development support were provided to approximately 7800 persons with disabilities (PwDs) under GAIL *Saksham*. The initiative has helped in empowering the PwDs in gaining confidence and a sense of dignity, reduction in dependency on others, as well as more access to livelihood opportunities.

Further, following is the status w.r.t the other mandatory CSR targets:

| Item   | Actual Achieved (in ₹) |
|--|------------------------|
| Total CSR Expenditure in FY 2022-23  | 99.1 crores (2.18%)    |
| Thematic Area<br>(Health & Nutrition)                                      | 60.31 crores           |
| - Against the target of around 60% of total CSR spends i.e. ₹ 59.46 crores |                        |

The implementation and monitoring of the CSR Projects is in compliance with CSR objectives and CSR Policy of the Company. Further, fund disbursed for CSR activities have been utilized for the purpose and in manner as approved by the Board.

## 2. COMPOSITION OF THE CSR COMMITTEE

In compliance with the provisions of Section 135(1) of the Companies Act, 2013, as on 31.03.2023, the CSR Committee of the Board comprises of:

| Sl. No. | Name of Director                       | Designation/ Nature of Directorship                                     | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|--|---|--|--|
| 01.     | Sh Manoj Jain<br>(Up to 31.08.2022)    | Chairman & Managing Director/ Chairperson CSR Committee                 | 1  | 1  |
| 02.     | M V Iyer<br>(Up to 02.10.2022)         | (Member: 01.02.2022 – 31.08.2022)<br>(Chairman 01.09.2022 – 02.10.2022) | 1  | 1  |
| 03.     | Sh. Sandeep Gupta<br>w.e.f. 03.10.2022 | Chairman & Managing Director/ Chairperson CSR Committee                 | 2  | 2  |

In a move to make the revered ghats at Varanasi pollution free, GAIL CSR under its *Harit* initiatives is supporting the conversion of petrol/diesel boats to CNG boats in association with Varanasi Nagar Nigam. On 07.07.2022 Hon'ble Prime Minister, Shri Narendra Modi dedicated 500 boats to the Nation, which have been converted to run on the environment-friendly Compressed Natural Gas (CNG) from petrol and diesel.

### Collaborative projects under CSR

As part of its collaborative initiatives, your Company has extended support towards six Skill Development Institutes (SDIs) over the years, viz. SDI- Raebareli, Bhubaneswar, Kochi, Visakhapatnam, Ahmedabad and Guwahati. These SDIs have been set up through collaborative efforts of Oil PSEs under the aegis of Ministry of Petroleum & Natural Gas and are in line with "Skill India Mission" of Government of India. In FY 2022-23, your Company has extended support of ₹ 2.75 crores towards operational expenses of 03 nos. of Skill Development Institutes (SDIs) viz. SDI- Raebareli, Ahmedabad and Guwahati. GAIL is also supporting the collaborative initiatives of OIL PSUs under the aegis of MoPNG for *Pradhanmantri Ujjawala Yojana*. GAIL has contributed ₹ 27.29 crores towards the same in FY 2022-23.

Taking forward the Hon'ble Prime Minister's vision for transformation of aspirational districts, GAIL has taken up development activities in the aspirational districts and has incurred an expense of ₹ 12.87 crores.

Working towards the cause of *Swachhata*, GAIL has taken up projects and activities of a value of ₹ 36.51 crores under *Swachhata Action Plan* for the year 2022-23.

The total CSR Expenditure for the FY 2022-23 is ₹ 99.1 crores. i.e. 2.18% of the avg. net profit of the preceding three years after setting off the excess expenditure of previous financial years.

| Sl. No. | Name of Director   | Designation/ Nature of Directorship         | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|--------------------|---|--|--|
| 04.     | Sh. Ayush Gupta    | Director (HR)/ Member, CSR Committee        | 2  | 2  |
| 05.     | Sh. Akhilesh Jain  | Independent Director/ Member, CSR Committee | 3  | 3  |
| 06.     | Sh. Sanjay Kashyap | Independent Director/ Member, CSR Committee | 3  | 3  |

**3. Provide the web-link where composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the company.**

- (i) Web-link of Composition of CSR Committee: <https://gailonline.com/RTI.html>  
(ii) Web-link of CSR Policy: <https://gailonline.com/CSRPolicy.html>  
(iii) Web-link of CSR projects approved by the Board: <https://www.gailonline.com/pdf/CSR/CSRProjectsFY202223.pdf>

**4. Provide the executive summary along with web-links of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable**

In pursuance to sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules 2014, impact assessment of eligible CSR projects have been carried out by independent agencies in FY 2022-23. The reports are available on the link : <https://www.gailonline.com/CSRIndex.html> (Impact Assessment Reports).

Executive Summaries of respective projects are attached at **Annexure E1**.

**5. (a) Average net profit of the company as per sub-section (5) of section 135: ₹ 8252.64 crore**

**(b) Two percent of average net profit of the company as per sub-section (5) of section 135: ₹ 165.05 crore**

**(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years – Nil**

**(d) Amount required to be set-off for the financial year, if any: ₹ 74.27 crore**

**(e) Total CSR obligation for the financial year (b+c-d): ₹ 90.78 crore**

**6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): Amount spent – ₹ 94.12 crore,**

**(b) Amount spent in Administrative Overheads: ₹ 4.49 crore**

**(c) Amount spent on Impact Assessment, if applicable: ₹ 0.49 crore**

**(d) Total amount spent for the Financial Year (a+b+c): ₹ 99.1 crore**

**(e) CSR amount spent or unspent for the Financial Year:**

| Total Amount Spend for the Financial Year.<br>(in. ₹ Crores) | Amount Unspent (in ₹ Crores)   |                  |  |         |                  |
|--|--|------------------|--|---------|------------------|
|  | Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135. |                  | Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135. |         |                  |
|  | Amount.  | Date of transfer | Name of Fund   | Amount. | Date of transfer |
| 99.1   | NA   | NA               | NA   | NA      | NA               |

**(f) Excess amount for set off, if any**

| Sl. No. | Particular   | Amount (in ₹ crore) |
|---------|--|---------------------|
| (i)     | Two percent of average net profit of the company as per sub-section (5) of section 135 (after setting off of excess expenditure of previous years) | 90.78               |
| (ii)    | Total amount spent for the Financial Year  | 99.1                |
| (iii)   | Excess amount spent for the financial year [(ii)-(i)]  | 8.32*               |
| (iv)    | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any  | Nil                 |
| (v)     | Amount available for set off in succeeding financial years [(iii)-(iv)]  | 8.32                |

\*Total CSR obligation for FY 2022-23 is ₹ 90.78 crore as per 5(e) above. Excess amount spent for the current financial year has been calculated accordingly as ₹ 8.32 crore (₹ 99.1 crore - ₹ 90.78 crore)

- 7. Details of Unspent CSR amount for the preceding three financial years: NIL
- 8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Nil, no assets have been created or acquired through CSR for GAIL.

If Yes, enter the number of Capital assets created/ acquired – Not Applicable.

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

| Sl. No. | Short particulars of the property or asset(s)             | Pincode of the property or asset(s) | Date of creation | Amount of CSR amount spent (in ₹) | Details of entity/ Authority/ beneficiary of the registered owner |      |                    |
|---------|---|-------------------------------------|------------------|-----------------------------------|---|------|--------------------|
|         | [Including complete address and location of the property] |                                     |                  |                                   | CSR Registration Number, if applicable                            | Name | Registered Address |
| (1)     | (2)   | (3)                                 | (4)              | (5)                               | (6)   |      |                    |
| NA      |   |                                     |                  |                                   |   |      |                    |

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/ Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

- 9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135 : Not Applicable

Sd/-  
**Ayush Gupta**  
 Director (HR)  
 (DIN: 09681775)

Sd/-  
**Sandeep Kumar Gupta**  
 Chairman & Managing Director and Chairman,  
 CSR Committee  
 (DIN: 07570165)



GAIL, Pata Petrochemical Plant

### Third-Party Impact Assessment Study of eligible CSR Projects of FY 2019-20 and FY 2020-21 through KPMG

#### Project 1: Project Arogya - Health Care facilities through operation of 50 MMUs in various states

**Project Objective:** Provision of basic free healthcare services to under privileged segment with limited access to the established public Health Care system through Mobile Medical Units.

**Key stakeholders:**

GAIL, doctors, pharmacists, and nurses of the MMU Vans, beneficiaries in project locations, implementing agency.

**Output of the project:** Improved and increased access to basic healthcare services.

**Outcome of the project:**

- i. Access to free medicines and timely treatment.
- ii. Improvement in health and fitness post-intervention.
- iii. Reduction in expenditure on health post-intervention.
- iv. Increase in awareness regarding health (prevention and cure).

#### Project 2: Project Arogya - Health Care facilities through operation of 06 MMUs in multiple states

**Project objective:** Provision of basic healthcare services to under privileged segment with limited access to the established Public Health Care system through Mobile Medical Units

**Key Stakeholders:** GAIL, doctors, pharmacists, and nurses of the MMU Vans, beneficiaries in project locations of Kharupetia & Dalgaon at Darrang (Assam), Udham Singh Nagar (Uttarakhand), Ballia (UP) and Sialha (Mizoram), implementing agency.

**Output of the project:** Improved and increased access to basic healthcare services.

**Outcome of the Project:**

- i. Access to free medicines and timely treatment.
- ii. Improvement in health and fitness post-intervention.
- iii. Reduction in expenditure on health post-intervention.
- iv. Increase in awareness regarding health (prevention and cure).

#### Project 3: GAIL Utkarsh Super 100 – Support for specialized residential coaching for Engineering entrance at

##### (i) Dwarahat, Uttarakhand- 40 beneficiaries

##### (ii) Srinagar, Uttarakhand- 40 beneficiaries

**Project objective:** To provide specialized coaching for IIT/JEE, and other engineering entrance examinations for underprivileged children at Dwarahat and Srinagar, Uttarakhand.

**Key Stakeholders:** GAIL, students from the coaching institute, GAIL Utkarsh Uttarakhand project head, GAIL Utkarsh Uttarakhand subject teacher, implementing agency.

**Output of the project:** Increased access to higher education from premier institutes.

**Outcome of the Project:**

- i. Improved access to coaching facilities and higher education for students belonging to economically weaker sections of the society.

- ii. Reduced financial burden on parents for higher education coaching due to free residential coaching facility.
- iii. Improved academic performance of students and increased interest in studies.
- iv. Improvement in the living standard of family by reducing inequality across the social strata.

#### Project 4: GAIL Utkarsh Super 100 – Support for specialized residential coaching for Engineering entrance at Kanpur, Uttar Pradesh- 100 beneficiaries

**Project objective:** To provide specialized coaching for IIT/JEE and other engineering entrance examinations to underprivileged children at Kanpur (UP).

**Key Stakeholders:** GAIL, students from the coaching institute, GAIL Utkarsh Kanpur project head, GAIL Utkarsh Kanpur institute subject teachers, implementing agency.

**Output of the project:** Increased access to higher education from premier institutes.

**Outcome of the Project:**

- i. Improved access to coaching facilities and higher education for students belonging to economically weaker sections of society.
- ii. Reduced financial burden on parents for higher education coaching due to free residential coaching facility.
- iii. Improved academic performance of students and increased interest in studies.
- iv. Improvement in the living standard of the family by reducing inequality across the social strata.

#### Project 5: Support for Distribution of Aids & Assistive Devices to Divyangjans in Various States

**Project objective:** To empower the PwDs by providing assistive aids and equipment required by them.

**Key Stakeholders:** GAIL, *Divyangjans* in 5 districts (primary beneficiaries of the project in Haridwar, Kashipur, Auraiya, Shivpuri, Dhenkanal), implementing agency.

**Output of the project:** Improved access to aids and assistive devices amongst PwDs leading to reduction in challenges faced due to disabilities.

**Outcome of the project:**

- i. Improved awareness on aids and assistive devices.
- ii. Improved access and mobility among the *divyangjans*.
- iii. Improved quality of living of the *divyangjans*.
- iv. Reduced dependency of the *divyangjans* on family members/ caretakers.

#### Project 6 : Support towards flood relief and rehabilitation activities in flood affected regions of Karnataka

**Project objective:** Providing disaster relief support to those affected during floods.

**Key Stakeholders:** GAIL, Fire station representative, Beneficiaries.

**Output of the project:** Improved and timely disaster response leading to reduction in challenges faced during disasters.

**Outcome of the project:**

- i. Improved preparedness while conducting rescue operation.
- ii. Increased efficiency of rescue workers/ staff.
- iii. Reduced recovery period and increased resilience.

**Project 7: Support for job linked skill training at GAIL Skill Schools Guna (Madhya Pradesh)**

**Project objective:** To instill economic security and stability among youth through skill training and holistic development thereby facilitating enhanced access to opportunities in Industry jobs or through self-employment.

**Key stakeholders:** GAIL, training partner, beneficiaries (students from the GAIL skill school, Guna M.P).

**Output of the project:** Improved access to vocational skills leading to increased employment opportunities for youth belonging to economically weaker sections of the society

**Outcome of the Project:**

- i. Improved access of youth to vocational skill training.
- ii. Improved employment opportunities and enhanced standard of living for youth belonging to economically weaker sections of the society.
- iii. Improved availability of trained youth for employment opportunities in the organized sector.
- iv. Empowerment of the weaker sections of the society.
- v. Improved economic and social stability of youth from marginalized communities.

**Project 8: Support for job linked skill training at GAIL Schools Nagaram (Andhra Pradesh)**

**Project Objective:** To instill economic security and stability among youth through skill training and holistic development thereby facilitating enhanced access to opportunities in Industry jobs or through self-employment.

**Key stakeholders:** GAIL, training partner, beneficiaries (students from the GAIL skill school, Nagaram, Andhra Pradesh).

**Output of the project:** Improved access to vocational skills leading to increased employment opportunities for youth belonging to economically weaker sections of the society.

**Outcome of the project:**

- i. Improved access of youth to vocational skill training.
- ii. Improved employment opportunities and enhanced standard of living for youth belonging to economically weaker sections of the society.
- iii. Improved availability of trained youth for employment opportunities in the organized sector.
- iv. Empowerment of the weaker sections of the society.
- v. Improved economic and social stability of youth from marginalized communities.

**Project 9: Support for development activity under Swachh Bharat and related missions in North Guwahati, Kamrup district**

**Project Objective:** To enhance cleanliness in Kamrup, provide safe drinking water and provision renewable and clean energy.

**Key stakeholders:** GAIL, student beneficiaries from government schools, teachers and principals from government schools,

stakeholders from district administration, implementing agency.

**Output of the project:** Improved access to RO water plants and solar hybrid power packs in government schools and improved access to tricycle dustbins to district administration, leading to reduction in challenges faced due to unavailability of safe drinking water, renewable and clean energy, and inadequate waste collection.

**Outcome of the project:**

- i. Improved access to clean drinking water in government schools.
- ii. Improved access to renewable and reliable energy in government schools.
- iii. Improved sanitation and waste collection facilities in the district.
- iv. Positive community perception of the intervention.

**Project 10: Support under Swachh Bharat missions for Swachha equipment's like tipper, dust bins in Guna, Madhya Pradesh**

**Project Objective:** To enhance the cleanliness and extending support towards Swachh Bharat Mission.

**Key stakeholders:** GAIL, members from municipal corporations from the districts of Guna, Shivpuri and Raghogarh, implementing agency, waste collectors, beneficiaries from Guna, Shivpuri and Raghogarh.

**Output of the project:** Improved access to garbage disposal vehicles in the districts, leading to improvement in waste collection and disposal and enhanced health and hygiene in the community.

**Outcome of the project:**

- i. Overall improvement in the waste collection and segregation process due to the provision of tipper and dustbins.
- ii. Holistic improvement in the socio-economic well-being of waste collectors /manual scavengers.
- iii. Improvement in awareness creation regarding waste segregation in the districts.
- iv. Improved hygiene and sanitation in the districts due to an improved waste collection and segregation system.

**Project 11: Support under Swachh Bharat Missions for Providing Mechanical Garbage collecting machine to BBMP, Bangalore**

**Project Objective:** To assist in the implementation of the Swachh Bharat Mission in Bengaluru, thereby improving the city's cleanliness and making it pollution-free.

**Key stakeholders:** GAIL, Bruhat Bengaluru Mahanagara Palika (BBMP), waste collectors, beneficiaries.

**Output of the project:** Increased access to energy-efficient waste disposal machines and improved household-level waste collection.

**Outcome of the project:**

- i. Improvement in waste collection and segregation process in the area.
- ii. Improved hygiene and sanitation in the city.
- iii. Transitioning to cleaner fuel options leading to reduction in air pollution in the long run.
- iv. Contribution to local economy by creating employment opportunities like garbage collection vehicle drivers, vehicle maintenance, etc.
- v. Increased awareness among the local community regarding waste segregation.

### Project 12: Support for provision of Smart classes, Sanitary pads vending machines and infrastructure in Rudraprayag, Uttarakhand

**Project Objective:** To provide education infrastructure support in 15 Government schools in Rudraprayag, Uttarakhand.

**Key stakeholders:** GAIL, students across 15 schools (primary beneficiaries of the project in Augustyamuni, Basukedar, Bhiri, Chauriya, Chopta, Ghangasu Bangar, Kot Bangar, Kothgi, Maaltoli, Sidhssaud, Guptkashi, Rudraprayag, Phata, Budhna, Ukhimath in Rudraprayag district of Uttarakhand), teachers and staff from the schools, parents of the students, implementing agency.

**Output of the project:** Improved infrastructure in schools leading to improved learning environment.

#### Outcome of the project:

- i. Improved access to infrastructure and other facilities (blackboards, library, and smart classes) in the schools leading to increased attendance and interest in studies.
- ii. Improved access to safe and clean drinking water for the students through the provision of RO water purifiers.
- iii. Improved health and hygiene of female students in the schools through provision of sanitary pads vending machine.

### Project 13: Support for Renovation of GHS School, Munderi, Dist. Kannur, Kerala

**Project Objective:** To provide financial support for renovation for GHS School, Munderi, Kannur District, Kerala for ground development work

**Key stakeholders:** GAIL, Students in the schools (primary beneficiaries), parents of the students, teachers, and other staff in the school, implementing agency.

**Output of the project:** Improved enrolment of students as well as increased participation of the students in extracurricular activities.

#### Outcome of the project:

- i. Improvement in academic performance of the students.
- ii. Increased attendance of the students in school.
- iii. Increased interest in extracurricular activities and improved physical health.
- iv. Increased interest in studies.

### Project 14: Support for construction of toilets in Government Schools in Barpeta, Assam

**Project Objective:** To provide sanitation facility in Government Schools to maintain cleanliness

**Key stakeholders:** GAIL, Students of government schools (primary beneficiaries of the project in Barpeta), teachers, principals, and other staff in the schools, implementing agency.

**Output of the project:** Improved sanitation and cleanliness in schools.

#### Outcome of the project:

- i. Improved health of the students.
- ii. Improved attendance and academic performance of the students.
- iii. Improved facilities in the toilets constructed.
- iv. Improved community perception on the importance of using toilets.

### Project 15: Support for provision of toilets in government Co-Educational schools in Rajahmundry parliamentary constituency

**Project Objective:** To provide sanitation facility in schools to maintain cleanliness.

**Key stakeholders:** GAIL, beneficiaries from government schools including school children and teachers/ school principals, implementing agency.

**Output of the project:** Improved sanitation and cleanliness in schools.

#### Outcome of the project:

- i. Improved access to toilets and sanitation facility for students.
- ii. Improved attendance and academic performance of school students.
- iii. Improved overall sanitation and hygiene in the Government schools.
- iv. Increase in attendance and retention rate for female students.

### Project 16: Support for strengthening of district hospital services in Khunti Sadar Hospital, Dist. Khunti, Jharkhand

#### Project Objective:

- i. To provide comprehensive secondary health care (specialist and referral services) to the community through the District Hospital in Khunti.
- ii. To achieve and maintain an acceptable standard of quality of healthcare.
- iii. To make the services more responsive and sensitive to the needs of the people of the district and the hospitals/centres from where the cases are referred to the district hospitals.

**Key stakeholders:** GAIL, doctors and other administrative staff in the hospital, district office, beneficiaries.

**Output of the project:** Improved and timely access to quality healthcare services for the community along with affordable treatment and reduction in high-risk pregnancy.

#### Outcome of the project:

- i. Increased access to quality healthcare services to the community members.
- ii. Improved quality of healthcare facilities and services in the district hospital.
- iii. Timely detection of diseases and treatment available at the district hospital.
- iv. Reduction in high-risk pregnancy.

### Project 17: Support towards refurbishing of 20 Anganwadi Centre (AWCs) and converting them into model AWCs, at Dist. Giridih, Jharkhand

#### Project Objective:

- i. To enhance the quality of innovative IT infrastructure, thus enabling the AWCs to become more child-centric.
- ii. To have an Integrated Technology Solution in the AWC to enhance the Learning Experience of the children.
- iii. Development of appropriate digital content on the identified hard spots mapped to the curriculum to make learning more interactive, effective, and interesting for the children.
- iv. Capacity building of Anganwadi teachers on using ICT, Pedagogy and content integration, delivery of multimedia content.

**Key stakeholders:** GAIL, Anganwadi workers (Primary beneficiaries of the project in 20 Anganwadi centres in Giridih, Jharkhand), parents of the children in Anganwadi centres, Zila Samaj Kalyan Padadhikari (Giridih), Children attending the Anganwadi centres.

**Output of the project:** Improvement in the early childhood learning levels of the children and their retention in Anganwadi centres along with capacity building of teachers in terms of content delivery.

**Outcome of the project:**

- i. Access to better infrastructure for the children.
- ii. Improved access to healthcare facilities at the Anganwadi centres.
- iii. Increased attendance of children in Anganwadi centres.
- iv. Increased overall development of the children.

**Project 18: GAIL Harit: Support for establishment of sustainable green cover to combat the problem of air pollution in the urban areas of Delhi**

**Project Objective:** To establish sustainable green cover via mass afforestation and vertical gardens to combat the problem of air pollution in Delhi/NCR.

**Key stakeholders:** GAIL, implementing agency, beneficiaries - local community.

**Output of the project:** Increase in plant cover in the urban areas of Delhi/NCR and increase in awareness on importance of afforestation among the community members.

**Output & Outcome of the project:**

- i. Curbing air pollution in urban areas of Delhi/ NCR.
- ii. Conservation of soil at the plantation site.
- iii. Recreational benefits for the local community.

**Project 19: Support for supply & installation of steel dust bins for Nagar Nigam in Varanasi, Uttar Pradesh**

**Project Objective:** Improved access to better sanitation & waste disposal facilities for the people of Varanasi.

**Key Stakeholders:**

GAIL, implementing agency, representatives from the Varanasi Nagar Nigam and beneficiaries (community members using the dustbins).

**Output of the project:** Improvement in overall sanitation through the provision of steel dustbins.

**Outcome of the project:**

- i. Regular usage of dustbins leading to improvement in waste collection process in Varanasi.
- ii. Improved awareness regarding the importance of waste disposal and segregation among the population.
- iii. Improvement in sanitation and hygiene across the city of Varanasi.

**Project 20: Support for 5000 metallic tree guards to district administration in Varanasi, Uttar Pradesh**

**Project Objective:** To provide 5000 metallic tree guards to the district administration in Varanasi.

**Key Stakeholders:**

GAIL, implementing agency, district administration.

**Output of the project:** Reduced felling of trees/plants and improved growth of the saplings.

**Outcome of the project:**

- i. Improvement in protection of green cover/saplings and trees.
- ii. Increased awareness creation regarding importance of protection of trees.
- iii. Improved quality of air.
- iv. Reduction in soil erosion.

**Project 21: Support for development works under CSR in Tuni, East Godavari, Andhra Pradesh: Supply and erection of RO water plants**

**Project Objective:** To install water purifying plants in identified locations of Andhra Pradesh and provide clean and safe drinking water to school children and general public at Panchayat locations.

**Key Stakeholders:**

GAIL, beneficiaries in the school (students in the schools being the primary beneficiaries), teachers and other staff in the schools, community members in the targeted villages (primary beneficiaries), implementing agency.

**Output of the project:** Increased access to clean and safe drinking water for students and community members.

**Outcome of the project:**

- i. Improved accessibility to clean drinking water.
- ii. Improved health of students.
- iii. Increased attendance of students in schools.
- iv. Positive community perception.

**Project 22: Support for Installation of Hand Pumps in Auraiya, Uttar Pradesh**

**Project Objective:** To improve drinking water availability in the rural communities in Auraiya.

**Key Stakeholders:**

GAIL, beneficiaries in Auraiya district, implementing agency.

**Output of the project:** Increased availability of water (drinking purposes, other purposes) through provision of handpumps.

**Outcome of the project:**

- i. Increased and improved access to clean drinking water facilities in Auraiya.
- ii. Reduction in time invested to fetch water which can be utilized by community members in other productive activities leading to enhancement of their socio-economic conditions.
- iii. Improved WASH conditions in rural communities.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO AS PER SECTION 134(3) OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (ACCOUNTS) RULES, 2014

### A. CONSERVATION OF ENERGY

#### I. The steps taken or impact on conservation of energy:

Aspiring to be a sustainable organization, GAIL is continuously adopting energy-efficient practices and implementing smart technologies under the ambit of ISO-50001: Energy Management System, which reflects our commitment to energy conservation and environment. Following major energy conservation initiatives have been taken at our installations across the country

##### a. Installation of Variable Frequency Drive (VFD) in DM Water transfer pump at Vijaipur:

VFD has been installed and commissioned in DM water transfer pump motor (Rating-75 KW) to regulate and control the motor speed, in February 2023. It is estimated that this will save approx. 1,65,000 units of electricity consumption per year.

##### b. Rectification of steam traps in C2C3 unit at Vijaipur:

A comprehensive audit of the steam network installed in the C2C3 unit was carried out and a detailed database of steam traps prepared besides their operational status, application and location. All faulty steam traps were replaced along with installation of new traps wherever required. This resulted in savings of approx. 9.5 tonnes per hour (TPH) steam. Estimated Natural Gas saving as fuel is approx. 4.18 MMSCM per year

##### c. Commissioning of Grid Power Supply at Compressor Stations:

Kailaras Compressor station has shifted from GEG power to Grid power w.e.f. July 2022. This has resulted in electrical energy saving of approx. 9,51,200 kWh per year on account of electrical load optimization after Grid supply as non-essential electrical load required for stable GEG operation has been stopped.

##### d. Recovery of condensate water from PRDS system and HVAC system at LPG unit Vijaipur:

In-house modifications were carried out to connect the condensate header of PRDS system and HVAC system at LPG unit to suspect condensate header of C2C3 unit for utilization of condensate water. These projects aimed to conserve natural resources while reducing the effluent load on waste-water treatment plants and saved fresh water consumption of approx. 2,32,000 m<sup>3</sup> per year

##### e. Installation of modern and new age energy efficient equipment:

At GAIL sites, there is a continuous drive to replace old and lesser energy efficient equipment with modern and new age energy efficient equipment to increase reliability and enhance safety. Some major initiatives taken in this direction are mentioned below

- Automated operation of GAC (Gas after cooler) fan Motor of GTC's at Khera Compressor Station by implementing PLC logic control using temperature as regulating parameter for starting and stopping the fans. Significant Electrical energy savings is anticipated as only 02 nos. of GAC fan are being required/running as per process requirement at night and during winters against 05 nos. of GAC fan running before modification. The estimated energy saving is approx. 3,88,952 kWh in FY 2022-23.
  - Energy Efficient Motors in Service water pumps, gas after coolers, HRSG and CWP were installed at Vaghodia. The estimated saving of approx. 1,44,000 kWh per year.
  - Retrofitting/ replacements of conventional HPMV/HPSV lamps & other lighting systems with energy efficient LED fittings & lighting systems at various installations of GAIL. The estimated saving of approx. 4,01,215 kWh per year
  - 200 KVAR Capacitor Bank installed and commissioned at GAIL Bhawan Mumbai to improve power factor and will also contribute in reducing energy consumption.
  - Replacement of old and energy inefficient AC systems with energy efficient star rated AC systems at various installations of GAIL. This will also improve the electrical energy consumption.
  - 2815 nos. of HPMV/ Fluorescent light fittings were replaced with LED fixtures in FY 2022-23 at GAIL, Pata resulting in energy savings of 10,95,218 Kwh.
- #### f. Replacement of Economizer blocks of Utility Boilers in Power Plant at GAIL, Pata
- Economizer blocks in Power Plant-2 were replaced with Economizer blocks of improved design. Total 204 nos. of Coils and 400 SqM of insulation were replaced. About 4300 MMKCAL of fuel energy per annum is expected to be saved with new arrangement.
- #### g. LP Steam header integration for Gas Cracker Unit (GCU) & Power Plant at GAIL, Pata
- This integration shall enable to save energy lost during steam let down (VHP to LP) in GCU-2. This has potential to save ~4000 MMKCAL of thermal (fuel) energy on annualized basis.
- #### h. Steam Trap Sustenance Management Program at GAIL, Pata
- Steam loss reduction through repair/replacement of faulty steam traps is being carried out extensively in Pata Petrochemical complex. In FY 2022-23, total 650 nos. of faulty steam traps have been rectified, thereby contributing to thermal energy savings of 46,270 MMKCAL.
- #### i. VHP steam header interconnection between PC-I and PC-II steam networks
- VHP steam header interconnection between PC-I and PC-II steam networks has resulted in optimized running of boiler units and resulted in improved operational efficiency and flexibility.



- j. Insulation revamping of 02 nos. of furnaces in GCU-1 has resulted in improved efficiency and heat loss reduced by 2227 MMKCAL on annualized basis.
- k. Complete Cold insulation & cladding replacement job for Ethylene Tower condenser, its Reflux Drum and De-Ethanizer Feed heater etc., in GCU-1.

## II. The steps taken by the company for utilizing alternate sources of energy:

### a. Green Hydrogen Blending in NG in CGD Network:

In line with the National Hydrogen Mission, green hydrogen blending in City Gas Distribution (CGD) network of AGL, Indore increased from 2% to 5%. The Impact Study on CGD /NG pipeline network due to various levels of Hydrogen blending in NG is also being carried out through SME consultant.

### b. Installation and Commissioning of Solar Power Plants:

Solarisation of installations is a continuous effort to harness the solar potential and on this front 1545 KWp grid-connected and off-grid solar power plants have been installed and commissioned at various locations of GAIL as under:

- **JLPL Network:** 103 KWp Grid-connected Solar power plants
  - **Gandhar:** 267 KWp Grid-connected Solar power plant
  - **Mumbai Region:** 64 KWp Grid-connected Solar power plant
  - **Vaghodia:** 190 KWp Grid-connected Solar power plant
  - **Dibiyapur Region:** 182 KWp Grid-connected Solar power plant
  - **Khera:** 20 KWp off-grid Solar power plant
  - **Kochi:** 10 KWp Grid-connected Solar power plant
  - **Vadodara:** 209 KWp Grid-connected Solar power plant
  - **Pata:** 500 KWp Grid-connected Solar power plant
- c. Wind power generation credit:** Wind power generation credit has been availed for wheeling of wind energy, generated by wind power plants installed in Gujarat, through GETCO network for the following locations.
- Hazira
  - Gandhar
  - Vaghodia
  - Samakhiali
  - Kandla
- d. Replacement of 125 KVA Diesel Generator with 125 KVA Gas Engine Generator at GAIL Rajahmundry.**

## III. The capital investment on energy conservation equipment

The capital investment on energy conservation equipment is approx. ₹~27 crore as per the following details

| Brief description of the Project  | Capital Investment (₹ in Lakhs) |
|---|---------------------------------|
| Roof Top Solar Power Systems at various GAIL installations  | 1227                            |
| Replacement of Economizer blocks of Utility Boilers in Power Plant-II at GAIL, Pata   | 669                             |
| Replacement of HPMV/Fluorescent light fittings with LED fixtures, GAIL Pata   | 200                             |
| Retrofitting/replacements of conventional HPMV/HPSV lamps & other lighting systems with low wattage energy efficient LED fittings | 194                             |
| Roof Top Solar at GAIL Pata (500 KWp)   | 180                             |
| Rectification of steam traps in C2C3 unit area  | 106                             |
| Steam Trap Sustenance Management Program at GAIL, Pata  | 95                              |
| Replacement of old & obsolete equipment's with energy efficient equipment's   | 25                              |
| Installation of VFD in DM Water transfer pump motor   | 11                              |
| <b>TOTAL</b>  | <b>2707</b>                     |

## B. TECHNOLOGY ABSORPTION

### I. The efforts made towards technology absorption:

GAIL has adopted Micro-Tunneling Trenchless Technology (MTT) for laying pipeline under the river bed for GAIL's Barauni Guwahati Pipeline Project where Horizontal Direction Drilling (HDD) had difficulty in execution.

GAIL has a policy to periodically review the technological obsolescence of installed equipment/instruments and upgrade them with latest state of the art, reliable and safer systems. At various units of GAIL, many such upgradations as mentioned below have been taken up:

- a. First time implementation of End Point Security (EPS) system for DCS system of OT network at LPG unit Vijaipur, which improves the cyber security of DCS network from external cyber-attacks and also improves the reliability.
- b. Online Continuous Emission Monitoring System (OCEMS) installed in LEF-1 & 2, PRU-1 & 2, RG Heater 1 & 2, Package Boiler stacks of LPG & C2C3 units at Vijaipur for compliance of CPCB/MPCB statutory guidelines.
- c. Upgradation of Siemens PCS7 system for Siemens Gas turbine SGT700 units installed in C2C3 recovery unit at Vijaipur to latest platform, which improves the cyber security.
- d. 02 Non-Piggable Pipeline sections under NCR Region were inspected using Large-Standoff non-contact magnetometry method and achieved approximate 90% confidence level.
- e. Integration of Electrical Meters at VAPL Terminals with SCADA for remote monitoring of power consumption at each station.

- f. Installation of Real-time Ambient Noise Monitoring system in HVJ compressor station at Vijaipur near DVPL-HRSG.
- g. Use of Automated Ultrasonic Thickness Measurement Technique in Corrosive Service pipelines and vessels at GAIL, Pata.
- h. Online Bathymetric survey (to find out underwater silt level) of all six Raw Water Reservoirs at GAIL,Pata.
- i. Digitization of the Fault sensing mechanism of Electrical Protection System: Replacement of electromechanical relays with numerical relays.
- j. Replacement of 6.6KV SF6 Circuit breakers with Vacuum Circuit Breakers for enhanced safety.
- k. Replacement of Automatic Voltage regulator unit with digital Automatic Voltage regulator for fast & accurate voltage control in STG.
- l. Upgradation of Boiler Ignitor System
- m. PLC and frontend upgradation in different units of the plant

**II. The benefits derived like product improvement, cost reduction, product development or import substitution:**

Various benefits have been realized through technology deployment/technological upgradation by various GAIL units such as:

- Successful laying of Pipeline across the river in hilly terrains where presence of boulders makes HDD execution very difficult.

- Energy efficiency improvement through optimization of resources
- Addressing Climate Change issues and Decarbonization
- Improved system reliability
- Enhanced process safety and safety preparation
- Contribution towards making self-reliant India
- Better Regulatory Compliance

**III. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year), following information may be furnished:**

NA

**IV. Expenditure on R&D /Innovation initiatives**

GAIL allocates adequate budget for R&D/ Innovation initiatives to carry out break through research works in collaborative mode with various research institutes and to implement innovative developmental projects at various GAIL facilities.

This year GAIL has spent Rs.180.62 Crore under the R&D/ Innovation initiatives

**C. Foreign exchange earnings and currency outgo**

During FY 2022-23, Foreign exchange inflows were ₹ 28,136.38 crore and Foreign Currency outflows were ₹ 69,228.61 crore.



Fresh water body at GAIL, Vijaipur

## Form No. AOC-2

{Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014}

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.**

**1. Details of contracts or arrangements or transactions not at arm's length basis –**

GAIL (India) Limited has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2022-23.

**2. Details of material contracts or arrangement or transactions at arm's length basis :-**

- a. **Name(s) of the related party and nature of relationship** – Petronet LNG Limited (PLL) which is a joint venture of GAIL (India) Limited.
- b. **Nature of contracts/arrangements/transactions** – Purchase of Regasified Liquefied Natural Gas (RLNG) and utilization of Regasification facilities of LNG Terminal(s).
- c. **Duration of the contracts / arrangements/transactions** – Gas Sales Purchase Agreement(s) (GSPA) dated 26.09.2003, 31.03.2010 (Amended on 15.12.2017) and Regasification Services Agreement dated 06.09.2012 which are ongoing.
- d. **Salient terms of the contracts or arrangements or transactions including the value** – Petronet LNG Limited to provide regasification facilities, supply of RLNG (Long term and Spot). Transactions with Petronet LNG Limited for FY 2022-23 were ₹ 35,304.57 crore.
- e. **Date(s) of approval by the Board, if any** – Not applicable, since the contract was entered into in the ordinary course of business and on arm's length basis.
- f. **Amount paid as advances, if any** – NIL

For and on behalf of the Board

Sd/-

**Sandeep Kumar Gupta**  
**Chairman & Managing Director**  
**(DIN: 07570165)**

GAIL, Pata Petrochemical Plant



# BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT



## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (BRSR) FY 2022-23

### SECTION A: GENERAL DISCLOSURES

#### I. Details of the listed entity

|     |   |   |
|-----|---|---|
| 1.  | Corporate Identity Number (CIN) of the Listed Entity:   | L40200DL1984GOI018976                                   |
| 2.  | Name of the Listed Entity:  | GAIL (India) Limited                                    |
| 3.  | Year of incorporation:  | 16/08/1984  |
| 4.  | Registered office address:  | 16, Bhikaiji Cama Place, R K Puram, New Delhi - 110066  |
| 5.  | Corporate address:  | 16, Bhikaiji Cama Place, R K Puram, New Delhi - 110066  |
| 6.  | E-mail:   | shareholders@gail.co.in                                 |
| 7.  | Telephone:  | +91 1126182955  |
| 8.  | Website:  | https://gailonline.com                                  |
| 9.  | Financial year for which reporting is being done:   | 2021-22   |
| 10. | Name of the Stock Exchange(s) where shares are listed:  | Equity shares listed at NSE and BSE. GDRs listed at LSE |
| 11. | Paid-up Capital:  | INR 6575.10 crore                                       |
| 12. | Name and contact details (telephone, email address)of the person who may be contacted in case of any queries on the BRSR report:  |   |
|     | DIN Number  | 07570165  |
|     | Name  | Sandeep Kumar Gupta                                     |
|     | Designation   | CMD   |
|     | Telephone Number  | 011-26102077  |
|     | Email id:   | cmd@gail.co.in  |
| 13. | Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together) | Standalone  |

#### II. Products/services

##### 14. Details of business activities (accounting for 90% of the turnover):

| S. No. | Description of Main Activity         | Description of Business Activity  | % of Turnover of the entity |
|--------|--------------------------------------|---|-----------------------------|
| 1      | Natural Gas Marketing                | Marketing of Natural Gas, Biofuels  | 87%                         |
| 2      | Natural Gas and LPG Transmission     | Transmission of Natural Gas and LPG through pipeline                                  | 5%                          |
| 3      | Petrochemicals                       | Production and Marketing of Polyethylene and Polypropylene                            | 3%                          |
| 4      | Other Liquid Hydrocarbons Production | Production and Marketing of LPG, Propane, Pentane, Naphtha etc.                       | 3%                          |
| 5      | Renewable Energy                     | Generation of Electricity (Wind and Solar) and Sale through Power Purchase Agreements | *                           |

\*The Power service and other products /services contributes 2% to the total turnover

##### 15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

| S. No. | Product/Service   | NIC Code | % of total Turnover contributed |
|--------|---|----------|---------------------------------|
| 1      | Solid, liquid, and gaseous fuels and related products- Crude petroleum and natural gas (NG Trading)   | 99611912 | 87%                             |
| 2      | Plastics in Primary form (Petchem)  | 99611715 | 3%                              |
| 3      | Transport via pipeline of Natural Gas (NG Transmission)<br>Transport services via pipeline of other goods not elsewhere classified (n.e.c) (LPG Transmission) | 99651312 | 5%                              |
| 4      | Solid, liquid, and gaseous fuels and related products not elsewhere classified (n.e.c) – Liquid Hydrocarbons (LHC)  | 99611919 | 3%                              |
| 5      | Electricity (Wind and Solar Power)  | 99611970 | *                               |

\*The Power service and other products /services contributes 2% to the total turnover

## III. Operations

## 16. Number of locations where plants and/or operations/offices of the entity are situated: (to confirm)

| Location      | Number of plants  | Number of offices   | Total |
|---------------|---|---|-------|
| National      | 5 Gas Processing Plants, 1 Petrochemical Plant,<br>9 LPG Pumping/ Dispatch Terminal,<br>8 Natural Gas Compressor Stations | 13 Zonal Marketing Offices<br>13 Pipeline Head Quarter<br>2 Training Institutes | 51    |
| International | 0   | 04  | 04    |

## 17. Markets served by the entity:

## a. Number of locations

| Locations                        | Number   |
|----------------------------------|--|
| National (No. of States)         | <b>22 States:</b> Uttar Pradesh, Himachal Pradesh, Madhya Pradesh, West Bengal, Tripura, Odisha, Telangana, Andhra Pradesh, Tamil Nadu, Kerala, Karnataka, Maharashtra, Gujarat, Rajasthan, Haryana, Assam, Chhattisgarh, Jharkhand, Uttarakhand, Bihar, Punjab, Goa<br><b>04 Union Territory:</b> Delhi, Chandigarh, Puducherry, Dadra Nagar Haveli |
| International (No. of Countries) | Four:<br>1. Singapore: GAIL Global (Singapore) Pte Limited<br>2. USA: GAIL Global (USA) Inc. and GAIL Global (USA) LNG LLC<br>3. Russia: LLC Bharat Energy Office, Moscow<br>4. Myanmar- GAIL's office   |

## b. What is the contribution of exports as a percentage of the total turnover of the entity?

The total contribution of exports as a percentage of the total turnover is 0%.

## c. A brief on types of customers:

In Natural Gas Marketing, the most prominent customers of GAIL are:

- **Fertilizer Sector:** The prime consumer of Natural Gas is Fertilizer sector, which accounts for 38% of our gas distribution
- **Power Sector:** GAIL supplies more than 10% of the gas consumed by gas-based power plants
- **CGD sector:** GAIL supplies 25% of the gas to City Gas Distribution companies for supply of gas in CNG (T) and PNG (D) segment.
- **Others:** It includes Steel, Refineries, Sponge iron, Petrochemical, etc. which accounts for 15% of our gas distribution.
- **Overseas:** GAIL sale 12% of natural gas overseas

Natural Gas Transportation: Natural Gas Pipeline Infrastructure connects various gas sources to different gas markets to meet the existing/future natural gas demand of various Powers, Fertilizer, City Gas Distribution (CGD) and other industries in the Country.

GAIL annually caters to requirement of industrial customers across many sectors to meet their requirement of LLDPE & HDPE.

In Liquid Hydrocarbon segment, our prominent customers are various industries, domestic, commercial and auto sector.

## IV. Employees

## 18. Details as at the end of Financial Year:

## a. Employees and workers (including differently abled)\*:

| S. No.           | Particulars              | Total (A) | Male    |           | Female  |           |
|------------------|--------------------------|-----------|---------|-----------|---------|-----------|
|                  |                          |           | No. (B) | % (B / A) | No. (C) | % (C / A) |
| <b>EMPLOYEES</b> |                          |           |         |           |         |           |
| 1.               | Permanent (D)            | 4000      | 3722    | 93.05     | 278     | 6.95      |
| 2.               | Other than Permanent (E) | NIL       | NIL     | NIL       | NIL     | NIL       |
| 3.               | Total employees (D + E)  | 4000      | 3722    | 93.05     | 278     | 6.95      |
| <b>WORKERS</b>   |                          |           |         |           |         |           |
| 4.               | Permanent (F)            | 823       | 789     | 95.87     | 34      | 4.13      |
| 5.               | Other than Permanent (G) | 17501     | 17030   | 97.31     | 471     | 2.69      |
| 6.               | Total workers (F + G)    | 18324     | 17819   | 97.24     | 505     | 2.76      |

\*Including Board Members (Full-time), CVO and Permanent Employee: 4823

## b. Differently abled Employees and workers:

| S. No.                             | Particulars                    | Total (A) | Male      |               | Female   |               |
|------------------------------------|--------------------------------|-----------|-----------|---------------|----------|---------------|
|                                    |                                |           | No. (B)   | % (B / A)     | No. (C)  | % (C / A)     |
| <b>DIFFERENTLY ABLED EMPLOYEES</b> |                                |           |           |               |          |               |
| 1.                                 | Permanent (D)                  | 63        | 57        | 90.48%        | 6        | 9.52%         |
| 2.                                 | Other than Permanent (E)       | 0         | 0         | 0             | 0        | 0             |
| 3.                                 | <b>Total employees (D + E)</b> | <b>63</b> | <b>57</b> | <b>90.48%</b> | <b>6</b> | <b>9.52%</b>  |
| <b>DIFFERENTLY ABLED WORKERS</b>   |                                |           |           |               |          |               |
| 4.                                 | Permanent(F)                   | 34        | 29        | 85.29%        | 5        | 14.71%        |
| 5.                                 | Other than Permanent (G)       | 0         | 0         | 0             | 0        | 0             |
| 6.                                 | <b>Total workers (F + G)</b>   | <b>34</b> | <b>29</b> | <b>85.29%</b> | <b>5</b> | <b>14.71%</b> |

## 19. Participation/Inclusion/Representation of women

|                                 | Total (A)                          | No. and percentage of Females |           |
|---------------------------------|------------------------------------|-------------------------------|-----------|
|                                 |                                    | No. (B)                       | % (B / A) |
| <b>Board of Directors</b>       | 12                                 | 1                             | 8.33      |
| <b>Key Management Personnel</b> | 1 (Excluding Whole Time Directors) | 0                             | 0         |

## 20. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

|                            | FY 2022-23 (Turnover rate in current FY) |        |       | FY 2021-22 (Turnover rate in previous FY) |        |       | FY 2020-21 (Turnover rate in the year prior to previous FY) |        |       |
|----------------------------|--|--------|-------|---|--------|-------|---|--------|-------|
|                            | Male                                     | Female | Total | Male                                      | Female | Total | Male  | Female | Total |
| <b>Permanent Employees</b> | 4.29%                                    | 5.39%  | 4.37% | 4.82%                                     | 3.73%  | 4.75% | 2.84%   | 3.77%  | 2.91% |
| <b>Permanent Workers</b>   | 2.61%                                    | 0%     | 2.55% | 2.16%                                     | 2.74%  | 2.19% | 2.43%   | 2.63%  | 2.44% |

The turnover rate has been calculated as per the guidance from [Guidance Note for Business Responsibility & Sustainability Reporting Format](#)

## V. Holding, Subsidiary and Associate Companies (including joint ventures)

## 21. (a) Names of holding / subsidiary / associate companies / joint ventures

| S. No. | Name of the holding / subsidiary/ Associate companies/ joint ventures (A) | Indicate whether holding/ Subsidiary/ Associate/ Joint Venture | % of shares held by listed entity | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No) |
|--------|---|--|-----------------------------------|--|
| 1.     | GAIL Gas limited  | Subsidiary   | 100.00                            | Yes  |
| 2.     | Tripura Natural Gas Company Limited                                       | Subsidiary   | 48.98                             | Yes  |
| 3.     | Konkan LNG Limited  | Subsidiary   | 93.50                             | Yes  |
| 4.     | GAIL Global (USA) Inc.  | Subsidiary   | 100.00                            | No   |
| 5.     | GAIL Global (Singapore)- Pte Ltd.   | Subsidiary   | 100.00                            | No   |
| 6.     | Bengal Gas Company Limited  | Subsidiary   | 88.13                             | No   |
| 7.     | Aavantika Gas Limited   | Joint Venture  | 49.99                             | Yes  |
| 8.     | Bhagyanagar Gas Limited   | Joint Venture  | 48.73                             | No   |
| 9.     | Central UP Gas Limited  | Joint Venture  | 25.00                             | Yes  |
| 10.    | Green Gas Limited   | Joint Venture  | 49.98                             | No   |
| 11.    | Indraprastha Gas Limited  | Associate  | 22.50                             | Yes  |
| 12.    | Indradhanush Gas Grid Limited   | Joint Venture  | 20.00                             | No   |
| 13.    | LLC Bharat Energy Office  | Associate  | 20.00                             | No   |
| 14.    | LNG Japonica Shipping Corporation Limited                                 | Associate  | 26.00                             | No   |
| 15.    | Mahanagar Gas Limited   | Associate  | 32.50                             | Yes  |
| 16.    | Maharashtra Natural Gas Limited   | Joint Venture  | 22.50                             | Yes  |
| 17.    | ONGC Petro Additions Limited (OPaL)                                       | Associate  | 49.21                             | Yes  |
| 18.    | ONGC Tripura Power Company (OTPC)   | Associate  | 26.00                             | Yes  |
| 19.    | Talcher Fertilizers Limited   | Joint Venture  | 33.33                             | No   |
| 20.    | Vadodara Gas Limited (VGL)  | Joint Venture  | 50.00                             | No   |



| S. No. | Name of the holding / subsidiary/ Associate companies/ joint ventures (A) | Indicate whether holding/ Subsidiary/ Associate/ Joint Venture | % of shares held by listed entity | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No) |
|--------|---|--|-----------------------------------|--|
| 21.    | Petronet LNG Limited  | Associate  | 12.50                             | Yes  |
| 22.    | Fayuom Gas Company  | Associate  | 19.00                             | No   |
| 23.    | China Gas Holding Limited   | Associate  | 2.76                              | No   |
| 24.    | TAPI Pipeline Company   | Joint Venture  | 5.00                              | No   |
| 25.    | Ramagundam Fertilizers and Chemicals Limited                              | Associate  | 14.72                             | No   |
| 26.    | Brahmaputra Cracker and Polymer Limited (BCPL)                            | Associate  | 70.00                             | Yes  |

**VI. CSR Details**

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes  
(ii) Turnover (in ₹): 1,43,976 crores (Gross Turnover- Standalone) (FY2022-23)  
(iii) Net worth\* (in ₹): 50,859.54 crore (FY2022-23)  
\*as per Companies' Act

**VII. Transparency and Disclosures Compliances**

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

| Stakeholder group from whom complaint is received   | Grievance Redressal Mechanism in Place (Yes/ No) (If yes, then provide web-link for grievance redress policy)                            | FY 2022-2023 Current Financial Year        |  |   | FY 2021-2022 Previous Financial Year       |  |   |
|---|--|--|--|---|--|--|---|
|   |  | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks   | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks   |
| Communities   | Yes  | 261  | 0  | These complaints are tracked through CPGRAMS portal.  | 243  | 0  | These complaints are tracked through CPGRAMS portal.  |
| Investors (other than shareholders)<br>Shareholders | Yes<br><a href="https://www.gailonline.com/IZQuarterlyCompliances.html">https://www.gailonline.com/IZQuarterlyCompliances.html</a> (CST) | 1209                                       | 0  |   | 12   | 0  | GAIL shares combined data for investors and Shareholders.   |
| Employees and workers                               | Yes  | 38   | 0  | 37 Nos received by Employee Relations department in Online Grievance System and 01 Nos received in CPGRAMS      | 10   | 0  |   |
| Customers   | Yes<br>Through customer value management survey, customer satisfaction survey  | 74   | 0  | 0   | 62   | 0  | The received customer complaints were successfully resolved with team's cooperation. No complaints were pending at the year end.  |
| Value Chain Partners                                | Yes  | 7  | 0  | These complaints are tracked through CPGRAMS portal.  | 28   | 0  | These complaints are tracked through CPGRAMS portal.  |
| Other (please specify)                              | Yes  | 34   | 0  | These 34 complaints are tracked through CPGRAMS portal (this no. excludes value chain partners and communities) | 79   | 0  | Out of these 79 complaints, 76 are tracked through CPGRAMS portal (this no. excludes value chain partners and communities) and 03 are from Independent External Monitors (IEM). |

## 24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

| S. No. | Material issue Identified  | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity  | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|--------|--|--|---|--|--|
| 1      | Resource Optimization and Operational Excellence (waste management, water management, energy management) | Opportunity                                | <p>At GAIL, we always strive for optimum utilization of resources. We are disposing our high calorific waste to cement industry as a fuel in cement kiln for co-processing.</p> <p>In energy management, we are actively exploring ways to expand our renewable power consumption, offsetting, improving and optimization process efficiency through Energy Audit, ISO 50001.</p>   |  | Positive   |
| 2      | Business Growth  | Opportunity                                | GAIL currently operates ~17,600 km of Natural Gas and LPG pipeline network and markets two-third of the total amount of natural gas sold in the country. Additionally, 4,200 km of pipeline are under different stages of execution. Becoming a natural gas-based economy by increasing its share to 15% in the primary energy mix by 2030 is important to India's energy strategy. The GoI has a vision of establishing 'one nation one gas grid', indicating their commitment to build a gas-based economy. This nation-wide momentum has provided GAIL with the space for expansion. |  | Positive   |
| 3      | Stakeholder relationship management  | Opportunity                                | GAIL directly interacts with its local communities, customer, and other stakeholders to identify the most pressing needs, understand the lives of the less privileged, and provide appropriate strategic solutions. GAIL understands the favorable and adverse impact of its business operations on local communities and strives to minimize them. Stakeholder engagement helps GAIL in identifying evolving needs of its stakeholders and planning required actions to address the needs for continued business growth.   |  | Positive   |
| 4      | Net Zero/ Decarbonization  | Opportunity                                | GAIL is committed towards developing decarbonization capabilities in line with Government of India's vision. To achieve the above targets, the Company is currently in the process of developing a Net-Zero strategy roadmap by incorporating Science-Based Targets.  |  | Positive   |
| 5      | Human Capital Management (Employee wellbeing, employee engagement, diversity, and inclusion)             | Opportunity                                | GAIL recognizes the importance of having a strong human capital. Strong human capital helps us in maintaining our consistent business growth and contributing to the development of society at large. The Company takes various efforts to ensure that the employees are provided with conducive work environment and growth opportunities. As a result, the company's total employee turnover rate is 4.06%, which is a testament to its strong human capital management.  |  | Positive   |

| S. No. | Material issue Identified                               | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity   | In case of risk, approach to adapt or mitigate   | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|--------|---|--|--|--|--|
| 6      | Health and Safety (customers, employees, and suppliers) | Risk                                       | Owing to our nature of business Health & Safety of our employees is a major risk for us. However, we take consistent efforts to avoid any health and safety related incidents. | Occupational Safety and health of the employees is of paramount importance to GAIL. The Company's investment in developing new assets is always assessed through the process for identification of hazards associated and risk analysis. At GAIL, all projects are approved for implementation only after the HAZOP study and Risk analysis. This helps us in not only reducing the risk associated but also enables us to take preventive measures at regular intervals. Effective emergency preparedness & response measures are also available at various installations of GAIL | Negative   |

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

- P1 Business should conduct and govern themselves with Ethics, Transparency and Accountability**
- P2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle**
- P3 Businesses should promote the wellbeing of all employees**
- P4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized**
- P5 Businesses should respect and promote human rights**
- P6 Business should respect, protect, and make efforts to restore the environment**
- P7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**
- P8 Businesses should support inclusive growth and equitable development**
- P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner**

| Disclosure Questions  | P 1      | P 2   | P 3      | P 4      | P 5      | P 6   | P 7      | P 8         | P 9    |
|---|----------|-------|----------|----------|----------|-------|----------|-------------|--------|
| <b>Policy and management processes (Y= Yes)</b>   |          |       |          |          |          |       |          |             |        |
| 1. a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)   | Y        | Y     | Y        | Y        | Y        | Y     | Y        | Y           | Y      |
| b. Has the policy been approved by the Board? (Yes/No)  | Y        | Y     | Y        | Y        | Y        | Y     | Y        | Y           | Y      |
| c. Web Link of the Policies, if available   | Ref A, B | Ref D | Ref F, I | Ref D, I | Ref F, I | Ref D | Ref A, D | Ref E, D, I | Ref D, |
| All policies relevant to external stakeholders are hosted on GAIL Website: <a href="http://www.gailonline.com">http://www.gailonline.com</a> on following address.  |          |       |          |          |          |       |          |             |        |
| A. Code of Conduct  |          |       |          |          |          |       |          |             |        |
| 1. Board Members and Senior Management Personnel<br><a href="https://gailonline.com/pdf/InvestorsZone/CodeofConductason09042019.pdf">https://gailonline.com/pdf/InvestorsZone/CodeofConductason09042019.pdf</a> |          |       |          |          |          |       |          |             |        |

| Disclosure Questions   | P 1   | P 2      | P 3                     | P 4  | P 5   | P 6                                | P 7                           | P 8                          | P 9   |
|--|---|----------|-------------------------|--|---|------------------------------------|-------------------------------|------------------------------|-------|
|  | <p>2. Code of Fair Disclosure and Conduct- Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information<br/> <a href="https://gailonline.com/pdf/InvestorsZone/GAIL-Principles-of-Fair-Disclosures.pdf">https://gailonline.com/pdf/InvestorsZone/GAIL-Principles-of-Fair-Disclosures.pdf</a></p> <p>3. Code of Conduct to regulate, monitor and report trading by insiders - insider trading code<br/> <a href="https://gailonline.com/pdf/InvestorsZone/GAIL-Insider%20Trading%20Code%202018-10.04.2019.pdf">https://gailonline.com/pdf/InvestorsZone/GAIL-Insider%20Trading%20Code%202018-10.04.2019.pdf</a></p> <p>B. Fraud Prevention Policy - <a href="https://gailonline.com/pdf/others/FraudPreventionPolicy.pdf">https://gailonline.com/pdf/others/FraudPreventionPolicy.pdf</a></p> <p>C. MoU between GAIL (India) Ltd and TII<br/> <a href="https://gailonline.com/pdf/others/MOU-With-TII-23rd.July-2007.pdf">https://gailonline.com/pdf/others/MOU-With-TII-23rd.July-2007.pdf</a></p> <p>D. Sustainability Development Policy<br/> <a href="https://www.gailonline.com/pdf/Sustainability/Sustainability%20Policy10-02-2020.pdf">https://www.gailonline.com/pdf/Sustainability/Sustainability%20Policy10-02-2020.pdf</a></p> <p>E. GAIL CSR Policy <a href="https://gailonline.com/CSR_Policy.html">https://gailonline.com/CSR_Policy.html</a></p> <p>F. Re-Constitution of internal complaints committee in terms of Sexual Harassment of Women at Workplace<br/> <a href="https://gailonline.com/pdf/others/PolicyforPreventionProhibitionAndRedressalOFSexualHarassmentOfWomenAtWorkplace25042023.pdf">https://gailonline.com/pdf/others/PolicyforPreventionProhibitionAndRedressalOFSexualHarassmentOfWomenAtWorkplace25042023.pdf</a></p> <p>G. (1) GAIL Material Subsidiary Policy<br/> <a href="https://gailonline.com/pdf/InvestorsZone/GAILMaterialSubsidiarypolicyFinal2021.pdf">https://gailonline.com/pdf/InvestorsZone/GAILMaterialSubsidiarypolicyFinal2021.pdf</a><br/> (2) GAIL Related Party Transaction Policy<br/> <a href="https://gailonline.com/pdf/InvestorsZone/GAILRelatedPartyTransactionPolicyMarch2022.pdf">https://gailonline.com/pdf/InvestorsZone/GAILRelatedPartyTransactionPolicyMarch2022.pdf</a><br/> (3) GAIL Policy for determination of Materiality and Disclosure<br/> <a href="https://gailonline.com/pdf/InvestorsZone/GAILPolicyforDeterminationofMaterialityandDisclosure06102022.pdf">https://gailonline.com/pdf/InvestorsZone/GAILPolicyforDeterminationofMaterialityandDisclosure06102022.pdf</a></p> <p>H. Dividend Distribution Policy -<br/> <a href="https://gailonline.com/pdf/InvestorsZone/GAIL%20Dividend%20Distribution%20Policy.pdf">https://gailonline.com/pdf/InvestorsZone/GAIL%20Dividend%20Distribution%20Policy.pdf</a></p> <p>I. Policy on Diversity of Board of Directors -<br/> <a href="https://gailonline.com/pdf/InvestorsZone/Policy%20on%20Diversity%20of%20Board.pdf">https://gailonline.com/pdf/InvestorsZone/Policy%20on%20Diversity%20of%20Board.pdf</a></p> <p>J. Whistle Blower Policy<br/> <a href="https://gailonline.com/pdf/others/Circular_Whistle%20Blower%20Policy_12.02.2019-english.pdf">https://gailonline.com/pdf/others/Circular_Whistle%20Blower%20Policy_12.02.2019-english.pdf</a></p> |          |                         |  |   |                                    |                               |                              |       |
| 2. Whether the entity has translated the policy into procedures. (Yes/No)  | Yes   | Yes      | Yes                     | Yes  | Yes   | Yes                                | Yes                           | Yes                          | Yes   |
| 3. Do the enlisted policies extend to your value chain partners? (Yes/No)  | Yes   | Yes      | Yes                     | Yes  | Yes   | Yes                                | Yes                           | Yes                          | Yes   |
| 4. Name of the national and international codes/ certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle. | Provisions of SEBI (Listing Obligation and Disclosure Requirements, 2015  | ISO 9001 | OHSAS 18001 / ISO 45001 | Schedule II Part D (3) of the SEBI Regulations, 2015 | Schedule II Part D (3) of the SEBI Regulations, 2015, Sec. 2(78) of Companies Act 2013 etc. | ISO 14001 ISO 50001 Greenco Rating | SDGs and National Commitments | Section 135 of Companies Act | SDGs  |
| 5. Specific commitments, goals and targets set by the entity with defined timelines, if any. *   | Ref A   | Ref B    | Ref C                   | Ref D  | Ref E   | Ref F                              | Ref G                         | Ref D, H, I,                 | Ref J |
|  | <p>*GAIL (India) Limited is a Government Company under the administrative control of the Ministry of Petroleum &amp; Natural Gas (MoP&amp;NG). It has signed MoU with MoP&amp;NG which includes targets, and it is expected to achieve the targets set for the given reporting period. These targets are related to economic parameters like revenue, Total return to shareholders, Capex, EBITA etc., as well as expenditure on R&amp;D / innovation initiatives, procurement from MSMEs (marginalized groups and women), compliance with Company's Act etc. It also includes expansion of the National Gas Grid (NGG), Growth of Petrochemicals portfolio including PDHPP, and Cracker, investment in CGDs, etc. for the next decade for fostering the growth of GAIL.</p>  |          |                         |  |   |                                    |                               |                              |       |

| Disclosure Questions  | P 1   | P 2   | P 3   | P 4   | P 5   | P 6   | P 7   | P 8        | P 9   |
|---|---|-------|-------|-------|-------|-------|-------|------------|-------|
|   | <p>A. GAIL has committed to comply with the provision in Companies Act, 2013 (or SEBI (LODR) regulations in case of listed entities) on Corporate Governance such as: (i) Composition of Board of Directors (ii) Board Committees (Audit Committee, CSR Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee etc.) (iii) Holding Board Meetings (iv) Disclosure and Transparency</p> <p>B. Target for minimum expenditure on R&amp;D/innovation initiatives is INR 145.12 Crores for FY 2022-23</p> <p>C. The Company has celebrated National Safety Week, observed Fire Services Week, World Environment Day and conducted other multiple seminars, programs, workshop, Onsite and Offsite mock drills for emergency preparedness and Health &amp; Safety improvement of Human Resources in CPSEs</p> <p>D. Procurement and timely payment to Micro Small and Medium Enterprises (25% of Procurement of goods and services through MSEs (including 4% from SC/ST MSEs and 3% from Women MSEs).</p> <p>E. GAIL (India) Limited is a public sector enterprise and has targets of zero non-compliance of human rights.</p> <p>F. Target to develop 3 GW renewable energy by 2030</p> <p>G. GAIL (India) Limited is a public sector enterprise and participates in official public consultation related to its business.</p> <p>H. DPE Guidelines on: (i). Guidelines on accessible India Campaign (Sugamya Bharat Abhiyan) (ii). Guidelines on implementation of the Apprenticeship Act, 1961 (iii). Guidelines issued from time to time on CSR expenditure by CPSEs</p> <p>I. 25% of Total Procurement from GeM portal</p> <p>J. GAIL's Net-zero target: 100 per cent reduction in Scope 1 and Scope 2 emissions and a 35 per cent reduction in scope 3 emissions by 2040</p> <p>K. Determined process and procedure as per government regulations for consumers which includes target for consumer satisfaction index</p>  |       |       |       |       |       |       |            |       |
| 6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met. | Ref A   | Ref B | Ref C | Ref D | Ref E | Ref F | Ref G | Ref D,H, I | Ref J |
|   | <p>A. The Company is complying with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR Regulations, 2015) including Regulation 17(1), 17(2A), 18(1), 19(1)/(2), 20 and 21 which is mainly related to Constitution of Board and other statutory committees viz. Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Risk Management Committee.</p> <p>GAIL had received a communication from NSE &amp; BSE vide e-mail dated 14.06.2022 for non-compliance of Regulation 29(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to short notice in intimation of the date of Board meeting to consider recommendation of Final Dividend and imposed a fine of Rs. 11,800/- (including GST) each. In response to notice from NSE and BSE dated 14.06.2022, GAIL had requested NSE and BSE for waiver of fine levied by them. However, NSE did not acceded to GAIL request for waiver of fine and accordingly, fine was deposited to NSE.</p> <p>Further, due to non-appointment of requisite number of Independent Directors by Government of India, the company had requested BSE and NSE for waiver of fines amounting to ₹ 44,56,860/- and 58,72,860/- respectively imposed due to non-compliance with Regulation 17(2)/17 (2A) for the month ended September 30, 2021 &amp; December 31, 2021, Regulation 17(1) for the quarter ended March 31, 2020 to December 31, 2021, Regulation 18(1) for the quarter ended December 31, 2020 to December 31, 2021, Regulation 19(1)/ 19(2) for the quarter ended September 30, 2020 to December 31, 2021, Regulation 20(2)/(2A) for the quarter ended December 31, 2021 and Regulation 21(2) for the quarter ended December 31, 2021.</p> <p>Based on GAIL's continuous request for waiver of fine as per the Standard Operating Procedure issued by SEBI in this regard, aggregate fine of ₹ 58,72,860/- imposed by NSE was reduced to ₹ 10,66,720/- which was duly paid by the Company.</p> <p>B. The Company has incurred ₹ 180.62 crore in FY 22-23 on expenditure on R&amp;D /innovation initiatives</p> <p>C. The Company has celebrated National Safety Week and conducted other multiple seminars, programs, workshop, Onsite and Offsite mock drills for Health &amp; Safety improvement of Human Resources in CPSEs</p> |       |       |       |       |       |       |            |       |

| Disclosure Questions  | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| D. In FY 22-23, the value of total procurement made from MSEs was ₹ 1541 crore, which is approximately 46.09 %.   |     |     |     |     |     |     |     |     |     |
| E. GAIL has received 34 human rights complaints in FY 2022-23. As a responsible Company, we are committed to complying with all human right regulations and practices.  |     |     |     |     |     |     |     |     |     |
| F. GAIL has a total installed capacity of 132 MW of renewable energy; out of which 118 MW are wind energy projects and 14.05 MW are solar energy projects. Company is setting up CBG plant based on 300 Tonnes Per Day (TPD) MSW in Bengaluru. GAIL is also setting up a 10 MW Electrolyser for production of 4.3 TPD Green Hydrogen at Vijaipur, Madhya Pradesh. GAIL has invested a cumulative ₹ 685.27 Crores in renewable energy till FY 2022-23. |     |     |     |     |     |     |     |     |     |
| G. GAIL participates in all public policy consultations and provides feedback related to its business for improvement in interest of the nation. It also complies and follows all regulations and policies applicable to its business.  |     |     |     |     |     |     |     |     |     |
| H. In FY 2022-23, GAIL has incurred CSR expenditure of ₹ 99.1 crores. i.e. 2.18% of the avg. net profit of the preceding three years after setting off the excess expenditure of previous financial years towards multiple CSR projects (These CSR projects fall under the focus areas of GAIL Hriday- Unnati, Ujjawal, Arogya, Sashakt, Kaushal, Harit, Saksham)   |     |     |     |     |     |     |     |     |     |
| I. In FY 2022-23, our procurement through GeM portal was ₹ 2,541 crores which is 74.40% of Total eligible Procurement from GeM portal (as per MoU)  |     |     |     |     |     |     |     |     |     |
| J. All the operational locations of GAIL have been proactively taking up various initiatives in line with company's goals such as Solar PV & Roof top solar power plant, wind power plant, fugitive emission monitoring, improving energy efficiency and massive plantation. At corporate level, company has been focusing on energy transition initiatives such as CBG, ethanol blended petrol, green hydrogen and CCUS.                             |     |     |     |     |     |     |     |     |     |
| k. GAIL complies with all regulations and follows all applicable procedures.  |     |     |     |     |     |     |     |     |     |

**Governance, leadership and oversight**

**7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievements (listed entity has flexibility regarding the placement of this disclosure)**

Please refer to the CMD message in GAIL Annual Report FY 22-23

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).

|                  |                     |
|------------------|---------------------|
| DIN Number       | 07570165            |
| Name             | Sandeep Kumar Gupta |
| Designation      | CMD                 |
| Telephone Number | 011-26102077        |
| Email id:        | cmd@gail.co.in      |

9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.

Yes, GAIL has a Sustainable Development Committee (SDC) of the Board to assess the BR performance of the Company. The SDC met 3 times in FY 2022-23. Further, GAIL has other sub-committees of the Board which meet from time to time. Role of SDC are formulating and monitoring of sustainable development plan and its execution, approval of Sustainability report and to review HSE Performance & emergency preparedness.

**10. Details of Review of NGRBCs by the Company:**

| Subject for Review   | Indicate whether review was undertaken by Director/ Committee of the Board/ Any other Committee |    |    |    |    |    |    |    |    | Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify) |    |    |    |    |    |    |    |    |
|--|---|----|----|----|----|----|----|----|----|--|----|----|----|----|----|----|----|----|
|  | P1  | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 | P1   | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
| Performance against above policies and follow up action  | Y   | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Annually/ Half yearly/Quarterly*   |    |    |    |    |    |    |    |    |
| Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances | Y   | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |  |    |    |    |    |    |    |    |    |

\*We are complying with all statutory requirements and performance review is done as per the requirement.

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

| P1  | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|----|----|----|----|----|----|----|----|
| Yes, GAIL publishes an externally assured Sustainability Report annually as per the GRI standard. Name of the external Agency: Bureau Veritas |    |    |    |    |    |    |    |    |

**12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:**

| Questions  | P1             | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|--|----------------|----|----|----|----|----|----|----|----|
| The entity does not consider the Principles material to its business (Yes/No)  | Not Applicable |    |    |    |    |    |    |    |    |
| The entity is not at a stage where it is able to formulate and implement the policies on specified principles (Yes/No) |                |    |    |    |    |    |    |    |    |
| The entity does not have the financial or/human and technical resources available for the task (Yes/No)                |                |    |    |    |    |    |    |    |    |
| It is planned to be done in the next financial year (Yes/No)   |                |    |    |    |    |    |    |    |    |
| Any other reason (please specify)  |                |    |    |    |    |    |    |    |    |

**SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE**

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally, and ethically responsible.

**PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.**
**Essential Indicators**

1. Percentage coverage by training and awareness programs on any of the principles during the financial year:

| Segment                           | Total number of training and awareness programs held   | Topics / principles covered under the training and its impact   | % age of persons in respective category covered by awareness programs |
|-----------------------------------|--|---|---|
| Board of Directors                | 51 number of training programs /function/ seminar held on multiple occasions. (GAIL has conducted several training and awareness programs for its employees, workers, and senior leadership through the year on various topics. Details of these programs are available on our website as well as social media platforms.) | Business Familiarization Programs, Capacity building for directors/ KMPs including key regulatory changes in laws, CSR activities etc., | 100   |
| Key Managerial Personnel          |  |   | 100   |
| Employees other than BoD and KMPs |  | Technical, functional safety, managerial & behavioral topics in line with the nine principles.  | 11.30   |
| Workers                           |  |   | 9.4   |

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures based on materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

**Monetary**

|                 | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Amount (In ₹) | Brief of the Case | Has an appeal been preferred? (Yes/No) |
|-----------------|-----------------|---|---------------|-------------------|--|
| Penalty/ Fine   | NIL             | NIL   | 0             | NIL               | NIL                                    |
| Settlement      | NIL             | NIL   | 0             | NIL               | NIL                                    |
| Compounding fee | NIL             | NIL   | 0             | NIL               | NIL                                    |

**Non-Monetary**

|              | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Brief of the Case | Has an appeal been preferred? (Yes/ No) |
|--------------|-----------------|---|-------------------|---|
| Imprisonment | NIL             | NIL   | NIL               | NIL                                     |
| Punishment   | NIL             | NIL   | NIL               | NIL                                     |

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

| Case Details | Name of the regulatory/ enforcement agencies/ judicial institutions |
|--------------|---|
| NA           | NA  |

**4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

GAIL, its Subsidiaries as well as Joint Ventures (JVs), which are under jurisdiction of CVO, GAIL, follow guidelines and circulars of the Central Vigilance Commission in dealing with issues related to bribery or corruption. As per the guidelines of Central Vigilance Commission, GAIL has adopted provision of Integrity Pact (IP) in procurement in its tenders. Integrity Pact provides independent platform for monitoring compliance to established procedures, policies and guidelines of the Govt. of India and CVC in tendering and resolution of complaints, if any. Presently, GAIL has a panel of three Independent External Monitors (IEMs), to monitor the implementation of IP in all tenders. Whistle Blower Policy has been adopted by GAIL. The policy is applicable to employees and Directors of GAIL. The policy provides a channel for employees to report genuine concerns about unethical behavior or frauds and also safeguards a Whistle Blower from any victimization for detection, prevention and reporting of Frauds or suspected frauds, GAIL has framed a Fraud Prevention Policy which is applicable to GAIL. The policy applies to fraud or suspected fraud in connection with business transaction(s) with GAIL committed by director(s), employee(s), trainees, apprentice, ex-employee(s) working as advisor(s), person(s) engaged on adhoc/ temporary/ contract basis, vendor(s), supplier(s), contractor(s), customer(s), lender(s), consultant(s), service provider(s), any outside agency(ies) or their representative(s), employees of such agencies and/or any other parties.

The Whistle blower policy Circular Whistle Blower Policy\_12.02.2019-english.pdf (gailonline.com) provides a channel for employees to report genuine concerns about unethical behavior or frauds and safeguards a Whistle Blower from any victimization & avoid any adverse action against the employee reporting the concern via vigil mechanism. A protected disclosure can be addressed and sent to the chairman of audit committee & confidentiality of the disclosure is maintained. Screening committee reviews the disclosure and disciplinary proceedings are initiated against the culprit on finding guilty.

Link of GAIL Fraud Prevention Policy - [FraudPreventionPolicy.pdf \(gailonline.com\)](#) and link of Nominated Nodal Officer(S) for fraud Prevention Policy - [NominatedNodalOfficersforFraudPreventionPolicy.pdf \(gailonline.com\)](#)

**5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption**

During the year, action against one of the Functional Director was taken by CBI.

**6. Details of complaints with regard to conflict of interest:**

|  | FY2022-23 (Current Financial Year) |         | FY2021-22 (Previous Financial Year) |         |
|--|------------------------------------|---------|-------------------------------------|---------|
|  | Number                             | Remarks | Number                              | Remarks |
| Number of complaints received in relation to issues of Conflict of Interest of the Directors | 0                                  | NIL     | 0                                   | NIL     |
| Number of complaints received in relation to issues of Conflict of Interest of the KMPs      | 0                                  | NIL     | 0                                   | NIL     |

**7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

Not Applicable

**Leadership Indicators**

**1. Awareness programs conducted for value chain partners on any of the principles during the financial year:**

| Total number of awareness programs held   | Topics / principles covered under the training | %age of value chain partners covered (by value of business done with such partners) under the awareness programs |
|---|--|--|
| 20 Vendor Development Programmes for MSEs (including 4 Special Vendor Development Programmes/Hand Holding Sessions especially for MSEs owned by SC/ST & Women Entrepreneurs) were conducted | Principle 1, 2 & 3                             | 100%   |

We conduct multiple training and awareness sessions across GAIL India as part of regular business requirements.

**2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.**

Yes, GAIL fosters culture of ethics and trust. To avoid conflict of interest, the company promotes responsibility among all the stakeholders. Whenever any director has a direct or indirect stake in an agenda/matter, they would refrain from participating in the discussion. Each director gives the disclosure of his interest in any Company or body's corporate firm, or other association of individuals by giving a notice in writing; and the same is put up to the board. The policy is governed by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Amended from time to time) and the Companies Act, 2013. It also includes materiality policies and recommendations for handling transactions involving related parties. Link of the policy is mentioned below: [GAILRelatedPartyTransactionPolicyMarch2022.pdf \(gailonline.com\)](#)



**PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe****Essential Indicators**

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

|   | 2022-23                | 2021-22                | Details improvements of environmental & social impacts  |
|---|------------------------|------------------------|---|
| R&D (Revenue expenditure on Collaborative Research works) * | INR 6.55 crore (4%)    | INR-11.73 crore (5%)   | This year our collaborative R&D efforts are mainly focused on Waste valorization & Wastewater recycling, CO <sub>2</sub> separation, pipeline integrity management and Indigenous catalyst development etc.                                   |
| Capex (Innovation activities) #                             | INR 174.07 Crore (96%) | INR 231.97 Crore (95%) | Innovation and developmental projects are being implemented at various GAIL sites through technology renewal and modernization works which in general bring benefits in terms of improved process/efficiency/safety and/or cost minimization, |
| <b>Total (Cr)</b>   | <b>180.62</b>          | <b>243.70</b>          |   |

2. **a) Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

**Yes**

- b) If yes, what percentage of inputs were sourced sustainably?**

- Yes. At GAIL, we have green procurement practices which enables transparent, fair, competitive, cost effective and environment friendly procurement practices. There is a dedicated portal facilitated for all e-tenders which can be accessed at --: GAIL (India) Limited | Tender-- (gailonline.com).
- The e-tenders have contributed to reduction of use of paper and evolved as a green initiative of Company. Our IT department along with support of other departments works efficiently to ensure seamless functioning of the portal and helps in providing our extended IT services.
- GAIL has introduced the Document Transmittal System for signing and countersigning of the bulky contract documents in Projects. In which the bulky documents are signed by the GAIL official via digital means without taking out the printout of the documents. This digitally signed contract document is transmitted online to the contractor, who in-turn countersigned the document and send it back to GAIL.
- Provision for Green Packaging has been incorporated in tenders of GAIL.
- Star rating of electrical equipment.
- Procurement of new lighting and lighting fixture of LED only.
- Automatic switching off the light in utility area to avoid extra consumption of power.
- GAIL has also introduced the startup policy wherein registered Startups are exempted from mandatory requirement of meeting the Technical BEC. All the bidders are required to confirm acceptance to our General Conditions of Contracts wherein they confirm abiding to all provisions relating to impact on (a) society, (b) environment, (c) labor practice (d) human rights aspects. Further, most of the requirement for goods and services is met locally & approx. ~88% goods are sourced locally.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

In our waste management process, we aim to minimize both hazardous and non-hazardous waste. Additionally, we follow 3-R strategy of Reducing, Reusing, Recycling at GAIL sites, accelerating progress towards our waste reduction goal. For exploring more ideas of waste reduction at source or through small changes in operation, we carry out waste audits through internal and external agencies (SPCB/third party audits), it also helps in mapping our waste management compliances as per the regulations. We are proudly sharing that no waste related impact of business operations or product were found as per the waste audits.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Yes, GAIL Pata has been registered as Brand Owner as well as Importer under the Plastic Waste Management Rules, 2016 on the Centralized EPR Portal of CPCB. As per the latest amendments to the Plastic Waste Management Rules, 2016, the purchase of EPR Certificates equivalent to the EPR Targets serves the purpose of waste collection plan. EPR Certificates for 995 MT and 2885 MT for the FY 2021-22 and FY 2022-23 respectively have been purchased by GAIL Pata in compliance to the EPR targets for the respective FYs. Further, GAIL Vijaipur has also taken EPR certificate from CPCB for importing batteries.

## Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

| NIC Code | Name of Product/ Service | % of total Turnover contributed | Boundary for which the Life Cycle Perspective/ Assessment was conducted | Whether conducted by independent external agency (Yes/ No) | Results communicated in public domain (Yes/ No) If yes provide web-link |
|----------|--------------------------|---------------------------------|---|--|---|
| 33330    | Naphtha                  | 0.34                            | Within Gate to Gate (system boundary) For Pata Plant <sup>*1</sup>      | Yes  | No  |
| 3411063  | Pentane                  | 0.20                            | Within Gate to Gate (system boundary) For Pata Plant                    | Yes  | No  |
| 3411068  | Propane                  | 0.25                            | Within Gate to Gate (system boundary) For Pata Plant                    | Yes  | No  |
| 3341004  | LPG                      | 4.3                             | Within Gate to Gate (system boundary) For Pata Plant                    | Yes  | No  |
| 3342004  | Ethylene                 | 0.00                            | Within Gate to Gate (system boundary) For Pata Plant                    | Yes  | No  |
| 3342008  | Propylene                | 0.24                            | Within Gate to Gate (system boundary) For Pata Plant                    | Yes  | No  |
| 3337000  | Mixed Fuel Oil           | 0.18                            | Within Gate to Gate (system boundary) For Pata Plant                    | Yes  | No  |

\*1 The LCA is currently conducted only for 1 plant (i.e., PATA), the LCA for other plants will also be conducted in future.

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

| Sr. No. | Name of the product | Description of the risk  | Action Taken   |
|---------|---------------------|--|--|
| 1       | Naphtha             | <b>High Risk:</b> Global warming<br><br><b>Moderate risk:</b> Marine Ecotoxicity, Human Carcinogenic toxicity and freshwater ecotoxicity | GAIL has developed a decarbonization strategy in extension to its Net zero target of 2040 (Scope 1 & Scope 2). CBG, Renewable energy projects, green hydrogen, efficiency improvement are few of the key levers identified to help achieve this ambitious target.<br><br>These products are handled in the closed system and regular leak checks are done to attend leaks, if any. |
| 2       | Pentane             |  |  |
| 3       | Propane             |  |  |
| 4       | LPG                 |  |  |
| 5       | Ethylene            |  |  |
| 6       | Propylene           |  |  |
| 7       | Mixed Fuel Oil      |  |  |

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

| Indicate Input Material | Recycled or Reuse Input material to total material |            |
|-------------------------|--|------------|
|                         | FY 2022-23   | FY 2021-22 |
| Polyethylene (3411067)  | ~1%  | ~1%        |

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tons) reused, recycled, and safely disposed, as per the following format:

There is no scope of reclaiming product packaging in case of natural gas transmission and marketing. GAIL's polymer packing is being recycled through the secondary and tertiary markets.

|                                | FY 2022-23 Current Financial Year |          |                 | FY 2021-22 Previous Financial Year |          |                 |
|--------------------------------|-----------------------------------|----------|-----------------|------------------------------------|----------|-----------------|
|                                | Reused                            | Recycled | Safely Disposed | Reused                             | Recycled | Safely Disposed |
| Plastics (including packaging) | 0                                 | 2885     | 0               | 0                                  | 995      | 0               |
| E-waste                        | 0                                 | 0        | 0               | 0                                  | 0        | 0               |
| Hazardous waste                | 0                                 | 0        | 0               | 0                                  | 0        | 0               |
| Other waste                    | 0                                 | 0        | 0               | 0                                  | 0        | 0               |

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category. (Reclaimed products and their packaging materials Indicate product category as % of total products sold in respective category)

| Reclaimed products and their packaging materials as % of total products sold in respective category |   |
|---|---|
| Indicate product category   | NIL, there is no scope of reclaiming product packaging in case of natural gas transmission and marketing. |

**PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains**

**Essential Indicators**

1. a. Details of measures for the well-being of employees:

Employee benefits include salaries, wages, Contributory provident fund, gratuity, leave encashment towards un-availed leave, compensated absences, post-retirement medical benefits and other terminal benefits. All short-term employee benefits are recognized at their undiscounted amount in the accounting period in which they are incurred

| Category                              | Percentage of employees covered by |                  |            |                    |            |                    |             |                    |              |                     |           |
|---------------------------------------|------------------------------------|------------------|------------|--------------------|------------|--------------------|-------------|--------------------|--------------|---------------------|-----------|
|                                       | Total (A)                          | Health insurance |            | Accident insurance |            | Maternity benefits |             | Paternity Benefits |              | Day Care facilities |           |
|                                       |                                    | Number (B)       | % (B / A)  | Number (C)         | % (C / A)  | Number (D)         | % (D / A)   | Number (E)         | % (E / A)    | Number (F)          | % (F / A) |
| <b>Permanent employees</b>            |                                    |                  |            |                    |            |                    |             |                    |              |                     |           |
| Male                                  | 3,722                              | 3,722            | 100        | 3,722              | 100        | N/A                | N/A         | 3,722              | 100          | 0                   | 0         |
| Female                                | 278                                | 278              | 100        | 278                | 100        | 278                | 100         | N/A                | N/A          | 0                   | 0         |
| <b>Total</b>                          | <b>4,000</b>                       | <b>4,000</b>     | <b>100</b> | <b>4,000</b>       | <b>100</b> | <b>278</b>         | <b>6.95</b> | <b>3,722</b>       | <b>93.05</b> | <b>0</b>            | <b>0</b>  |
| <b>Other than Permanent employees</b> |                                    |                  |            |                    |            |                    |             |                    |              |                     |           |
| Male                                  | 0                                  | 0                | 0          | 0                  | 0          | 0                  | 0           | 0                  | 0            | 0                   | 0         |
| Female                                | 0                                  | 0                | 0          | 0                  | 0          | 0                  | 0           | 0                  | 0            | 0                   | 0         |
| <b>Total</b>                          | <b>0</b>                           | <b>0</b>         | <b>0</b>   | <b>0</b>           | <b>0</b>   | <b>0</b>           | <b>0</b>    | <b>0</b>           | <b>0</b>     | <b>0</b>            | <b>0</b>  |

- b. Details of measures for the well-being of workers:

| Category                            | % of workers covered by |                  |            |                    |            |                    |             |                    |              |                     |           |
|-------------------------------------|-------------------------|------------------|------------|--------------------|------------|--------------------|-------------|--------------------|--------------|---------------------|-----------|
|                                     | Total (A)               | Health insurance |            | Accident insurance |            | Maternity benefits |             | Paternity Benefits |              | Day Care facilities |           |
|                                     |                         | Number (B)       | % (B / A)  | Number (C)         | % (C / A)  | Number (D)         | % (D / A)   | Number (E)         | % (E / A)    | Number (F)          | % (F / A) |
| <b>Permanent workers</b>            |                         |                  |            |                    |            |                    |             |                    |              |                     |           |
| Male                                | 789                     | 789              | 100        | 789                | 100        | N/A                | N/A         | 789                | 100          | Nil                 | 0         |
| Female                              | 34                      | 34               | 100        | 34                 | 100        | 34                 | 100         | N/A                | N/A          | Nil                 | 0         |
| <b>Total</b>                        | <b>823</b>              | <b>823</b>       | <b>100</b> | <b>823</b>         | <b>100</b> | <b>34</b>          | <b>4.13</b> | <b>789</b>         | <b>95.87</b> | <b>0</b>            | <b>0</b>  |
| <b>Other than Permanent workers</b> |                         |                  |            |                    |            |                    |             |                    |              |                     |           |
| Male                                | 17,030                  | 17,030           | 100        | 17,030             | 100        | N/A                | N/A         | 17,030             | 100          | Nil                 | 0         |
| Female                              | 471                     | 471              | 100        | 471                | 100        | 471                | 100         | N/A                | N/A          | Nil                 | 0         |
| <b>Total</b>                        | <b>17,501</b>           | <b>17,501</b>    | <b>100</b> | <b>17,501</b>      | <b>100</b> | <b>471</b>         | <b>2.69</b> | <b>17,030</b>      | <b>97.31</b> | <b>0</b>            | <b>0</b>  |

2. Details of retirement benefits, for Current FY and Previous Financial Year.

All permanent employees of GAIL are entitled under Provident Fund and contract labor are covered under Employees State Insurance Scheme, Workmen's Compensation Act, other statutory benefits / payments, etc. At GAIL, it is compulsory for the contractors to cover their respective labor under accident insurance.

| Benefits | FY 2022-23 Current Financial Year                 |  |  | FY 2021-22 Previous Financial Year                 |  |  |
|----------|---|--|--|--|--|--|
|          | No. of employees covered as a % of total employee | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) |
| PF       | 100   | 100  | Y  | 100  | 100  | Y  |

| Benefits | FY 2022-23 Current Financial Year                 |  |  | FY 2021-22 Previous Financial Year                 |  |  |
|----------|---|--|--|--|--|--|
|          | No. of employees covered as a % of total employee | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) |
| Gratuity | 100   | 100  | Y  | 100  | 100  | Y  |
| ESI      | 100   | 100  | Y  | 100  | 100  | Y  |
| Others   | 0   | 0  | N.A.   | 0  | 0  | N.A.   |

### 3. Accessibility of workplaces

**Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.**

Yes, our offices are accessible to differently abled employees and workers via wheelchairs/ lifts. Any modification in the building structure or in company policy are made in accordance with the requirements of Persons with Disabilities Act, 2016.

### 4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

GAIL complies with the Presidential Directives and other instructions and guidelines issued by the Government of India for providing reservation, relaxations, concessions, etc. for Persons with Disabilities (PWDs) in Direct Recruitment.

### 5. Return to work and Retention rates of permanent employees and workers that took parental leave.

| Gender | Permanent employees and workers (FY 2022-23) |                |
|--------|--|----------------|
|        | Return to work rate                          | Retention rate |
| Male   | 98.9%  | 100%           |
| Female | 54.2%  | 100%           |
| Total  | 93.5%  | 100%           |

### 6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

GAIL has multiple online grievances portal including Grievances Redressal System to address the grievances of employees. This portal works on three tier system for quick resolve and monitoring of the system. The HR in charge is accountable to register the complaint and resolve it within 10 days period. Further, escalations can be raised to corporate HR in case of delay or unsatisfactory resolve or outcome. Whole process is designed to be completed within 15 days after escalation.

|                                       | Yes/No (If yes, then give details of the mechanism in brief) |
|---------------------------------------|--|
| <b>Permanent Workers</b>              | Yes  |
| <b>Other than Permanent Workers</b>   | Yes  |
| <b>Permanent Employees</b>            | Yes  |
| <b>Other than Permanent Employees</b> | Yes  |

### 7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

At GAIL, employees have the right to raise any concerns, either openly or anonymously, without any negative consequence. The Company provides its workforce the freedom to join employees or workers associations and form labor unions within the ambit of statutory provisions and code of conduct. Rights to Freedom of Association and Collective Bargaining by recognizing and supporting various employee associations such as Workers' Unions, Women's Forums, SC/ ST Employees Association, etc., is done. Presently, there are three employee and worker associations operational in GAIL, i.e., GAIL Employees Association (GEA), GAIL Karamchari Sangh (GKS) and GAIL SC/ST Employee's Welfare Association (GSEWA). As on 31st March 2023, 16.62% of GAIL's total employee strength are the members of these associations.

| Category                         | FY 2022-23 (Current Financial Year)                |  |           | FY 2021-22 (Previous Financial Year)               |  |         |
|----------------------------------|--|--|-----------|--|--|---------|
|                                  | Total employees/Workers in respective category (A) | No. of employees/Workers in respective category, who are part of association(s) or Union (B) | % (B / A) | Total employees/Workers in respective category (C) | No. of employees/Workers in respective category, who are part of association(s) or Union (D) | % (D/C) |
| <b>Total Permanent Employees</b> | 0  | 0  | 0         | 0  | 0  | 0       |
| - Male                           | 0  | 0  | 0         | 0  | 0  | 0       |
| - Female                         | 0  | 0  | 0         | 0  | 0  | 0       |
| <b>Total Permanent Workers</b>   | 823  | 823  | 100       | 860  | 860  | 100     |
| - Male                           | 789  | 789  | 100       | 824  | 824  | 100     |
| - Female                         | 34   | 34   | 100       | 36   | 36   | 100     |

8. Details of training given to employees and workers:

| Category         | FY 2022-23 (Current Financial Year) |                               |              |                      |              | FY 2021-22 (Previous Financial Year) |                               |              |                      |              |
|------------------|-------------------------------------|-------------------------------|--------------|----------------------|--------------|--------------------------------------|-------------------------------|--------------|----------------------|--------------|
|                  | Total (A)                           | On Health and safety measures |              | On Skill upgradation |              | Total (D)                            | On Health and safety measures |              | On Skill upgradation |              |
|                  |                                     | No. (B)                       | % (B / A)    | No. (C)              | % (C / A)    |                                      | No. (E)                       | % (E / D)    | No. (F)              | % (F / D)    |
| <b>Employees</b> |                                     |                               |              |                      |              |                                      |                               |              |                      |              |
| Male             | 3,718*                              | 708                           | 19.04        | 1,327                | 35.70        | 3,621                                | 1,161                         | 32.06        | 1,928                | 53.24        |
| Female           | 278                                 | 26                            | 9.35         | 151                  | 54.32        | 272                                  | 56                            | 20.59        | 137                  | 50.37        |
| <b>Total</b>     | <b>3,996*</b>                       | <b>734</b>                    | <b>18.37</b> | <b>1,478</b>         | <b>36.98</b> | <b>3,893</b>                         | <b>1,217</b>                  | <b>31.26</b> | <b>2,065</b>         | <b>53.04</b> |
| <b>Workers</b>   |                                     |                               |              |                      |              |                                      |                               |              |                      |              |
| Male             | 789                                 | 160                           | 20.28        | 130                  | 16.48        | 824                                  | 824                           | 100          | 824                  | 100          |
| Female           | 34                                  | 0                             | 0            | 7                    | 20.59        | 36                                   | 36                            | 100          | 36                   | 100          |
| <b>Total</b>     | <b>823</b>                          | <b>160</b>                    | <b>19.44</b> | <b>137</b>           | <b>16.65</b> | <b>860</b>                           | <b>860</b>                    | <b>100</b>   | <b>860</b>           | <b>100</b>   |

Health and Safety awareness session are conducted for all the employees and workers. However, dedicated long and short duration trainings on specific Health and Safety measures were undertaken as per the above table.

\*Excluding board members

9. Details of performance and career development reviews of employees and worker:

| Category         | FY 2022-23 (Current Financial Year) |              |            | FY 2021-22 (Previous Financial Year) |              |            |
|------------------|-------------------------------------|--------------|------------|--------------------------------------|--------------|------------|
|                  | Total (A)                           | No. (B)      | % (B / A)  | Total (C)                            | No. (D)      | % (D / C)  |
| <b>Employees</b> |                                     |              |            |                                      |              |            |
| Male             | 3,722                               | 3,722        | 100        | 3,621                                | 3,621        | 100        |
| Female           | 278                                 | 278          | 100        | 272                                  | 272          | 100        |
| <b>Total</b>     | <b>4,000</b>                        | <b>4,000</b> | <b>100</b> | <b>3,893</b>                         | <b>3,893</b> | <b>100</b> |
| <b>Workers</b>   |                                     |              |            |                                      |              |            |
| Male             | 789                                 | 789          | 100        | 824                                  | 824          | 100        |
| Female           | 34                                  | 34           | 100        | 36                                   | 36           | 100        |
| <b>Total</b>     | <b>823</b>                          | <b>823</b>   | <b>100</b> | <b>860</b>                           | <b>860</b>   | <b>100</b> |

**10. Health and safety management system:****a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?**

Yes, HSE Management System of GAIL has been formulated in-line with Oil Industry Safety Directorate's Standard on "Safety Management System in Petroleum Industry". Accordingly, 18 elements have been identified to be part of Health, Safety and Environment Management System (HSEMS) which are applicable to all activities of GAIL (India) Limited. The HSE documents provides a set of requirements and guidelines against each element for implementation across the GAIL installations. GAIL has also introduced SAP based HSE management system which has multiple functionalities such as incident management system (safety observation, recording near miss and incident/accident), risk assessment and job safety analysis, management of change and safety audit/activity monitoring. All of these are embedded with the various elements of Corporate HSE policy.

**b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

HAZOP study and Risk Analysis is carried out during the design stage to identify various hazards and implement risk mitigation measures. System for identification of work-related hazards and assessing risks for routine and non-routine job/activity is in place. Routine activities are being managed through Standard Operating Procedure with Job Safety Analysis whereas non-routine activities are performed through Permit to Work, Standard Work Procedure/Instructions and Job Safety Analysis. Further, HAZOP study and Risk Analysis is also carried out at regular intervals and suitable risk mitigation measures are taken to prevent incidents. The non-routine basis of identifying hazards and risk is done via different statutory audits as mandated by OISD and PNGRB. These are also conducted to identify hazards and risks which comes under routine basis. This is done through Job Safety Analysis (JSA), review of SOP's periodically, reporting of Near Misses and their mitigation, reporting of safety observations and their mitigation and also dissemination of information on incident case studies to make aware about various incidents and to prevent such incidents in future. These are non-routine basis of identifying hazards and risks.

**c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)**

Yes, we have an Online System for reporting Safety Observation (Unsafe Act/Condition) and Near-Miss. The platform allows the employees to report unsafe Act/condition for necessary and time bound action. System is facilitated to all employees for reporting of Safety Observation and Near-Miss in SAP. Contract Workers can also report such events through their GAIL Supervisor & also through manual process for necessary corrective actions. GAIL follows guidelines of PNGRB & OISD, for taking corrective action to address safety-related incidents.

**d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**

Yes

**11. Details of safety related incidents, in the following format:**

| Safety Incident/Number  | Category  | FY 2022-23 Current Financial Year | FY 2021-22 Previous Financial Year |
|---|-----------|-----------------------------------|------------------------------------|
| Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) | Employees | 0.18                              | 0                                  |
|   | Workers   | 0                                 | 0                                  |
| Total recordable work-related injuries  | Employees | 0                                 | 0                                  |
|   | Workers   | 0                                 | 0                                  |
| No. of fatalities   | Employees | 0                                 | 0                                  |
|   | Workers   | 4                                 | 0                                  |
| High consequence work-related injury or ill-health (excluding fatalities)     | Employees | 0                                 | 0                                  |
|   | Workers   | 3                                 | 0                                  |

**12. Describe the measures taken by the entity to ensure a safe and healthy workplace.**

Safety Committee Meetings chaired by Occupier/Factory Manager are organized once in a quarter to discuss Occupational Health and Safety Issues of employees including contract workers. Work Permit System is in place to carry out non-routine jobs in safe manner, Job Safety Analysis of all non-routine critical activities are carried out to ensure safety of employees. We also carry out Medical Surveillance to assess the health of employees every year. Design, construction, operation, and maintenance are carried out by following applicable standards and codes. HSE management system is in place to ensure each activity is performed safely and with minimum risk. We also carry out Medical Surveillance to assess the health of employees involved in hazardous processes every year. Ambient air monitoring system is in place to ensure clean environment inside and around the plant premises.

**13. Number of Complaints on the following made by employees and workers:**

|                    | FY 2022-23 Current Financial Year |                                       |         | FY 2021-22 Previous Financial Year |                                       |         |
|--------------------|-----------------------------------|---------------------------------------|---------|------------------------------------|---------------------------------------|---------|
|                    | Filed during the year             | Pending resolution at the end of year | Remarks | Filed during the year              | Pending resolution at the end of year | Remarks |
| Working Conditions | 04                                | 0                                     | -       | 05                                 | 0                                     | -       |
| Health & Safety    | 0                                 | 0                                     | -       | 0                                  | 0                                     | -       |

**14. Assessments for the year:**

|                             | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|-----------------------------|---|
| Health and safety practices | 100   |
| Working Conditions          | 100   |

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/Concerns arising from assessments of health & safety practices and working conditions.**

- SoPs are reviewed periodically
- Review of Work permit system carried out
- Review of various system including HSE Management system, F&S Policy, HSE Policy etc. carried

**Leadership Indicators****1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).**

Yes, we have system of compensatory package called "Death relief fund" for employees and workers in case of deaths. The contract workers are covered under the Employee's Compensation Act, 1923 and an Insurance Policy is obtained by the Contractor regularly for the grant of Death/Disablement Benefits wherever Employees' State Insurance Act (ESI), 1948 is not applicable; and wherever ESI Act, 1948 is applicable, the contract workers are ensured benefits under ESI Act, 1948 through the contractor.

**2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

We have multiple mechanism and systems, which ensure about the statutory dues of our value chain partners. We have well defined processes and procedures which include all possible measures which have been complied by the entity such as contract clause, bill approval etc.

**3. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

No fatality occurred or there is no case of employee/worker who suffered high consequence work related injury / ill-health / in FY 2021-22 and FY 2022-23.

|           | Total no. of affected employees/ workers |                                    | No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment |                                    |
|-----------|--|------------------------------------|---|------------------------------------|
|           | FY 2022-23 Current Financial Year        | FY 2021-22 Previous Financial Year | FY 2022-23 Current Financial Year   | FY 2021-22 Previous Financial Year |
| Employees | 0  | 0                                  | 0   | 0                                  |
| Workers   | 0  | 0                                  | 0   | 0                                  |

**4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)**

GAIL has conducted 76 skills management and lifelong learning programs to provide continued support and to increase the employability of retired employees.

**5. Details on assessment of value chain partners:**

|                             | % of value chain partners (by value of business done with such partners) that were assessed |
|-----------------------------|---|
| Health and safety practices | 100   |
| Working Conditions          | 100   |

**6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

Not Applicable, as there were no significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

**PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders**

**Essential Indicators**

**1. Describe the processes for identifying key stakeholder groups of the entity.**

Stakeholder engagement is a critical aspect of GAIL's business. The Company takes responsibility to identify and meet the stakeholders' expectations to create long-term value for all stakeholders. The engagement with the stakeholders and understanding their concerns and interests is done through materiality assessment process.

For GAIL, stakeholder engagement is a multi-stage process of identifying and prioritizing the stakeholders, also identifying the means of and modes of the engagement and managing the stakeholder expectations. A list of individuals and groups whose interests re affected or could be affected by company's activities has been created and classified into internal and external stakeholder groups. The internal stakeholders comprise all the employees whereas the key external stakeholders comprise the remaining 12 stakeholder groups i.e., Government & Other Regulators, Investors, Suppliers, Customers, Joint Ventures and Subsidiaries, Industry Associations, Community, Contractors/Implementing Agencies, Academic and Research Institutions, NGOs /Civil Society Organizations, The public at large and Media

**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

| Stakeholder Group  | Whether identified as Vulnerable & Marginalized Group (Yes/No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other  | Frequency of engagement (Annually/Half yearly/ Quarterly/Others – please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement  |
|--|--|--|---|--|
| Government and other regulators - External stakeholder     | No   | MOUs<br>Quarterly Progress Report<br>Annual Report   | Annual,<br>Monthly and<br>Need-based  | <ul style="list-style-type: none"> <li>Support government missions to promote sustainable development goals</li> <li>Support government in transitioning to a clean gas-based economy</li> <li>Relationship building</li> <li>Performance appraisal through MoUs</li> <li>Submission of progress reports</li> <li>Discussions on major investment plans</li> </ul> |
| Financial Institutions - Internal and External stakeholder | No   | <ul style="list-style-type: none"> <li>One on One Meetings with Investors</li> <li>Attending IR Conferences/ roadshows</li> <li>Conducting site visits for investment community</li> <li>Arranging Conference Calls for Investment Community</li> <li>Conducting Analyst Meets</li> <li>Publishing Public disclosures and quarterly financial results</li> <li>Conducting Press conferences</li> <li>Communication with Shareholders and GDR holder</li> </ul> | Annual,<br>Quarterly  | <ul style="list-style-type: none"> <li>Financial performance</li> <li>Share broad future strategies</li> <li>Get feedback and address concerns</li> <li>Seek approval from shareholders on major decisions</li> </ul>  |



| Stakeholder Group  | Whether identified as Vulnerable & Marginalized Group (Yes/No)                     | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other  | Frequency of engagement (Annually/Half yearly/Quarterly/Others – please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement  |
|--|--|--|--|--|
| Employees-Internal Stakeholder   | No   | <ul style="list-style-type: none"> <li>o Satisfaction surveys</li> <li>o Social Media</li> <li>o Grievance Redressal</li> <li>o Suggestion schemes</li> <li>o CMD open house</li> <li>o Various committees</li> <li>o GAIL Day celebration</li> <li>o Emails, Journals,</li> <li>o Meetings with employee Associations and unions</li> </ul>   | Annual, Quarterly, Monthly, daily  | <ul style="list-style-type: none"> <li>• Communication on GAIL's business goals, values, and principles</li> <li>• Action planning on major projects</li> <li>• Implementation of best practices</li> <li>• Facilitating learning and developing</li> <li>• Track key performance indicators and action plans</li> <li>• Understand and address concerns</li> <li>• Idea generation, sharing and learning</li> </ul> |
| Supplier – External Stakeholder  | Yes, some of the Company's Suppliers belong to the marginalized section of society | <ul style="list-style-type: none"> <li>o Supplier Meets</li> <li>o Industry Conclave</li> <li>o Access to High management level committee</li> <li>o Vendor development program/Vendor coaching programs</li> <li>o Hand-holding programs for SC/ST-owned MSEs</li> <li>o Pre-tender or pre-bid meeting for all tenders</li> <li>o Meets with micro and small enterprises</li> </ul> | Annual, Quarterly, Monthly, daily  | <ul style="list-style-type: none"> <li>• Communicate operational decisions</li> <li>• Seek their performance data/information</li> <li>• Understand and address their concerns</li> <li>• Dispute resolution</li> <li>• Review of Contracts</li> </ul>   |
| Customers-External stakeholder   | No   | <ul style="list-style-type: none"> <li>o Annual Customer Meet</li> <li>o Zonal Customer Meet</li> <li>o Customer Interactive Meet</li> <li>o Customer Satisfaction Survey</li> </ul>   | Annual, Quarterly  | <ul style="list-style-type: none"> <li>• To understand their satisfaction levels</li> <li>• To address operational concerns</li> <li>• To get feedback on new product development</li> </ul>   |
| Joint Ventures and Subsidiaries of GAIL (India) Limited - External stakeholder | No   | <ul style="list-style-type: none"> <li>o Need-based meetings</li> <li>o Reports and Newsletters</li> </ul>   | Need Based   | <ul style="list-style-type: none"> <li>• Discussions on major investment plans'</li> <li>• Sharing of performance data</li> <li>• Facilitate decision-making on major topics</li> </ul>  |
| Industry Associations-External stakeholder                                     | No   | <ul style="list-style-type: none"> <li>o Seminars</li> <li>o Conferences</li> <li>o Industry Expo</li> <li>o Interviews</li> <li>o Reports and Newsletters</li> </ul>  | Need Based   | <ul style="list-style-type: none"> <li>• Share performance data Inform on keys decisions and projects</li> <li>• Participate in conferences and seminars</li> <li>• Engage in public policy advocacy</li> </ul>  |

| Stakeholder Group   | Whether identified as Vulnerable & Marginalized Group (Yes/No)                       | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other   | Frequency of engagement (Annually/Half yearly/ Quarterly/Others – please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement  |
|---|--|---|---|--|
| Communities - External stakeholder                        | Yes  | <ul style="list-style-type: none"> <li>o Meetings and direct interaction</li> <li>o Community events</li> <li>o Needs analysis and Impact Assessments</li> <li>o CSR initiatives</li> <li>o Corporate communications Materials</li> </ul> | Need Based  | <ul style="list-style-type: none"> <li>• Engaging with communities for conducting need assessment and executing community development projects</li> <li>• Understanding and addressing their concerns on critical incidents</li> <li>• Community Grievances Redressal</li> </ul>   |
| Contractors/ Implementing Agencies External stakeholder   | Yes, some of the Company's Contractors belong to the marginalized section of society | <ul style="list-style-type: none"> <li>o Need-based meetings</li> <li>o Meets</li> <li>o Website</li> </ul>   | Annual, Quarterly, Monthly, Daily   | <ul style="list-style-type: none"> <li>• Communicate operational decisions</li> <li>• To align their work with company policies and mandates (Compliance)</li> <li>• Seek their performance data/information</li> <li>• Understand and address their concerns</li> <li>• Communicate company obligations such as contract renewal, payments etc.</li> <li>• Dispute resolution</li> <li>• Review of Contracts</li> </ul> |
| Academic and Research Institutions - External stakeholder | No   | <ul style="list-style-type: none"> <li>o Project meetings</li> <li>o Periodic reviews</li> <li>o Website</li> <li>o Social media</li> <li>o Press</li> </ul>  | Need Based  | <ul style="list-style-type: none"> <li>• Partner and participate in GAIL research and development activities</li> </ul>  |
| NGOs / Civil Society Organizations - External stakeholder | No   | <ul style="list-style-type: none"> <li>o Project meetings</li> <li>o Annual reviews</li> </ul>  | Need Based  | <ul style="list-style-type: none"> <li>• Executing community development projects</li> <li>• Understanding and addressing their concerns on critical incidents</li> </ul>  |
| Public at large-External stakeholder                      | No   | <ul style="list-style-type: none"> <li>o Social media campaigns/posts etc.</li> <li>o Community events</li> <li>o CSR initiatives</li> <li>o Corporate communications Materials such as website etc.</li> <li>o Press</li> </ul>          | Annual, Quarterly, Monthly, Daily   | <ul style="list-style-type: none"> <li>• Participate and support GAIL initiatives for public</li> <li>• Converting passive citizens to an active consumer</li> <li>• Brand awareness and improved brand recall</li> <li>• Understanding and addressing their concerns on critical incidents</li> </ul>   |

#### Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

GAIL recognizes the importance of proactive interaction with its stakeholders via multi-stage process of identifying and prioritizing stakeholders, identifying the means & mode of the engagement i.e., materiality survey and one-on-one discussions. This helps the Company in matching their expectations and building stakeholder trust and confidence. GAIL conducts materiality assessment process where it involves its stakeholders based on their relative importance to the business and their impact on company's business and vice versa. In addition, the Company consults with its stakeholders on sustainability issues and encourages them to give their perspectives on the Company's sustainability goals. The outcomes of stakeholder consultations are reviewed by Board Committee.

**2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Yes, GAIL conducts the materiality assessment exercise to examine the issues that are important to the business via multi-stage process of identifying and prioritizing stakeholders, identifying the means & mode of the engagement i.e., materiality survey and one-on-one discussions. Towards this end, the Company identifies important stakeholders who are involved in the materiality process and their perspectives are considered while assessing the key material concerns. This stakeholder feedback is used to determine the major ESG areas.

**3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

As part of our social commitment, GAIL spent more than the statutory mandated expenditure of 2% of average net profit of the preceding three years. CSR initiatives of your Company have benefitted people in various geographies of the nation in FY 2022-23.

Among many of our CSR programmes few are worth mentioning here. Under GAIL Arogya, healthcare facilities were extended to the underprivileged population through doorstep medical care facility provided through operation of Mobile Medical Units working towards providing clean drinking water and sanitation facilities. The various health initiatives undertaken by your Company have helped bridge gaps in existing health infrastructure. Under GAIL Kaushal, provided skill training in trades related to hydrocarbon sector, plastic product manufacturing, vocational training to visually impaired etc. The majority of these trained beneficiaries have been gainfully employed in various sectors with each beneficiary contributing to the growth in respective household income annually. Aids and assistance devices along with capacity building and skill development support were provided to approximately 7800 persons with disabilities (PwDs) under GAIL Saksham.

**PRINCIPLE 5: Businesses should respect and promote human rights**

**Essential Indicators**

**1. Employees and workers who have been provided training on human rights issues and policy (ies) of the entity, in the following format:**

| Category               | FY 2022-23 Current Financial Year |  |              | FY 2021-22 Previous Financial Year |                                   |              |
|------------------------|-----------------------------------|--|--------------|------------------------------------|-----------------------------------|--------------|
|                        | Total (A)                         | No. of employees / workers covered (B) | % (B / A)    | Total (C)                          | No. employees workers covered (D) | % (D / C)    |
| <b>Employees</b>       |                                   |  |              |                                    |                                   |              |
| Permanent              | 3,996*                            | 418                                    | 10.46        | 3,893                              | 393                               | 10.09        |
| Other than permanent   | 0                                 | 0                                      | 0            | 0                                  | 0                                 | 0            |
| <b>Total Employees</b> | <b>3,996*</b>                     | <b>418</b>                             | <b>10.46</b> | <b>3,893</b>                       | <b>393</b>                        | <b>10.09</b> |
| <b>Workers</b>         |                                   |  |              |                                    |                                   |              |
| Permanent              | 823                               | 14                                     | 1.70         | 860                                | 22                                | 2.56         |
| Other than permanent   | 0                                 | 0                                      | 0            | 0                                  | 0                                 | 0            |
| <b>Total Workers</b>   | <b>823</b>                        | <b>14</b>                              | <b>1.70</b>  | <b>860</b>                         | <b>22</b>                         | <b>2.56</b>  |

\*Excluding board members

**2. Details of minimum wages paid to employees and workers, in the following format:**

GAIL ensures that all of its facilities, which are spread across India, meet the minimum wage regulations set forth in The Minimum Wages Act, 1948. Actual pay is significantly higher than the minimum wage requirement, and it varies by state.

| Category                    | FY 2022-23 Current Financial Year |                       |         |                        |         | FY 2021-22 Previous Financial Year |                       |         |                        |         |
|-----------------------------|-----------------------------------|-----------------------|---------|------------------------|---------|------------------------------------|-----------------------|---------|------------------------|---------|
|                             | Total (A)                         | Equal to Minimum Wage |         | More than Minimum Wage |         | Total (D)                          | Equal to Minimum Wage |         | More than Minimum Wage |         |
|                             |                                   | No. (B)               | % (B/A) | No. (C)                | % (C/A) |                                    | No. (E)               | % (E/D) | No. (F)                | % (F/D) |
| <b>Employees</b>            |                                   |                       |         |                        |         |                                    |                       |         |                        |         |
| <b>Permanent</b>            | 4,000                             | 0                     | 0       | 4,000                  | 100     | 3,893                              | 0                     | 0       | 3,893                  | 100     |
| Male                        | 3,722                             | 0                     | 0       | 3,722                  | 100     | 3,621                              | 0                     | 0       | 3,621                  | 100     |
| Female                      | 278                               | 0                     | 0       | 278                    | 100     | 272                                | 0                     | 0       | 272                    | 100     |
| <b>Other than Permanent</b> | 0                                 | 0                     | 0       | 0                      | 0       | 0                                  | 0                     | 0       | 0                      | 0       |
| Male                        | 0                                 | 0                     | 0       | 0                      | 0       | 0                                  | 0                     | 0       | 0                      | 0       |
| Female                      | 0                                 | 0                     | 0       | 0                      | 0       | 0                                  | 0                     | 0       | 0                      | 0       |
| <b>Workers</b>              |                                   |                       |         |                        |         |                                    |                       |         |                        |         |
| <b>Permanent</b>            | 823                               | 0                     | 0       | 823                    | 100     | 860                                | 0                     | 0       | 860                    | 100     |
| Male                        | 789                               | 0                     | 0       | 789                    | 100     | 824                                | 0                     | 0       | 824                    | 100     |

| Category             | FY 2022-23 Current Financial Year |                       |         |                        |         | FY 2021-22 Previous Financial Year |                       |         |                        |         |
|----------------------|-----------------------------------|-----------------------|---------|------------------------|---------|------------------------------------|-----------------------|---------|------------------------|---------|
|                      | Total (A)                         | Equal to Minimum Wage |         | More than Minimum Wage |         | Total (D)                          | Equal to Minimum Wage |         | More than Minimum Wage |         |
|                      |                                   | No. (B)               | % (B/A) | No. (C)                | % (C/A) |                                    | No. (E)               | % (E/D) | No. (F)                | % (F/D) |
| Female               | 34                                | 0                     | 0       | 34                     | 100     | 36                                 | 0                     | 0       | 36                     | 100     |
| Other than Permanent | 17501                             | 0                     | 0       | 17501                  | 100     | 17,084                             | 0                     | 0       | 17,084                 | 100     |
| Male                 | 17030                             | 0                     | 0       | 17030                  | 100     | 16,645                             | 0                     | 0       | 16,645                 | 100     |
| Female               | 471                               | 0                     | 0       | 471                    | 100     | 439                                | 0                     | 0       | 439                    | 100     |

**3. Details of remuneration/salary/wages, in the following format:**

GAIL ensures that all of its facilities, which are spread across India, meet the minimum wage regulations set forth in The Minimum Wages Act, 1948. Actual pay is significantly higher than the minimum wage requirement, and it varies by state.

|                                  | Male                               |   | Female |   |
|----------------------------------|------------------------------------|---|--------|---|
|                                  | Number                             | Median remuneration/salary/wages of respective category | Number | Median remuneration/salary/wages of respective category |
| Board of Directors (BoD)         | 05                                 | 323463  | 00     | 0   |
| Key Managerial Personnel         | 01(excluding Whole time Directors) | 233569  | 00     | 0   |
| Employees other than BoD and KMP | 3715                               | 146090.6  | 278    | 131602.2  |
| Workers                          | 789                                | 65691.36  | 34     | 60992   |

**4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No).**

Yes, all our policies fully confirm to human right principles, the constitution of India and all applicable labour laws. We are committed to strengthen fundamental human rights and ethical labour standards throughout our operations. The Labour policy and practices are aligned to international frameworks (including ILO convention) for human rights and labour practices related matters. To address the issues and impacts related to Human rights, an Officer-In-charge is appointed for each unit/office/installation. GAIL strictly prohibits Child labour in any form. There is a zero-tolerance policy against violation of human rights. These policies aim to sensitize employees and security personnel on the matter of human rights violations, and is extended to contractors and vendors as well. We also follow presidential guidelines and directives from government of India against discrimination of any form. We ensure freedom of speech across the organization and Associations (GAIL employee Association)/ Sanghs (GAIL Karamchari Sangh) have been formed by the employee for the same.

**5. Describe the internal mechanisms in place to redress grievances related to human rights issues.**

At GAIL, we have zero tolerance policy for any misconduct related to human rights. We have very transparent and approachable internal system to address and resolve any human rights related issues. There is an online system to register the grievances of employees. The portal uses a three-tiered structure to ensure that grievances are resolved quickly, and that the system is monitored often. The concerned HR In charge is accountable to register the complaint and resolve it within a period of 10 days of complaint registration. We also have helpdesk for redressing grievances related to human rights issues.

Link to online portals is given below--: [GAIL \(India\) Limited | Online Complaints-- \(gailonline.com\) https://www.gailonline.com/onlineComplaints.html](https://www.gailonline.com/onlineComplaints.html)

We have a women cell, and the main objective of the cell is to look after developmental needs of women employees. The cell member regularly connects with our women workforce to understand their problems, requirements or any kind of support required.

**6. Number of Complaints on the following made by employees and workers:**

|                                   | FY 2022-23 Current Financial Year |                                       |         | FY 2021-22 Previous Financial Year |                                       |         |
|-----------------------------------|-----------------------------------|---------------------------------------|---------|------------------------------------|---------------------------------------|---------|
|                                   | Filed during the year             | Pending resolution at the end of year | Remarks | Filed during the year              | Pending resolution at the end of year | Remarks |
| Sexual Harassment                 | 0                                 | 0                                     | -       | 0                                  | 0                                     | -       |
| Discrimination at workplace       | 0                                 | 0                                     | -       | 0                                  | 0                                     | -       |
| Child Labour                      | 0                                 | 0                                     | -       | 0                                  | 0                                     | -       |
| Forced Labour/Involuntary Labour  | 0                                 | 0                                     | -       | 0                                  | 0                                     | -       |
| Wages                             | 0                                 | 0                                     | -       | 0                                  | 0                                     | -       |
| Other human rights related issues | 34                                | 0                                     | -       | 71                                 | 0                                     | -       |

**7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

GAIL strives to ensure no discrimination and harassment at workforce and has zero tolerance about any discrimination and harassment, a detailed enquiry is conducted, and serious action is taken if found guilty. We have dedicated policy on prevention, prohibition, and redressal of Sexual harassment of women at workplace. It is applicable to all the employees & workers at a workplace, including those enrolled through agents or contractor. It has a dedicated Grievance Redressal System, under which internal complaints committee at central level has been formed to take cognizance of complaints at workplaces. Awareness sessions are also conducted to enhance awareness among the workforces.

**8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes

**9. Assessment for the year**

|                             | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|-----------------------------|---|
| Child labour                | 100   |
| Forced/ involuntary labour  | 100   |
| Sexual harassment           | 100   |
| Discrimination at workplace | 100   |
| Wages                       | 100   |
| Others – please specify     | 100   |

**10. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above.**

We have multiple online portals and offline mechanisms to address and resolve the concern of our stakeholders. As a part of GAIL's commitment towards creating a safe workplace for all the employees, necessary steps are taken to ensure that employees are not subjected to any form of harassment and discrimination. Towards this end, GAIL has a defined policy in place for the prevention of sexual harassment at the workplace, Labour Policy in line with international frameworks (including ILO convention), Code of Conduct, CDA Rules, Standing Orders, Fraud Prevention Policy and Whistle Blower Policy against unfair labour practices.

**Leadership Indicators**

**1. Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.**

For initial screening, GAIL has included the human rights clause for all the investment agreements and contract with suppliers. All the bidders are required to confirm acceptance to GAIL's General Conditions of Contracts wherein they confirm abiding to all provisions relating to impact on society, environment, labour practice and human rights aspects.

**2. Details of the scope and coverage of any Human rights due diligence conducted.**

All of the new suppliers have been screened through Human Rights Criteria. GAIL strictly adheres to policy of having no child labor and forced labor. GAIL ensure payment of salary and

benefits including statutory payments to the regular workmen in terms of the Long-Term Settlement (LTS) arrived at through the process of collective bargaining. Further, GAIL ensure payment of wages and other statutory benefits to contract labors engaged through various contractors in various activities of GAIL. Specific contract provisions have been incorporated in the tenders/work orders and all contractors are required to abide by the same. GAIL also ensure providing proper working conditions in terms of various statutes. Further, GAIL ensures that there is no exploitation of any labour and no unfair labour practice exists.

**3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

100% of offices are accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016.

**4. Details of assessment of value chain partners**

|                             | % of value chain partners (by value of business done with such partners) that were assessed |
|-----------------------------|---|
| Sexual Harassment           | 100   |
| Discrimination at Workplace | 100   |
| Child labour                | 100   |
| Forced/ involuntary labour  | 100   |
| Wages                       | 100   |
| Others – ESG                | 100   |

**5. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 4 above.**

The suppliers are expected to adhere to the Supplier code of conduct and compliance based environmental and social criteria which are as per the clauses of human rights in the General Conditions of Contract. Adherence to both is also monitored by GAIL. As and when required, we also conduct capacity building initiatives for our suppliers.

**PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment**

**Essential Indicators**

**1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format**

| Parameter  | FY 2022-23 (Current Financial Year) | FY 2021-22 (Previous Financial Year) |
|--|-------------------------------------|--------------------------------------|
| Total electricity consumption (A)  | 14,99,471 GJ                        | 19,83,078 GJ                         |
| Total fuel consumption (B)   | 4,66,73,781 GJ                      | 5,50,14,953 GJ                       |
| Energy consumption through other sources (C)   | 18,92,082 GJ                        | 15,28,339 GJ                         |
| <b>Total energy consumption (A+B+C)</b>  | <b>5,00,65,334 GJ</b>               | <b>5,85,26,370 GJ</b>                |
| Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees) | 347.73 GJ/INR crore                 | 640.15 GJ/INR crore                  |

| Parameter  | FY 2022-23<br>(Current<br>Financial Year) | FY 2021-22<br>(Previous<br>Financial Year) |
|--|---|--|
| Energy intensity<br>(optional) – the relevant<br>metric may be selected<br>by the entity | NA  | NA   |

**Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

Yes, GAIL (India) Limited {“GAIL”} engaged Bureau Veritas for carrying out an independent assurance of Sustainability Report for the reporting period from 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023.

2. **Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

Yes, GAIL's Pata plant is a designated Consumer under Bureau of Energy Efficiency (BEE) Performance, Achieve and Trade (PAT) Cycle IV. Yes, the target set under the PAT scheme of 6.17% reduction with baseline year of 2016-17 has been achieved.

3. **Provide details of the following disclosures related to water, in the following format**

| Parameter   | FY 2022-23<br>Current<br>Financial Year | FY 2021-22<br>Previous<br>Financial Year |
|---|---|--|
| <b>Water withdrawal by source (in Kilo Liter)</b>   |   |  |
| (i) Surface water   | 1,55,49,166                             | 2,02,21,035                              |
| (ii) Groundwater  | 1,46,214                                | 2,77,308.4                               |
| (iii) Third party water   | 0                                       | 0  |
| (iv) Seawater /<br>desalinated water  | 0                                       | 0  |
| (v) Others (Municipal)  | 18,11,297                               | 16,89,174                                |
| <b>Total volume of<br/>water withdrawal (in<br/>kiloliters) (i + ii + iii +<br/>iv + v)</b>           | 1,75,06,677                             | 2,21,87,517.1                            |
| <b>Total volume of water<br/>consumption (in<br/>kiloliters)</b>                                      | 1,75,06,677                             | 2,21,87,517.1                            |
| <b>Water intensity per<br/>rupee of turnover<br/>(Water consumed /<br/>turnover)</b>                  | 121.59 KL/INR<br>crore                  | 242.68 KL/INR<br>crore                   |
| <b>Water intensity<br/>(optional) – the<br/>relevant metric may<br/>be selected by the<br/>entity</b> | NA                                      | NA                                       |

**Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

Yes, GAIL (India) Limited {“GAIL”} engaged Bureau Veritas for carrying out an independent assurance of Sustainability Report for the reporting period from 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023

4. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

Most of the GAIL facilities are zero liquid discharge. Further GAIL Pata Petrochemical Plant is implementing Zero Liquid Discharge. For the other sites, discharge of water at manufacturing sites is monitored to validate compliance with Central Pollution Control Board (CPCB)/ State Pollution Control Board (SPCB) effluent limit. Wastewater from processes is treated, through effluent treatment plants (ETP). The treatment includes adjusting pH, removing suspended solids and reducing Biological Oxygen Demand (BOD), if any. Further, no water bodies were affected by the discharge.

5. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format**

| Parameter                              | Unit                     | FY 2022-23<br>Current<br>Financial<br>Year | FY 2021-22<br>Previous<br>Financial<br>Year |
|--|--------------------------|--|---|
| NOx                                    | Metric tons<br>per Annum | 800  | 1142  |
| SOx                                    | Metric tons<br>per Annum | 520  | 474   |
| Particulate matter<br>(PM)             | Metric tons<br>per Annum | 243  | 290   |
| Persistent organic<br>pollutants (POP) | Metric tons<br>per Annum | 0  | 0   |
| Volatile organic<br>compounds (VOC)    | Metric tons<br>per Annum | 88   | 53  |
| Hazardous air<br>pollutants (HAP)      | Metric tons<br>per Annum | 0  | 0   |
| Others– please<br>specify (CO)         | Metric tons<br>per Annum | 713  | 949   |

**Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

Yes, GAIL (India) Limited {“GAIL”} engaged Bureau Veritas for carrying out an independent assurance of Sustainability Report for the reporting period from 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023.

6. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

| Parameter   | Unit  | FY 2022-23<br>Current<br>Financial<br>Year | FY 2021-22<br>Previous<br>Financial<br>Year |
|---|---|--|---|
| Total Scope 1<br>emissions (Break-<br>up of the GHG<br>into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O,<br>HFCs, PFCs, SF <sub>6</sub> ,<br>NF <sub>3</sub> , if available) | Metric tons<br>of CO <sub>2</sub><br>Equivalent | 36,56,175                                  | 41,33,249                                   |
| Total Scope 2<br>emissions (Break-up<br>of the GHG into CO <sub>2</sub> ,<br>CH <sub>4</sub> , N <sub>2</sub> O, HFCs,<br>PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if<br>available)  | Metric tons<br>of CO <sub>2</sub><br>Equivalent | 3,19,380                                   | 4,34,135                                    |

| Parameter   | Unit   | FY 2022-23<br>Current<br>Financial<br>Year | FY 2021-22<br>Previous<br>Financial<br>Year |
|---|--|--|---|
| Total Scope 1 + Scope 2   | Metric tons of CO <sub>2</sub> Equivalent            | 39,75,555                                  | 45,67,383                                   |
| Total Scope 1 and Scope 2 emissions per rupee of turnover   | Metric tons of CO <sub>2</sub> Equivalent/ INR crore | 28   | 50  |
| Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity |  | N/A  | N/A   |

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

Yes, GAIL (India) Limited {“GAIL”} engaged Bureau Veritas for carrying out an independent assurance of Sustainability Report for the reporting period from 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023.

**7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**

GAIL has conducted an extensive study to develop a science-based Net Zero ambition and action plan. The study involved an in-depth assessment of GAIL's GHG footprint across operational boundaries (Scope 1 and Scope 2) and the value chain (Scope 3). Furthermore, we engaged with stakeholders to review our growth plans and assess Organizational readiness toward Net Zero. Based on the assessments, we have developed a clear carbon abatement roadmap with short-, medium-, and long-term targets across Scope 1, Scope 2, and Scope 3. Our Net Zero strategy aims to achieve a 100% reduction in Scope 1 and Scope 2 emissions and a 35% reduction in Scope 3 emissions by 2040. We have also explored decarbonization levers, energy transition opportunities, and green financing options to accelerate our transition to Net Zero. Operational Decarbonization includes the technology and initiatives taken by GAIL to reduce its direct in-house GHG emissions by means of energy efficiency, fuel switch, electrification, etc. Some of these initiatives planned/undertaken are,

- Implementing measures to reduce natural gas venting during pipeline repair and maintenance. This initiative will save approximately 3 MMSCM of natural gas per year.
- We are switching from natural gas to compressed biogas (CBG) as an internal fuel source.
- Implementing a phased approach to blend green hydrogen with natural gas in gas turbines for power generation is expected to reduce carbon dioxide emissions.
- Production of Electricity using the Waste Heat Recovery in Feed Gas Turbine.
- Conversion of Conventional Lights into LED Lights.
- Phaseout of SF6 from circuit breakers.

Apart from operational decarbonization, GAIL is taking up energy transition projects in Renewal Energy, CBG, Ethanol blended Petrol, Green Hydrogen, Carbon Capture, Utilization & Storage and Carbon offsetting.

**Provide details related to waste management by the entity, in the following format**

| Parameter  | FY 2022-23<br>Current<br>Financial Year | FY 2021-22<br>Previous<br>Financial Year |
|--|---|--|
| <b>Total Waste generated (in metric tonnes)</b>  |   |  |
| <b>Plastic waste (A)</b>   | 137                                     | 249.68                                   |
| <b>E-waste (B)</b>   | 22.11                                   | 6.83                                     |
| <b>Bio-medical waste (C)</b>   | 0.21                                    | 3.59                                     |
| <b>Construction and demolition waste(D)</b>  | 0                                       | 0  |
| <b>Battery waste (E)</b>   | 58.14                                   | 7.1                                      |
| <b>Radioactive waste (F)</b>   | 0                                       | 0  |
| Other Hazardous waste. Please specify, if any. (G) (Basket Filter, Empty Drums, Tar, Oily Sludge in MT)                                      | 3392.44                                 | 3599.45                                  |
| Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)         | 3136.94                                 | 3,706.61                                 |
| <b>Total (A+B + C + D + E + F + G + H)</b>   | <b>6746.34</b>                          | <b>7573.26</b>                           |
| <b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tons)</b> |   |  |
| <b>Category of waste – Solid (MT)</b>  |   |  |
| (i) Recycled   | 2615.2                                  | 4222                                     |
| (ii) Re-used   | 0                                       | 0  |
| (iii) Other recovery operations  | 0                                       | 0  |
| <b>Total</b>   | <b>2615.2</b>                           | <b>4222</b>                              |
| <b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tons)</b>                              |   |  |
| <b>Category of waste – Solid (MT)</b>  |   |  |
| (i) Incineration   | 2809                                    | 713.24                                   |
| (ii) Landfilling   | 241                                     | 21                                       |
| (iii) Other disposal operations  | 7.48                                    | 4.9                                      |
| <b>Total</b>   | <b>3057.48</b>                          | <b>739.14</b>                            |

**Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

Yes, GAIL (India) Limited {“GAIL”} engaged Bureau Veritas for carrying out an independent assurance of Sustainability Report for the reporting period from 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023.

**8. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

- GAIL aspires to implement the concept of circular economy by enabling access to innovative resource efficient technology. This is to enhance the focus towards reduction in waste generation from our facilities and exploring ways to recycle/reuse to the extent possible in our operations.
- GAIL aims to minimize the generation of both hazardous and non-hazardous waste
- GAIL follows 3R Principle of Reducing, Re-using, and Recycling of non-hazardous waste generated at GAIL sites.
- Hazardous wastes are segregated and stored in dedicated storage space. All the hazardous waste is sent to State Pollution Control Board (SPCB) & Central Pollution Control Board (CPCB) Treatment Storage and Disposal facilities (TSDFS) or recyclers. Plastic waste, bio-medical wastes and e-wastes are segregated and sent to third party recyclers. Safety Precautions are taken during the transportation of the hazardous waste as per Manifest and Transport Emergency Card to avoid any spillage.
- GAIL at Pata plant has commissioned a dedicated waste storage facility for collection before dispatch to Common Hazardous Waste Treatment, Storage and Disposal Facility (CHWTSDF) and Recyclers.
- Polymer packing is being recycled through the secondary and tertiary markets.
- GAIL is working towards waste management and minimization technology development via various R&D initiatives.

**9. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:**

GAIL does not have any offices around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.).

| S. No. | Location of operations/offices | Type of operations | Whether the conditions of environmental approval/clearance are being complied with? (Y/N)<br>If no, the reasons thereof and corrective action taken, if any. |
|--------|--------------------------------|--------------------|--|
| Nil    | Nil                            | Nil                | Nil  |

**10. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

| Name and brief details of project | EIA Notification No. | Date | Whether conducted by independent external agency (Yes/No) | Results communicated in public domain (Yes / No) | Relevant Web link |
|-----------------------------------|----------------------|------|---|--|-------------------|
| Nil                               | Nil                  | Nil  | Nil   | Nil  | Nil               |

**11. Is the entity compliant with the applicable environmental law/regulations/guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:**

- Yes, GAIL is compliant

| S. No. | Specify the law/regulation/guidelines which was not complied with | Provide details of the non-compliance | Any fines/penalties/action taken by regulatory agencies such as pollution control boards or by courts | Corrective action taken, if any |
|--------|---|---------------------------------------|---|---------------------------------|
| 1.     | NIL   | NIL                                   | NIL   | NIL                             |

**Leadership Indicators**

**1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format**

| Parameter   | FY 2022-23<br>Current<br>Financial Year | FY 2021-22<br>Previous<br>Financial Year |
|---|---|--|
| <b>From renewable sources</b>                                   |   |  |
| Total electricity consumption (A)                               | 1,16,872 GJ                             | 1,13,711 GJ                              |
| Total fuel consumption (B)                                      | 0                                       | 0  |
| Energy consumption through other sources (C)                    | 0                                       | 0  |
| <b>Total energy consumed from renewable sources (A+B+C)</b>     | 1,16,872 GJ                             | 1,13,711 GJ                              |
| <b>From non-renewable sources</b>                               |   |  |
| Total electricity consumption (D)                               | 14,99,471 GJ                            | 19,83,078 GJ                             |
| Total fuel consumption (E)                                      | 4,66,73,781 GJ                          | 5,50,14,953 GJ                           |
| Energy consumption through other sources (F)                    | 17,75,211 GJ                            | 14,14,628 GJ                             |
| <b>Total energy consumed from non-renewable sources (D+E+F)</b> | 4,99,48,463 GJ                          | 5,84,12,659 GJ                           |

Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, GAIL (India) Limited {“GAIL”} engaged Bureau Veritas for carrying out an independent assurance of Sustainability Report for the reporting period from 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023.



## 2. Provide the following details related to water discharged

| (iii) To Seawater  | FY 2022-23<br>Current<br>Financial Year | FY 2021-22<br>Previous<br>Financial Year |
|--|---|--|
| <b>Water discharge by destination and level of treatment (in kiloliters)</b> |   |  |
| <b>(i) To Surface water</b>  |   |  |
| - No treatment   | 0                                       | 0  |
| - With treatment   | 21,97,609                               | 16,38,325                                |
| - Please specify level of treatment  | Secondary Level                         | Secondary Level                          |
| <b>(ii) To Groundwater</b>   |   |  |
| - No treatment   | 0                                       | 0  |
| - With treatment   | 0                                       | 0  |
| - Please specify level of treatment  |   |  |
| <b>(iii) To Seawater</b>   | 0                                       | 0  |
| - No treatment   | 0                                       | 0  |
| - With treatment   | 0                                       | 0  |
| - Please specify level of treatment  |   |  |
| <b>(iv) Sent to third-parties</b>  | 0                                       | 0  |
| - No treatment   |   |  |
| - With treatment   | 0                                       | 0  |
| - Please specify level of treatment  |   |  |
| <b>(v) Others</b>  | 0                                       | 0  |
| - No treatment   | 0                                       | 0  |
| - With treatment   | 0                                       | 0  |
| - Please specify level of treatment  |   |  |
| <b>Total water discharged (in kilolitres)</b>                                | <b>21,97,609</b>                        | <b>16,38,325</b>                         |

Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, GAIL (India) Limited { "GAIL" } engaged Bureau Veritas for carrying out an independent assurance of Sustainability Report for the reporting period from 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023.

## 3. Water withdrawal, consumption, and discharge in areas For each facility / plant located in areas of water stress, provide the following information:

**Name of the area:** Gandhar, Jhabua

**Nature of operations:** Gandhar is a Gas Processing Unit, Jhabua is NG compressor station

Water withdrawal, consumption, and discharge in the following format:

| Parameter   | FY 2022-23<br>Current<br>Financial Year | FY 2021-22<br>Previous<br>Financial Year |
|---|---|--|
| <b>Water withdrawal by source (in kiloliters)</b> |   |  |
| (i) Surface water                                 | 0                                       | 0  |
| (ii) Groundwater                                  | 27,423                                  | 27,423                                   |

| Parameter   | FY 2022-23<br>Current<br>Financial Year | FY 2021-22<br>Previous<br>Financial Year |
|---|---|--|
| (iii) Third party water   | 0                                       | 0  |
| (iv) Seawater / desalinated water   | 0                                       | 0  |
| (v) Others (Municipal)  | 13,09,767                               | 12,35,614                                |
| <b>Total volume of water withdrawal (in kiloliters)</b>                               | <b>13,37,190</b>                        | <b>12,63,037</b>                         |
| <b>Total volume of water consumption (in kiloliters)</b>                              | <b>13,37,190</b>                        | <b>12,63,037</b>                         |
| <b>Water intensity per rupee of turnover (Water consumed / turnover)</b>              | <b>9.29 KL/ INR Cr</b>                  | <b>13.82 KL/ INR crore</b>               |
| <b>Water intensity (optional) – the relevant metric may be selected by the entity</b> | <b>N/A</b>                              | <b>N/A</b>                               |
| <b>Water discharge by destination and level of treatment (in kiloliters)</b>          |   |  |
| (i) Into Surface water  | 0                                       | 0  |
| -No treatment   | 0                                       | 0  |
| -With treatment – please specify level of treatment                                   | 0                                       | 0  |
| (ii) Into Groundwater   | 0                                       | 0  |
| -No treatment   | 0                                       | 0  |
| -With treatment – please specify level of treatment                                   | 0                                       | 0  |
| (iii) Into Seawater   | 0                                       | 0  |
| -No treatment   | 0                                       | 0  |
| -With treatment – please specify level of treatment                                   | 0                                       | 0  |
| (iv) Sent to third-parties  | 0                                       | 0  |
| -No treatment   | 0                                       | 0  |
| -With treatment – please specify level of treatment                                   | 0                                       | 0  |
| (v) Others  | 0                                       | 0  |
| -No treatment   | 0                                       | 0  |
| -With treatment – please specify level of treatment                                   | 0                                       | 0  |
| <b>Total water discharged (in kiloliters)</b>   | <b>0</b>                                | <b>0</b>                                 |

**Note:** Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, GAIL (India) Limited { "GAIL" } engaged Bureau Veritas for carrying out an independent assurance of Sustainability Report for the reporting period from 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023.

**4. Please provide details of total Scope 3 emissions & its intensity, in the following format:**

| Parameter   | Unit  | FY 2022-23 Current Financial Year | FY 2021-22 Previous Financial Year |
|---|---|-----------------------------------|------------------------------------|
| Total Scope 3 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available) | Metric tons of CO <sub>2</sub> equivalent             | 2,34,23,804                       | 2,40,06,532                        |
| <b>Total Scope 3 emissions per rupee of turnover</b>  | Metric-tons of CO <sub>2</sub> equivalent / INR crore | 159.76                            | 262.58                             |
| <b>Total Scope 3 emission intensity</b> (optional) – the relevant metric may be selected by the entity  |   | N/A                               | N/A                                |

**Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

Yes, GAIL (India) Limited {“GAIL”} engaged Bureau Veritas for carrying out an independent assurance of Sustainability Report for the reporting period from 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023.

**5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

GAIL does not have any offices around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.).

**6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

| Sr. No. | Initiative undertaken                             | Details of the initiative (Web-link, if any, may be provided along-with summary)  | Outcome of the initiative  |
|---------|---|---|--|
| 1       | Waste Reclamation (Waste valorization initiative) | 1. GAIL is pursuing a research project on recovering value added chemicals and fuels from petrochemical oily sludge using bubbling fluidized bed pyrolysis process. This project is being carried out in association with Indian Institute of Technology, Kanpur. | The results of the project is aimed to mitigate oily sludge disposal problem while recovering value rich chemicals and fuels |

| Sr. No. | Initiative undertaken | Details of the initiative (Web-link, if any, may be provided along-with summary)   | Outcome of the initiative  |
|---------|-----------------------|--|--|
|         |                       | 2. GAIL is also carrying out a research project to treat wastewater using hydrate process in collaboration with Indian Institute of Technology, Madras | Development of optimized hydrate-based wastewater treatment system is expected to be as energy efficient as compared to RO based wastewater purification |

**7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

Yes, Our Emergency Response and Disaster Management Plan (ERDMP), PNGRB, Incident re-orting System (IRS) and Evacuation Standard Operating Procedure ensure effective management of any disaster. Onsite and offsite mock drill is conducted to bring awareness and preparing for what actions to be taken during any accident. At GAIL, a dedicated disaster handling team which consist of incident handling team and managing any disaster affecting the Data Centre at Sector-1, Noida. Our multiple systems ensure business continuity like our digital initiatives, risk management plan, uninterrupted supply of goods and services related to both our core and non-core operations from our suppliers.

**Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?**

No significant adverse impact to environment is reported.

**8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?**

No significant adverse impact to environment is reported

**9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

100% of new suppliers are screened on environment and social parameters.

**PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

**Essential Indicators**

**1. a. Number of affiliations with trade and industry chambers/ associations**

In FY 2022-23, GAIL was part of 21 national and international trade and industry chambers/associations.

**b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

| Name of the trade and industry chambers/ associations              | Reach of trade and industry chambers/ associations (State/ National) |
|--|--|
| 1. Indian Wind Power Association (IWPA)                            | India  |
| 2. Chemical and Petrochemicals Manufacturer's Association (CPMA)   | India  |
| 3. International Group of Liquefied Natural Gas Importers (GIIGNL) | International  |
| 4. Indian Centre for Plastics in the Environment (ICPE)            | India  |
| 5. Natural Gas Society (NGS)                                       | India  |
| 6. Confederation of Indian Industry (CII)                          | India  |
| 7. Global Reporting Initiative                                     | International  |

| Name of the trade and industry chambers/ associations | Reach of trade and industry chambers/ associations (State/ National) |
|---|--|
| 8. Standing Conference of Public Enterprises (SCOPE)  | India  |
| 9. TERI CBS and CSO Forum                             | India  |
| 10. Federation of Indian Petroleum Industry (FIPI)    | India  |

2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.

No such case was lodged.

#### Leadership Indicators

| S. No. | Public policy advocated | Method resorted for such advocacy   | Whether information available in public domain? (Yes/ No) | Frequency of Review by Board (Annually/Half yearly/Quarterly/ Others- please specify) | Web Link, if available |
|--------|-------------------------|---|---|---|------------------------|
| 1      | Yes                     | GAIL team is actively associated with various associations like CPMA, ICPE, PlastIndia foundation, AIPMA, AIFTMA, GSPMA, SPMA, etc. for promoting plastics recycling.<br><br>GAIL is representing actively at various forums for creating positive image of plastics with a highly empowered committee on single use plastics with ICPE, Govt. Agencies. GAIL is actively supporting the initiatives on Plastic Waste Management through ICPE where the policy makers, bureaucrats, representatives from Industry, NGO etc. address the plastics waste management issues. | Yes   | As and when required  |                        |
| 2      | Yes                     | CMD, GAIL is a member of the Federation of Indian Chambers of Commerce and Industry (FICCI) Executive Committee and Co-Chair of FICCI Hydrocarbon Committee. The Hydrocarbon committee endeavors to deliberate on issues related to the energy security of the country and supplement various efforts of the Government of India and other bodies engaged in this area through its intellectual input. CMD, GAIL is also a member of the Oil Industry Development Board (OIDB).   | Yes   | As and when required  |                        |
| 3      | Yes                     | GAIL is member of the Federation of Indian Petroleum Industry (FIPI) and part of the Governing Council. FIPI has many specific executive committees of GAIL's interest having member representations from GAIL. FIPI functions as oil industry interface with the Government, regulatory authorities, public and representative bodies of traders in India to work on issues such as optimization of resources, promoting Safety, Tariff, Investments, Healthy Environment and Energy conservation among other issues related to industry.                                | Yes   | As and when required  |                        |

| S. No. | Public policy advocated | Method resorted for such advocacy  | Whether information available in public domain? (Yes/No) | Frequency of Review by Board (Annually/Half yearly/Quarterly/ Others- please specify) | Web Link, if available |
|--------|-------------------------|--|--|---|------------------------|
| 4      | Yes                     | GAIL had undertaken various studies in areas of gas advocacy such as unbundling in the natural gas sector in India and its impact, the study of gas markets hubs and strategic imperatives for GAIL. Additionally, study on opportunity Mapping for GAIL in the battery value chain, demand assessment in the refinery sector, steel sector, potential of natural gas as a replacement for solid and liquid polluting fuels consumption in industries under any CGD gas and price-sensitive demand assessment, enabling factors for natural gas in steel sector have been done to assess the dynamic natural gas markets of the country. Further, analysis on competitiveness of natural gas with a view of GST inclusion for industries has been undertaken. GAIL has assisted in the development of the oil and gas sector and the formulation of policy for the development of the CGD sector in India. | Yes  | As and when required  |                        |

#### PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

##### Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

| Name and brief details of project   | SIA Notification No. | Date of notification | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web link |
|---|----------------------|----------------------|---|--|-------------------|
| Arogya - Health Care facilities through operation of 50 Mobile Medical Units MMUs in various states   | -                    | -                    | Yes   | -  | -                 |
| (i) Support for operation of 2 Mobile Medical Units MMUs along pipeline route in Udham Singh Nagar, Uttarakhand<br>(ii) Support for operation of 2 MMUs for Kharupetia & Dalgaon at Darrang, Assam.   | -                    | -                    | Yes   | -  | -                 |
| GAIL Utkarsh Super 100 – Support for specialized residential coaching for engineering entrance at Dwarahat and Srinagar, Uttarakhand  | -                    | -                    | Yes   | -  | -                 |
| GAIL Utkarsh Super 100 – Support for specialized residential coaching for engineering entrance at Kanpur, Uttar Pradesh   | -                    | -                    | Yes   | -  | -                 |
| Support for Distribution of Aids & Assistive Devices to Divyangjans through 05 camps at Haridwar (Uttarakhand), Kashipur (Uttarakhand), Auraiya (Uttar Pradesh), Shivpuri (Madhya Pradesh), and Dhenkanal (Odisha) and distribution of assistive aids and equipment at different districts of Odisha. | -                    | -                    | Yes   | -  | -                 |
| Support towards flood relief and rehabilitation activities in Karnataka   | -                    | -                    | Yes   | -  | -                 |
| Support for job linked skill training at GAIL Skill Schools Guna, Madhya Pradesh  | -                    | -                    | Yes   | -  | -                 |
| Support for job linked skill training at GAIL Skill Schools Nagaram, Andhra Pradesh   | -                    | -                    | Yes   | -  | -                 |

| Name and brief details of project   | SIA Notification No. | Date of notification | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web link |
|---|----------------------|----------------------|---|--|-------------------|
| Support for development activity under Swachh Bharat and related missions in North Guwahati, Kamrup district                                | -                    | -                    | Yes   | -  | -                 |
| Support for development activity under Swachh Bharat and related missions in North Guwahati, Kamrup district                                | -                    | -                    | Yes   | -  | -                 |
| Support for providing Garbage disposal vehicles under SBM for Guna, Indore and Shivpuri Distt., MP  | -                    | -                    | Yes   | -  | -                 |
| Support under Swachh Bharat Mission for Providing Mechanical Garbage collecting machine to BBMP, Bangalore                                  | -                    | -                    | Yes   | -  | -                 |
| Support for provision of Smart classes, Sanitary pads vending machines and infrastructure in Rudraprayag, Uttarakhand                       | -                    | -                    | Yes   | -  | -                 |
| Renovation of Government Higher Secondary School, Munderi, Kannur, Kerala (Ground Development Work)   | -                    | -                    | Yes   | -  | -                 |
| Support for construction of toilets in Government Schools in Barpeta, Assam   | -                    | -                    | Yes   | -  | -                 |
| Support for provision of toilets in Government Co-Educational schools in Rajahmundry parliamentary constituency                             | -                    | -                    | Yes   | -  | -                 |
| Support for strengthening of district hospital services in Khunti Sadar Hospital, Dist. Khunti, Jharkhand                                   | -                    | -                    | Yes   | -  | -                 |
| Support towards refurbishing of 20 Anganwadi Centre (AWCs) and converting them into model AWCs, at Dist. Giridih, Jharkhand                 | -                    | -                    | Yes   | -  | -                 |
| <b>GAIL Harit:</b> Support for establishment of sustainable green cover to combat the problem of air pollution in the urban areas of Delhi. | -                    | -                    | Yes   | -  | -                 |
| Support for supply & installation of steel dust bins for Nagar Nigam in Varanasi, Uttar Pradesh   | -                    | -                    | Yes   | -  | -                 |
| Support for installation of 5000 metallic tree guards in Varanasi, Uttar Pradesh  | -                    | -                    | Yes   | -  | -                 |
| Support for development works under CSR in Tuni, East Godavari, Andhra Pradesh: Supply and erection of RO water plants                      | -                    | -                    | Yes   | -  | -                 |
| Support for Installation of Hand Pumps in Auraiya, Uttar Pradesh  | -                    | -                    | Yes   | -  | -                 |

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

GAIL is not involved in any project in the financial year for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken

| S. No. | Name of Project for which R&R is ongoing | State | District | No. of Project Affected Families (PAFs) | % of PAFs covered by R&R | Amounts paid to PAFs in the FY (In ₹) |
|--------|--|-------|----------|---|--------------------------|---------------------------------------|
| -      | Nil                                      | Nil   | Nil      | 0                                       | 0                        | 0                                     |

**3. Describe the mechanisms to receive and redress grievances the community.**

We have multiple mechanism {Grievances Redressal Forum, Customer Relations Management (CRM)}, Vigilance Complaints, Vendor Grievance to receive and resolve grievances of community, stakeholders, public at large etc. Our grievance redressal systems also ensure transparency, expectations of the community. GAIL has established a dedicated grievance cell in each of its offices and all complaints are received in a single system and each grievance is investigated separately and thoroughly with equal importance. GAIL has an Online Complaint System which has been introduced as a part of the 360° evaluation of receiving and redressing grievances of the community.

Additionally, we also redress and resolve the complaints received on CPGRAMS (Centralized Public Grievance Redressal and Monitoring System). CPGRAMS is a Government of India Portal, aimed at providing the citizens with a platform for redressal of their grievances, where complaints are directly received by the MoP&NG.

Also, for Implementing our CSR projects, nodal officers are assigned, and they constantly keep in touch with the implementing agencies and respective communities. Any inputs/ suggestions/ grievances are received to nodal officers are duly addressed.

Link of receiving and redressing grievances -: GAIL (India) Limited | Online Complaints:-- -: [GAIL \(India\) Limited | Online Complaints:- \(gailonline.com\)](http://GAIL (India) Limited | Online Complaints:- (gailonline.com))

**4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

|  | FY 2022-23 Current Financial Year | FY 2021-22 Previous Financial Year |
|--|-----------------------------------|------------------------------------|
| Directly sourced from MSMEs/ small producers                         | 46.09                             | 40.06                              |
| Sourced directly from within the district and neighbor-ing districts | NA                                | NA                                 |

**Leadership Indicators**

**1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

Not Applicable

**2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

As per the directives of NITI Aayog, GAIL is committed to raise the social and economic conditions of designated Aspirational districts. GAIL has gone over and beyond by implementing strategic CSR projects in 20 aspirational districts.

| State          | Aspirational Districts | Amount Spent (In ₹ Lakhs) |
|----------------|------------------------|---------------------------|
| Andhra Pradesh | Vishakhapatnam         | 30.00                     |
| Assam          | Barpeta                | 61.27                     |

| State          | Aspirational Districts | Amount Spent (In ₹ Lakhs) |
|----------------|------------------------|---------------------------|
| Assam          | Darrang                | 18.06                     |
| Assam          | Baksa                  | 5.73                      |
| Assam          | Udalguri               | 0.15                      |
| Bihar          | Purnia                 | 65.85                     |
| Bihar          | Gaya                   | 38.7                      |
| Bihar          | Begusarai              | 100.93                    |
| Bihar          | Muzaffarpur            | 35.93                     |
| Haryana        | Nuh                    | 28.41                     |
| Jharkhand      | Bokaro                 | 95.97                     |
| Jharkhand      | Ranchi                 | 19.9                      |
| Jharkhand      | Giridih                | 41.19                     |
| Jharkhand      | Simdega                | 17.25                     |
| Jharkhand      | Hazaribagh             | 11.40                     |
| Jharkhand      | Chatra                 | 8.63                      |
| Madhya Pradesh | Guna                   | 459.19                    |
| Odisha         | Dhenkanal              | 107.79                    |
| Uttarakhand    | Haridwar               | 35.93                     |
| Uttarakhand    | Udham Singh Nagar      | 71.86                     |

**3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)**

Yes,

**(b) From which marginalized /vulnerable groups do you procure?**

GAIL has a procurement policy for MSEs with sub targets for marginalized communities from MSEs owned by Scheduled Castes or the Scheduled Tribes and Women entrepreneurs for the Goods and Services procured.

**(c) What percentage of total procurement (by value) does it constitute?**

GAIL has a target of 25% of procurement from MSEs with sub targets for marginalized communities of 4% from MSEs owned by Scheduled Castes or the Scheduled Tribes and 3% owned by Women entrepreneurs for the Goods and Services procured. In FY 22-23, the value of total procurement made from MSEs was ₹ 1,541 crore, which is approx. 46.09%. The procurement made from MSEs owned by SC/ST Entrepreneurs is ₹ 137 crore which is approx. 4.01 % of the total eligible value of annual procurement and that from MSEs owned by Women Entrepreneurs is ₹ 108 crore which is approx. 3.61 % of the total eligible value of annual procurement.

**4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge.**

Not Applicable for GAIL

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Not Applicable for GAIL

6. Details of beneficiaries of CSR Projects.

| S. No | CSR Project  | No of persons benefited from CSR Projects | % of beneficiaries from vulnerable and marginalized group |
|-------|--|---|---|
| 1     | GAIL Ujjwal (Education centric initiatives)                  | 74,999                                    | 100   |
| 2     | GAIL Arogya (Healthcare Sanitation and Clean Drinking Water) | 1340000                                   | 100   |
| 3     | GAIL Kaushal (Skill training initiatives)                    | 4397                                      | 100   |
| 4     | GAIL Unnati (Rural Development initiatives)                  | 12359                                     | 100   |
| 5     | GAIL Saksham (Initiatives related to PwDs and elderly)       | 8892                                      | 100   |
| 6     | GAIL Sashakt (Women empowerment initiatives)                 | 8117                                      | 100   |

\*All above CSR projects details are of FY 22-23

**PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner**

#### ESSENTIAL INDICATORS

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Customers can log their complaints online, through letters, emails or in person through Physical Customer Complaint Registers available at various Zonal Offices. To register customers feedback and address grievances, there are two types of surveys conducted on product quality and services offered by GAIL. The Customer Satisfaction Index (CSI) is an in-house attempt by GAIL to collect the feedback from customers. A link is provided to all active customers of GAIL through their registered email id. Customer are giving feedback on some predefined parameters on quality and services. Their feedback is collected through SAP and analyzed.

The GAIL Polymer Technology Centre (GPTC) addresses customer's concerns regarding polymer product quality and provides technical assistance to resolve product-related concerns of consumers on polymer grades. GAIL has dedicated portal for valuable feedback of all stakeholders to share their views.

Link for complaint :-

<https://gailonline.com/onlineComplaints.html>

<https://gailonline.com/Feedbackform.html>

2. Turnover from all products/service that carry information.

| S. No. | Product/Service  | % of total Turnover contributed |
|--------|--|---------------------------------|
| 1      | Solid, liquid, and gaseous fuels and related products- Crude petroleum and natural gas (NG Trading)                                | 87                              |
| 2      | Plastics in Primary form (Petchem)   | 3                               |
| 3      | Transport via pipeline of Natural Gas (NG Transmission)<br>Transport services via pipeline of other goods n.e.c (LPG Transmission) | 5                               |
| 4      | Solid, liquid and gaseous fuels and related products n.e.c – Liquid Hydrocarbons (LHC)   | 3                               |
| 5      | Electricity (Wind and Solar Power)   | 2                               |

| Type   | As a percentage to total turnover |
|--|-----------------------------------|
| <b>Environment and Social parameters relevant to product</b> | All products                      |
| <b>Safe and responsible usage</b>                            | All products                      |
| <b>Recycling and/or safe disposal</b>                        | All products                      |

3. Number of consumer complaints

|                                | FY 2023 Current Financial Year |                                       | FY 2022 Previous Financial Year |                                       |
|--------------------------------|--------------------------------|---------------------------------------|---------------------------------|---------------------------------------|
|                                | Received during the year       | Pending resolution at the end of year | Received during the year        | Pending resolution at the end of year |
| Data privacy                   | 0                              | 0                                     | 0                               | 0                                     |
| Advertising                    | 0                              | 0                                     | 0                               | 0                                     |
| Cyber-security                 | 0                              | 0                                     | 0                               | 0                                     |
| Delivery of essential services | 26                             | 0                                     | 62                              | 0                                     |
| Restrictive Trade Practices    | 0                              | 0                                     | 0                               | 0                                     |
| Unfair Trade Practices         | 0                              | 0                                     | 0                               | 0                                     |
| Others                         | 48                             | 0                                     | 0                               | 0                                     |

4. Details of instances of product recalls on account of safety issues.

|                   | Number | Reason for recall |
|-------------------|--------|-------------------|
| Voluntary recalls | 0      | -                 |
| Forced recalls    | 0      | -                 |

**5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

GAIL has Information Security Policy in place, and it has implemented information security management system (ISO: 27001: 2013). The Company also has a dedicated Security Operations Centre (SOC) with an advanced persistent threat-mitigation system to eliminate any cyber threat and building robust IT system

Furthermore, various initiatives and projects to enhance network connectivity and information security e.g., private cloud infrastructure have been implemented. At GAIL, the Crisis management Plan for countering Cyber Attacks and Cyber Terrorism is in place. For effective controlling, the Company has an Incident handling team, and it consists of: Crisis Management Cell (CMC) and Level-II Incident Resolution Team.

We have well established mechanism to review and update information security/cybersecurity strategy on monthly basis in Apex cybersecurity meeting. The Board of directors are engaged in the review of information security/cybersecurity strategy. All the threats or phishing activities are protected by our IT system, our policies regularize the information security/cyber security for the employees with an access to critical information through interlock system at various level or to limit the access to unhealthy sites.

\*Due to sensitive and confidential nature, Cyber security policy cannot be shared in the public domain. However, GAIL would like to confirm that we have adequate mechanism and systems in place to tackle incidents of cyber security and risks related to data privacy.

GAIL also has Data loss prevention policy which designed to protect restricted, confidential, or sensitive data from loss to avoid reputation damage and to avoid adversely impacting its customers. The protection of in-scope data is a critical business requirement, yet flexibility to access data and work effectively is also critical. This policy supports a range of general regulations by restricting access to data hosted in GAIL Primary datacenter at Noida (DC), Nearline DC at GTI, Noida (NDC) and disaster recovery Centre at Jaipur (DR).

[https://gailonline.com/pdf/others/Detailed\\_FOIT\\_Research\\_and\\_Advisory\\_services\\_with\\_Corrigendum.pdf](https://gailonline.com/pdf/others/Detailed_FOIT_Research_and_Advisory_services_with_Corrigendum.pdf)

**6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.**

Blocking IOCs in security appliances, removal of Malware, blocking of system communication etc. are some of the corrective measures taken against issues related to Cyber Security.

#### LEADERSHIP INDICATORS

**1. Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).**

Yes, we have dedicated platforms and channels for information on products and services of different business verticals. For more information, please refer link - <https://gailonline.com/BVBusinessVerticals.html>

**2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

At GAIL, we inform and educate consumers about safe and responsible usage of products and services. Contracts, MoUs and our Sales Policy have specific information on the usage of products. With regards to Natural Gas, LHC and Polymer segments the Material Safety Data Sheet (MSDS) is also provided to customers. Customers are also asked to retain statutory licenses mandatory to handle products sold. Customer interactions, whether visits or meetings, are also a key channel for communicating information around the safe and responsible usage of products. Additionally, GAIL organizes demonstrations on Fire and Safety to educate customers about safe and responsible use of NG. Periodic mock drills are also done to educate customers and the public about actions to be taken in case of any hazardous situations.

GAIL also conducted public awareness programs under which virtual awareness programs on pipeline safety under corporate guidelines at various sites including city Gas distribution and Compressed Natural Gas, and a training session on City gas distribution (CGD) as well. Further, consumer awareness activities are conducted through Industry associations in which GAIL actively participates.

Whenever in-person visits were not possible, we have emphasized strongly on virtual meetings to inform and educate consumers on safe and responsible usage of our products and services.

**3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

Yes, as a leading Natural Gas Company of India, GAIL takes responsibility of delivering essential and sustainable supplies to the customers. GAIL has developed a strategic approach to pursue efficiency, resilience and growth while integrating sustainability consideration into its operational footprint. We also endeavor to follow our journey of Net Zero and embracing high standards of governance and integrity in all our production and transmission activities.

Our operation and maintenance are regularized and updated with national and international level standards and guidelines. At GAIL, our O&M philosophy is standardized and reviewed through a comprehensive internal consultation of experts and due diligence process. We have certified Subject Matter Experts (SMEs) of international repute on our panel. GAIL Implements precautionary measures and ensure zero tolerance against safety breaches. In case of unplanned/emergency shutdown, GAIL O&M takes all preventive actions to handle the fluctuation in a safe way and GAIL Marketing team allocates additional RLNG to bridge the gap of GAIL gas shortfall for minimum impact on total throughput.

**4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable)? If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

Yes

Through product labelling, GAIL strives to promote informed decisions about the social, economic, and environmental impact of the products consumers are purchasing. GAIL has



taken measures to ensure that the information provided is adequate and accurate. There were no incidences reported of non-compliance with regulations or voluntary codes concerning the health and safety impacts of products and services within the reporting period.

The approaches to providing product specific information are outlined below:

In the case of Polymers, the following product information is displayed on 25 kg strong bags made of woven fabric:

- Grade Name
- Batch Number
- Manufacturer details
- Made in India
- Symbols for storage instructions
- Recycling information

- Instructions on handling of bags
- Net Weight
- BIS Logo for Manufacturing
- Contact e-mail for customer support

Also, for the products dispatched through tankers, material quality report and MSDS is sent along with it.

**5. Provide the following information relating to data breaches:**

**a. Number of instances of data breaches along-with impact**

NIL

**b. Percentage of data breaches involving personally identifiable information of customers**

NIL



Lotus pond at a GAIL Installation

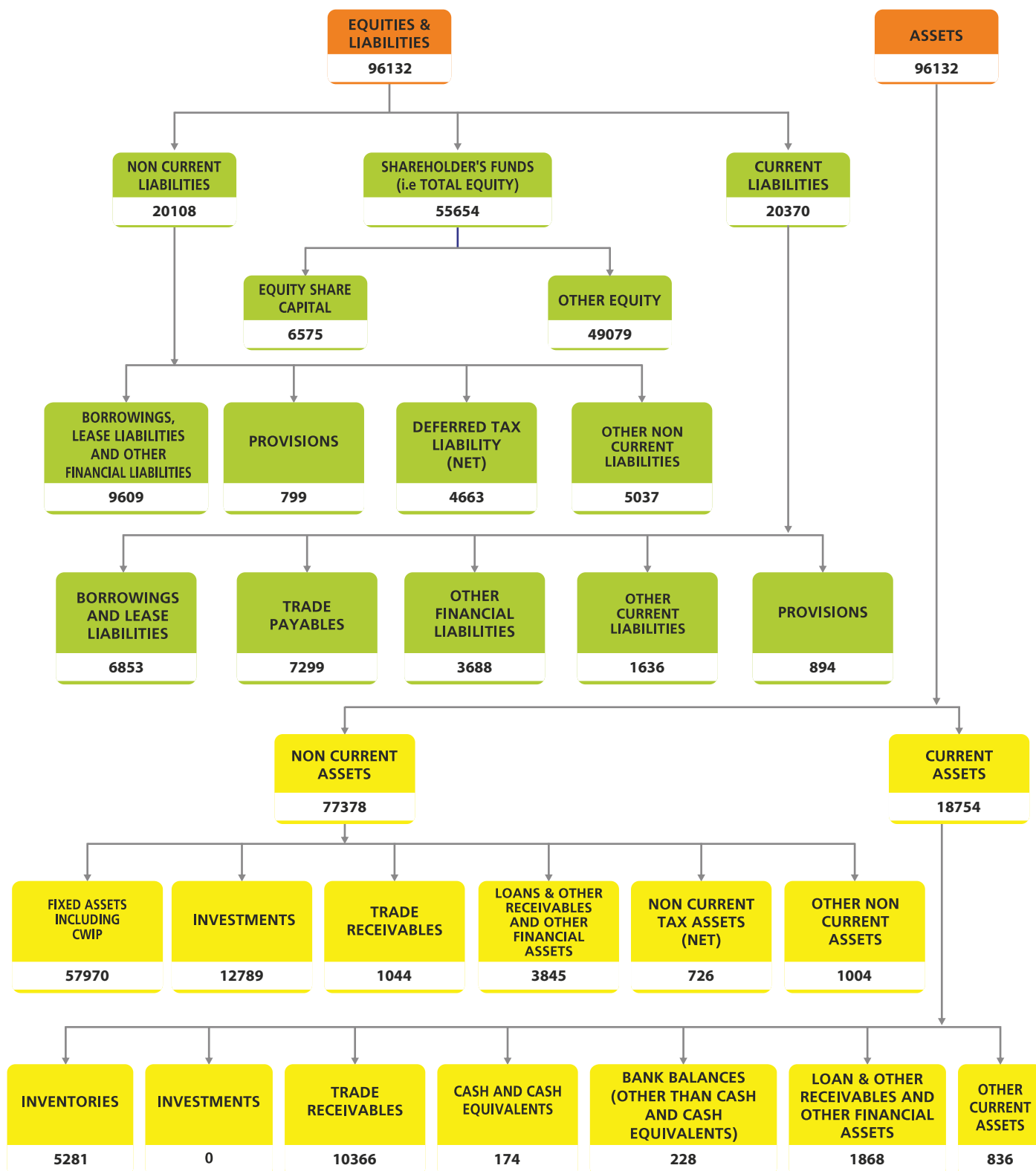


GAIL's Floating CNG station at Khidkiya Ghat, Varanasi

# FIVE YEAR PROFILE



## STATEMENT OF ASSETS AND LIABILITIES AS AT 31<sup>ST</sup> MARCH 2023



## Five Year Profile (Standalone)

(₹ In crore)

| Particulars  | 2018-19          | 2019-20          | 2020-21          | 2021-22          | 2022-23            |
|--|------------------|------------------|------------------|------------------|--------------------|
| <b>( A ) PHYSICAL PERFORMANCE</b>                  |                  |                  |                  |                  |                    |
| 1. Natural Gas Marketing (in MMSCMD)               | 96.93            | 96.26            | 89.20            | 96.24            | 94.91              |
| 2. Natural Gas Transmission (in MMSCMD)            | 107.43           | 108.37           | 104.20           | 110.98           | 107.28             |
| Installed Capacity (in MMSCMD)                     | 206.03           | 206.10           | 206.10           | 206.10           | 206.10             |
| Capacity Utilization %                             | 52.14%           | 52.58%           | 50.56%           | 53.85%           | 52.05%             |
| 3. LPG Transmission (in TMT)                       | 3,975            | 3,909            | 4163.00          | 4199             | 4335               |
| Installed Capacity (in TMT)                        | 3,780            | 3,830            | 3,830            | 3830             | 4580               |
| Capacity Utilization %                             | 105.16%          | 102.06%          | 108.69%          | 109.63%          | 94.65%             |
| 4. LPG Production (in TMT )                        | 945              | 914              | 811              | 734              | 690                |
| Installed Capacity (in TMT )                       | 1068             | 986              | 986              | 986              | 986                |
| Capacity Utilization %                             | 88.50%           | 92.71%           | 82.26%           | 74.43%           | 69.98%             |
| 5. SBP Solvent/Naphtha Production (in TMT )        | 97               | 87               | 65               | 65               | 56                 |
| Installed Capacity (in TMT )                       | 124              | 124              | 124              | 124              | 124                |
| Capacity Utilization %                             | 78.27%           | 70.37%           | 52.21%           | 52.18%           | 45.16%             |
| 6. Pentane Production (in TMT )                    | 36               | 31               | 20               | 26               | 23                 |
| Installed Capacity (in TMT )                       | 58               | 58               | 58               | 58               | 58                 |
| Capacity Utilization %                             | 62.46%           | 53.10%           | 35.32%           | 44.07%           | 39.66%             |
| 7. Propane Production (in TMT )                    | 247              | 234              | 241              | 177              | 165                |
| Installed Capacity (in TMT )                       | 257              | 257              | 257              | 257              | 257                |
| Capacity Utilization %                             | 96.20%           | 90.97%           | 93.59%           | 68.96%           | 64.20%             |
| 8. Polymer - HDPE & LLDPE (in TMT )                | 751              | 788              | 813              | 777              | 442                |
| Installed Capacity (in TMT )                       | 810.00           | 810              | 810              | 810              | 810                |
| Capacity Utilization %                             | 92.75%           | 97.32%           | 100.37%          | 95.93%           | 54.57%             |
| <b>(B) INCOME STATEMENT</b>                        |                  |                  |                  |                  |                    |
| <b>Gross Sales</b>                                 | <b>74,807.98</b> | <b>71,729.57</b> | <b>56,528.98</b> | <b>91,425.57</b> | <b>1,43,975.92</b> |
| Excise Duty  | 0.46             | 5.39             | 7.64             | 19.24            | 51.93              |
| <b>Net Sales</b>                                   | <b>74,807.52</b> | <b>71,724.18</b> | <b>56,521.34</b> | <b>91,406.33</b> | <b>1,43,923.99</b> |
| <b>Gross Margin (EBIDTA)</b>                       | <b>10,773.58</b> | <b>9,887.85</b>  | <b>8,449.59</b>  | <b>15,875.89</b> | <b>9,383.60</b>    |
| Depreciation & Amortisation                        | 1,550.22         | 1,835.99         | 1,907.88         | 2,111.17         | 2,488.07           |
| Finance Cost                                       | 138.54           | 108.50           | 155.90           | 174.43           | 311.72             |
| <b>Profit/(Loss) Before Tax</b>                    | <b>9,084.82</b>  | <b>7,943.36</b>  | <b>6,385.81</b>  | <b>13,590.29</b> | <b>6,583.81</b>    |
| <b>Profit/(Loss) After Tax</b>                     | <b>6,025.67</b>  | <b>6,620.63</b>  | <b>4,890.18</b>  | <b>10,363.97</b> | <b>5,301.51</b>    |
| Dividend Including Interim Dividend                | 1,734.14         | 3,285.64         | 2,237.63         | 3,996.35         | 3,068.38           |
| Corporate Dividend Tax                             | 356.46           | 656.87           | -                | -                | -                  |
| <b>(C) EQUITY, LIABILITIES AND ASSETS</b>          |                  |                  |                  |                  |                    |
| <b>EQUITY</b>                                      |                  |                  |                  |                  |                    |
| Equity Share Capital                               | 2,255.07         | 4,510.14         | 4,440.39         | 4,440.39         | 6,575.10           |
| Other Equity                                       | 41,837.87        | 39,460.96        | 42,170.76        | 51,146.41        | 49,078.57          |
| <b>Shareholder's Fund</b>                          | <b>44,092.94</b> | <b>43,971.10</b> | <b>46,611.15</b> | <b>55,586.80</b> | <b>55,653.67</b>   |
| <b>LIABILITIES</b>                                 |                  |                  |                  |                  |                    |
| Secured Loans                                      | 499.57           | 3,349.65         | 4,999.75         | 5,833.34         | 8,210.42           |
| Unsecured Loans                                    | 500.61           | 2,207.15         | 990.95           | 519.42           | 6,098.32           |
| Deferred Tax Liability (Net)                       | 5,947.71         | 4,497.19         | 4,502.23         | 4,767.28         | 4,662.78           |
| Other Non Current Liabilities                      | 4,133.80         | 5,015.65         | 6,153.33         | 7,584.71         | 7,608.53           |
| Current Liabilities (Excluding Current Borrowings) | 9,203.98         | 9,492.89         | 10,053.03        | 12,048.97        | 13,897.86          |
| <b>Total Equity And Liability</b>                  | <b>64,378.61</b> | <b>68,533.63</b> | <b>73,310.44</b> | <b>86,340.52</b> | <b>96,131.58</b>   |

## Five Year Profile (Standalone)

(₹ In crore)

| Particulars  | 2018-19          | 2019-20          | 2020-21          | 2021-22          | 2022-23          |
|--|------------------|------------------|------------------|------------------|------------------|
| <b>ASSETS</b>  |                  |                  |                  |                  |                  |
| Net Plant Property & Equipment (Including Intangible Assets and Right of Use Assets) | 31,086.09        | 33,644.98        | 36,497.94        | 39,780.99        | 44,307.33        |
| Capital Work-In-Progress (Including Intangible)                                      | 9,202.46         | 10,581.88        | 11,903.41        | 13,071.31        | 13,662.48        |
| Investments  | 9,528.17         | 7,498.47         | 9,292.24         | 12,122.47        | 12,788.77        |
| Other Non Current Assets   | 4,254.28         | 5,694.35         | 5,963.74         | 6,496.97         | 6,619.61         |
| Current Assets   | 10,307.61        | 11,113.95        | 9,653.11         | 14,868.78        | 18,753.39        |
| <b>Total Assets</b>  | <b>64,378.61</b> | <b>68,533.63</b> | <b>73,310.44</b> | <b>86,340.52</b> | <b>96,131.58</b> |
| <b>Net Worth</b>   | <b>39,202</b>    | <b>41,854</b>    | <b>43,379</b>    | <b>49,920</b>    | <b>50,860</b>    |
| <b>Capital Employed</b>  | <b>51,041</b>    | <b>52,431</b>    | <b>56,973</b>    | <b>67,610</b>    | <b>71,544</b>    |
| <b>Contribution To National Exchequer</b>  | <b>8,070</b>     | <b>9,460</b>     | <b>7,967</b>     | <b>13,090</b>    | <b>14,446</b>    |
| <b>Market Capitalisation-BSE</b>   | <b>78,319</b>    | <b>34,480</b>    | <b>60,189</b>    | <b>69,137</b>    | <b>69,203</b>    |
| <b>No. of Employees</b>  | <b>4,529</b>     | <b>4,682</b>     | <b>4,705</b>     | <b>4,754</b>     | <b>4,823</b>     |
| <b>Value Added</b>   | <b>13,058</b>    | <b>11,567</b>    | <b>10,117</b>    | <b>18,055</b>    | <b>10,528</b>    |
| <b>Value Added Per Employee</b>  | <b>2.88</b>      | <b>2.47</b>      | <b>2.15</b>      | <b>3.80</b>      | <b>2.18</b>      |
| <b>Capex during the Year</b>   | <b>8,349</b>     | <b>6,114</b>     | <b>6,982</b>     | <b>7,738</b>     | <b>9,099</b>     |
| <b>(D) CASH FLOW</b>   |                  |                  |                  |                  |                  |
| <b>NET CASH PROVIDED BY / (USED IN)</b>  |                  |                  |                  |                  |                  |
| Operating Activities   | 7,876.34         | 6,888.10         | 8,372.80         | 8,954.99         | 2,808.01         |
| Investing Activities   | (5,436.60)       | (6,828.94)       | (4,169.80)       | (4,614.79)       | (6,553.33)       |
| Financing Activities   | (3,365.04)       | 338.39           | (3,539.11)       | (4,184.86)       | 2,551.53         |
| <b>(E) KEY FINANCIAL INDICATORS</b>  |                  |                  |                  |                  |                  |
| Net Worth Per Rupee of Paid-Up Capital (₹)   | 17.38            | 9.28             | 9.77             | 11.24            | 7.74             |
| Debt to Equity Ratio   | 0.03             | 0.13             | 0.14             | 0.15             | 0.22             |
| EBITDA/Gross Turnover (%)  | 14.40            | 13.78            | 14.95            | 17.36            | 6.52             |
| Return On Capital Employed (%)   | 18.07            | 15.36            | 11.48            | 20.36            | 9.64             |
| Return on Net Worth (%)  | 15.37            | 15.82            | 11.27            | 20.76            | 10.42            |
| Gross Sales To Capital Employed (%)  | 146.57           | 136.81           | 99.22            | 135.23           | 201.24           |
| Dividend Payout Ratio (%) (Including Dividend Tax)                                   | 34.69            | 59.55            | 45.76            | 38.56            | 57.88            |
| Earning Per Share (₹)  | 26.72            | 14.68            | 10.85            | 23.34            | 8.04             |
| Dividend Per Share (₹)   | 7.69             | 7.29             | 5.00             | 9.00             | 5.00             |

**Notes**

|  |  |
|--|--|
| Borrowings   | Both Secured and Unsecured Loans are inclusive of Current Borrowings   |
| Capital Employed                                   | Equity Share Capital+Other Equity+Long Term Borrowings ± Deferred Tax Liability (Net)+Current Maturities of Long Term Borrowings |
| Net Worth  | Equity Share Capital+Other Equity (Excluding Other Comprehensive Income & Bond Redemption Reserve)                               |
| Net Worth Per Rupee of Paid-Up Capital             | Net Worth / Equity Share Capital   |
| EBITDA/Gross Turnover (%)                          | EBITDA / Gross Turnover  |
| Return On Capital Employed (%)                     | PBIT / Capital Employed  |
| Return on Net Worth (%)                            | PAT / Net Worth  |
| Gross Sales To Capital Employed (%)                | Gross Sales / Capital Employed   |
| Dividend Payout Ratio (%) (Including Dividend Tax) | (Dividend+Corporate Dividend Tax) / PAT  |
| Earning Per Share (₹)                              | PAT / Weighted Average No. of Equity Shares Outstanding During The Period  |
| Dividend Per Share (₹)                             | Dividend / No. of Equity Shares  |

## Five Year Profile (Standalone)

(In US\$ Millions)

| Particulars   | 2017-18          | 2018-19         | 2019-20         | 2020-21          | 2021-22          |
|---|------------------|-----------------|-----------------|------------------|------------------|
| <b>(A) INCOME STATEMENT</b>   |                  |                 |                 |                  |                  |
| <b>Gross Sales</b>  | <b>10,722.08</b> | <b>9,430.66</b> | <b>7,654.57</b> | <b>11,977.67</b> | <b>17,401.01</b> |
| Excise Duty   | 0.07             | 0.71            | 1.03            | 2.52             | 6.28             |
| <b>Net Sales</b>  | <b>10,722.02</b> | <b>9,429.95</b> | <b>7,653.53</b> | <b>11,975.15</b> | <b>17,394.73</b> |
| <b>Gross Margin (EBIDTA)</b>  | <b>1,544.16</b>  | <b>1,300.01</b> | <b>1,144.16</b> | <b>2,079.90</b>  | <b>1,134.11</b>  |
| Depreciation & Amortisation   | 222.19           | 241.39          | 258.35          | 276.58           | 300.71           |
| Finance Cost  | 19.86            | 14.27           | 21.11           | 22.85            | 37.67            |
| <b>Profit/(Loss) Before Tax</b>   | <b>1,302.11</b>  | <b>1,044.35</b> | <b>864.70</b>   | <b>1,780.47</b>  | <b>795.72</b>    |
| <b>Profit/(Loss) After Tax</b>  | <b>863.65</b>    | <b>870.45</b>   | <b>662.18</b>   | <b>1,357.78</b>  | <b>640.74</b>    |
| Dividend Including Interim Dividend   | 248.55           | 431.98          | 303.00          | 523.56           | 370.85           |
| Corporate Dividend Tax  | 51.09            | 86.36           | -               | -                | -                |
| <b>(B) EQUITY, LIABILITIES AND ASSETS</b>   |                  |                 |                 |                  |                  |
| <b>EQUITY</b>   |                  |                 |                 |                  |                  |
| Equity Share Capital  | 323.21           | 592.97          | 601.27          | 581.74           | 794.67           |
| Other Equity  | 5,996.54         | 5,188.14        | 5,710.33        | 6,700.70         | 5,931.66         |
| <b>Shareholder's Fund</b>   | <b>6,319.76</b>  | <b>5,781.11</b> | <b>6,311.60</b> | <b>7,282.43</b>  | <b>6,726.33</b>  |
| <b>LIABILITY</b>  |                  |                 |                 |                  |                  |
| Secured Loans   | 71.60            | 440.40          | 677.01          | 764.23           | 992.32           |
| Unsecured Loans   | 71.75            | 290.19          | 134.18          | 68.05            | 737.05           |
| Deferred Tax Liability (Net)  | 852.47           | 591.27          | 609.65          | 624.56           | 563.55           |
| Other Non Current Liabilities   | 592.49           | 659.43          | 833.22          | 993.67           | 919.57           |
| Current Liabilities (Excluding Current Maturities of Long Term Debt)  | 1,319.19         | 1,248.08        | 1,361.28        | 1,578.54         | 1,679.70         |
| <b>Total Equity And Liability</b>   | <b>9,227.26</b>  | <b>9,010.47</b> | <b>9,926.94</b> | <b>11,311.48</b> | <b>11,618.51</b> |
| <b>ASSETS</b>   |                  |                 |                 |                  |                  |
| Net Plant Property & Equipment (Including Intangible Assets and Right of Use Assets)                          | 4,455.51         | 4,423.48        | 4,942.17        | 5,211.71         | 5,355.01         |
| Capital Work-In-Progress  | 1,318.97         | 1,391.25        | 1,611.84        | 1,712.47         | 1,651.25         |
| Investments   | 1,365.65         | 985.86          | 1,258.26        | 1,588.17         | 1,545.66         |
| Other Non Current Assets  | 609.76           | 748.67          | 807.55          | 851.17           | 800.05           |
| Current Assets  | 1,477.37         | 1,461.21        | 1,307.12        | 1,947.96         | 2,266.54         |
| <b>Total Assets</b>   | <b>9,227.26</b>  | <b>9,010.47</b> | <b>9,926.94</b> | <b>11,311.48</b> | <b>11,618.51</b> |
| <b>Net Worth</b>  | <b>5,618.76</b>  | <b>5,502.76</b> | <b>5,873.89</b> | <b>6,540.07</b>  | <b>6,146.91</b>  |
| <b>Capital Employed</b>   | <b>7,315.58</b>  | <b>6,893.37</b> | <b>7,714.69</b> | <b>8,857.57</b>  | <b>8,646.84</b>  |
| <b>Contribution To National Exchequer</b>   | <b>1,156.66</b>  | <b>1,243.75</b> | <b>1,078.81</b> | <b>1,714.91</b>  | <b>1,745.95</b>  |
| <b>Market Capitalisation-BSE</b>  | <b>11,225.25</b> | <b>4,533.27</b> | <b>8,150.24</b> | <b>9,057.63</b>  | <b>8,363.90</b>  |
| <b>No. of Employees</b>   | <b>4,529</b>     | <b>4,682</b>    | <b>4,705</b>    | <b>4,754</b>     | <b>4,823</b>     |
| <b>Value Added</b>  | <b>1,871.58</b>  | <b>1,520.77</b> | <b>1,369.87</b> | <b>2,365.43</b>  | <b>1,272.42</b>  |
| <b>Value Added Per Employee</b>   | <b>0.41</b>      | <b>0.32</b>     | <b>0.29</b>     | <b>0.50</b>      | <b>0.26</b>      |
| <b>Capex during the Year</b>  | <b>1,196.65</b>  | <b>803.84</b>   | <b>945.36</b>   | <b>1,013.74</b>  | <b>1,099.71</b>  |
| <b>(C) CASH FLOW</b>  |                  |                 |                 |                  |                  |
| <b>NET CASH PROVIDED BY / (USED IN)</b>   |                  |                 |                 |                  |                  |
| Operating Activities  | 1,128.90         | 905.61          | 1,133.76        | 1,173.19         | 339.38           |
| Investing Activities  | (779.22)         | (897.84)        | (564.63)        | (604.58)         | (792.04)         |
| Financing Activities  | (482.30)         | 44.49           | (479.23)        | (548.26)         | 308.38           |
| # INR Converted in US\$ at the exchange rate prevalent on 31 <sup>st</sup> March of respective financial year | 69.77            | 76.06           | 73.85           | 76.33            | 82.74            |

\* Figures for this year is as per Indian GAAP. All the ratios for this year are computed on the basis of figures as per Indian GAAP. Hence these numbers are not fully comparable with other financial years.

## Five Year Profile (Consolidated)

(₹ In crore)

| Particulars   | 2018-19          | 2019-20          | 2020-21          | 2021-22          | 2022-23            |
|---|------------------|------------------|------------------|------------------|--------------------|
| <b>(A) INCOME STATEMENT</b>   |                  |                  |                  |                  |                    |
| <b>Gross Sales</b>  | <b>75,912.02</b> | <b>72,414.28</b> | <b>57,208.12</b> | <b>92,636.04</b> | <b>1,45,531.30</b> |
| Excise Duty   | 44.28            | 59.28            | 56.35            | 103.99           | 206.73             |
| <b>Net Sales</b>  | <b>75,867.74</b> | <b>72,355.00</b> | <b>57,151.77</b> | <b>92,532.05</b> | <b>1,45,324.57</b> |
| <b>Gross Margin (EBIDTA)</b>  | <b>11,657.02</b> | <b>12,818.04</b> | <b>10,078.54</b> | <b>18,086.17</b> | <b>10,324.53</b>   |
| Depreciation and Amortization Expenses  | 1,666.64         | 2,080.16         | 2,173.82         | 2,420.17         | 2,701.57           |
| Finance Costs   | 159.20           | 308.94           | 179.27           | 202.48           | 366.58             |
| <b>Profit/(Loss) Before Tax</b>   | <b>9,831.18</b>  | <b>10,428.94</b> | <b>7,725.45</b>  | <b>15,463.52</b> | <b>7,256.38</b>    |
| <b>Profit/(Loss) After Tax (Excluding Minority Interest)</b>  | <b>6,545.74</b>  | <b>9,422.05</b>  | <b>6,136.35</b>  | <b>12,256.07</b> | <b>5,616.00</b>    |
| Dividend Including Interim Dividend   | 1,734.15         | 3,285.64         | 2,238.58         | 3,997.45         | 3,069.70           |
| Corporate Dividend Tax*   | 356.46           | 675.37           | -                | -                | -                  |
| <b>(B) EQUITY, LIABILITIES AND ASSETS</b>   |                  |                  |                  |                  |                    |
| <b>EQUITY</b>   |                  |                  |                  |                  |                    |
| Equity Share Capital  | 2,255.07         | 4,510.14         | 4,440.39         | 4,440.39         | 6,575.10           |
| Other Equity  | 43,749.02        | 44,758.11        | 48,741.95        | 59,673.89        | 58,352.33          |
| <b>Shareholder's Fund</b>   | <b>46,004.09</b> | <b>49,268.25</b> | <b>53,182.34</b> | <b>64,114.28</b> | <b>64,927.43</b>   |
| <b>Non Controlling Interest</b>   | <b>45.95</b>     | <b>87.04</b>     | <b>97.49</b>     | <b>191.18</b>    | <b>179.55</b>      |
| <b>LIABILITY</b>  |                  |                  |                  |                  |                    |
| Secured Borrowings  | 499.57           | 3,510.93         | 5,118.50         | 5,833.34         | 9,298.52           |
| Unsecured Borrowing   | 1,700.76         | 3,141.99         | 2,086.87         | 1,996.98         | 6,976.38           |
| Deferred Tax Liabilities (Net)  | 6,509.88         | 4,039.19         | 4,088.46         | 4,199.17         | 4,395.09           |
| Other Non Current Liabilities including Provisions  | 4,160.49         | 5,270.15         | 6,226.95         | 7,493.98         | 7,687.97           |
| Current Liabilities including Provisions (Excluding Current Maturities of Long Term Debt & Short Term Borrowings) | 9,486.66         | 9,596.63         | 12,731.04        | 12,730.47        | 14,315.81          |
| <b>Total Equity And Liability</b>   | <b>68,407.40</b> | <b>74,914.18</b> | <b>83,531.65</b> | <b>96,559.40</b> | <b>1,07,780.75</b> |
| <b>ASSETS :</b>   |                  |                  |                  |                  |                    |
| Net Plant Property & Equipment (Including Intangible Assets)  | 32,700.28        | 38,229.62        | 41,160.34        | 44,572.06        | 49,696.87          |
| Capital Work-In-Progress  | 9,737.50         | 11,666.31        | 13,399.66        | 15,490.40        | 16,646.50          |
| Investments/Advances For Investment (Including Pending Allotment & Short Term Investments)                        | 10,735.80        | 9,905.99         | 12,610.29        | 16,435.85        | 17,269.70          |
| Other Non Current Assets (Including Goodwill on Consolidation)  | 4,185.19         | 3,455.37         | 3,753.93         | 3,753.94         | 3,636.99           |
| Current Assets  | 11,048.63        | 11,656.89        | 10,867.23        | 16,307.15        | 20,530.69          |
| <b>TOTAL ASSETS</b>   | <b>68,407.40</b> | <b>74,914.18</b> | <b>81,791.45</b> | <b>96,559.40</b> | <b>1,07,780.75</b> |
| <b>NET WORTH</b>  | <b>40,897</b>    | <b>46,251</b>    | <b>48,857</b>    | <b>57,373</b>    | <b>58,871</b>      |
| <b>CAPITAL EMPLOYED</b>   | <b>54,044</b>    | <b>57,742</b>    | <b>63,718</b>    | <b>76,501</b>    | <b>81,938</b>      |
| <b>(C) CASH FLOW</b>  |                  |                  |                  |                  |                    |
| <b>NET CASH PROVIDED BY / (USED IN)</b>   |                  |                  |                  |                  |                    |
| Operating Activities  | 7,984.20         | 8,345.36         | 8,993.40         | 9,628.59         | 3,204.69           |
| Investing Activities  | (5,706.58)       | (7,444.64)       | (4,693.03)       | (5,645.54)       | (7,640.12)         |
| Financing Activities  | (3,364.29)       | 281.22           | (3,470.62)       | (3,915.89)       | 2,972.06           |
| <b>(D) KEY FINANCIAL INDICATORS</b>   |                  |                  |                  |                  |                    |
| Net Worth Per Rupee Of Paid-Up Capital (₹)  | 18.14            | 10.25            | 11.00            | 12.92            | 8.95               |
| EBIDTA/Gross Turnover (%)   | 15.36            | 17.70            | 17.62            | 19.52            | 7.09               |
| Return On Capital Employed (%)  | 18.49            | 18.60            | 12.41            | 20.48            | 9.30               |
| Return on Net Worth (%)   | 16.01            | 20.37            | 12.56            | 21.36            | 9.54               |
| Gross Sales To Capital Employed (%)   | 140.46           | 125.41           | 89.78            | 121.09           | 177.61             |
| Dividend Payout Ratio (%) (Including Dividend Tax)  | 31.94            | 42.04            | 36.48            | 32.62            | 54.66              |
| Earning Per Share (₹)   | 19.35            | 13.93            | 9.07             | 18.40            | 8.52               |
| Dividend Per Share (₹)  | 7.69             | 7.29             | 5.04             | 9.00             | 5.00               |

Please refer five year profile (standalone) for formula of various ratios

\*Corporate Dividend Tax is not applicable from FY 2020-21 due to change in the statute



## Five Year Profile (Consolidated)

(In US\$ Millions)

| Particulars   | 2018-19          | 2019-20         | 2020-21          | 2021-22          | 2022-23          |
|---|------------------|-----------------|------------------|------------------|------------------|
| <b>(A) INCOME STATEMENT</b>   |                  |                 |                  |                  |                  |
| <b>Gross Sales</b>  | <b>10,880.32</b> | <b>9,520.68</b> | <b>7,746.53</b>  | <b>12,136.26</b> | <b>17,588.99</b> |
| Excise Duty   | 6.35             | 7.79            | 7.63             | 13.62            | 24.99            |
| <b>Net Sales</b>  | <b>10,873.98</b> | <b>9,512.88</b> | <b>7,738.90</b>  | <b>12,122.63</b> | <b>17,564.00</b> |
| <b>Gross Margin (EBIDTA)</b>  | <b>1,670.78</b>  | <b>1,685.25</b> | <b>1,364.73</b>  | <b>2,369.47</b>  | <b>1,247.83</b>  |
| Depreciation & Amortisation   | 238.88           | 273.49          | 294.36           | 317.07           | 326.51           |
| Finance Cost  | 22.82            | 40.62           | 24.27            | 26.53            | 44.31            |
| <b>Profit/(Loss) Before Tax</b>   | <b>1,409.08</b>  | <b>1,371.15</b> | <b>1,046.10</b>  | <b>2,025.88</b>  | <b>877.01</b>    |
| <b>Profit/(Loss) After Tax (Excluding Minority Interest)</b>  | <b>938.19</b>    | <b>1,238.77</b> | <b>830.92</b>    | <b>1,605.67</b>  | <b>678.75</b>    |
| Dividend Including Interim Dividend   | 248.55           | 431.98          | 303.13           | 523.71           | 371.01           |
| Corporate Dividend Tax  | 51.09            | 88.79           | -                | -                | -                |
| <b>(B) EQUITY, LIABILITIES AND ASSETS</b>   |                  |                 |                  |                  |                  |
| <b>EQUITY</b>   |                  |                 |                  |                  |                  |
| Equity Share Capital  | 323.21           | 592.97          | 601.27           | 581.74           | 794.67           |
| Other Equity  | 6,270.46         | 5,884.58        | 6,600.13         | 7,817.88         | 7,052.49         |
| <b>Shareholder's Fund</b>   | <b>6,593.68</b>  | <b>6,477.55</b> | <b>7,201.40</b>  | <b>8,399.62</b>  | <b>7,847.16</b>  |
| <b>Non Controlling Interest</b>   | <b>6.59</b>      | <b>11.44</b>    | <b>13.20</b>     | <b>25.05</b>     | <b>21.70</b>     |
| <b>LIABILITY</b>  |                  |                 |                  |                  |                  |
| Secured Loans   | 71.60            | 461.60          | 693.09           | 764.23           | 1,123.82         |
| Unsecured Loans   | 243.77           | 413.09          | 282.58           | 261.62           | 843.17           |
| Deferred Tax Liability (Net)  | 933.05           | 531.05          | 553.62           | 550.13           | 531.19           |
| Other Non Current Liabilities including Provisions  | 596.32           | 692.89          | 843.19           | 981.79           | 929.17           |
| Current Liabilities including Provisions (Excluding Current Maturities of Long Term Debt & Short Term Borrowings) | 1,359.70         | 1,261.72        | 1,433.22         | 1,667.82         | 1,730.22         |
| <b>Total Equity And Liability</b>   | <b>9,804.70</b>  | <b>9,849.35</b> | <b>11,020.31</b> | <b>12,650.26</b> | <b>13,026.44</b> |
| <b>ASSETS :</b>   |                  |                 |                  |                  |                  |
| Net Plant Property & Equipment (Including Intangible Assets)  | 4,686.87         | 5,026.25        | 5,573.51         | 5,839.39         | 6,006.39         |
| Capital Work-In-Progress  | 1,395.66         | 1,533.83        | 1,814.44         | 2,029.40         | 2,011.90         |
| Investments / Advances For Investment (Including Pending Allotment & Short Term Investments)                      | 1,538.74         | 1,302.39        | 1,707.55         | 2,153.26         | 2,087.23         |
| Other Non Current Assets (Including Goodwill on Consolidation)  | 599.86           | 454.30          | 453.28           | 491.80           | 439.57           |
| Current Assets  | 1,583.58         | 1,532.59        | 1,471.53         | 2,136.40         | 2,481.35         |
| <b>TOTAL ASSETS</b>   | <b>9,804.70</b>  | <b>9,849.35</b> | <b>11,020.31</b> | <b>12,650.26</b> | <b>13,026.44</b> |
| <b>NET WORTH</b>  | <b>5,861.70</b>  | <b>6,080.81</b> | <b>6,615.70</b>  | <b>7,516.39</b>  | <b>7,115.16</b>  |
| <b>CAPITAL EMPLOYED INCLUDING ASSETS UNDER CONSTRUCTION &amp; INVESTMENTS</b>                                     | <b>7,746.01</b>  | <b>7,591.61</b> | <b>8,628.03</b>  | <b>10,022.36</b> | <b>9,903.09</b>  |
| <b>(C) CASH FLOW</b>  |                  |                 |                  |                  |                  |
| <b>NET CASH PROVIDED BY / (USED IN)</b>   |                  |                 |                  |                  |                  |
| Operating Activities  | 1,144.36         | 1,097.21        | 1,217.79         | 1,261.44         | 387.32           |
| Investing Activities  | (817.91)         | (978.79)        | (635.48)         | (739.62)         | (923.39)         |
| Financing Activities  | (482.20)         | 36.97           | (469.96)         | (513.02)         | 359.20           |
| # INR Converted in US\$ at the exchange rate prevalent on 31 <sup>st</sup> March of respective financial year     | 69.77            | 76.06           | 73.85            | 76.33            | 82.74            |

\*Corporate Dividend Tax is not applicable from FY 2020-21 due to change in the statute



GAIL Floating  
CNG station at  
Khidkiya Ghat  
Varanasi

GAIL, Gandhar processing plant

# STANDALONE FINANCIAL STATEMENTS



## INDEPENDENT AUDITORS' REPORT

### To the Members of GAIL (India) Limited

#### Report on the Audit of the Standalone Financial Statements

##### Opinion

We have audited the accompanying standalone financial statements of GAIL (India) Limited (hereinafter referred to as "the Company"), which comprise of the Standalone Balance Sheet as at March 31, 2023, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit including other comprehensive income, changes in equity, and its cash flows for the year ended on that date.

##### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

##### Emphasis of Matter

- We draw attention to Note No. 32 (III) to the standalone financial statements regarding, various final transportation tariff orders issued by Petroleum and Natural Gas Regulatory Board (PNGRB), which have been contested by the company at Appellate Tribunal for Electricity (APTEL) and also certain customers have challenged these orders of PNGRB in Court of Law. Adjustment if any will be recognized as and when matter is finally decided.

- We draw attention to Note No. 29 (I) (a) (iii) to the standalone financial statements regarding CESTAT order confirming the demand for the differential amount by the Central Excise Department in the matter pertaining to classification of 'Naphtha' manufactured by the Company, of ₹ 3,391 crores including applicable penalty and interest thereon. Considering the merits of the case, Company has filed an appeal before the Hon'ble Supreme Court. Based on the legal opinion obtained, the Company does not foresee any probable outflow in the matter and accordingly has disclosed the same under contingent liability.
- We draw attention to Note No. 29 (I) (a) (iii) to the standalone financial statements regarding, regarding demand by customs authorities amounting to ₹ 934.01 crore including penalty and interest, on account of Special Additional Duty (SAD) and Custom Duty on differential quantity, while finalizing provisionally assessed Bill of Entries in respect of import of LNG by Company during September 2017 to March 2022 at Dabhol Port, Ratnagiri. Considering the merits of the case, the Company is in process of filing an appeal before the Commissioner (Appeals) Pune. Further based on the exemption notification 51/2017 dated 30.06.2017, clarification provided by Central Board of Indirect Taxes and Customs (CBIC) and practice being followed at other Custom Port i.e. Dahej & Hazira, the Company is confident of favorable outcome in the matter and accordingly has disclosed the same under contingent liability.
- We draw attention to Note no 68 to the standalone financial statements regarding depreciation on Natural Gas/LPG Transmission Pipelines considering useful life 30 years and residual value 5%. During the year the company has sought an opinion of the Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI) on the residual value of Natural Gas/LPG Transmission Pipelines for which opinion is awaited.

Our opinion is not modified in respect of matters mentioned in above paragraphs.

##### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Sr. No. | Key Audit Matter   | How our audit addressed the Key Audit Matter   |
|---------|--|--|
| 1       | <b>Recognition and measurement of revenues in view of adoption of Ind AS 115 "Revenue from Contracts with Customers"</b> | <p><b><u>Principal Audit Procedures</u></b></p> <p>We assessed the Company's process to identify the impact of adoption of the revenue accounting standard and checked the appropriateness of accounting policy. Our audit approach consisted testing of design and operating effectiveness of the internal controls as follows:</p> |

| Sr. No. | Key Audit Matter   | How our audit addressed the Key Audit Matter   |
|---------|--|--|
|         | <p>We identified above as Key Audit Matter as the application of the revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p> <p>Refer notes 21 and 38 to the standalone financial statements.</p> | <ol style="list-style-type: none"> <li>1. Evaluated the design of internal controls relating to implementation of the revenue accounting standard, wherever applicable.</li> <li>2. Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, re-performance and inspection of evidence in respect of operation of these controls.</li> <li>3. Tested the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the revenue accounting standard.</li> </ol> <p><b>Selected a sample of continuing and new contracts and performed the following substantive procedures:</b></p> <ol style="list-style-type: none"> <li>1. Read, analyzed and identified the distinct performance obligations in these contracts.</li> <li>2. Compared these performance obligations with that identified and recorded by the Company.</li> <li>3. Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration.</li> </ol> |
| 2       | <p><b>Evaluation of uncertain tax positions and contingent liabilities</b></p> <p>The company operates in multiple jurisdictions and is subject to periodic challenges by local tax authorities and other regulatory authorities such as PNGRB on a range of matters during the normal course of business including indirect tax matters. We have identified above as Key Audit Matter as these involve significant judgment to determine the possible outcome of material uncertain tax positions and contingent liabilities including matters under dispute, consequently having an impact on related accounting and disclosures.</p> <p>Refer note 29 (I) to the standalone financial statements.</p>   | <p><b>We have applied the following audit procedures in this regard:</b></p> <ol style="list-style-type: none"> <li>1. Obtained an understanding of key tax matters and other contingent liabilities.</li> <li>2. Read and analyzed the key correspondences, external legal opinions/ consultations obtained by the company</li> <li>3. Evaluated and challenged key assumptions made by the company in estimating the current and deferred tax balances</li> <li>4. Assessed and challenged the company's estimate of the possible outcome of the disputed cases by considering legal precedence and other judicial rulings</li> <li>5. Assessed and tested the presentation and disclosures relating to uncertain tax positions and contingent liabilities</li> </ol>  |
| 3       | <p><b>Derivative transaction and accounting of hedge transactions</b></p> <p>We have identified above as Key Audit Matter as hedge accounting has resulted into significant impact on financial statements coupled with complexity of its accounting, calculations and complex/numerous assumptions taken for establishing hedge relationship. Mark to market gain / loss pertaining to these derivative contracts are recognized in other comprehensive income.</p> <p>Refer note 56 to the standalone financial statements.</p>  | <p><b>We have applied the following audit procedures in this regard:</b></p> <ol style="list-style-type: none"> <li>1. Obtained an understanding of management's controls over recording of derivative transactions and application of hedge accounting.</li> <li>2. Tested the accuracy and completeness of derivative transactions.</li> <li>3. We have relied on the valuation report evaluating the appropriateness of the valuation methodologies applied and tested on sample basis the valuation of the derivative financial instruments.</li> <li>4. Validated that the derivative financial instruments qualify for hedge accounting and tested accuracy of hedge effectiveness and ineffectiveness on sample basis.</li> </ol>   |
| 4       | <p><b>Technical parameters and voluminous transactions of Natural gas trading and transmission captured to measure Revenue and Inventory through integrated system and complexities involved therein.</b></p>  | <p><b>We have applied the following audit procedures in this regard:</b></p> <ol style="list-style-type: none"> <li>1. We have performed test of controls, assisted by our IT specialists, over the accuracy and completeness of the quantity captured via IT system through to the accounting software.</li> </ol>  |

| Sr. No. | Key Audit Matter  | How our audit addressed the Key Audit Matter  |
|---------|---|---|
|         | <p>We have identified above as Key Audit Matter because determination of the quantity of Natural Gas sold and in stock through gas-pipelines involves use of various technical aspects of the natural gas such as pressure, temperature etc. captured from the measuring devices installed on the gas pipelines. We were informed that the methodology is standard and used industry-wide. This increases the complexity of validating quantity of Natural Gas sold and stock in pipeline as at March 31, 2023.</p> <p>Refer notes 10 and 21 to the standalone financial statements.</p>  | <ol style="list-style-type: none"> <li>2. We have obtained management representation that the IT system applies a standard methodology to capture the quantity of Natural Gas for the purpose of Revenue and inventory measurement.</li> <li>3. We have verified valuation of closing Inventories by applying various aspects made available to us by the management such as conversion factors, meter reading etc.</li> </ol>  |
| 5       | <p><b>Evaluation of the recoverable amounts of investments in and advances to certain subsidiaries</b></p> <p>The Company's evaluation of the recoverable amounts of investments in and advances to certain subsidiaries involves comparison of their recoverable value and the carrying amount. Management determines the recoverable amount based on management's estimates of future cash flows. Significant judgements are required to determine the aforesaid assumptions used in the discounted cash flow models. Due to the uncertainty of forecasting and discounting future cash flows, being inherently subjective, the level of management's judgement involved and the significance of the Company's investment as at March 31, 2023, we have considered this as a key audit matter.</p> <p>Refer notes 5 and 7 to the standalone financial statements.</p> | <p><b>We have applied the following audit procedures in this regard:</b></p> <ol style="list-style-type: none"> <li>1. We have carried out assessment of forecasts of future cash flows prepared by the management, evaluating the assumptions and comparing the estimates to externally available industry, economic and financial data.</li> <li>2. Assessed the reasonableness of the key business assumptions such as revenue growth and EBIDTA margins, by understanding the management's plan and performing retrospective testing.</li> <li>3. We have evaluated the Company's valuation methodology in determining the fair value of the investment. In making this assessment, we also assessed the professional competence, objectivity and capabilities of the valuation specialist engaged by the management.</li> <li>4. Assessed the reasonableness of the key assumptions adopted in the cash flow forecasts with the assistance of our internal valuation experts.</li> <li>5. We have carried out discussions with management on the performance of the Company's investments as compared to previous year in order to evaluate whether the inputs and assumptions used in the cash flow forecasts were suitable.</li> <li>6. Evaluated management's sensitivity analysis around the key assumptions.</li> </ol> |
| 6       | <p><b>Provision for Performance Related Pay</b></p> <p>The provision for performance related pay for financial year 2022-23 is made based on Department of Public enterprises guidelines (DPE). The rating factors are yet to be approved by Board of directors.</p>  | <p><b>We have applied the following audit procedures in this regard:</b></p> <ol style="list-style-type: none"> <li>1. We have reviewed the circular issued by DPE and verified the computations shared by the management for FY 2022-23 to satisfy that the methodology as prescribed in the circular have been followed and the provision made is reasonable.</li> <li>2. We have verified the self-evaluation report of GAIL's Memorandum of Understanding (MOU) for the FY 2021-22 where ratings have been approved by the Board of Directors to determine reasonability of assumptions used for FY 2022-23.</li> <li>3. We have also obtained MOU ratings communicated by DPE for FY 2021-22 mentioning scores and rating of the Company.</li> </ol>   |

#### Information Other than the Standalone Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the preparation of other information. The other information includes the Director's Report, Corporate Governance Report, Business Responsibility and Sustainability Report and Management Discussion and Analysis, but does not include the Standalone Financial Statements and our report thereon. The Director's Report, Corporate Governance Report, Business Responsibility and Sustainability Report and Management Discussion and Analysis is expected to be made available to us after the date of this auditors' report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available to us and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated.

When we read such other information as and when made available to us and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

#### Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation

of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

#### **Auditors' Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matters**

1. We draw attention to the Note no. 45 (II) (c) to the standalone financial statements regarding inclusion of proportionate share in Jointly Controlled Operations in the standalone financial statements of the Company. The total proportionate share includes Assets of ₹ 1,533.68 crores, Liabilities of ₹ 195.46 crores, Expenditure of ₹ 688.34 crores, Income of ₹ 1,182.78 crores along with the elements making up the Cash Flow Statement and related disclosures. The aforesaid amounts have been included based on the unaudited statements of these entities. Management is of view that this will not have a material impact on the Company's financial statements.

Our opinion is not modified in respect of above matter.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanation given to us, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.

2. As required by Comptroller and Auditor General of India through directions/sub-directions issued under Section 143(5) of the Companies Act 2013, on the basis of written representation received from the management, we give our report on the matter specified in the "Annexure –B" attached.
3. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including the Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended;
  - (e) Pursuant to the Notification No. GSR 463(E) dated 5<sup>th</sup> June 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of sub-section (2) of Section 164 of the Act are not applicable to the Company, being a Government Company;
  - (f) We are enclosing herewith a report in "Annexure-C" for our opinion on adequacy of internal financial controls system in place in the Company and the operating effectiveness of such controls;
  - (g) Pursuant to the Notification No. GSR 463(E) dated 5<sup>th</sup> June 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of Section 197 of the Companies Act, 2013, are not applicable to the Company, being a Government Company; and
  - (h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 29(l)(a) to the standalone financial statements;
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any and to the extent ascertainable, on long-term contracts including derivative contracts.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
- v. (a) The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Act as applicable.
- (b) The company has declared Interim dividend during the year. The same is paid by the Company in accordance with Section 123 of the Act as applicable.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

**For A.R. & Co.**

Chartered Accountants  
Firm Registration No: 002744C

Sd/-

**Pawan K Goel**

Partner

Membership No. 072209  
UDIN : 23072209BGVYOZ8897

**Place: New Delhi****Date: 18<sup>th</sup> May, 2023****For Gandhi Minocha & Co.**

Chartered Accountants  
Firm Registration No: 000458N

Sd/-

**Manoj Bhardwaj**

Partner

Membership No. 098606  
UDIN : 23098606BGSSNP8155



## ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 to "Report on Other legal and regulatory requirements" of the Independent Auditors' Report of even date to the members of GAIL (India) Limited on the Standalone Financial Statements for the year ended March 31, 2023.

- i. a) A. The Company has generally maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
- B. The Company has generally maintained proper records showing full particulars of Intangible assets.
- b) The Company is having a regular programme of physical verification of all Property, Plant and Equipment having substantial value, every year, other than those which are underground/under joint operations/ held at the residence of employees, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its business. In our opinion and as per information and explanation given by the management discrepancies observed were not material and have been appropriately accounted for in the books.
- c) According to the information and explanations given to us, we report that, the title deeds of all the immovable properties (other than properties where the company is the lessee and the lease arrangements are duly executed in the favour of the lessee), disclosed in the financial statements are held in the name of company. The details of exceptions are given in "Appendix A" attached.
- d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) and intangible assets during the year. Accordingly, the provisions of clause 3(i)(d) of the Order are not applicable.
- e) According to the information and explanations given to us, there are no proceedings which have been initiated or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

- ii. a) In our opinion, the management has conducted physical verification of inventory (excluding stores & spares and inventory lying with the third parties) at reasonable intervals during the year. We have been explained that the stock of gas at the end of the year has been taken with reference to reading of Turbine Flow Meter/Gas Chromatograph installed at Terminals, Stock of LPG/Pentane/SBP Solvent are determined with reference to Tank Level Gauge measurement which are converted into tonnage by measurement of density and applying correction factor for temperature. LPG vapors volume is converted to tonnage by standard formulae.

According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the coverage and procedure of such verification by the management is appropriate.

According to the information and explanations given to us, no material discrepancies of 10% or more in the aggregate for each class of inventory between physical inventory and book records were noticed on physical verification.

- b) In our opinion and according to the information and explanations given to us, during the year, the Company has not been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, from a bank or financial institutions on the basis of security of current assets. However, the company has been sanctioned unsecured working capital limits in excess of ₹ 5 crores, in aggregate, from banks, as such filings of quarterly returns or statements by the Company with the banks is not applicable.
- iii. The Company has made investments in, provided guarantee, and given unsecured loan to subsidiaries, joint venture and associate companies during the year in respect of which.
  - a). A. As per information and explanation given to us, the company has stood guarantee to subsidiaries, joint ventures and associates during the year and has given loan to subsidiary & associates as per following details:

(Amount in ₹ crores)

| Particulars  | Guarantee | Security | Loans    | Advances in nature of Loans |
|--|-----------|----------|----------|-----------------------------|
| Aggregate amount granted/ provided during the year                     |           |          |          |                             |
| - Subsidiaries   | 3,549.99  | -        | -        | -                           |
| - Joint Ventures   | 518.80    | -        | -        | -                           |
| - Associates   | 419.24    | -        | 2.17     | -                           |
| -Others  | -         | -        | -        | -                           |
| Balance outstanding as at balance sheet date in respect of above cases |           |          |          |                             |
| - Subsidiaries   | 16,694.26 | -        | 3,047.43 | -                           |
| - Joint Ventures   | 518.80    | -        | -        | -                           |
| - Associates   | 419.24    | -        | -        | -                           |
| -Others  | -         | -        | -        | -                           |

- B. Since, the company has not provided any loans or provided advances in the nature of loans, or stood guarantee, or provided security to parties other than subsidiaries, joint ventures and associates, and hence, the relevant clause is not applicable.
- b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the investments made, guarantees provided and the terms and conditions of loans and guarantees provided by the company are, prima facie, not prejudicial to the company's interest.
- c) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that in respect of loans, the schedule of repayment of principal and payment of interest has been stipulated and the receipts of interest is regular, where it is due. For repayment of principal, moratorium has been given and no repayment is due during the year.
- d) According to the information and explanations given to us and based on the audit procedures performed by us, no amount of loan is overdue for a period of more than 90 days.
- e) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that no loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or fresh loans granted to settle the overdue of existing loans given to the same parties. However, post balance sheet and before the date of audit report the company has approved deferment by 2 years in respect of interest accrued but not due pertaining to one of the loan to Konkan LNG Limited of ₹ 1,050.02 crores as detailed under:
- Deferment of payment of interest accrued but not due from date of novation till March 2023 to till March 2025 in 8 equal quarterly installments, starting from December 2025 which was earlier December 2023 and
  - Deferment of monthly interest payment with effect from April 2023 to April 2025
- f) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- iv. According to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of Companies Act 2013 in respect of loans, investment, guarantee and security granted during the year.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits or amount which deemed to be deposits. As such, the directives issued by the Reserve Bank of India, the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder are not applicable to the Company.
- No order has been passed with respect to Section 73 to 76, by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- vi. We have broadly reviewed the accounts and records maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act read with Companies (Cost Records & Audit) Rules, 2014, as amended and we are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made detailed examination of the records with a view to determine whether they are accurate and complete.
- vii. a) According to records of the Company and information and explanation given to us the Company has generally been regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. According to information and explanation given to us there are no outstanding statutory dues as referred above as at the last day of the financial year under audit for a period of more than six months from the date they became payable.
- b) According to records of the Company and information and explanation given to us the Company, the gross statutory dues of income tax or sale tax or service tax or duty of custom or duty of excise or value added tax or cess or Goods and Service Tax and any other statutory dues which have not been deposited on account of dispute or deposited under protest and the forum where the dispute is pending are given below:

| Name               | Aggregate amount of extended Interest accrued but not due portion of loan as on 31.03.2023 | Percentage of the aggregate to the total loans |
|--------------------|--|--|
| Konkan LNG Limited | ₹ 251.84 crores  | 8.26%  |

| Sl. No. | Name of Statute  | Nature of the Dues                        | Period to which the amount relates | Forum where the dispute is pending                               | Gross disputed amount (₹ in Crores) | Amount deposited under protest/appeal (₹ in Crores) | Amount not deposited (₹ in Crores) |
|---------|--|---|------------------------------------|--|-------------------------------------|---|------------------------------------|
| 1       | Entry Tax Act of respective States                                   | Entry Tax / Penalty / Interest            | 1999-00 to 2009-10                 | Commercial Tax Tribunal, UP                                      | 267.29                              | 6.41  | 260.88                             |
|         |  |   | 2008-09                            | Additional Commissioner (Appeal) Noida                           | 0.66                                | -   | 0.66                               |
|         |  |   | 2015-16 to 2016-17                 | Joint Commissioner of State Tax (Appeal), Central Division Patna | 0.14                                | -   | 0.14                               |
|         |  |   | <b>SUB-TOTAL</b>                   |  | <b>268.09</b>                       | <b>6.41</b>   | <b>261.68</b>                      |
| 2       | Central Sales Tax Act, 1956 and respective State Sales Tax / VAT Act | CST / Sales Tax / VAT/ Penalty / Interest | 2003-2004                          | Hon. High Court, Mumbai  | 0.63                                | 0.03  | 0.60                               |
|         |  |   | 2007-2008                          | Sales Tax Tribunal Mumbai  | 28.15                               | 3.80  | 24.35                              |
|         |  |   | 2017-18 to 2018-19                 | Commissioner (Appeals), Uttarakhand                              | 49.76                               | -   | 49.76                              |
|         |  |   | 2013-14                            | Joint Commissioner, Thanjavur                                    | 0.11                                | 0.01  | 0.10                               |
|         |  |   | Oct 2011 to Dec 2011               | Joint Commissioner of Commercial Taxes, Trichy                   | 1.06                                | -   | 1.06                               |
|         |  |   | 2011-12 & 2012 to 2015             | Joint Commissioner (Appeals), Sales Tax, Mumbai                  | 96.08                               | 2.32  | 93.76                              |
|         |  |   | 2014-15                            | Joint Commissioner (Appeals), Sonapat                            | 6.87                                | -   | 6.87                               |
|         |  |   | 2018-19                            | Dy. Commissioner Sales Tax, Mumbai                               | 695.73                              | -   | 695.73                             |
|         |  |   | 2013-14                            | Dy. Commissioner, State Tax, Haryana                             | 18.25                               | -   | 18.25                              |
|         |  |   | 2019-20                            | Dy. Commissioner, State Tax, Uttarakhand                         | 34.39                               | -   | 34.39                              |
|         |  |   | 2018-19                            | Appellate Dy. Commissioner (CT), Thanjavur                       | 3.78                                | 0.66  | 3.12                               |
|         |  |   | <b>SUB-TOTAL</b>                   |  | <b>934.81</b>                       | <b>6.82</b>   | <b>927.99</b>                      |
| 3.      | Central Excise Act 1944  | Central Excise Duty / Interest / Penalty  | Jan 2008 to March 2012             | Hon. Supreme Court   | 3,391.11                            | 20.00   | 3,371.11                           |
|         |  |   | May 2007 to May 2009               | Customs, Excise and Service Tax Appellate Tribunal, Kolkata      | 37.21                               | 0.66  | 36.55                              |
|         |  |   | Oct 2001 to Aug 2004               | Customs, Excise and Service Tax Appellate Tribunal, Mumbai       | 243.43                              | -   | 243.43                             |
|         |  |   | July 2011 to Feb 2012              | Commissioner, Dibrugarh  | 60.18                               | -   | 60.18                              |
|         |  |   | <b>SUB-TOTAL</b>                   |  | <b>3,731.93</b>                     | <b>20.66</b>  | <b>3,711.27</b>                    |
| 4.      | Customs Act, 1962  | Customs Duty/ Interest / Penalty          | May 2015 to Dec 2018 & Sep 2019    | Hon. High Court of Gujarat                                       | 626.19                              | 10.00   | 616.19                             |
|         |  |   | March 2006                         | Customs, Excise and Service Tax Appellate Tribunal, Delhi        | 0.53                                | 0.46  | 0.07                               |
|         |  |   | Jan 2019 to Aug 2019               | Commissioner (Appeals), Ahmedabad                                | 0.38                                | -   | 0.38                               |
|         |  |   | Sept 2017 to April 2022            | Dy. Commissioner. Customs, Dapoli, Maharashtra                   | 934.01                              | -   | 934.01                             |
|         |  |   | May 2021 to Aug 2021               | Asst. Commissioner., Dahej, Gujarat                              | 0.23                                | -   | 0.23                               |
|         |  |   | <b>SUB-TOTAL</b>                   |  | <b>1,561.34</b>                     | <b>10.46</b>  | <b>1,550.88</b>                    |

| Sl. No.                    | Name of Statute                  | Nature of the Dues                      | Period to which the amount relates      | Forum where the dispute is pending                        | Gross disputed amount (₹ in Crores) | Amount deposited under protest/appeal (₹ in Crores) | Amount not deposited (₹ in Crores) |
|----------------------------|----------------------------------|---|---|---|-------------------------------------|---|------------------------------------|
| 5                          | Goods & Service Tax 2017         | GST / Interest / Penalty                | Jan-19                                  | Hon. High Court, Allahabad                                | 0.85                                | 0.85  | -                                  |
| 6                          | Finance Act 1994 (Service Tax)   | Service Tax / Interest / Penalty        | April 2009 to Mar 2014                  | Customs, Excise and Service Tax Appellate Tribunal, Delhi | 7.31                                | 0.42  | 6.89                               |
| 7                          | Income Tax Act, 1961             | Income Tax / Interest / Penalty         | AY 2008-09 to AY 2018-19                | Jurisdictional Assessing Officer (TDS)                    | 0.40                                | -   | 0.40                               |
| 8                          | Gujarat Municipalities Act, 1963 | Notified Area Tax / GIDC Tax / Interest | 1998-99 to 2005-06 & 1985-86 to 2009-10 | Hon. High Court, Ahmedabad                                | 5.02                                | -   | 5.02                               |
| <b>TOTAL (₹ In crores)</b> |                                  |   |   |   | <b>6,509.75</b>                     | <b>45.62</b>  | <b>6,464.13</b>                    |

- viii. In our opinion and according to the information and explanations given to us, the Company has not surrendered or disclosed as income, any transaction not recorded in the books of account, during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, the provisions of clause 3(viii) of the Order are not applicable.
- ix. a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared willful defaulter by any bank or financial institution or other lender.
- c) In our opinion and according to the information and explanations given to us, the term loans were applied for the purposes for which the loans were obtained.
- d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis, have been used for long-term purposes by the Company.
- e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries and joint ventures.
- f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries and joint ventures.
- x. a) In our opinion and according to the information and explanations given to us, the Company did not raise moneys by way of initial public offer or further public offer during the year. However, the Company has issued bonds for capital expenditure and as per information and explanations given to us, the funds were applied for the purpose for which they were raised.
- b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally). Accordingly, provisions of clause 3(x)(b) of the order are not applicable.
- xi. a) According to the information and explanations given to us by the Management, no fraud by the company or any fraud on the company has been noticed or reported during the year.
- b) We have not submitted any report under subsection (12) of section 143 of the Companies Act, 2013 in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this audit report.
- c) As represented to us by the management, there are no whistle blower complaints received by the company during the year. Accordingly, provisions of clause 3(xi)(c) of the order are not applicable.
- xii. The Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- xiii. In our opinion, the Company has complied with provisions of sections 177 and 188 of Companies Act, 2013 in respect of transactions with the related parties and the details have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.
- xiv. a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- b) We have considered the Internal Audit reports of the company issued till date, for the period under audit.

- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act. Accordingly, provisions of clause 3(xv) of the Order are not applicable.
- xvi. a) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, provisions of clause (xvi)(a) of the Order are not applicable to the Company.
- b) According to the information and explanations provided to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities therefore the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, provisions of clause 3(xvi)(b) of the Order are not applicable
- c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, provisions of clause 3(xvi)(c) of the Order are not applicable
- d) According to the audit reports shared by the management of entities forming part of the group, and as per information and explanations given to us by the Management, in our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016). Accordingly, provisions of clause 3(xvi)(d) of the Order are not applicable.
- xvii. Based on our examination of the books and records of the Company, the Company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- Accordingly, provisions of clause 3(xvii) of the order are not applicable.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, provisions of clause 3 (xviii) of the order are not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report and that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due
- xx. a) In our opinion and according to the information and explanations given to us, the company has incurred expenditure under Corporate Social Responsibility as required by the provisions of Section 135 of the Act and there are no unspent amounts which are to be transferred pursuant to section 135(5) and 135(6) of the Act.
- b) Since there are no unspent amounts which are to be transferred pursuant to section 135(5) and 135(6) of the Act, hence, provisions of clause 3(xx)(b) of the order are not applicable.

**For A.R. & Co.**

Chartered Accountants  
Firm Registration No: 002744C

Sd/-

**Pawan K Goel**

Partner  
Membership No. 072209  
UDIN : 23072209BGVYOZ8897

**Place: New Delhi****Date: 18<sup>th</sup> May, 2023****For Gandhi Minocha & Co.**

Chartered Accountants  
Firm Registration No: 000458N

Sd/-

**Manoj Bhardwaj**

Partner  
Membership No. 098606  
UDIN : 23098606BGSSNP8155

## Reporting as per Companies (Auditor's Report) Order 2020 -Immovable Property not held in the name of the Company

### Appendix A

| Description of Property | Gross Carrying Value (₹ in crore) | Held in the name of   | Whether promoter, director or their relative or employee | Property held-range (Financial Year) | Reason for not being held in the name of the company   |
|-------------------------|-----------------------------------|---|--|--------------------------------------|--|
| <b>Land – Freehold</b>  | 2.53                              | Diamond Research Mercantile City Limited                                  | No   | 2007-2008                            | Matter pending with Surat Municipal Corporation  |
|                         | 0.06                              | Gram Panchayat Dapcheri   |  | 2007-2008                            | Matter pending at Mumbai, High Court   |
|                         | 0.00                              | LAO D & NH Silvassa Govt Land   |  | 2009-2010                            | Matter pending with Revenue Authorities, District Collector Palghar  |
|                         | 6.82                              | Government of Gujarat   |  | 2022-23                              | The matter is being pursued with Collector Surat through SLAO.   |
|                         | 1.22                              | Land belongs to Haryana Sehkari Vikas Parishad                            |  | 2010-2011                            | The matter is being pursued with Haryana Vikas Pradhikaran   |
|                         | 0.08                              | Sh Ram Khelawan & Ors (Plot no 448 )and Sh. Ram Sevak & Ors (Plot No 446) |  | 2015-16                              | Initially land was Matrukh and Non-transferable, now entry of land owners has been done in property register |
|                         | 0.12                              | Multiple Farmer's   |  | 2015-2016                            | Pending with SLAO for initiating acquisition process.  |
|                         | 0.40                              | Multiple Farmer's   |  | 2015-2016                            | Pending with SLAO for initiating acquisition process.  |
|                         | 4.56                              | Government Land   |  | 1999-2000                            | Matter has been pending with Government of Gujarat   |
|                         | 0.25                              | Gujrat Industrial Development Corporation (GIDC)                          |  | 1991-1992                            | Pending with Gujarat Govt.   |
|                         | 0.03                              | Multiple Farmer's   |  | 2012-2013                            | Multiple Farmer's Agency Hired for Take-up with Land Owner   |
|                         | 0.03                              | Multiple Farmer's   |  | 2012-2013                            | Multiple Farmer's Agency Hired for Take-up with Land Owner   |
|                         | 0.01                              | Multiple Farmer's   |  | 2021-2022                            | Multiple Farmer's Agency Hired for Take-up with Land Owner   |
|                         | 0.61                              | Government of Goa   |  | 2011-2012                            | Pending with Govt of Goa   |
|                         | 0.15                              | Multiple Farmer's   |  | 2012-13                              | Multiple Farmer's Agency Hired for Take-up with Land Owner   |
|                         | 0.32                              | Multiple Farmer's   |  | 2012-13                              | Multiple Farmer's Agency Hired for Take-up with Land Owner   |
|                         | 0.07                              | Multiple Farmer's   |  | 2012-13                              | Multiple Farmer's Agency Hired for Take-up with Land Owner   |
|                         | 0.07                              | Multiple Farmer's   |  | 2012-13                              | Multiple Farmer's Agency Hired for Take-up with Land Owner   |

| Description of Property | Gross Carrying Value (₹ in crore) | Held in the name of                                     | Whether promoter, director or their relative or employee | Property held-range (Financial Year) | Reason for not being held in the name of the company  |
|-------------------------|-----------------------------------|---|--|--------------------------------------|---|
| <b>Land – Leasehold</b> | 4.59                              | Forest Land   |  | 2011-2012                            | Proposal for sub-lease of Forest land in favour of GAIL is with Govt. of Karnataka.         |
|                         | 4.48                              | Nagar Nigam, Varanasi                                   |  | 2021-2022                            | The Lease Agreement at draft stage with Nagar Nigam office                                  |
|                         | 0.12                              | Government Land   |  | 2005-2006                            | Lease deed pending with MPIDC   |
|                         | 0.14                              | Government Land   |  | 2022-2023                            | Lease is pending due to delay in finalisation in lease deed at the end of Tehsildar, Bairad |
|                         | 0.18                              | Karnataka Industrial Areas Development Board (KIADB)    |  | 2011-2012                            | Pending with Sub Registrar Belgaum  |
|                         | 0.00                              | Government Land   |  | 1995-1996                            | Lease rent yet to be fixed meeting Honourable. Collector Guna,                              |
|                         | 4.79                              | The Fertilisers and Chemicals Travancore Limited (FACT) |  | 2010-2011                            | Matter being persuaded with FACT  |
|                         | 1.33                              | Forest department                                       |  | 1999-2000                            | Matter pending with the State Government  |
|                         | 0.61                              | Government Land   |  | 2011-2012                            | Pending with Govt of Goa  |

## ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 2 to "Report on Other legal and regulatory requirements" of the Independent Auditors' Report of even date to the members of GAIL (India) Limited on the standalone financial statements for the year ended March 31, 2023.

| Sl. No. | Directions / Sub Directions   | Action taken   | Impact on standalone financial statement |
|---------|---|--|--|
| 1       | Whether the Company has system in place to process all the accounting transitions through IT system? If yes the implications of processing of accounting transaction outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated? | <p>The Company maintains its books of account on IT system, SAP, which is an ERP system. All accounting transactions are processed in accounts maintained on SAP.</p> <p>Based on the audit procedures carried out and as per the information and explanations given to us, no accounting transactions have been processed or carried outside the IT system of the Company. Accordingly, in our opinion, there are no implications on the integrity of the accounts.</p> | Nil                                      |
| 2       | Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest made by a lender due to Company inability to repay the loan? If yes, the financial impact may be stated?  | In accordance with the audit procedures carried out and as per the information and explanations given to us by the Company, there was no restructuring of existing loans or cases of waiver/write off of debts/ loans/interest made by a lender to the Company due to the Company's inability to repay the loan.   | Nil                                      |
| 3       | Whether funds received/ receivable for specific schemes from central state agencies were properly accounted for/ utilized as per its terms and conditions? List the cases of deviation.   | <p>Refer to Note 53 of the standalone financial statements regarding the grant received by the Company for the project Jagdishpur Haldia Bokaro Dhamra Pipeline Project (JHBDPL).</p> <p>According to the information and explanations given to us and as represented by the Management and based on our examination of the books and records of the Company, these have been utilized as per its terms and conditions. We did not encounter any deviation.</p>          | Nil                                      |

**For A.R. & Co.**

Chartered Accountants  
Firm Registration No: 002744C

Sd/-

**Pawan K Goel**

Partner  
Membership No. 072209  
UDIN : 23072209BGVYOZ8897

**Place: New Delhi**

**Date: 18<sup>th</sup> May, 2023**

**For Gandhi Minocha & Co.**

Chartered Accountants  
Firm Registration No: 000458N

Sd/-

**Manoj Bhardwaj**

Partner  
Membership No. 098606  
UDIN : 23098606BGSSNP8155



## ANNEXURE - C TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 3(f) to "Report on Other legal and regulatory requirements" of the Independent Auditors' Report of even date to the members of GAIL (INDIA) LIMITED on the standalone financial statements for the year ended March 31, 2023.

### Report on the Internal Financial Controls under Clause (i) of Sub section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of GAIL (INDIA) LIMITED ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have

obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system, over financial reporting, except timely closure of contracts, such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the areas of improvement identified which needs further strengthening as reported in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2023 standalone Ind AS financial statements of the Company. However, these areas of improvement do not affect our opinion on the standalone Ind AS financial statements of the Company.

#### For A.R. & Co.

Chartered Accountants  
Firm Registration No: 002744C

Sd/-

**Pawan K Goel**

Partner

Membership No. 072209  
UDIN : 23072209BGVYOZ8897

Place: New Delhi

Date: 18<sup>th</sup> May, 2023

#### For Gandhi Minocha & Co.

Chartered Accountants  
Firm Registration No: 000458N

Sd/-

**Manoj Bhardwaj**

Partner

Membership No. 098606  
UDIN : 23098606BGSSNP8155

## GAIL (India) Limited, New Delhi

### Standalone Balance Sheet as at 31<sup>st</sup> March, 2023

(₹ in crore)

| Sr. No | Particulars   | Note No. | As at<br>31 <sup>st</sup> March, 2023 | As at<br>31 <sup>st</sup> March, 2022 |
|--------|---|----------|---------------------------------------|---------------------------------------|
|        | <b>ASSETS</b>   |          |                                       |                                       |
| 1      | Non-Current Assets                                      |          |                                       |                                       |
|        | a) Property, Plant and Equipment                        | 2        | 39,414.32                             | 35,736.71                             |
|        | b) Capital Work-In-Progress                             | 3        | 13,662.48                             | 13,071.31                             |
|        | c) Intangible Assets                                    | 4        | 2,854.97                              | 2,534.68                              |
|        | d) Right of Use Assets                                  | 2A       | 2,038.04                              | 1,509.60                              |
|        | e) Financial Assets                                     |          |                                       |                                       |
|        | i) Investments  | 5        | 12,788.77                             | 12,120.92                             |
|        | ii) Trade Receivables                                   | 6        | 1,044.28                              | 1,049.61                              |
|        | iii) Loans  | 7        | 3,317.06                              | 3,129.72                              |
|        | iv) Other Financial Assets                              | 8        | 527.92                                | 1,089.43                              |
|        | f) Non-Current Tax Assets (Net)                         | 9        | 725.87                                | 431.96                                |
|        | g) Other Non-Current Assets                             | 12       | 1,004.48                              | 797.80                                |
|        | <b>Subtotal (1)</b>                                     |          | <b>77,378.19</b>                      | <b>71,471.74</b>                      |
| 2      | Current Assets  |          |                                       |                                       |
|        | a) Inventories  | 10       | 5,281.27                              | 3,015.24                              |
|        | b) Financial Assets                                     |          |                                       |                                       |
|        | i) Trade Receivables                                    | 6A       | 10,366.30                             | 7,316.38                              |
|        | ii) Cash and Cash Equivalents                           | 11       | 173.77                                | 1,367.56                              |
|        | iii) Bank Balances other than Cash and Cash Equivalents | 11A      | 228.19                                | 717.39                                |
|        | iv) Loans   | 7A       | 67.72                                 | 99.11                                 |
|        | v) Other Financial Assets                               | 8A       | 1,800.35                              | 1,686.63                              |
|        | c) Other Current Assets                                 | 12A      | 835.79                                | 666.47                                |
|        | <b>Subtotal (2)</b>                                     |          | <b>18,753.39</b>                      | <b>14,868.78</b>                      |
|        | <b>Total Assets (1+2)</b>                               |          | <b>96,131.58</b>                      | <b>86,340.52</b>                      |
|        | <b>EQUITY AND LIABILITIES</b>                           |          |                                       |                                       |
| 1      | <b>EQUITY</b>   |          |                                       |                                       |
|        | a) Equity Share Capital                                 | 13       | 6,575.10                              | 4,440.39                              |
|        | b) Other Equity   | 14       | 49,078.57                             | 51,146.41                             |
|        | <b>Subtotal (1)</b>                                     |          | <b>55,653.67</b>                      | <b>55,586.80</b>                      |
|        | <b>LIABILITIES</b>                                      |          |                                       |                                       |
| 2      | <b>Non-Current Liabilities</b>                          |          |                                       |                                       |
|        | a) Financial Liabilities                                |          |                                       |                                       |
|        | i) Borrowings   | 15       | 7,837.08                              | 4,830.09                              |
|        | ii) Lease Liabilities                                   |          | 1,039.17                              | 938.68                                |
|        | iii) Other Financial Liabilities                        | 16       | 732.80                                | 691.53                                |
|        | b) Provisions   | 17       | 799.26                                | 666.39                                |
|        | c) Contract Liabilities                                 |          | 495.73                                | 429.71                                |
|        | d) Deferred Tax Liabilities (Net)                       | 20       | 4,662.78                              | 4,767.28                              |
|        | e) Other Non-Current Liabilities                        | 19       | 4,541.57                              | 4,675.95                              |
|        | <b>Subtotal (2)</b>                                     |          | <b>20,108.39</b>                      | <b>16,999.63</b>                      |

(₹ in crore)

| Sr. No | Particulars  | Note No. | As at<br>31 <sup>st</sup> March, 2023 | As at<br>31 <sup>st</sup> March, 2022 |
|--------|--|----------|---------------------------------------|---------------------------------------|
| 3      | Current Liabilities  |          |                                       |                                       |
|        | a) Financial Liabilities   |          |                                       |                                       |
|        | i) Borrowings  | 15A      | 6,471.66                              | 1,522.67                              |
|        | ii) Lease Liabilities  |          | 381.63                                | 364.32                                |
|        | iii) Trade Payables  |          |                                       |                                       |
|        | (A) Total outstanding dues of Small Enterprises and Micro Enterprises                      | 18       | 337.10                                | 292.37                                |
|        | (B) Total outstanding dues of creditors other than Small Enterprises and Micro Enterprises | 18       | 6,962.14                              | 5,173.60                              |
|        | iv) Other Financial Liabilities  | 16A      | 3,687.74                              | 3,926.31                              |
|        | b) Other Current Liabilities   | 19A      | 1,027.16                              | 1,045.70                              |
|        | c) Contract Liabilities  |          | 608.70                                | 585.24                                |
|        | d) Provisions  | 17A      | 893.39                                | 843.88                                |
|        | <b>Subtotal (3)</b>  |          | <b>20,369.52</b>                      | <b>13,754.09</b>                      |
|        | <b>Total Equity and Liabilities (1+2+3)</b>  |          | <b>96,131.58</b>                      | <b>86,340.52</b>                      |

The significant accounting policies and accompanying notes form an integral part of Standalone Financial Statements.

**For and on behalf of the Board of Directors**

Sd/-  
**M K Aggarwal**  
Company Secretary  
(ACS No. 69402)

Sd/-  
**R K Jain**  
Director (Finance)  
(DIN: 08788595)

Sd/-  
**M V Iyer**  
Director (BD) & Director (Marketing)  
(DIN: 08198178)

Sd/-  
**S K Gupta**  
Chairman & Managing Director  
(DIN: 07570165)

As per our separate report of even date

For **A.R. & Co**  
**Chartered Accountants**  
Firm No.002744C

For **Gandhi Minocha & Co**  
**Chartered Accountants**  
Firm No.000458N

Sd/-  
**Pawan K Goel**  
**(Partner)**  
Membership No. 072209

Sd/-  
**Manoj Bhardwaj**  
**(Partner)**  
Membership No. 098606

Place : **New Delhi**  
Date : **18<sup>th</sup> May 2023**

## GAIL (India) Limited, New Delhi

Standalone Statement of Profit and Loss for the Financial Year Ended 31<sup>st</sup> March, 2023

(₹ in crore)

| Sr. No. | Particulars   | Note     | Financial Year Ended 31 <sup>st</sup> March, 2023 | Financial Year Ended 31 <sup>st</sup> March, 2022 |
|---------|---|----------|---|---|
| I       | Revenue From Operations   | 21       | 1,44,301.61                                       | 91,645.72   |
| II      | Other Income  | 22       | 2,684.70  | 2,046.86  |
| III     | <b>Total Income (I+II)</b>  |          | <b>1,46,986.31</b>                                | <b>93,692.58</b>                                  |
| IV      | <b>EXPENSES</b>   |          |   |   |
|         | Cost of Materials Consumed  |          | 6,860.15  | 5,044.04  |
|         | Excise Duty   |          | 51.93   | 19.24   |
|         | Purchases of Stock-in-Trade   |          | 1,23,975.78                                       | 66,064.91   |
|         | Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress                                   | 23       | (1,959.99)  | (326.77)  |
|         | Employee Benefits Expense   | 24       | 1,773.77  | 1,711.17  |
|         | Finance Costs   | 25       | 311.72  | 174.43  |
|         | Depreciation and Amortization Expense   | 26       | 2,488.07  | 2,111.17  |
|         | Other Expenses  | 27       | 6,901.07  | 5,304.10  |
|         | <b>Total Expenses (IV)</b>  |          | <b>1,40,402.50</b>                                | <b>80,102.29</b>                                  |
| V       | <b>Profit Before Tax (III-IV)</b>   |          | <b>6,583.81</b>                                   | <b>13,590.29</b>                                  |
| VI      | <b>Tax Expense:</b>   |          |   |   |
|         | (1) Current Tax   |          |   |   |
|         | -Current Year   |          | 1,277.47  | 3,248.41  |
|         | -Adjustment of tax relating to earlier periods  |          | (52.37)   | (77.57)   |
|         | (2) Deferred Tax  |          | 57.20   | 55.48   |
|         | <b>Total Tax Expense</b>  |          | <b>1,282.30</b>                                   | <b>3,226.32</b>                                   |
| VII     | <b>Profit for the Year (V-VI)</b>   |          | <b>5,301.51</b>                                   | <b>10,363.97</b>                                  |
| VIII    | <b>Other Comprehensive Income (OCI)</b>   |          |   |   |
|         | <b>(A) Item that will be reclassified to Profit or Loss:</b>  |          |   |   |
|         | Net movement on cash flow hedge gain / (loss)   |          | (689.16)  | 890.80  |
|         | Income tax effect thereon   |          | 173.45  | (224.20)  |
|         | <b>Net OCI that will be reclassified to Profit or Loss (A)</b>  |          | <b>(515.71)</b>                                   | <b>666.60</b>                                     |
|         | <b>(B) Items that will not be reclassified to Profit or Loss:</b>   |          |   |   |
|         | (i) Net gain / (loss) on FVTOCI equity shares   |          | (357.85)  | 1,886.98  |
|         | Income tax effect thereon   |          | 1.25  | (1.32)  |
|         |   |          | <b>(356.60)</b>                                   | <b>1,885.66</b>                                   |
|         | (ii) Re-measurement gain / (loss) on defined benefit plans  |          | 46.69   | 46.84   |
|         | Income tax effect thereon   |          | (11.75)   | 8.93  |
|         |   |          | <b>34.94</b>                                      | <b>55.77</b>                                      |
|         | <b>Net OCI that will not be reclassified to Profit or Loss (B)</b>  |          | <b>(321.66)</b>                                   | <b>1,941.43</b>                                   |
|         | <b>Other Comprehensive Income for the period (A+B)</b>  |          | <b>(837.37)</b>                                   | <b>2,608.03</b>                                   |
| IX      | <b>Total Comprehensive Income for the period (VII+VIII) (Comprising Profit / (Loss) and OCI for the period)</b> |          | <b>4,464.14</b>                                   | <b>12,972.00</b>                                  |
| X       | <b>Earnings Per Equity Share (in ₹) (Face Value of ₹ 10 each)</b>   | <b>A</b> |   |   |
|         | a) Basic  |          | 8.04  | 15.56   |
|         | a) Diluted  |          | 8.04  | 15.56   |

The significant accounting policies and accompanying notes form an integral part of Standalone Financial Statements. There is no discontinued operation during the above period.

|   |   |  |   |
|---|---|--|---|
| Sd/-<br><b>M K Aggarwal</b><br>Company Secretary<br>(ACS No. 69402)         | <b>For and on behalf of the Board of Directors</b>                                    |  | Sd/-<br><b>S K Gupta</b><br>Chairman & Managing Director<br>(DIN: 07570165) |
|   | Sd/-<br><b>R K Jain</b><br>Director (Finance)<br>(DIN: 08788595)                      | Sd/-<br><b>M V Iyer</b><br>Director (BD) & Director (Marketing)<br>(DIN: 08198178) |   |
|   | As per our separate report of even date   |  |   |
| For <b>A.R. &amp; Co</b><br><b>Chartered Accountants</b><br>Firm No.002744C | For <b>Gandhi Minocha &amp; Co</b><br><b>Chartered Accountants</b><br>Firm No.000458N |  |   |
| Sd/-<br><b>Pawan K Goel</b><br><b>(Partner)</b><br>Membership No. 072209    | Sd/-<br><b>Manoj Bhardwaj</b><br><b>(Partner)</b><br>Membership No. 098606            |  |   |

Place : New Delhi  
Date : 18<sup>th</sup> May 2023

## Standalone Statement of Changes in Equity for the Financial Year Ended 31<sup>st</sup> March, 2023

### A. Equity Share Capital

#### For the Financial Year Ended 31<sup>st</sup> March, 2023

Equity Share Capital (Issued, Subscribed and Paid up Equity share of ₹ 10 each)

| Particulars                             | Note. No. | ₹ in crore      |
|---|-----------|-----------------|
| As at 1 <sup>st</sup> April 2022        | 13        | 4,440.39        |
| Buyback of shares during the year*      |           | (56.99)         |
| Bonus issue of shares during the year#  |           | 2,191.70        |
| <b>As at 31<sup>st</sup> March 2023</b> |           | <b>6,575.10</b> |

\* During the year the Company has bought back 5,69,85,463 equity shares at a price of ₹ 190 per equity share.

# During the year the Company has issued bonus shares in the ratio of 1:2.

#### For the Financial Year Ended 31<sup>st</sup> March, 2022

Equity Share Capital (Issued, Subscribed and Paid up Equity share of ₹ 10 each)

| Particulars                             | Note. No. | ₹ in crore      |
|---|-----------|-----------------|
| As at 1 <sup>st</sup> April 2021        | 13        | 4,440.39        |
| <b>As at 31<sup>st</sup> March 2022</b> |           | <b>4,440.39</b> |

### B. Other Equity

#### For the Financial Year Ended 31<sup>st</sup> March, 2023

(₹ in crore)

| Particulars  | Reserve and Surplus |                          |                  |                            | Other Comprehensive Income                   |   | Total            |
|--|---------------------|--------------------------|------------------|----------------------------|--|---|------------------|
|  | Retained earnings   | Bond redemption reserves | General reserves | Capital Redemption Reserve | Net (loss)/ gain on FVTOCI equity Securities | Net movement on cash flow hedges (loss)/ gain |                  |
| <b>Balance as at 1<sup>st</sup> April 2022</b>                   | <b>41,904.72</b>    | -                        | <b>3,505.49</b>  | <b>69.76</b>               | <b>4,658.78</b>                              | <b>1,007.66</b>                               | <b>51,146.41</b> |
| Profit for the Year  | 5,301.51            |                          |                  |                            |  |   | 5,301.51         |
| Re-measurement gain/(loss) on defined benefit plans (net of tax) | 34.94               |                          |                  |                            |  |   | 34.94            |
| Transfer to Reserves during the year                             | -                   | -                        | (56.98)          |                            |  |   | (56.98)          |
| Transfer from Reserves during the year                           | -                   |                          | -                | 56.98                      |  |   | 56.98            |
| Buyback of Shares (including Buyback tax and expenses)           | -                   |                          | (1,271.90)       |                            |  |   | (1,271.90)       |
| Bonus issue of shares  | (15.09)             |                          | (2,176.61)       |                            |  |   | (2,191.70)       |
| Final Dividend   | (439.66)            |                          |                  |                            |  |   | (439.66)         |
| Interim Dividend   | (2,630.04)          |                          |                  |                            |  |   | (2,630.04)       |
| <b>Other Comprehensive Income / (Loss) for the Year</b>          |                     |                          |                  |                            |  |   |                  |
| Net gain/ (loss) on FVTOCI equity Securities                     |                     |                          |                  |                            | (356.60)                                     |   | (356.60)         |
| Net movement on cash flow hedges gain/ (loss)                    |                     |                          |                  |                            |  | (515.71)                                      | (515.71)         |
| <b>Balance as at 31<sup>st</sup> March 2023</b>                  | <b>44,157.70</b>    | -                        | -                | <b>126.74</b>              | <b>4,302.18</b>                              | <b>491.95</b>                                 | <b>49,078.57</b> |

For the Financial Year Ended 31<sup>st</sup> March, 2022

(₹ in crore)

| Particulars   | Reserve and Surplus |                          |                  |                            | Other Comprehensive Income                   |   | Total            |
|---|---------------------|--------------------------|------------------|----------------------------|--|---|------------------|
|   | Retained earnings   | Bond redemption reserves | General reserves | Capital Redemption Reserve | Net (loss)/ gain on FVTOCI equity Securities | Net movement on cash flow hedges (loss)/ gain |                  |
| <b>Balance as at 1<sup>st</sup> April 2021</b>  | <b>36,399.48</b>    | <b>104.77</b>            | <b>2,469.09</b>  | <b>69.76</b>               | <b>2,786.60</b>                              | <b>341.06</b>                                 | <b>42,170.76</b> |
| Profit for the year   | 10,363.97           |                          |                  |                            |  |   | 10,363.97        |
| Re-measurement gain/(loss) on defined benefit plans (net of tax)                            | 55.77               |                          |                  |                            |  |   | 55.77            |
| Net gain/ (loss) on FVTOCI of equity shares (net of tax) reclassified to retained earnings* | 13.48               |                          |                  |                            | (13.48)                                      |   | -                |
| Transfer to Reserves during the year  | (1,044.28)          | (112.65)                 |                  |                            |  |   | (1,156.93)       |
| Transfer from Reserves during the year  | 112.65              | 7.88                     | 1,036.40         |                            |  |   | 1,156.93         |
| Dividend  | (3,996.35)          |                          |                  |                            |  |   | (3,996.35)       |
| <b>Other Comprehensive Income / (Loss) for the Year</b>                                     |                     |                          |                  |                            |  |   |                  |
| Net gain/ (loss) on FVTOCI equity Securities  | -                   |                          |                  |                            | 1,885.66                                     |   | 1,885.66         |
| Net movement on cash flow hedges gain/ (loss)   | -                   |                          |                  |                            |  | 666.60  | 666.60           |
| <b>Balance as at 31<sup>st</sup> March 2022</b>   | <b>41,904.72</b>    | <b>-</b>                 | <b>3,505.49</b>  | <b>69.76</b>               | <b>4,658.78</b>                              | <b>1,007.66</b>                               | <b>51,146.41</b> |

\* On account of sale of investment in M/s Addverb Technologies Private Limited and M/s Attentive AI Solutions Private Limited, fair value gain (net of tax) reclassified to retained earnings.

## For and on behalf of the Board of Directors

Sd/-  
**M K Aggarwal**  
Company Secretary  
(ACS No. 69402)

Sd/-  
**R K Jain**  
Director (Finance)  
(DIN: 08788595)

Sd/-  
**M V Iyer**  
Director (BD) & Director (Marketing)  
(DIN: 08198178)

Sd/-  
**S K Gupta**  
Chairman & Managing Director  
(DIN: 07570165)

As per our separate report of even date

For **A.R. & Co**  
**Chartered Accountants**  
Firm No.002744C

For **Gandhi Minocha & Co**  
**Chartered Accountants**  
Firm No.000458N

Sd/-  
**Pawan K Goel**  
**(Partner)**  
Membership No. 072209

Sd/-  
**Manoj Bhardwaj**  
**(Partner)**  
Membership No. 098606

Place : **New Delhi**  
Date : **18<sup>th</sup> May 2023**

**GAIL (India) Limited, New Delhi**  
**Standalone Statement of Cash Flows**  
**For the Financial Year Ended 31<sup>st</sup> March, 2023**

(₹ in crore)

|            | Particulars   | For the Financial Year Ended |                              |
|------------|---|------------------------------|------------------------------|
|            |   | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
| <b>A )</b> | <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                                |                              |                              |
|            | 1 Profit Before Tax   | 6,583.81                     | 13,590.29                    |
|            | <b>2 Adjustments for :</b>  |                              |                              |
|            | Depreciation and amortisation expenses                                    | 2,488.07                     | 2,111.17                     |
|            | Finance Cost  | 311.72                       | 174.43                       |
|            | Dividend Income on Investment   | (1,463.97)                   | (870.94)                     |
|            | Interest Income   | (679.77)                     | (601.36)                     |
|            | (Profit) / Loss on Sale of Investment                                     | (6.81)                       | (18.90)                      |
|            | MTM (gain)/loss on Mutual fund Investment                                 |                              | 0.42                         |
|            | Provision for Employees Benefits  | 183.33                       | 143.80                       |
|            | Provision for Probable Obligations  | 45.21                        | 53.29                        |
|            | Provision for Doubtful Debts  | 13.09                        | 53.47                        |
|            | Other Provisions  | 10.80                        | (3.23)                       |
|            | Amortization of Government Grant  | (100.79)                     | (68.91)                      |
|            | Amortization of Financial Guarantee Obligation                            | (5.35)                       | (5.36)                       |
|            | Expected Credit Loss on Financial Guarantee                               | 46.62                        | 169.58                       |
|            | (Profit) / Loss on Sale of Assets (Net)                                   | 5.84                         | 12.03                        |
|            | Provision for Impairment Loss/ CWIP                                       | 46.73                        | (11.42)                      |
|            | MTM loss on Commodity Derivative (Net)                                    | (114.93)                     | 241.36                       |
|            | Dry Well Expenses written off   |                              | 0.08                         |
|            | Provision/(Reversal) for Impairment (Net)                                 | 55.38                        | -                            |
|            | <b>Subtotal (2)</b>   | <b>835.17</b>                | <b>1,379.51</b>              |
|            | <b>3 Operating Profit Before Working Capital Changes (1+2)</b>            | <b>7,418.98</b>              | <b>14,969.80</b>             |
|            | <b>4 Changes in Working Capital (Excluding Cash and Cash Equivalents)</b> |                              |                              |
|            | Trade and Other Receivables   | (2,064.59)                   | (5,762.47)                   |
|            | Inventories   | (2,265.76)                   | (415.73)                     |
|            | Trade and Other Payable   | 1,237.14                     | 3,158.39                     |
|            | <b>Changes in Working Capital (Excluding Cash and Cash Equivalents)</b>   | <b>(3,093.21)</b>            | <b>(3,019.81)</b>            |
|            | <b>5 Cash Generated from Operations (3+4)</b>                             | <b>4,325.77</b>              | <b>11,949.99</b>             |
|            | <b>6 Direct Taxes Paid</b>  | (1,517.76)                   | (3,196.01)                   |
|            | <b>Net Cash flow from Operating Activities (5+6)</b>                      | <b>2,808.01</b>              | <b>8,753.98</b>              |
| <b>B)</b>  | <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                                |                              |                              |
|            | Purchase of Fixed Assets/ CWIP  | (7,419.10)                   | (5,951.12)                   |
|            | Sale of Fixed Assets  | 77.49                        | 32.74                        |
|            | Receipt of Government Grants (Capital Grant)                              | -                            | 589.55                       |
|            | Investment in Mutual Funds  | (11,113.00)                  | (12,104.95)                  |
|            | Sale of Mutual Fund   | 11,119.81                    | 12,591.91                    |
|            | Investment in Other Companies   | (1,065.43)                   | (943.58)                     |
|            | Sale of Investments   |                              | 19.43                        |
|            | Loans Received / (Given)  | 42.17                        | 56.59                        |

(₹ in crore)

|  | Particulars  | For the Financial Year Ended      |                                   |
|--|--|-----------------------------------|-----------------------------------|
|  |  | 31 <sup>st</sup> March, 2023      | 31 <sup>st</sup> March, 2022      |
|  | Interest Received  | 482.50                            | 425.53                            |
|  | Dividend Received on Investments                         | 1,322.23                          | 870.94                            |
|  | <b>Net Cash Flow from Investing Activities</b>           | <b>(6,553.33)</b>                 | <b>(4,412.96)</b>                 |
| <b>C)</b>  | <b>CASH FLOW FROM FINANCING ACTIVITIES</b>               |                                   |                                   |
|  | Repayment of Borrowings                                  | (1,121.01)                        | (1,537.95)                        |
|  | Borrowings during the period                             | 9,077.00                          | 1,900.00                          |
|  | Lease Liabilities Paid                                   | (350.96)                          | (205.02)                          |
|  | Interest on Lease Liabilities Paid                       | (76.29)                           | (29.10)                           |
|  | Buyback of Shares  | (1,328.88)                        | -                                 |
|  | Dividend Paid  | (3,067.94)                        | (3,994.26)                        |
|  | Finance Cost Paid  | (580.39)                          | (319.35)                          |
|  | <b>Net Cash Flow from Financing Activities</b>           | <b>2,551.53</b>                   | <b>(4,185.68)</b>                 |
|  | <b>Net Increase in Cash and Cash Equivalents (A+B+C)</b> | <b>(1,193.79)</b>                 | <b>155.34</b>                     |
|  | Cash and Cash equivalent at the opening of the period    | 1,367.56                          | 1,212.22                          |
|  | Cash and Cash equivalent at the closing of the period    | 173.77                            | 1,367.56                          |
| <b>Note:</b>   |  |                                   |                                   |
| <b>1. Net Cash Flow From Financing Activities includes following non-cash changes:</b> |  |                                   |                                   |
|  | <b>Particulars</b>                                       | <b>31<sup>st</sup> March 2023</b> | <b>31<sup>st</sup> March 2022</b> |
|  | (Gain)/ Loss due to changes in exchange rate             | (6.08)                            | (0.82)                            |

2. Statement of Cash Flows has been prepared using Indirect Method as per Ind AS 7 Statement of Cash Flows

3. Previous Year figures have been regrouped/reclassified, wherever necessary to correspond with the current year's presentation/ disclosure

4. Refer Note 11 for Cash and Cash Equivalents

**For and on behalf of the Board of Directors**

Sd/-  
**M K Aggarwal**  
Company Secretary  
(ACS No. 69402)

Sd/-  
**R K Jain**  
Director (Finance)  
(DIN: 08788595)

Sd/-  
**M V Iyer**  
Director (BD) & Director (Marketing)  
(DIN: 08198178)

Sd/-  
**S K Gupta**  
Chairman & Managing Director  
(DIN: 07570165)

As per our separate report of even date

For **A.R. & Co**  
**Chartered Accountants**  
Firm No.002744C

For **Gandhi Minocha & Co**  
**Chartered Accountants**  
Firm No.000458N

Sd/-  
**Pawan K Goel**  
**(Partner)**  
Membership No. 072209

Sd/-  
**Manoj Bhardwaj**  
**(Partner)**  
Membership No. 098606

Place : **New Delhi**  
Date : **18<sup>th</sup> May 2023**



## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

### Earnings Per Share (EPS)

Basic and Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year. Diluted EPS are calculated by dividing the profit for the year attributable to the equity holders of the company by weighted average number of Equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

| (₹ in crore)   |                              |                              |
|--|------------------------------|------------------------------|
| Particulars  | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
| Profit for the year as per Statement of Profit & Loss                          | 5,301.51                     | 10,363.97                    |
| <b>Profit attributable to equity holders of the Company for basic earnings</b> | <b>5,301.51</b>              | <b>10,363.97</b>             |
|  | <b>No. crore</b>             | <b>No. crore</b>             |
| Weighted average number of equity shares in calculating basic EPS              | 659.41                       | 666.06                       |
| <b>Weighted average number of equity shares in calculating diluted EPS</b>     | <b>659.41</b>                | <b>666.06</b>                |
| <b>Earnings per equity share (in ₹)</b>  |                              |                              |
| <b>Basic</b>   | 8.04                         | 15.56                        |
| <b>Diluted</b>   | 8.04                         | 15.56                        |
| <b>Face Value of each equity share (in ₹)</b>                                  | <b>10</b>                    | <b>10</b>                    |

### Note:

Pursuant to the approval of shareholders, the Company has issued bonus shares in September 2022 in the ratio of one equity share of ₹ 10 each for every two existing equity shares of ₹ 10 each. Accordingly, Earnings Per Share has been restated for previous year as per Ind AS 33.

## NOTE 1 A: Corporate Information & Significant Accounting Policies

### Corporate Information

GAIL (India) Limited ("GAIL" or "the Company") is a Public Limited Company domiciled in India (CIN: L40200DL1984GOI018976) and was incorporated on August 16, 1984. Equity Shares of the Company are listed in India on the Bombay Stock Exchange and the National Stock Exchange. Global Depository Receipts (GDRs) of the Company are listed on London Stock Exchange. The Government of India holds 51.52% in the paid-up equity capital of the Company as on 31<sup>st</sup> March 2023. The registered office of the Company is located at 16, Bhikaji Cama Place, R K Puram, New Delhi- 110066.

GAIL is the largest state-owned natural gas processing and distribution company in India. The Company has a diversified business portfolio and has interests in the sourcing and trading of natural gas, production of LPG, Liquid hydrocarbons and petrochemicals, transmission of natural gas and LPG through pipelines, etc. GAIL has also participating interest in India and overseas in Oil and Gas Blocks.

The Standalone Financial Statements of the Company for the year ended 31<sup>st</sup> March 2023 were authorized for issue in accordance with a resolution of the Board of Directors on 18<sup>th</sup> May 2023

### Basis of Preparation

The Standalone Financial Statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind-AS) as notified by the Ministry of Corporate Affairs ("MCA") under section 133 of the Companies Act, 2013 ("Act"), read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act.

The Financial Statements have been prepared as a going concern on accrual basis of accounting. The Company has adopted historical cost basis for assets and liabilities except for certain items which have been measured on a different basis and such basis is disclosed in the relevant accounting policy.

The Financial Statements are presented in Indian Rupees (₹) and the values are rounded to the nearest crore (up to two decimals) except when otherwise indicated.

### 1. Accounting Policies

#### 1.1 Property, Plant and Equipment (PPE)

- a) The Costs of an item of PPE is recognized as an asset if, and only if:
  - i. It is probable that the future economic benefits flow to the entity; and
  - ii. The cost of an item can be measured reliably
- b) Property, Plant and Equipment are stated at original cost net of tax / duty credit availed, less accumulated depreciation / amortization and cumulative impairment losses. All costs relating to acquisition of fixed assets till commissioning of such assets are capitalized. In the case of commissioned assets where final payment to the Contractors is pending, capitalization is made on provisional basis, including provisional liability pending approval of Competent Authority, subject to necessary adjustment in cost and depreciation in the year of settlement.
- c) Stores & Spares which meet the definition of PPE (whether as component or otherwise) and satisfy

the recognition criteria, are capitalized as PPE in the underlying asset. Expenditure on major inspection and overhauls of PPE is capitalized, when it meets the asset recognition criteria. Any remaining carrying amount of the cost of the previous inspection and overhaul is derecognized. The cost of replacing major part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized regardless of whether the replaced part has been depreciated separately. If it is not practicable to determine the carrying amount of the replaced part, the Company uses the cost of the replacement as an indication of what the cost of replaced part was at the time it was acquired or constructed

- d) Technical know-how/license fee incurred at the time of procurement of PPE are capitalized as part of the underlying asset.
- e) Items of PPE may be acquired for safety or environmental reasons. The acquisition of such PPE, although not directly increasing the future economic benefits of any particular existing item of PPE, may be necessary for an entity to obtain the future economic benefits from its other assets. Such items of PPE are recognized as assets
- f) Property, plant and equipment is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on de-recognition of an item of property, plant and equipment are determined as the difference between sale proceeds from disposal, if any, and the carrying amount of property, plant and equipment and are recognized in the statement of profit and loss. In circumstance, where an item of property, plant and equipment is abandoned, the net carrying cost relating to the property, plant and equipment is written off in the same period.
- g) On transition to Ind AS, the Company has elected to continue with the carrying value of all of its PPE recognized as at 01.04.2015 measured as per previous GAAP and use that carrying value as deemed cost of the PPE.

#### 1.2 Intangible Assets

- a) Intangible assets like Right of Use (RoU), Software, Licenses which are expected to provide future enduring economic benefits are capitalized as Intangible Assets and are stated at their cost of acquisition less accumulated amortization and any accumulated impairment loss.
- b) Expenditure incurred which are eligible for capitalizations under intangible assets are carried as intangible assets under development till they are ready for their intended use.
- c) An intangible asset is derecognized when no future economic benefits are expected from their use or upon their disposal. Gain or loss on de-recognition of an intangible asset is determined as the difference between the net disposal proceeds, if any, and the

carrying amount of intangible assets and are recognized in the statement of profit and loss.

- d) On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognized as at 01.04.2015 measured as per previous GAAP and use that carrying value as deemed cost of the intangible assets.

### 1.3 Capital Work in Progress

- a) Crop compensation is accounted for under Capital Work-in-Progress on the basis of actual payments/ estimated liability, as and when work commences where ROU is acquired.
- b) The capital work in progress includes Construction Stores including Material in Transit/ Equipment / Services, etc. received at site for use in the projects.
- c) All revenue expenses incurred during Construction Period, which are exclusively attributable to acquisition/ construction of the asset, are capitalized at the time of commissioning of such assets.

### 1.4 Exploration and Development Costs

- a) The Company follows Successful Efforts Method for accounting of Oil & Gas exploration and production activities carried out through incorporate or unincorporated Joint Ventures in the nature of Production Sharing Contracts (PSC) and Revenue Sharing Contracts (RSC) with respective host government and various body corporates for exploration, development and production activities, which includes exploration and evaluation costs as follows:

- (i) Geological and Geophysical (G&G) costs including seismic surveys, surface lease rentals etc. for exploration and appraisal proposes are recognized as revenue expenditure in the year in which these are incurred.
- (ii) Cost of exploratory/ appraisal wells are carried as Capital Work in Progress - Intangible Assets under development/ Capital work in progress. Such exploratory wells in progress are capitalized in the year in which the Producing Property is created. Such costs are written off in the year when determined to be dry / abandoned.
- (iii) Cost of all "exploratory wells in progress" is debited to Statement of Profits and Loss except of those wells for which there are reasonable indications of sufficient quantity of reserves and the enterprise is making sufficient progress assessing the reserves and the economic and operating viability of the project.

#### b) Capitalization of Producing Properties

Producing Properties are capitalized as "completed wells / producing wells" when the wells in the area / field are ready to commence commercial production on establishment of proved developed oil and gas reserves.

Cost of Producing Properties includes cost of successful exploratory wells, development wells, initial depreciation of support equipments & facilities and estimated future abandonment cost.

#### c) Depletion of Producing Properties

Producing Properties are depleted using the "Unit of Production Method (UOP)". The depletion or unit of production charged for all the capitalized cost is calculated in the ratio of production during the year to the proved developed reserves at the year end.

#### d) Production cost of Producing Properties

Company's share of production costs as indicated by Operator consists of pre well head and post well head expenses including depreciation and applicable operating cost of support equipment and facilities.

#### e) Accounting for joint operations

In relation to its interests in joint operations entered through Production Sharing Contracts (PSC) and Revenue Sharing Contracts, the company recognizes its proportionate share in assets, liabilities, revenue from the sale of the output, expenses of the joint operation entity, in the financial statements.

### 1.5 Foreign Currency Transaction

- a) Functional Currency of the Company is Indian Rupee (₹).
- b) Transactions in foreign currency are initially accounted at the exchange rate prevailing on the transaction date.
- c) Monetary items (such as Cash, Receivables, Loans, Payables, etc.) denominated in foreign currencies, outstanding at the year end, are translated at exchange rates (BC Selling Rate for Payables and TT Buying Rate for Receivables) prevailing at year end.
- d) Non-monetary items (such as Equity Investments, Property plant and equipment, Intangible assets etc.), denominated in foreign currencies are accounted at the exchange rate prevailing on the date of transaction(s) other than those measured at fair value.
- e) Any gains or loss arising on account of exchange difference either on settlement or on translation is adjusted in the Statement of Profit & Loss.
- f) Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items is recognized in line with the gain or loss of the item arising on determination of fair value of such item, either in other comprehensive income or the Statement of Profit and Loss as the case maybe.

### 1.6 Borrowing Cost

Borrowing costs consist of:

- (a) interest expense calculated using the effective interest method as described in Ind AS 109- 'Financial Instruments'
- (b) interest expense on lease liabilities recognized in accordance with Ind AS 116- 'Leases' and
- (c) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing cost of the funds specifically borrowed for the purpose of obtaining qualifying assets and eligible for

capitalization along with the cost of the assets, is capitalized up to the date when the asset is ready for its intended use after netting off any income earned on temporary investment of such funds. Other borrowing costs are recognized as expense in the year of incurrence.

### 1.7 Government Grants

Government Grants are not recognized until there is reasonable assurance that the Company will comply with conditions attached to them and the grants will be received. In case of depreciable assets, the cost of the assets is shown at gross value and grant thereon is taken to deferred income which is recognized as income in the Statement of Profit and Loss over the useful life of the asset. Government Grants related to non-depreciable assets may also require the fulfilment of certain obligations and would then be recognised in profit or loss over the periods that bear the cost of meeting the obligations.

### 1.8 Non-Current Assets held for Sale:

Non-current assets or disposable groups classified as held for sale are measured at the lower of carrying amount and fair value less cost to sale. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Non-current assets or disposable groups are classified as held for sale if their carrying amount will be recovered principally through a sale rather than through continuing use. Management must be committed to the sale expected within one year from the date of classification. Action required to complete the plan of sale should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

PPE and Intangible assets once classified as held for sale are not depreciated or amortised.

### 1.9 Inventories

- a) Stock of Liquefied Natural Gas (LNG) and Natural Gas in pipelines is valued at cost on First in First out (FIFO) basis or net realizable value, whichever is lower.
- b) Raw materials and finished goods are valued at weighted average cost or net realizable value, whichever is lower. Finished goods include excise duty and royalty wherever applicable.
- c) Stock in process is valued at weighted average cost or net realisable value, whichever is lower. It is valued at weighted average cost where the finished goods in which these are to be incorporated are expected to be sold at or above the weighted average cost.
- d) Stores and spares and other material for use in production of inventories are valued at weighted average cost or net realisable value, whichever is lower. It is valued at weighted average cost where the finished goods in which they will be incorporated are expected to be sold at/or above cost.
- e) Surplus / Obsolete Stores and Spares are valued at cost or net realisable value, whichever is lower.
- f) Surplus / Obsolete Capital Stores, other than held for use in construction of a capital asset, are valued at lower of cost or net realisable value.
- g) Imported LNG in transit is valued at CIF value or net realizable value whichever is lower.

- h) Renewable Energy Certificates (RECs) are valued at cost on First in First out (FIFO) basis or net realizable value, whichever is lower.

### 1.10 Revenue recognition

The Company has applied the modified retrospective approach on transition to Ind AS 115

- a) Revenue is recognized to depict the transfer of control of promised goods or services to customers upon the satisfaction of performance obligation under the contract in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Consideration includes contributions by customers towards assets over which Company has control.
- b) Where performance obligation is satisfied over time, company recognizes revenue using input/ output method based on performance completion till reporting date. Where performance obligation is satisfied at a point in time, company recognizes revenue when customer obtains control of promised goods and services in the contract.
- c) The Company uses output method in accounting for the revenue in respect of sale of services. Use of output method requires the Company to recognize revenue based on performance completion till date e.g. time elapsed. The estimates are assessed continually during the term of the contract and the company re-measures its progress towards complete satisfaction of its performance obligations satisfied over time at the end of each reporting period.
- d) Company updates its estimated transaction price at each reporting period, to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period including penalties, discounts and damages etc.
- e) Insurance claims are accounted for on the basis of claims admitted by the insurers.
- f) Claims (including interest on delayed realization from customers) are accounted for, when there is significant certainty that the claims are realizable.
- g) Liability in respect of Minimum Guaranteed Offtake (MGO) of Natural gas is not provided for where the same is secured by MGO recoverable from customers. Payments/receipts during the year on account of MGO are adjusted on receipt basis.
- h) Minimum charges relating to transportation of LPG are accounted for on receipt basis.
- i) In terms of the Gas Sales Agreement with the customers, amount received towards Annual Take or Pay Quantity (ATOPQ) of Gas is accounted for on the basis of realization and shown as liability till make up Gas is delivered to customer as per the contract.
- j) Dividend is recognized when right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be measured reliably.

### 1.11 Depreciation /Amortisation

#### a) Property Plant and Equipment (PPE)

- i. Depreciation on PPE (including enabling assets) is provided in accordance with the manner and useful life as specified in Schedule II of the Companies Act, 2013, on straight line method (SLM) on pro-rata basis (monthly pro-rata for bought out assets), except for the assets as mentioned below where different useful life has been taken based on external / internal technical evaluation:

| Particulars  | Years   |
|--|---------|
| Furniture provided for the use of employees              | 6 years |
| Electrical Equipment's provided for the use of employees | 4 years |
| Mobile Phones provided for the use of employees          | 2 years |

- ii. Cost of the leasehold land is amortized over the lease period except perpetual leases.
- iii. Depreciation due to price adjustment in the original cost of fixed assets is charged prospectively.
- iv. The residual values, useful lives and methods of depreciation of PPE are reviewed at each financial year end and adjusted prospectively, if appropriate. The depreciation/amortization for future periods is revised if there are significant changes from previous estimates. The Company has considered residual value of PPE at 5% of the cost of assets.

#### b) Intangible Assets

- i. Right of use (ROU) having indefinite life (for which there is no foreseeable limit to the period over which they are expected to generate net cash flows given the fact that these rights can be used even after the life of respective pipelines) are not amortized, but are tested for impairment annually.
- ii. The cost of Intangible assets comprising software and licences, etc. are amortised on Straight Line Method (SLM) over a period of 5 years/actual useful life whichever is lower from the date of capitalization.
- iii. After impairment of assets, if any, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

#### c) Capital assets facilities installed at the consumers' premises

Capital assets facilities installed at the consumers' premises on the land whose ownership is not with the company, has been depreciated on SLM basis in accordance with the useful life as specified in Schedule II of the Companies Act, 2013.

### 1.12 Employees Benefits

- (a) All short term employee benefits are recognized at the undiscounted amount in the accounting period in which they are incurred.
- (b) The Company's contribution to the Provident Fund is remitted to a separate trust established for this purpose based on a fixed percentage of the eligible employee's salary and debited to Statement of Profit and Loss / CWIP. Further, the company makes provision as per actuarial valuation towards any shortfall in fund assets to meet statutory rate of interest in the future period, to be compensated by the company to the Provident Fund Trust.
- (c) Employee Benefits under Defined Benefit Plans in respect of post-retirement medical scheme and gratuity are recognized based on the present value of defined benefit obligation, which is computed on the basis of actuarial valuation using the Projected Unit Credit Method. Actuarial liability in excess of respective plan assets is recognized during the year.
- (d) Obligations on other long term employee benefits, viz., leave encashment, compensated absence and long service awards are provided using the Projected Unit Credit method of actuarial valuation made at the end of the year.
- (e) Re-measurement including actuarial gains and losses are recognized in the balance sheet with a corresponding debit or credit to retained earnings through Statement of Profit and Loss or Other Comprehensive Income in the year of occurrence, as the case may be. Re-measurements are not reclassified to the Statement of Profit and Loss in subsequent periods.
- (f) The Company also operates a defined contribution scheme for Pension benefits for its employees and the contribution is remitted to a separate Trust.
- (g) Liability for gratuity and Post-Retirement Medical Scheme (PRMS) as per actuarial valuation is funded with a separate trust.

### 1.13 Impairment of non-financial assets

The Carrying amount of cash generating unit are reviewed at each reporting date. In case there is any indication of impairment based on Internal / External factors, impairment loss is recognized wherever the carrying amount of asset exceeds its recoverable amount.

### 1.14 Provisions, Contingent Liabilities, Contingent Assets & Capital Commitments

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, the amount of a provision shall be the present value of the expenditures expected to be required to settle the obligation. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of

the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the statement of profit and loss net of reimbursement, if any.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable on the basis of judgment of management. These are assessed continually to ensure that developments are appropriately reflected in the financial statements.

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities/assets exceeding ₹ 5 Lacs in each case are disclosed by way of notes to accounts except when there is remote possibility of settlement/realization.

Estimated amount of contracts (Inclusive of Tax & net of advances) remaining to be executed on capital accounts are disclosed in each case above ₹ 5 lacs.

### 1.15 Taxes on Income

#### a) Current Tax

Provision for current tax is made as per the provisions of the Income Tax Act, 1961. Deferred tax is provided, using the balance sheet method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes considering the tax rate and tax laws that have been enacted or substantively enacted as on the reporting date.

#### b) Deferred Tax

Deferred tax relating to items recognized outside Statement of Profit and Loss is recognized outside Statement of Profit and Loss (either in Other Comprehensive Income or in Equity).

The carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liabilities arises from the initial recognition of assets/ liabilities/ goodwill in a transaction that is not a business combination and at the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets/ liabilities are measured based on the tax rates (and tax laws) that have been enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legal right exists to set off the same.

### 1.16 Research & Development Expenditure

Revenue expenditure on Research and Development is charged to Statement of Profit and Loss in the year in which it is incurred. Capital expenditure on Research and Development is capitalized in case the same qualifies as asset.

### 1.17 Cash and cash equivalents

Cash and cash equivalents consist of cash at bank and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

### 1.18 Segment reporting

The Management of the company monitors the operating results of its business Segments for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

The Operating segments have been identified on the basis of the nature of products / services.

- a) Segment revenue includes directly identifiable with/ allocable to the segment including inter-segment revenue.
- b) Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result.
- c) Expenses which relate to the Company as a whole and not allocable to segments are included under unallocable expenditure.
- d) Income which relates to the Company as a whole and not allocable to segments is included in unallocable income.
- e) Segment assets including CWIP and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

### 1.19 Earning per share

Basic earnings per equity share is computed by dividing the net profit after tax attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing adjusted net profit after tax by the aggregate of weighted average number of equity shares and dilutive potential equity shares during the year.

### 1.20 Liquidated damages/ Price Reduction Schedule

Amount recovered towards Liquidated Damages/Price Reduction Schedule are adjusted/appropriated as and when the matter is settled.

### 1.21 Statement of Cash Flow

Statement of cash flow is prepared in accordance with the indirect method prescribed in Ind AS 7, 'Statement of Cash Flows'

### 1.22 Fair value measurement

The Company measures financial instruments including derivatives and specific investments (other than subsidiary, joint venture and associates), at fair value at each balance sheet date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- (i) **Level 1** — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- (ii) **Level 2** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- (iii) **Level 3** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

### 1.23 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### (A) Financial assets

##### a) Classification

The Company classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through Statement of Profit and Loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

##### b) Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through Statement of Profit and Loss, transaction costs that are attributable to the acquisition of the financial asset.

#### c) Subsequent measurement

For purposes of subsequent measurement financial assets are classified in below categories:

##### i. Financial assets carried at amortised cost

A financial asset other than derivatives and specific investments, is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### ii. Financial assets at fair value through other comprehensive income

A financial asset other than derivatives comprising specific investment is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

##### iii. Financial assets at fair value through Statement of Profit and Loss

A financial asset comprising derivatives which is not classified in any of the above categories are subsequently fair valued through profit or loss.

#### d) De recognition

A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

#### e) Investment in subsidiaries, joint ventures and associates

- i. The company has accounted for its investment in subsidiaries, joint ventures and associates at cost. The company assesses whether there is any indication that these investments may be impaired. If any such indication exists, the investment is considered for impairment based on the fair value thereof.
- ii. When the company issues financial guarantees on behalf of subsidiaries, joint ventures and associates initially it measures the financial guarantee at their fair values and subsequently measures at higher of:
  - The amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 and

- The amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of Ind AS 115 'Revenue from Contracts with Customers'
- iii. The Company recognize the initial fair value of financial guarantee as deemed investment with a corresponding liability recorded as financial guarantee obligation. Such deemed investment is added to the carrying value amount of the investment in subsidiaries, joint venture and associates. Financial guarantee obligation is recognized as other income in Statement of Profit and Loss over the remaining period of financial guarantee.

**f) Impairment of other financial assets**

The Company assesses impairment based on expected credit losses (ECL) model for measurement and recognition of impairment loss on the financial assets that are trade receivables or contract revenue receivables and all lease receivables etc.

**(B) Financial liabilities**

**a) Classification**

The Company classifies all financial liabilities as subsequently measured at amortized cost, except for financial liabilities at fair value through Statement of Profit and Loss. Such liabilities, including derivatives shall be subsequently measured at fair value.

**b) Initial recognition and measurement**

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

**c) Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

**i. Financial liabilities at amortised cost**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

**ii. Financial liabilities at fair value through Statement of Profit and Loss**

Financial liabilities at fair value through Statement of Profit and Loss include financial liabilities held for trading and financial liabilities designated

upon initial recognition as at fair value through Statement of Profit and Loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category comprises derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

**d) Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

**(C) Embedded Derivatives**

a) If the hybrid contract contains a host that is an asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract.

b) If the hybrid contract contains a host that is not an asset within the scope of Ind AS 109, the Company separate embedded derivatives from the host and measures at fair value with changes in fair value recognized in statement of profit or loss if, and only if:

- (i) The economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host.
- (ii) A separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and
- (iii) The hybrid contract is not measured at fair value with changes in fair value recognized in profit or loss

**(D) Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously

**(E) Derivative financial instruments and Hedge Accounting**

The Company uses derivative financial instruments, in form of forward currency contracts, interest rate swaps, cross currency interest rate swaps, commodity swap contracts to hedge its foreign currency risks, interest rate risks and commodity price risks.

**a) Derivatives Contracts not designated as hedging instruments**

- i. The derivatives that are not designated as hedging instrument under Ind AS 109, are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when



the fair value is positive and as financial liabilities when the fair value is negative.

- ii. Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss.

**b) Derivatives Contracts designated as hedging instruments**

- i. The derivatives that are designated as hedging instrument under Ind AS 109 to mitigate its risk arising out of foreign currency and commodity hedge transactions are accounted for as cash flow hedges.
- ii. The Company enters into hedging instruments in accordance with policies as approved by the Board of Directors, provide written principles which is consistent with the risk management strategy of the Company.
- iii. The hedge instruments are designated and documented as hedges at the inception of the contract. The effectiveness of hedge instruments is assessed and measured at inception and on an ongoing basis. The effective portion of change in the fair value of the designated hedging instrument is recognized in the "Other Comprehensive Income" as "Cash Flow Hedge Reserve". The ineffective portion is recognized immediately in the Statement of Profit and Loss as and when occurs. The amount accumulated in Cash Flow Hedge Reserve is reclassified to profit or loss in the same period(s) during which the hedged item affects the Statement of Profit or Loss Account. In case the hedged item is the cost of non- financial assets / liabilities, the amount recognized as Cash Flow Hedge Reserve are transferred to the initial carrying amount of the non-financial assets / liabilities.
- iv. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in Cash Flow Hedging Reserve remains in Cash Flow Hedging Reserve till the period the hedge was effective. The cumulative gain or loss previously recognized in the Cash Flow Hedging Reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.

**1.24 Leases**

The Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. The Company assesses at the inception of contract whether a contract is, or contains, a lease i.e. if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**As a Lessee**

**a) Identifying a lease**

At the inception of the contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The company assesses whether:

- i. The contract involves the use of an identified asset, specified explicitly or implicitly.
- ii. The Company has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use, and
- iii. The Company has right to direct the use of the asset.

Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**b) Initial recognition of Right of use asset (ROU)**

The Company recognizes a ROU asset at the lease commencement date (i.e., the date the underlying asset is available for use). ROU assets are initially measured at cost less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, adjusted for any lease payments made on or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or site on which it is located, less any lease incentives received.

**c) Subsequent measurement of Right of use asset (ROU)**

ROU assets are subsequently amortized using the straight-line method from the commencement date to the earlier of the end of the useful life of ROU asset or the end of the lease term. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurement of the lease liability. Refer to the accounting policies in section 1.12 Impairment of non-financial assets.

**d) Initial recognition of lease liability**

Lease liabilities are initially measured at the present value of the lease payments to be paid over the lease term. Lease payments included in the measurement of the lease liabilities comprise of the following:

- i. Fixed payments, including in-substance fixed payments
- ii. Variable lease payments that depend on an index or a rate
- iii. Amounts expected to be payable under a residual value guarantee; and
- iv. The exercise price under a purchase option, extension option and penalties for early termination only if the Company is reasonably certain to exercise those options.

**e) Subsequent measurement of lease liability**

Lease liabilities are subsequently increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

**f) Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption. Lease payments on short-term leases and leases of low-value assets are recognized as expense in Statement of Profit and Loss.

**As a Lessor**

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the lease term.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables and finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

**Estimates and assumptions****Determination of discount rate as a lessee**

Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. Company estimates its incremental borrowing rate, which is the rate of interest that the Company would have to pay to borrow on a collateralized basis over a similar term an amount equal to the lease payments in a similar economic environment using observable available inputs (such as market interest rates).

**1.25 The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification as below.****An asset is treated as current when it is:**

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or Cash Equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

**A liability is treated as current when:**

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current

**1.26 Recent accounting pronouncements - Standards issued but not yet effective:**

The Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 vide notification No. G.S.R 242(E) dated 31<sup>st</sup> March 2023, effective from 1<sup>st</sup> April 2023. The following are the major amendments

**Ind AS 1 – Presentation of Financial Statements**

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

**Ind AS 12 – Income Taxes**

The amendments clarifies how company should account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

**Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors**

The amendments clarifies the definition of a change in accounting estimates by replacing with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

## NOTE-1 B: Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Company's standalone financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, accompanying disclosures, contingent liabilities/assets at the date of the standalone financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require adjustment to the carrying amount of assets or liabilities affected in future periods.

In particular, the Company has identified the areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the financial statements. Changes in estimates are accounted for prospectively.

### 1. Judgments

In the process of applying the Company's accounting policies, management has made the judgments, which have the most significant effect on the amounts recognized in the standalone financial statements:

#### 1.1 Contingencies

Contingent liabilities and assets which may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involve the exercise of significant judgments and the use of estimates regarding the outcome of future events.

#### 2. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company determines its assumptions and estimates on parameters available when the financial statements are prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

#### 2.1 Estimation uncertainties relating to global health pandemic from COVID-19:

On March 11, 2020 the World Health Organization (WHO) declared the outbreak of new coronavirus ("COVID-19") as a global pandemic. This outbreak is causing significant disturbances and slowdown of economic activity. The Company's operations were slightly impacted in the last week of March 2020, resulting in slight reduction of sales volumes due to nationwide lockdown advised by the Government of India in view of COVID-19.

In assessing the recoverability of carrying amounts of Company's assets such as property, plant and equipment, trade receivables, loans/ advance, intangible assets, investments and

other assets etc., the Company has considered various internal and external information up to the date of approval of these financial statements and concluded that they are recoverable based on the cash flow projections.

The Company has assessed the potential impact of COVID-19 based on the current circumstances and expects no significant impact on the continuity of operations of the business on long term basis/ on useful life of the assets/on financial position etc.

#### 2.2 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

#### 2.3 Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

#### 2.4 Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

#### 2.5 Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgments in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Impairment of investment in subsidiaries, joint ventures or associates is based on the impairment calculations using discounted cash flow/net asset value method, valuation report of external agencies, Investee Company's past history etc.

## GAIL (India) Limited, New Delhi

### Note : 2 - Property, Plant and Equipment for the year ended 31<sup>st</sup> March, 2023

| Particulars                    | Gross Block                      |                           |                      |                                  | Accumulated Depreciation           |                                  |                 | Impairment Loss*               |                                    | Net Block                          |
|--------------------------------|----------------------------------|---------------------------|----------------------|----------------------------------|------------------------------------|----------------------------------|-----------------|--------------------------------|------------------------------------|------------------------------------|
|                                | As at 1 <sup>st</sup> April 2022 | Additions during the year | Acquisition from AUC | Sales/ Disposals during the year | As at 31 <sup>st</sup> March, 2023 | As at 1 <sup>st</sup> April 2022 | For the year    | Disposals/ Adj during the year | As at 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2023 |
| Land : Freehold                | 596.87                           | 5.44                      | 104.84               | -                                | 707.15                             | -                                | -               | -                              | -                                  | 707.15                             |
| Building : Office/Others       | 1,088.77                         | 3.62                      | 226.68               | (0.07)                           | 1,319.00                           | 248.68                           | (0.04)          | 284.64                         | -                                  | 1,034.36                           |
| Building : Residential         | 362.43                           | 2.84                      | 2.57                 | (0.43)                           | 367.41                             | 77.54                            | (0.08)          | 88.34                          | -                                  | 279.07                             |
| Bunk Houses                    | 3.75                             | 0.08                      | -                    | (0.15)                           | 3.68                               | 2.63                             | (0.14)          | 2.95                           | -                                  | 0.73                               |
| Plant and Machinery            | 42,476.91                        | 474.02                    | 4,301.91             | (145.67)                         | 47,107.17                          | 9,370.89                         | (49.78)         | 11,115.03                      | 35.60                              | 35,956.54                          |
| Railway Lines & Sidings        | 0.27                             | -                         | -                    | -                                | 0.27                               | -                                | -               | -                              | -                                  | 0.27                               |
| Electrical Equipment's         | 445.28                           | 43.35                     | 38.87                | (7.84)                           | 519.66                             | 263.49                           | (7.19)          | 307.38                         | -                                  | 212.28                             |
| Furniture & Fixtures           | 166.41                           | 20.47                     | 5.94                 | (10.49)                          | 182.33                             | 82.40                            | (9.28)          | 89.51                          | -                                  | 92.82                              |
| Office Equipment's             | 299.22                           | 29.53                     | 34.51                | (23.20)                          | 340.06                             | 205.58                           | (21.60)         | 221.02                         | -                                  | 119.04                             |
| Other Equipment's              | 255.86                           | 42.14                     | 5.00                 | (18.48)                          | 284.52                             | 132.13                           | (16.65)         | 153.80                         | -                                  | 130.72                             |
| Transport Equipment's          | 9.45                             | 3.66                      | -                    | (0.05)                           | 13.06                              | 5.67                             | (0.03)          | 6.37                           | -                                  | 6.69                               |
| <b>E&amp;P Assets</b>          |                                  |                           |                      |                                  |                                    |                                  |                 |                                |                                    |                                    |
| Producing Property             | 993.24                           | -                         | 514.23               | -                                | 1,507.47                           | 537.42                           | -               | 636.22                         | -                                  | 871.25                             |
| Support Equipment & Facilities | 6.24                             | -                         | -                    | -                                | 6.24                               | 2.42                             | (0.01)          | 2.84                           | -                                  | 3.40                               |
| <b>Total</b>                   | <b>46,704.70</b>                 | <b>625.15</b>             | <b>5,234.55</b>      | <b>(206.38)</b>                  | <b>52,358.02</b>                   | <b>10,928.85</b>                 | <b>(104.80)</b> | <b>12,908.10</b>               | <b>35.60</b>                       | <b>39,414.32</b>                   |

\* Refer Note No. 46 for impairment of assets

## Note : 2 - Property, Plant and Equipment for the year ended 31<sup>st</sup> March, 2022

| Particulars                    | Gross Block                      |                           |                      |                                  |                                    |                                  | Accumulated Depreciation |                                |                                    |                                  | Impairment Loss* |                                    |                                    | Net Block                          |                                    |
|--------------------------------|----------------------------------|---------------------------|----------------------|----------------------------------|------------------------------------|----------------------------------|--------------------------|--------------------------------|------------------------------------|----------------------------------|------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
|                                | As at 1 <sup>st</sup> April 2021 | Additions during the year | Acquisition from AUC | Sales/ Disposals during the year | As at 31 <sup>st</sup> March, 2022 | As at 1 <sup>st</sup> April 2021 | For the year             | Disposals/ Adj during the year | As at 31 <sup>st</sup> March, 2022 | As at 1 <sup>st</sup> April 2021 | For the year     | As at 31 <sup>st</sup> March, 2022 | As at 31 <sup>st</sup> March, 2022 | As at 31 <sup>st</sup> March, 2022 | As at 31 <sup>st</sup> March, 2022 |
|                                |                                  |                           |                      |                                  |                                    |                                  |                          |                                |                                    |                                  |                  |                                    |                                    |                                    |                                    |
| Land : Freehold                | 538.17                           | 25.72                     | 32.98                | -                                | 596.87                             | -                                | -                        | -                              | -                                  | -                                | -                | -                                  | -                                  | -                                  | 596.87                             |
| Building : Office/Others       | 989.15                           | 4.20                      | 95.74                | (0.32)                           | 1,088.77                           | 214.17                           | 34.63                    | (0.12)                         | 248.68                             | -                                | -                | -                                  | -                                  | -                                  | 840.09                             |
| Building : Residential         | 334.83                           | 0.60                      | 27.01                | (0.01)                           | 362.43                             | 66.95                            | 10.59                    | -                              | 77.54                              | -                                | -                | -                                  | -                                  | -                                  | 284.89                             |
| Bunk Houses                    | 2.81                             | 0.89                      | 0.05                 | -                                | 3.75                               | 2.37                             | 0.26                     | -                              | 2.63                               | -                                | -                | -                                  | -                                  | -                                  | 1.12                               |
| Plant and Machinery            | 38,604.77                        | 329.48                    | 3,628.23             | (85.57)                          | 42,476.91                          | 7,791.51                         | 1,610.67                 | (31.29)                        | 9,370.89                           | 40.84                            | (1.70)           | 39.14                              | 33,066.88                          | -                                  | 33,066.88                          |
| Railway Lines & Sidings        | 0.27                             | -                         | -                    | -                                | 0.27                               | -                                | -                        | -                              | -                                  | -                                | -                | -                                  | -                                  | -                                  | 0.27                               |
| Electrical Equipment's         | 410.34                           | 17.17                     | 28.16                | (10.39)                          | 445.28                             | 229.28                           | 43.47                    | (9.26)                         | 263.49                             | -                                | -                | -                                  | -                                  | -                                  | 181.79                             |
| Furniture & Fixtures           | 159.49                           | 9.53                      | 2.08                 | (4.69)                           | 166.41                             | 70.08                            | 15.88                    | (3.56)                         | 82.40                              | -                                | -                | -                                  | -                                  | -                                  | 84.01                              |
| Office Equipment's             | 279.58                           | 4.67                      | 17.63                | (2.66)                           | 299.22                             | 172.57                           | 35.34                    | (2.33)                         | 205.58                             | -                                | -                | -                                  | -                                  | -                                  | 93.64                              |
| Other Equipment's              | 231.52                           | 35.73                     | 5.99                 | (17.38)                          | 255.86                             | 112.64                           | 34.87                    | (15.38)                        | 132.13                             | -                                | -                | -                                  | -                                  | -                                  | 123.73                             |
| Transport Equipment's          | 9.43                             | 0.02                      | -                    | -                                | 9.45                               | 4.85                             | 0.82                     | -                              | 5.67                               | -                                | -                | -                                  | -                                  | -                                  | 3.78                               |
| <b>E&amp;P Assets</b>          |                                  |                           |                      |                                  |                                    |                                  |                          |                                |                                    |                                  |                  |                                    |                                    |                                    |                                    |
| Producing Property             | 980.10                           | -                         | 13.13                | -                                | 993.24                             | 463.59                           | 73.83                    | -                              | 537.42                             | -                                | -                | -                                  | -                                  | -                                  | 455.82                             |
| Support Equipment & Facilities | 4.91                             | -                         | 1.33                 | -                                | 6.24                               | 2.05                             | 0.36                     | -                              | 2.42                               | -                                | -                | -                                  | -                                  | -                                  | 3.82                               |
| <b>Total</b>                   | <b>42,545.37</b>                 | <b>428.01</b>             | <b>3,852.33</b>      | <b>(121.02)</b>                  | <b>46,704.70</b>                   | <b>9,130.06</b>                  | <b>1,860.72</b>          | <b>(61.93)</b>                 | <b>10,928.85</b>                   | <b>40.84</b>                     | <b>(1.70)</b>    | <b>39.14</b>                       | <b>35,736.71</b>                   |                                    | <b>35,736.71</b>                   |

\* Refer Note No. 46 for impairment of assets

**Note : 2A - Right of Use Assets for the Year ended 31<sup>st</sup> March, 2023**

| Particulars                  | Gross Block                      |                           |                      |                                  |                                    |                                  | Accumulated Depreciation |                                |                                    |                                    | Net Block  |  |
|------------------------------|----------------------------------|---------------------------|----------------------|----------------------------------|------------------------------------|----------------------------------|--------------------------|--------------------------------|------------------------------------|------------------------------------|------------|--|
|                              | As at 1 <sup>st</sup> April 2022 | Additions during the year | Acquisition from AUC | Sales/ Disposals during the year | As at 31 <sup>st</sup> March, 2023 | As at 1 <sup>st</sup> April 2022 | For the year             | Disposals/ Adj during the year | As at 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2023 |            |  |
|                              |                                  |                           |                      |                                  |                                    |                                  |                          |                                |                                    |                                    | ₹ In crore |  |
| Land : Leasehold             | 287.60                           | 532.86                    | 5.12                 | (2.92)                           | 822.66                             | 30.60                            | 29.24                    | (2.91)                         | 56.93                              | 765.73                             |            |  |
| Building : Leasehold         | 58.87                            | 12.66                     | -                    | (2.21)                           | 69.32                              | 26.88                            | 15.51                    | (1.89)                         | 40.50                              | 28.82                              |            |  |
| Plant & Machinery: Leasehold | 1,414.88                         | 388.15                    | -                    | (2.46)                           | 1,800.57                           | 202.32                           | 361.16                   | (2.49)                         | 560.99                             | 1,239.58                           |            |  |
| Vehicle : Leasehold          | 14.91                            | 0.83                      | -                    | -                                | 15.74                              | 6.86                             | 4.97                     | -                              | 11.83                              | 3.91                               |            |  |
| <b>Total</b>                 | <b>1,776.26</b>                  | <b>934.50</b>             | <b>5.12</b>          | <b>(7.59)</b>                    | <b>2,708.29</b>                    | <b>266.66</b>                    | <b>410.88</b>            | <b>(7.29)</b>                  | <b>670.25</b>                      | <b>2,038.04</b>                    |            |  |

**Note : 2A - Right of Use Assets for the Year ended 31<sup>st</sup> March, 2022**

| Particulars                  | Gross Block                      |                           |                      |                                  | Accumulated Depreciation           |                                  |               |                                | Net Block                          |                                    |            |
|------------------------------|----------------------------------|---------------------------|----------------------|----------------------------------|------------------------------------|----------------------------------|---------------|--------------------------------|------------------------------------|------------------------------------|------------|
|                              | As at 1 <sup>st</sup> April 2021 | Additions during the year | Acquisition from AUC | Sales/ Disposals during the year | As at 31 <sup>st</sup> March, 2022 | As at 1 <sup>st</sup> April 2021 | For the year  | Disposals/ Adj during the year | As at 31 <sup>st</sup> March, 2022 | As at 31 <sup>st</sup> March, 2022 |            |
|                              |                                  |                           |                      |                                  |                                    |                                  |               |                                |                                    |                                    | ₹ In crore |
| Land : Leasehold             | 273.57                           | 10.44                     | 3.59                 | -                                | 287.60                             | 17.60                            | 13.00         | -                              | 30.60                              | 257.00                             |            |
| Building : Leasehold         | 58.13                            | 22.42                     | -                    | (21.68)                          | 58.87                              | 30.80                            | 17.75         | (21.67)                        | 26.88                              | 31.99                              |            |
| Plant & Machinery: Leasehold | 543.34                           | 871.54                    | -                    | -                                | 1,414.88                           | 8.24                             | 194.08        | -                              | 202.32                             | 1,212.56                           |            |
| Vehicle : Leasehold          | 14.54                            | 7.25                      | -                    | (6.88)                           | 14.91                              | 4.96                             | 8.79          | (6.89)                         | 6.86                               | 8.05                               |            |
| <b>Total</b>                 | <b>889.58</b>                    | <b>911.65</b>             | <b>3.59</b>          | <b>(28.56)</b>                   | <b>1,776.26</b>                    | <b>61.60</b>                     | <b>233.62</b> | <b>(28.56)</b>                 | <b>266.66</b>                      | <b>1,509.60</b>                    |            |

### Note : 3 - Capital Work in Progress for the year ended 31<sup>st</sup> March, 2023

| Particulars                                  | Gross Block                            |  |                                      | Provision and Impairment Loss            |                                     |                 | Net Block<br>As at<br>31 <sup>st</sup> March,<br>2023 |
|--|--|--|--------------------------------------|--|-------------------------------------|-----------------|---|
|  | As at<br>1 <sup>st</sup> April<br>2022 | Additions/<br>Adjustments<br>during the year | Capitalization<br>during the<br>year | As at<br>31 <sup>st</sup> March,<br>2023 | As at<br>1 <sup>st</sup> April 2022 | For the<br>Year |   |
| <b>A. Tangible</b>                           |  |  |                                      |  |                                     |                 |   |
| <b>Plant &amp; Machinery</b>                 |  |  |                                      |  |                                     |                 |   |
| Linepipe Construction and related facilities | 7,665.40                               | 4,555.79                                     | (4,760.17)                           | 7,459.79                                 | 11.05                               | 108.74          | 7,340.00  |
| Despatch/Receiving Terminals                 | 42.08                                  | 4.04   | (45.29)                              | 0.83                                     | -                                   | -               | 0.83  |
| Compressor Stations                          | 4.37                                   | 3.20   | (6.19)                               | 1.38                                     | -                                   | -               | 1.38  |
| Telecom/Telesupervisory System               | 2.03                                   | 0.07   | (0.64)                               | 1.46                                     | -                                   | -               | 1.46  |
| Others                                       | 441.94                                 | 423.57                                       | (167.02)                             | 698.41                                   | -                                   | -               | 698.41  |
| Petrochemicals                               | 248.11                                 | 638.65                                       | (0.12)                               | 886.64                                   | -                                   | -               | 886.64  |
| Exploratory Well in Progress                 | 258.06                                 | 2.18   | (7.52)                               | 252.72                                   | 191.20                              | (49.23)         | 110.75  |
| Development well in Progress                 | 592.95                                 | 240.24                                       | (506.71)                             | 326.48                                   | 14.19                               | (14.19)         | 326.48  |
| Buildings                                    | 13.06                                  | 70.13  | (73.90)                              | 9.29                                     | 5.28                                | -               | 4.01  |
| Linepipes, Capital Items in Stock/Transit    | 4,031.30                               | 270.09                                       | (1.02)                               | 4,300.37                                 | 6.44                                | 1.41            | 4,292.52  |
| <b>B. Intangible</b>                         | <b>0.17</b>                            | <b>-</b>                                     | <b>(0.17)</b>                        | <b>-</b>                                 | <b>-</b>                            | <b>-</b>        | <b>-</b>  |
| <b>Total</b>                                 | <b>13,299.47</b>                       | <b>6,207.96</b>                              | <b>(5,568.75)</b>                    | <b>13,937.37</b>                         | <b>228.16</b>                       | <b>46.73</b>    | <b>13,662.48</b>                                      |

₹ In crore

### Note : 3 - Capital Work in Progress for the year ended 31<sup>st</sup> March, 2022

| Particulars                                  | Gross Block                            |  |                                      | Provision and Impairment Loss            |                                     |                 | Net Block<br>As at<br>31 <sup>st</sup> March,<br>2022 |
|--|--|--|--------------------------------------|--|-------------------------------------|-----------------|---|
|  | As at<br>1 <sup>st</sup> April<br>2021 | Additions/<br>Adjustments<br>during the year | Capitalization<br>during the<br>year | As at<br>31 <sup>st</sup> March,<br>2022 | As at<br>1 <sup>st</sup> April 2021 | For the<br>Year |   |
| <b>A. Tangible</b>                           |  |  |                                      |  |                                     |                 |   |
| <b>Plant &amp; Machinery</b>                 |  |  |                                      |  |                                     |                 |   |
| Linepipe Construction and related facilities | 7,094.48                               | 4,305.13                                     | (3,733.95)                           | 7,665.40                                 | 10.76                               | 0.29            | 7,654.35  |
| Despatch/Receiving Terminals                 | 38.95                                  | 3.21   | (0.08)                               | 42.08                                    | -                                   | -               | 42.08   |
| Compressor Stations                          | 0.91                                   | 3.99   | (0.53)                               | 4.37                                     | -                                   | -               | 4.37  |
| Telecom/Telesupervisory System               | 3.65                                   | (0.87)                                       | (0.75)                               | 2.03                                     | -                                   | -               | 2.03  |
| Others                                       | 369.28                                 | 347.37                                       | (274.63)                             | 441.94                                   | -                                   | -               | 441.94  |
| Petrochemicals                               | 67.69                                  | 193.57                                       | (13.15)                              | 248.11                                   | -                                   | -               | 248.11  |
| Exploratory Well in Progress                 | 268.83                                 | (1.66)                                       | (9.11)                               | 258.06                                   | 194.50                              | (3.30)          | 66.86   |
| Development well in Progress                 | 252.72                                 | 345.58                                       | (5.35)                               | 592.95                                   | 14.95                               | (0.76)          | 578.76  |
| Buildings                                    | 38.94                                  | 15.56  | (41.42)                              | 13.06                                    | 5.28                                | -               | 7.78  |
| Linepipes, Capital Items in Stock/Transit    | 4,007.54                               | 24.75  | (0.99)                               | 4,031.30                                 | 14.09                               | (7.65)          | 4,024.86  |
| <b>B. Intangible</b>                         | <b>-</b>                               | <b>0.33</b>                                  | <b>(0.16)</b>                        | <b>0.17</b>                              | <b>-</b>                            | <b>-</b>        | <b>0.17</b>   |
| <b>Total</b>                                 | <b>12,142.99</b>                       | <b>5,236.96</b>                              | <b>(4,080.12)</b>                    | <b>13,299.47</b>                         | <b>239.58</b>                       | <b>(11.42)</b>  | <b>13,071.31</b>                                      |

₹ In crore

### Note : 4 - Intangible Assets for the year ended 31<sup>st</sup> March, 2023

| Particulars          | Gross Block                      |                           |                      |                                 | Accumulated Depreciation and Impairment |                                  |              | Net Block                      |                                    |
|----------------------|----------------------------------|---------------------------|----------------------|---------------------------------|---|----------------------------------|--------------|--------------------------------|------------------------------------|
|                      | As at 1 <sup>st</sup> April 2022 | Additions during the year | Acquisition from AUC | Sales/Disposals during the year | As at 31 <sup>st</sup> March, 2023      | As at 1 <sup>st</sup> April 2022 | For the year | Disposals/ Adj during the year | As at 31 <sup>st</sup> March, 2023 |
|                      |                                  |                           |                      |                                 |   |                                  |              |                                |                                    |
| Right of Use         | 2,483.50                         | 14.30                     | 318.71               | (0.43)                          | 2,816.08                                | 0.22                             | -            | -                              | 2,815.86                           |
| Softwares / Licences | 165.25                           | 0.51                      | 10.23                | (0.30)                          | 175.69                                  | 113.85                           | 23.03        | (0.30)                         | 39.11                              |
| <b>Total</b>         | <b>2,648.75</b>                  | <b>14.81</b>              | <b>328.94</b>        | <b>(0.73)</b>                   | <b>2,991.77</b>                         | <b>114.07</b>                    | <b>23.03</b> | <b>(0.30)</b>                  | <b>2,854.97</b>                    |

### Note : 4 - Intangible Assets for the year ended 31<sup>st</sup> March, 2022

| Particulars          | Gross Block                      |                           |                      |                                 | Accumulated Depreciation           |                                  |              | Net Block                      |                                    |
|----------------------|----------------------------------|---------------------------|----------------------|---------------------------------|------------------------------------|----------------------------------|--------------|--------------------------------|------------------------------------|
|                      | As at 1 <sup>st</sup> April 2021 | Additions during the year | Acquisition from AUC | Sales/Disposals during the year | As at 31 <sup>st</sup> March, 2022 | As at 1 <sup>st</sup> April 2021 | For the year | Disposals/ Adj during the year | As at 31 <sup>st</sup> March, 2022 |
|                      |                                  |                           |                      |                                 |                                    |                                  |              |                                |                                    |
| Right of Use         | 2,235.89                         | 33.99                     | 213.63               | -                               | 2,483.50                           | 0.22                             | -            | -                              | 2,483.28                           |
| Softwares / Licences | 155.58                           | 5.64                      | 10.57                | (6.55)                          | 165.25                             | 95.76                            | 24.59        | (6.51)                         | 51.40                              |
| <b>Total</b>         | <b>2,391.47</b>                  | <b>39.63</b>              | <b>224.20</b>        | <b>(6.55)</b>                   | <b>2,648.75</b>                    | <b>95.98</b>                     | <b>24.59</b> | <b>(6.51)</b>                  | <b>2,534.68</b>                    |



## Note 5 Investments - Non-Current

(₹ in crore)

| Sl. No.    | Particulars  | As at 31 <sup>st</sup> March 2023 |                   | As at 31 <sup>st</sup> March 2022 |                   |
|------------|--|-----------------------------------|-------------------|-----------------------------------|-------------------|
|            |  | Number of Shares                  | Amount            | Number of Shares                  | Amount            |
| <b>(a)</b> | <b>In Subsidiary Companies</b>   |                                   |                   |                                   |                   |
|            | <b>In Equity Shares</b>  |                                   |                   |                                   |                   |
|            | <b>Unquoted, at Cost</b>   |                                   |                   |                                   |                   |
| 1          | GAIL Global (Singapore) Pte Ltd<br>(Includes deemed investment of ₹ 3.20 crore (Previous Year: ₹ 0.02 crore) denotes the fair value of guarantee fees towards financial guarantee given without any consideration) | 71,00,000<br>(USD 1 each)         | 45.14             | 71,00,000<br>(USD 1 each)         | 41.96             |
| 2          | GAIL Gas Limited<br>(Includes deemed investment of ₹ 34.08 crore (Previous Year: 23.43 crore) denotes the fair value of guarantee fees towards financial guarantee given without any consideration)                | 2,00,00,00,000<br>(₹ 10 each)     | 2,034.08          | 1,62,50,00,000<br>(₹ 10 each)     | 1,648.43          |
| 3          | GAIL Global USA Inc.<br>(Includes deemed investment of ₹ 7.24 crore (Previous Year: ₹ 6.97 crore) denotes the fair value of guarantee fees towards financial guarantee given without any consideration)            | 3,60,00,000<br>(USD 1 each)       | 186.41            | 3,60,00,000<br>(USD 1 each)       | 186.14            |
| 4          | Provision for Impairment Loss<br>Tripura Natural Gas Company Limited   |                                   | (179.17)<br>14.69 |                                   | (179.17)<br>14.69 |
| 5          | Bengal Gas Company Limited   | 14,69,388<br>(₹ 100 each)         |                   | 14,69,388<br>(₹ 100 each)         |                   |
| 6          | Konkan LNG Limited *   | 43,86,50,000<br>(₹ 10 each)       | 438.65            | 20,00,00,000<br>(₹ 10 each)       | 200.00            |
|            | (73,07,77,422 fully paid up equity shares of ₹ 10 each, 19,44,11,603 fully paid up equity shares of ₹ 10 each are acquired at ₹ 8.01 per share and 13,97,52,264 equity shares of ₹ 10 each, acquired at ₹ 1 )      | 1,06,49,41,289<br>(₹ 10 each)     | 886.45            | 73,39,41,289<br>(₹ 10 each)       | 555.45            |
|            | <b>In Preference Shares</b>  |                                   |                   |                                   |                   |
|            | <b>Unquoted, at Cost</b>   |                                   |                   |                                   |                   |
| 1          | Konkan LNG Limited<br>(10% Cumulative Compulsorily Convertible Preference Shares)  | 25,20,03,718<br>(₹ 10 each)       | 252.00            | 25,20,03,718<br>(₹ 10 each)       | 252.00            |
|            | <b>Sub Total (a)</b>   |                                   | <b>3,678.25</b>   |                                   | <b>2,719.50</b>   |

(₹ in crore)

| Sl. No.    | Particulars   | As at 31 <sup>st</sup> March 2023 |        | As at 31 <sup>st</sup> March 2022 |        |
|------------|---|-----------------------------------|--------|-----------------------------------|--------|
|            |   | Number of Shares                  | Amount | Number of Shares                  | Amount |
| <b>(b)</b> | <b>In Joint Venture Companies</b>   |                                   |        |                                   |        |
|            | <b>In Equity Shares</b>   |                                   |        |                                   |        |
|            | <b>Unquoted, at Cost</b>  |                                   |        |                                   |        |
| 1          | Central UP Gas Limited  | 1,50,00,000<br>(₹ 10 each)        | 15.00  | 1,50,00,000<br>(₹ 10 each)        | 15.00  |
| 2          | Green Gas Limited<br>(Includes 5,000 equity shares acquired at a premium of ₹ 83.39/- per share)          | 2,30,47,250<br>(₹ 10 each)        | 23.09  | 2,30,47,250<br>(₹ 10 each)        | 23.09  |
| 3          | Maharashtra Natural Gas Limited   | 2,25,00,000<br>(₹ 10 each)        | 22.50  | 2,25,00,000<br>(₹ 10 each)        | 22.50  |
| 4          | Aavantika Gas Limited<br>(Includes 70,57,038 equity shares allotted at a premium of ₹ 29/- per share)     | 2,95,57,038<br>(₹ 10 each)        | 50.02  | 2,95,57,038<br>(₹ 10 each)        | 50.02  |
| 5          | Bhagyanagar Gas Limited<br>(Includes 2,11,50,000 equity shares allotted at a premium of ₹ 40/- per share) | 4,36,50,000<br>(₹ 10 each)        | 128.25 | 4,36,50,000<br>(₹ 10 each)        | 128.25 |
| 6          | Vadodara Gas Limited  | 7,91,37,831<br>(₹ 10 each)        | 79.14  | 7,91,37,831<br>(₹ 10 each)        | 79.14  |

(₹ in crore)

| Sl. No.              | Particulars  | As at 31 <sup>st</sup> March 2023 |                   | As at 31 <sup>st</sup> March 2022 |                 |
|----------------------|--|-----------------------------------|-------------------|-----------------------------------|-----------------|
|                      |  | Number of Shares                  | Amount            | Number of Shares                  | Amount          |
| 7                    | Talcher Fertilizers Limited  | 80,54,80,825<br>(₹ 10 each)       | 805.48            | 80,54,80,825<br>(₹ 10 each)       | 805.48          |
| 8                    | Tapi Pipeline Company Limited  | 8,25,025<br>(USD 10 each)         | 55.38             | 8,25,025<br>(USD 10 each)         | 55.38           |
| 9                    | Provision for Impairment Loss (Refer Note No. 47(l) )<br>Indradhanush Gas Grid Limited<br>(Includes deemed investment of ₹ 0.27 crore (Previous Year: ₹ nil) denotes the fair value of guarantee fees towards financial guarantee given without any consideration) | 19,80,00,000<br>(₹ 10 each)       | (55.38)<br>198.27 | 8,50,00,000<br>(₹ 10 each)        | 85.00           |
| <b>Sub Total (b)</b> |  |                                   | <b>1,321.75</b>   |                                   | <b>1,263.86</b> |

(₹ in crore)

| Sl. No.              | Particulars   | As at 31 <sup>st</sup> March 2023 |                 | As at 31 <sup>st</sup> March 2022 |                 |
|----------------------|---|-----------------------------------|-----------------|-----------------------------------|-----------------|
|                      |   | Number of Shares                  | Amount          | Number of Shares                  | Amount          |
| <b>(c)</b>           | <b>In Associate Companies</b>   |                                   |                 |                                   |                 |
|                      | <b>In Equity Shares</b>   |                                   |                 |                                   |                 |
|                      | <b>Quoted, at Cost</b>  |                                   |                 |                                   |                 |
| 1                    | China Gas Holdings Limited<br>(Acquired at a premium of HK\$ 1.15 per share)  | 15,00,00,000<br>(HK\$ 0.01 each)  | 97.37           | 15,00,00,000<br>(HK\$ 0.01 each)  | 97.37           |
| 2                    | Petronet LNG Limited.<br>(Includes 1,00,00,000 equity shares allotted at a premium of ₹ 5/- per share, 1:1 Bonus shares is issued on 5 <sup>th</sup> July 2017) | 18,75,00,000<br>(₹ 10 each)       | 98.75           | 18,75,00,000<br>(₹ 10 each)       | 98.75           |
| 3                    | Mahanagar Gas Limited   | 3,21,02,750<br>(₹ 10 each)        | 32.10           | 3,21,02,750<br>(₹ 10 each)        | 32.10           |
| 4                    | Indraprastha Gas Limited<br>(Share split in the ratio of 5:1 on 11 <sup>th</sup> November 2017 )  | 15,75,00,000<br>(₹ 2 each)        | 31.50           | 15,75,00,000<br>(₹ 2 each)        | 31.50           |
|                      | <b>Unquoted, at Cost</b>  |                                   |                 |                                   |                 |
| 1                    | Brahmaputra Cracker & Polymer Limited   | 99,23,69,000<br>(₹ 10 each)       | 992.37          | 99,23,69,000<br>(₹ 10 each)       | 992.37          |
| 2                    | Fayum Gas Company<br>(Acquired at a premium of LE 478.95 per share)   | 19,000<br>(LE 100 each)           | 8.10            | 19,000<br>(LE 100 each)           | 8.10            |
| 3                    | ONGC Petro additions Limited  | 99,49,45,000<br>(₹ 10 each)       | 994.95          | 99,49,45,000<br>(₹ 10 each)       | 994.95          |
| 4                    | Ramagundam Fertilizers & Chemicals Limited  | 27,03,04,320<br>(₹ 10 each)       | 270.30          | 27,03,04,320<br>(₹ 10 each)       | 270.30          |
| 5                    | ONGC Tripura Power Company Limited<br>(Acquired at a premium of ₹ 0.96 per share)   | 29,12,00,000<br>(₹ 10 each)       | 319.05          | 29,12,00,000<br>(₹ 10 each)       | 319.05          |
| 6                    | LNG Japonica Shipping Corporation Limited#  | 260<br>(USD 1 each)               | -               |                                   | -               |
|                      | <b>In Membership/ Participating Interest of LLC – Unquoted</b>  |                                   |                 |                                   |                 |
| 1                    | LLC Bharat Energy Office<br>(20% shareholding)  |                                   | 0.76            |                                   | 0.76            |
| <b>Sub Total (c)</b> |   |                                   | <b>2,845.25</b> |                                   | <b>2,845.25</b> |

#Amount is not reflected due to rounding off as on 31<sup>st</sup> March 2023 is ₹ 21,633 (Previous Year: ₹ Nil)

(₹ in crore)

| Sl. No.    | Particulars   | As at 31 <sup>st</sup> March 2023 |        | As at 31 <sup>st</sup> March 2022 |        |
|------------|---|-----------------------------------|--------|-----------------------------------|--------|
|            |   | Number of Shares                  | Amount | Number of Shares                  | Amount |
| <b>(d)</b> | <b>Other Investments</b>  |                                   |        |                                   |        |
|            | <b>In equity Shares</b>   |                                   |        |                                   |        |
|            | <b>Quoted, Fair Value Through Other Comprehensive Income</b>  |                                   |        |                                   |        |
| 1          | Gujarat Industries Power Co. Limited<br>(Includes 1,90,200 equity shares acquired at a premium of ₹ 15/- per share) | 5,70,600<br>(₹ 10 each)           | 4.33   | 5,70,600<br>(₹ 10 each)           | 4.19   |

(₹ in crore)

| Sl. No. | Particulars  | As at 31 <sup>st</sup> March 2023 |                 | As at 31 <sup>st</sup> March 2022 |                 |
|---------|--|-----------------------------------|-----------------|-----------------------------------|-----------------|
|         |  | Number of Shares                  | Amount          | Number of Shares                  | Amount          |
| 2       | Oil and Natural Gas Corporation Limited<br>(Acquired 3,42,66,845 shares of ₹ 10/- each during FY 1999-2000 at a price of ₹ 162.34 per share, 1,71,33,422 bonus shares of ₹ 10/- each received during FY 2006-07, during FY 2010-11, 5,14,00,267 equity shares of ₹ 10/- each were splitted into equity shares of ₹ 5/- each and bonus issue of 1:1 equity shares of ₹ 5/- each after split received during FY 2010-11, further during FY 2016-17 bonus issue of 1:2 equity shares has been received) | 30,84,01,602<br>(₹ 5 each)        | 4,658.41        | 30,84,01,602<br>(₹ 5 each)        | 5,054.70        |
|         | <b>Unquoted, Fair Value Through Other Comprehensive Income</b>   |                                   |                 |                                   |                 |
| 1       | South East Asia Gas Pipeline Company Ltd   | 8,347<br>(USD 1 each)             | 185.50          | 8,347<br>(USD 1 each)             | 168.27          |
| 2       | Gujarat State Energy Generation Limited  | 2,07,60,000<br>(₹ 10 each)        | 8.43            | 2,07,60,000<br>(₹ 10 each)        | 8.98            |
| 3       | Indian Gas Exchange Limited  | 36,93,750<br>(₹ 10 each)          | 12.50           | 36,93,750<br>(₹ 10 each)          | 5.85            |
| 4       | CEID Consultants and Engineering Private Limited<br>(Acquired at a premium of ₹ 555.70 per share)  | 88,386<br>(₹ 10 each)             | 19.37           | 88,386<br>(₹ 10 each)             | 5.00            |
| 5       | "Ducere Technologies Pvt Ltd<br>(Acquired at a premium of ₹ 596.34 per share)  | 49,477<br>(₹ 10 each)             | 3.73            |                                   | -               |
|         | <b>Sub Total (d)</b>   |                                   | <b>4,892.27</b> |                                   | <b>5,246.99</b> |

(₹ in crore)

| Sl. No.    | Particulars  | As at 31 <sup>st</sup> March 2023 |        | As at 31 <sup>st</sup> March 2022 |        |
|------------|--|-----------------------------------|--------|-----------------------------------|--------|
|            |  | Number of Shares                  | Amount | Number of Shares                  | Amount |
| <b>(e)</b> | <b>In Start-up Companies</b>   |                                   |        |                                   |        |
|            | <b>In equity Shares</b>  |                                   |        |                                   |        |
|            | <b>Unquoted, Fair Value Through Other Comprehensive Income</b>   |                                   |        |                                   |        |
| 1          | JV Foodworks Private Limited<br>(180 equity shares acquired at a premium of ₹ 5,524.49 per share, 2,909 equity shares acquired at a premium of ₹ 4,459.27 per share and 765 equity shares acquired at a premium of ₹ 2,461.32 per share) | 3,854<br>(₹ 10 each)              | -      | 3,854<br>(₹ 10 each)              | -      |
| 2          | Bhagwandas Retail Private Limited<br>(Acquired at a premium of ₹ 8,976 per Share)  | 467<br>(₹ 10 each)                | 0.42   | 467<br>(₹ 10 each)                | 0.42   |
| 3          | Tache Technologies Private Limited<br>(Acquired at a premium of ₹ 890.98 per share)  | 1,307<br>(₹ 10 each)              | -      | 1,307<br>(₹ 10 each)              | 0.12   |
| 4          | Kshumat Energy Private Limited<br>(Acquired at a premium of ₹ 5,990 per share)   | 2,499<br>(₹ 10 each)              | 1.50   | 2,499<br>(₹ 10 each)              | 1.50   |
| 5          | Sarvodaya Infotech Private Limited<br>(Acquired at a premium of ₹ 2,240.23 per share)  | 5,555<br>(₹ 10 each)              | 1.25   | 5,555<br>(₹ 10 each)              | 1.25   |
| 6          | Persapien Innovations Private Limited<br>(Acquired at a premium of ₹ 3,79,994.18 per share)  | 52<br>(₹ 10 each)                 | 1.98   | 52<br>(₹ 10 each)                 | 1.98   |
| 7          | Tycheejuno Speciality Tyres Private Limited<br>(Acquired at a premium of ₹ 13,418.57 per share)  | 2,234<br>(₹ 10 each)              | 3.00   | 2,234<br>(₹ 10 each)              | 3.00   |
| 8          | VDT Pipeline Solutions Private Limited<br>(Acquired at a premium of ₹ 22,490 per share)  | 1,111<br>(₹ 10 each)              | 2.50   | 1,111<br>(₹ 10 each)              | 2.50   |
| 9          | Featherdyne Private Limited<br>(Acquired at a premium of ₹ 8,490 per share)  | 1,764<br>(₹ 10 each)              | 1.50   | 1,764<br>(₹ 10 each)              | 1.50   |
| 10         | RD Grow Green India Private Limited<br>(Acquired at a premium of ₹ 752.72 per share)   | 10,095<br>(₹ 10 each)             | 0.77   | 10,095<br>(₹ 10 each)             | 0.77   |

(₹ in crore)

| Sl. No. | Particulars   | As at 31 <sup>st</sup> March 2023 |              | As at 31 <sup>st</sup> March 2022 |              |
|---------|---|-----------------------------------|--------------|-----------------------------------|--------------|
|         |   | Number of Shares                  | Amount       | Number of Shares                  | Amount       |
| 11      | Zunik Energies Private Limited<br>(Acquired at a premium of ₹ 8,387.14 per share)               | 1,190<br>(₹ 10 each)              | 1.00         | 1,190<br>(₹ 10 each)              | 1.00         |
| 12      | Vasitars Private Limited<br>(Acquired at a premium of ₹ 3,250 per share)                        | 4,907<br>(₹ 10 each)              | 1.60         | 2,453<br>(₹ 10 each)              | 0.80         |
| 13      | Geo Climate Risk Solutions Private Limited<br>(acquired at a premium of ₹ 17,990 per share)     | 1,111<br>(₹ 10 each)              | 2.00         | 1,111<br>(₹ 10 each)              | 2.00         |
| 14      | IROV Technology Private Limited<br>(Acquired at a premium of ₹ 15,740 per share)                | 1,904<br>(₹ 10 each)              | 3.00         | 1,904<br>(₹ 10 each)              | 3.00         |
| 15      | Arcturus Business Solutions Private Limited<br>(Acquired at a premium of ₹ 1,037.14 per share)  | 9,549<br>(₹ 10 each)              | 1.00         | 9,549<br>(₹ 10 each)              | 1.00         |
| 16      | Kriya Labs Private Limited<br>(Acquired at a premium of ₹ 1,000 per share)                      | 5,940<br>(₹ 10 each)              | 0.60         | 5,940<br>(₹ 10 each)              | 0.60         |
| 17      | Quanteon Powertrain Private Limited<br>(Acquired at a premium of ₹ 1,249.26 per share)          | 27,794<br>(₹ 10 each)             | 3.50         | 25,808<br>(₹ 10 each)             | 3.25         |
| 18      | Prayogik Technology Private Limited<br>(Acquired at a premium of ₹ 286.30 per share)            | 20,248<br>(₹ 10 each)             | 0.60         | 20,248<br>(₹ 10 each)             | 0.60         |
| 19      | Yali Mobility Private Limited<br>(Acquired at a premium of ₹ 11,728.21 per share)               | 1,073<br>(₹ 10 each)              | 1.26         | 1,073<br>(₹ 10 each)              | 1.26         |
| 20      | Celectric Automotive Drives Private Limited<br>(Acquired at a premium of ₹ 13,322.34 per share) | 1,770<br>(₹ 10 each)              | 2.36         | 1,770<br>(₹ 10 each)              | 2.36         |
| 21      | Orxa Energies Private Limited<br>(Acquired at a premium of ₹ 3,631.33 per share)                | 14,033<br>(₹ 10 each)             | 5.11         | 14,033<br>(₹ 10 each)             | 5.11         |
| 22      | PI Beam Labs Private Limited<br>(Acquired at a premium of ₹ 14,319.45 per share)                | 3,489<br>(₹ 10 each)              | 5.00         | 3,489<br>(₹ 10 each)              | 5.00         |
| 23      | Cleanergy Tech Solutions Private Limited<br>(Acquired at a premium of ₹ 3,865.97 per share)     | 1,290<br>(₹ 10 each)              | 0.50         | 1,290<br>(₹ 10 each)              | 0.50         |
| 24      | Zonta Infratech Private Limited<br>(Acquired at a premium of ₹ 9,018.78 per share)              | 5,537<br>(₹ 10 each)              | 5.00         | 5,537<br>(₹ 10 each)              | 5.00         |
| 25      | LR Energy Vrindavan Private Limited   | 18,00,000<br>(₹ 10 each)          | 1.80         | 8,00,000<br>(₹ 10 each)           | 0.80         |
| 26      | Cargosite Ventures Pvt Ltd<br>(Acquired at a premium of ₹ 48,901.09 per share)                  | 408<br>(₹ 10 each)                | 2.00         | -                                 | -            |
| 27      | Xyma Analytics Pvt Ltd<br>(Acquired at a premium of ₹ 31,509.87 per share)                      | 475<br>(₹ 10 each)                | 1.50         | -                                 | -            |
| 28      | Good Move Logistics & Transport Pvt Ltd<br>(Acquired at a premium of ₹ 3,769.86 per share)      | 1,322<br>(₹ 10 each)              | 0.50         | -                                 | -            |
|         | <b>Sub Total (e)</b>  |                                   | <b>51.25</b> |                                   | <b>45.32</b> |

(₹ in crore)

| Sl. No.    | Particulars   | As at 31 <sup>st</sup> March 2023 |                  | As at 31 <sup>st</sup> March 2022 |                  |
|------------|---|-----------------------------------|------------------|-----------------------------------|------------------|
|            |   | Number of Shares                  | Amount           | Number of Shares                  | Amount           |
| <b>(f)</b> | <b>In Co-operative Societies<br/>In equity Shares<br/>Unquoted, at Cost</b> |                                   |                  |                                   |                  |
| 1          | Green Field (B) Co-operative Housing Society Ltd., Mumbai                   | 40<br>(₹ 50 each)                 | -                | 40<br>(₹ 50 each)                 | -                |
| 2          | Avillion Greenfields Co-Op Hsg. Society Ltd, Mumbai                         | 5<br>(₹ 50 each)                  | -                | 5<br>(₹ 50 each)                  | -                |
| 3          | Suraj Heights A Co-Op Hsg. Society Ltd, Mumbai                              | 15<br>(₹ 50 each)                 | -                | 15<br>(₹ 50 each)                 | -                |
|            | <b>Sub Total (f)</b>  |                                   | -                |                                   | -                |
|            | <b>Gross Total (a+b+c+d+e+f)</b>  |                                   | <b>12,788.77</b> |                                   | <b>12,120.92</b> |

(₹ in crore)

| Sl. No. | Particulars   | As at 31 <sup>st</sup> March 2023 |                  | As at 31 <sup>st</sup> March 2022 |                  |
|---------|---|-----------------------------------|------------------|-----------------------------------|------------------|
|         |   | Number of Shares                  | Amount           | Number of Shares                  | Amount           |
|         | <b>Opening Balance</b>  |                                   | <b>12,120.92</b> |                                   | <b>9,255.34</b>  |
|         | Allotment during the year   |                                   | 1,066.71         |                                   | 978.95           |
|         | Carrying value of Disposal of investments during the year (net of impairment provision) |                                   | -                |                                   | (12.65)          |
|         | Deemed investment during the year   |                                   | 14.37            |                                   | 19.10            |
|         | Changes in fair value during the year   |                                   | (357.85)         |                                   | 1,880.18         |
|         | Impairment Gain/(Loss) during the year  |                                   | (55.38)          |                                   | -                |
|         | <b>Closing Balance</b>  |                                   | <b>12,788.77</b> |                                   | <b>12,120.92</b> |

**Notes:-**

Aggregate amount of quoted investments

- Book Value (at carrying value)

4,922.46

5,318.61

- Market Value

20,578.25

18,329.05

Aggregate amount of unquoted investments (Gross of Impairment provision)

8,100.86

6,981.48

- a) Out of aforesaid investments in Subsidiaries/ Joint Ventures/ Associates few shares are held in the name of GAIL officials jointly with GAIL
- b) Investment are valued in accordance with Accounting Policy No. 1.23 given in Note No. 1
- c) Aggregate amount of impairment in value of investments is ₹ 234.55 crore upto end of the year (previous year ₹ 179.17 crore)
- d) Investment in other than subsidiaries, associates and joint ventures are valued at fair value through OCI at each Balance Sheet date.
- e) Investment made in Start-up companies and its fair value is considered to be equal to book value for initial 10 years except there is a major change.

**Note 6 - Trade Receivables - Non-Current**

₹ in crore

| Particulars                              |  | As at 31 <sup>st</sup> March 2023 |  | As at 31 <sup>st</sup> March 2022 |
|--|--|-----------------------------------|--|-----------------------------------|
| From Related Parties                     |  | 331.80                            |  | 331.80                            |
| From Others                              |  | 1,324.46                          |  | 1,326.58                          |
|  |  | 1,656.26                          |  | 1,658.38                          |
| Less: Provision for Expected Credit Loss |  | 611.98                            |  | 608.77                            |
| <b>Total</b>                             |  | <b>1,044.28</b>                   |  | <b>1,049.61</b>                   |

**Note 6A - Trade Receivables - Current**

₹ in crore

| Particulars                              |  | As at 31 <sup>st</sup> March 2023 |  | As at 31 <sup>st</sup> March 2022 |
|--|--|-----------------------------------|--|-----------------------------------|
| From Related Parties                     |  | 2,736.24                          |  | 1,321.98                          |
| From Others                              |  | 7,736.27                          |  | 6,090.73                          |
|  |  | 10,472.51                         |  | 7,412.71                          |
| Less: Provision for Expected Credit Loss |  | 106.21                            |  | 96.33                             |
| <b>Total</b>                             |  | <b>10,366.30</b>                  |  | <b>7,316.38</b>                   |

**Breakup of Trade Receivables**

₹ in crore

| Particulars  |          | As at 31 <sup>st</sup> March 2023 |          | As at 31 <sup>st</sup> March 2022 |
|--|----------|-----------------------------------|----------|-----------------------------------|
| Non-Current  |          |                                   |          |                                   |
| Considered Good - Secured  | -        |                                   | -        |                                   |
| Considered Good - Unsecured                                      | 1,044.28 |                                   | 1,049.61 |                                   |
| Trade Receivables which have significant increase in credit risk | -        |                                   | -        |                                   |
| Trade Receivables - credit impaired                              | 611.98   |                                   | 608.77   |                                   |
|  | 1,656.26 |                                   | 1,658.38 |                                   |
| <b>Less: Provision for Expected Credit Loss</b>                  | 611.98   | 1,044.28                          | 608.77   | 1,049.61                          |

₹ in crore

| Particulars  |           | As at 31 <sup>st</sup><br>March 2023 |          | As at 31 <sup>st</sup><br>March 2022 |
|--|-----------|--------------------------------------|----------|--------------------------------------|
| <b>Current</b>   |           |                                      |          |                                      |
| Considered Good - Secured  | -         |                                      | -        |                                      |
| Considered Good - Unsecured                                      | 10,472.51 |                                      | 7,412.71 |                                      |
| Trade Receivables which have significant increase in credit risk | -         |                                      | -        |                                      |
| Trade Receivables - credit impaired                              | -         |                                      | -        |                                      |
|  | 10,472.51 |                                      | 7,412.71 |                                      |
| <b>Less: Provision for Expected Credit Loss</b>                  | 106.21    | 10,366.30                            | 96.33    | 7,316.38                             |
| <b>Total</b>   |           | <b>11,410.58</b>                     |          | <b>8,365.99</b>                      |

### Note 7 - Loans - Non-Current

₹ in crore

| Particulars  |        | As at 31 <sup>st</sup><br>March 2023 |        | As at 31 <sup>st</sup><br>March 2022 |
|--|--------|--------------------------------------|--------|--------------------------------------|
| <b>Loans:</b>  |        |                                      |        |                                      |
| <b>To Related Parties</b>  |        |                                      |        |                                      |
| Considered Good - Secured  |        |                                      |        |                                      |
| - Loan to Subsidiaries*  |        | 3,047.43                             |        | 2,861.72                             |
| <b>To Employees</b>  |        |                                      |        |                                      |
| Considered Good - Secured  | 211.30 |                                      | 201.13 |                                      |
| (Including dues from Directors and Officers ₹ 1.00 crore<br>(previous year: ₹ 0.59 crore)) |        |                                      |        |                                      |
| Considered Good - Unsecured  | 58.33  | 269.63                               | 66.87  | 268.00                               |
| <b>Total</b>   |        | <b>3,317.06</b>                      |        | <b>3,129.72</b>                      |

\*The Company has extended moratorium period for payment of interest by 2 years in respect of one of the loan which is due for payment w.e.f. April 2023

### Note 7A - Loans - Current

₹ in crore

| Particulars  |       | As at 31 <sup>st</sup><br>March 2023 |       | As at 31 <sup>st</sup><br>March 2022 |
|--|-------|--------------------------------------|-------|--------------------------------------|
| <b>Loans:</b>  |       |                                      |       |                                      |
| <b>To Employees</b>  |       |                                      |       |                                      |
| Considered Good - Secured  | 51.69 |                                      | 50.73 |                                      |
| (Including dues from Directors and Officers ₹ 0.17 crore<br>(previous year: ₹ 0.11 crore)) |       |                                      |       |                                      |
| Considered Good - Unsecured  | 16.03 | 67.72                                | 11.86 | 62.59                                |
| <b>To South East Asia Gas Pipeline Company Ltd</b>   |       |                                      |       |                                      |
| Considered Good - Unsecured  |       | -                                    |       | 36.52                                |
| <b>Total</b>   |       | <b>67.72</b>                         |       | <b>99.11</b>                         |

## Note 8 - Other Financial Assets - Non-Current

₹ in crore

| Particulars   |       | As at 31 <sup>st</sup><br>March 2023 |       | As at 31 <sup>st</sup><br>March 2022 |
|---|-------|--------------------------------------|-------|--------------------------------------|
| <b>(Considered Good - Unsecured)</b>                    |       |                                      |       |                                      |
| Receivables for Derivative Contracts (Hedged/ Unhedged) |       | 456.01                               |       | 1,018.11                             |
| Equity Investments Pending Allotment                    |       | -                                    |       | 1.55                                 |
| Finance Lease Receivables                               |       | 7.47                                 |       | 9.60                                 |
| <b>Security Deposits:</b>                               |       |                                      |       |                                      |
| Considered Good - Unsecured                             | 64.44 |                                      | 60.17 |                                      |
| Credit Impaired   | 7.19  |                                      | 6.30  |                                      |
|   | 71.63 |                                      | 66.47 |                                      |
| <b>Less: Provision for Doubtful Deposits</b>            | 7.19  | 64.44                                | 6.30  | 60.17                                |
|   |       |                                      |       |                                      |
| <b>Total</b>  |       | <b>527.92</b>                        |       | <b>1,089.43</b>                      |

## Note 8A - Other Financial Assets - Current

₹ in crore

| Particulars   |       | As at 31 <sup>st</sup><br>March 2023 |       | As at 31 <sup>st</sup><br>March 2022 |
|---|-------|--------------------------------------|-------|--------------------------------------|
| <b>(Considered Good - Unsecured)</b>                    |       |                                      |       |                                      |
| Receivables for Derivative Contracts (Hedged/ Unhedged) |       | 472.72                               |       | 850.07                               |
| <b>Other Receivables:</b>                               |       |                                      |       |                                      |
| <b>From Related Parties</b>                             |       |                                      |       |                                      |
| - Subsidiaries  | 30.28 |                                      | 55.66 |                                      |
| - Associates  | 2.69  |                                      | 2.74  |                                      |
| - Joint Ventures  | 26.30 | 59.27                                | 12.69 | 71.09                                |
| <b>From Others</b>                                      |       |                                      |       |                                      |
| Finance Lease Receivables                               |       | 2.13                                 |       | 2.11                                 |
| <b>Dividend Receivable</b>                              |       |                                      |       |                                      |
| - From Related Parties                                  |       | 141.75                               |       | 0.32                                 |
| Interest accrued but not due                            |       | 17.33                                |       | 14.61                                |
| <b>Security Deposits</b>                                |       |                                      |       |                                      |
| Considered Good - Unsecured                             |       | 750.94                               |       | 639.16                               |
| <b>Total</b>  |       | <b>1,800.35</b>                      |       | <b>1,686.63</b>                      |

## Note 9 - Non-Current Tax Assets (Net)

₹ in crore

| Particulars   |          | As at 31 <sup>st</sup><br>March 2023 |          | As at 31 <sup>st</sup><br>March 2022 |
|---|----------|--------------------------------------|----------|--------------------------------------|
| <b>Advance Income Tax against pending demand</b>                              |          |                                      |          |                                      |
| Considered Good - Unsecured   | 458.77   |                                      | 192.76   |                                      |
| Considered Doubtful - Unsecured   | 20.26    |                                      | 65.66    |                                      |
|   | 479.03   |                                      | 258.42   |                                      |
| <b>Less: Provision for Doubtful Advance Income Tax against pending demand</b> | 20.26    | 458.77                               | 65.66    | 192.76                               |
| Advance Tax   | 1,544.57 |                                      | 3,491.54 |                                      |
| <b>Less: Provision for Tax</b>  | 1,277.47 | 267.10                               | 3,252.34 | 239.20                               |
|   |          |                                      |          |                                      |
| <b>Total</b>  |          | <b>725.87</b>                        |          | <b>431.96</b>                        |

## Note 10 - Inventories

₹ in crore

| Particulars  |          | As at 31 <sup>st</sup><br>March 2023 |          | As at 31 <sup>st</sup><br>March 2022 |
|--|----------|--------------------------------------|----------|--------------------------------------|
| <b>Raw Materials:</b>  |          |                                      |          |                                      |
| Stock of Gas<br>(After adjustment of calorific value)                                  |          | 15.88                                |          | 35.10                                |
| <b>Work-in-Progress:</b>   |          |                                      |          |                                      |
| Stock-in-Process   |          | 17.45                                |          | 6.98                                 |
| <b>Finished Goods:</b>   |          |                                      |          |                                      |
| Polymers, LPG and Other Products   |          | 891.47                               |          | 309.69                               |
| <b>Stock-in-Trade:</b>   |          |                                      |          |                                      |
| Stock of Gas including Liquefied Natural Gas*<br>(After adjustment of calorific value) |          | 2,737.66                             |          | 1,369.92                             |
| <b>Stores and spares:</b>  |          |                                      |          |                                      |
| Stores and Spares  | 1,599.23 |                                      | 1,286.56 |                                      |
| Less: Provision for Obsolescence/ Loss   | 24.54    | 1,574.69                             | 24.81    | 1,261.75                             |
| <b>In Transit:</b>   |          |                                      |          |                                      |
| Stores and Spares  |          | 44.12                                |          | 31.80                                |
| <b>Total</b>   |          | <b>5,281.27</b>                      |          | <b>3,015.24</b>                      |

(\* Includes ₹ 483.33 crore (Previous Year: ₹ 247.70 crore) in transit)

Amount of written down of inventories at NRV and recognized as expense of ₹ 380.81 crore (previous year - NIL)

Valuation of Inventories are done in accordance with Accounting Policy No. 1.9

## Note 11 - Cash and Cash Equivalents

₹ in crore

| Particulars  |  | As at 31 <sup>st</sup><br>March 2023 |  | As at 31 <sup>st</sup><br>March 2022 |
|--|--|--------------------------------------|--|--------------------------------------|
| <b>Balances with Banks:</b>                              |  |                                      |  |                                      |
| - Current Accounts                                       |  | 95.55                                |  | 101.58                               |
| - Deposits with original maturity less than three months |  | 77.22                                |  | 1,263.43                             |
| Cash in Hand   |  | 0.02                                 |  | 0.02                                 |
| <b>Imprest Advances</b>                                  |  | 0.88                                 |  | 0.90                                 |
| Others (Remittance in Transit)                           |  | 0.10                                 |  | 1.63                                 |
| <b>Total</b>   |  | <b>173.77</b>                        |  | <b>1,367.56</b>                      |

## Note 11A - Bank Balances Other than Cash and Cash Equivalents

₹ in crore

| Particulars   |  | As at 31 <sup>st</sup><br>March 2023 |  | As at 31 <sup>st</sup><br>March 2022 |
|---|--|--------------------------------------|--|--------------------------------------|
| "Other Bank Balances<br>(FD with original maturity more than 3 months but less than 12 months)"           |  | 2.76                                 |  | 502.60                               |
| <b>Earmarked accounts:</b>  |  |                                      |  |                                      |
| - Current Account - Dividend Payable  |  | 134.01                               |  | 127.74                               |
| - Short Term Deposits - Gas Pool Money  |  | 91.42                                |  | 87.05                                |
| (Including interest accrued but not due ₹ 2.23 crore (Previous Year ₹ 1.23 crore)) (Refer Note No. 36(I)) |  |                                      |  |                                      |
| <b>Total</b>  |  | <b>228.19</b>                        |  | <b>717.39</b>                        |



## Note 12 - Other Non-Current Assets

| Particulars  | ₹ in crore |                                      |        |                                      |
|--|------------|--------------------------------------|--------|--------------------------------------|
|  |            | As at 31 <sup>st</sup><br>March 2023 |        | As at 31 <sup>st</sup><br>March 2022 |
| <b>Capital Advances:</b>   |            |                                      |        |                                      |
| Considered Good - Unsecured  | 601.69     |                                      | 301.98 |                                      |
| Considered Doubtful - Unsecured  | 0.35       |                                      | 0.35   |                                      |
|  | 602.04     |                                      | 302.33 |                                      |
| <b>Less: Provision for Doubtful Advances</b>                                       | 0.35       | 601.69                               | 0.35   | 301.98                               |
| <b>Advances, Other than Capital Advances:</b>                                      |            |                                      |        |                                      |
| <b>Balances with Government Authorities</b>  |            |                                      |        |                                      |
| Considered Good - Unsecured  |            |                                      |        |                                      |
| VAT Credit Receivable  |            | 12.66                                |        | 66.33                                |
| <b>Claims Recoverables</b>   |            |                                      |        |                                      |
| Considered Good - Unsecured  |            | 10.55                                |        | 10.55                                |
| <b>Advances to Related Parties</b>   |            | 286.43                               |        | 324.63                               |
| (Including advance to an associate ₹ 286.43 crore (Previous Year: ₹ 324.63 crore)) |            |                                      |        |                                      |
| <b>Prepayments</b>   |            |                                      |        |                                      |
| Prepaid Expenses   |            | 5.29                                 |        | 2.95                                 |
| Prepaid Employee Expenses  |            | 87.86                                |        | 91.36                                |
| <b>Total</b>   |            | <b>1,004.48</b>                      |        | <b>797.80</b>                        |

## Note 12A - Other Current Assets

| Particulars  | ₹ in crore |                                      |        |                                      |
|--|------------|--------------------------------------|--------|--------------------------------------|
|  |            | As at 31 <sup>st</sup><br>March 2023 |        | As at 31 <sup>st</sup><br>March 2022 |
| <b>Advances, Other than Capital Advances:</b>                                  |            |                                      |        |                                      |
| <b>Balance with Government Authorities:</b>                                    |            |                                      |        |                                      |
| Considered Good - Unsecured  |            |                                      |        |                                      |
| - CENVAT Credit Receivable   | 0.73       |                                      | 0.31   |                                      |
| - GST Receivable   | 259.59     |                                      | 208.54 |                                      |
| - VAT Credit Receivable  | 25.52      | 285.84                               | 0.50   | 209.35                               |
| <b>Claims Recoverable:</b>   |            |                                      |        |                                      |
| Considered Good - Unsecured  | 189.34     |                                      | 130.76 |                                      |
| Considered Doubtful - Unsecured  | 20.68      |                                      | 20.68  |                                      |
|  | 210.02     |                                      | 151.44 |                                      |
| <b>Less: Provision for Doubtful Claims</b>                                     | 20.68      | 189.34                               | 20.68  | 130.76                               |
| <b>Other Advances</b>  |            | 91.57                                |        | 129.16                               |
| (Including advance to an associate ₹ 38.2 crore (Previous Year: ₹ 38.2 crore)) |            |                                      |        |                                      |
| <b>Advances to Suppliers/ Contractors:</b>                                     |            |                                      |        |                                      |
| Considered Good - Unsecured  | 83.23      |                                      | 44.41  |                                      |
| Considered Doubtful - Unsecured  | 20.07      |                                      | 8.65   |                                      |
|  | 103.30     |                                      | 53.06  |                                      |
| <b>Less: Provision for Doubtful Advances</b>                                   | 20.07      | 83.23                                | 8.65   | 44.41                                |
| <b>Advances to Employees:</b>  |            |                                      |        |                                      |
| Considered Good - Unsecured  |            | 1.93                                 |        | 1.73                                 |
| <b>Prepayments:</b>  |            |                                      |        |                                      |
| Prepaid Expenses   |            | 171.08                               |        | 134.04                               |
| Prepaid Employee Expenses  |            | 12.80                                |        | 17.02                                |
| <b>Total</b>   |            | <b>835.79</b>                        |        | <b>666.47</b>                        |

## Note 13 - Equity Share Capital

₹ in crore

| Particulars   | As at 31 <sup>st</sup> March 2023 | As at 31 <sup>st</sup> March 2022 |
|---|-----------------------------------|-----------------------------------|
| <b>Equity Share Capital</b>   |                                   |                                   |
| <b>Authorized</b>   |                                   |                                   |
| 10,00,00,00,000 Equity Shares of ₹ 10 each<br>(Previous Year: 500,00,00,000 Equity shares of ₹ 10 each) | 10,000.00                         | 5,000.00                          |
| <b>Issued, subscribed and fully paid up</b>   |                                   |                                   |
| 6,57,50,99,643 Equity shares of ₹ 10 each<br>(Previous Year: 4,44,03,85,225 Equity shares of ₹ 10 each) | 6,575.10                          | 4,440.39                          |
| <b>Total</b>  | <b>6,575.10</b>                   | <b>4,440.39</b>                   |

### Reconciliation of the shares outstanding at the beginning and at the end of the year

| Particulars                               | As at 31 <sup>st</sup> March 2023 |                 | As at 31 <sup>st</sup> March 2022 |                 |
|---|-----------------------------------|-----------------|-----------------------------------|-----------------|
|   | Numbers                           | Amount          | Numbers                           | Amount          |
| <b>At the Beginning of the Year</b>       | 4,44,03,85,225                    | 4,440.39        | 4,44,03,85,225                    | 4,440.39        |
| Bonus shares during the year              | 2,19,16,99,881                    | 2,191.70        |                                   |                 |
| Buy back of shares during the year        | (5,69,85,463)                     | (56.98)         |                                   | -               |
| <b>Outstanding at the end of the year</b> | <b>6,57,50,99,643</b>             | <b>6,575.10</b> | <b>4,44,03,85,225</b>             | <b>4,440.39</b> |

### Related Information

#### a) Details of Shareholders holding more than 5% shares

| Name of Shareholder                 | As at 31 <sup>st</sup> March 2023 |                       | As at 31 <sup>st</sup> March 2022 |                       |
|-------------------------------------|-----------------------------------|-----------------------|-----------------------------------|-----------------------|
|                                     | Numbers                           | Percentage of Holding | Numbers                           | Percentage of Holding |
| 1 The President of India (Promoter) | 3,38,75,80,047                    | 51.52                 | 2,28,45,90,082                    | 51.45                 |
| 2 LIC ULIP Growth Fund              | 51,68,24,126                      | 7.86                  | 24,96,04,588                      | 5.62                  |

#### b) Details of Shareholding of Promoters

| Shares held by promoters at the end of 31 <sup>st</sup> March 2023 |                        |                |                  | % change during the year |
|--|------------------------|----------------|------------------|--------------------------|
| Sl. No.  | Promoter Name          | No. of shares  | % of total share |                          |
| 1  | The President of India | 3,38,75,80,047 | 51.52            | 0.07%                    |

| Shares held by promoters at the end of 31 <sup>st</sup> March 2022 |                        |                |                  | % change during the year |
|--|------------------------|----------------|------------------|--------------------------|
| Sl. No.  | Promoter Name          | No. of shares  | % of total share |                          |
| 1  | The President of India | 2,28,45,90,082 | 51.45            | 0.00%                    |

- c) The Company has only one class of equity shares having par value of ₹ 10/- per share. The holders of the equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their shareholding at the shareholders meetings.
- d) 4,87,93,407 shares (Previous Year: 2,96,90,172) are held in the form of Global Depository Receipts
- e) The Company has not issued any shares for a consideration other than cash in immediately preceding five years except 2,19,16,99,881 bonus shares issued during FY 2022-23, 2,25,50,70,933 bonus shares issued during FY 2019-20 and 56,37,67,733 bonus shares during FY 2017-18.
- f) The Company bought back 5,69,85,463 fully paid up equity shares representing 1.28% of the paid-up share capital for an aggregate amount of ₹ 1,082.72 crore (excluding taxes) at ₹ 190 per equity share. The equity shares bought back were extinguished on 21<sup>st</sup> June 2022. The Company bought back 6,97,56,641 fully paid up equity shares representing 1.55% of the paid-up share capital for an aggregate amount of ₹ 1,046.35 crore (excluding taxes) at ₹ 150 per equity share. The equity shares bought back were extinguished on 22<sup>nd</sup> March 2021.

## Note 14 - Other Equity

₹ in crore

| Particulars   |          | As at<br>31 <sup>st</sup> March 2023 |          | As at<br>31 <sup>st</sup> March 2022 |
|---|----------|--------------------------------------|----------|--------------------------------------|
| <b>a) Retained Earnings</b>   |          |                                      |          |                                      |
| Opening Balance   |          | 41,904.72                            |          | 36,399.48                            |
| <b>Add:</b> Profit for the year   |          | 5,301.51                             |          | 10,363.97                            |
| <b>Add:</b> Net Gain/ (loss) on FVTOCI of equity shares (net of tax) reclassified from Gain/ (Loss) on FVTOCI of Equity Securities* |          | -                                    |          | 13.48                                |
| <b>Add:</b> Re-measurement Gain/ (loss) on defined benefit plans (net of tax)   |          | 34.94                                |          | 55.77                                |
| <b>Less:</b> Issue of Bonus Shares  |          | 15.09                                |          |                                      |
| <b>Less:</b> Appropriations from  |          |                                      |          |                                      |
| - Transfer to Bond Redemption Reserve   | -        |                                      | 7.88     |                                      |
| - Transfer to General Reserve   | -        |                                      | 1,036.40 |                                      |
| - <b>Final Dividend</b>   | 438.34   |                                      | -        |                                      |
| - Dividend  | 2,630.04 | 3,068.38                             | 3,996.35 | 5,040.63                             |
| <b>Add:</b> Appropriations  |          |                                      |          |                                      |
| - Transfer from Bond Redemption Reserve   |          | -                                    | 112.65   | 112.65                               |
| <b>Sub Total (a)</b>  |          | <b>44,157.70</b>                     |          | <b>41,904.72</b>                     |
| <b>b) Other Reserves:</b>   |          |                                      |          |                                      |
| <b>Bond Redemption Reserves</b>   |          |                                      |          |                                      |
| Opening Balance   |          |                                      | 104.77   |                                      |
| <b>Add:</b> Appropriation from Retained Earnings  | -        |                                      | 7.88     |                                      |
| <b>Less:</b> Transfer to Retained Earnings  | -        | -                                    | 112.65   | -                                    |
| <b>General Reserves</b>   |          |                                      |          |                                      |
| - Opening Balance   | 3,505.49 |                                      | 2,469.09 |                                      |
| <b>Add:</b> Transfer from Retained Earnings during the year   | -        |                                      | 1,036.40 |                                      |
| <b>Less:</b> Buyback of Shares (including Buyback Tax and Buyback expenses)   | 1,271.90 |                                      | 0.00     |                                      |
| <b>Less:</b> Transferred to Capital Redemption Reserve  | 56.98    |                                      | -        |                                      |
| <b>Less:</b> Issue of Bonus Shares  | 2,176.61 | -                                    | -        | 3,505.49                             |
| - <b>Capital Redemption Reserve</b>   |          |                                      |          |                                      |
| - Opening Balance   | 69.76    |                                      | 69.76    |                                      |
| - Transfer from General Reserves during the year  | 56.98    | 126.74                               | -        | 69.76                                |
| - <b>Gain/ (Loss) on FVTOCI of Equity Securities</b>  |          |                                      |          |                                      |
| - Opening Balance   | 4,658.78 |                                      | 2,786.60 |                                      |
| - <b>Add:</b> Fair Value Gain/ (Loss) for the year  | (356.60) |                                      | 1,885.66 |                                      |
| - <b>Less:</b> Net gain/ (loss) on FVTOCI of equity shares (net of tax) reclassified to retained earnings *                         |          | 4,302.18                             | 13.48    | 4,658.78                             |
| - <b>Cash Flow Hedge Reserve</b>  |          |                                      |          |                                      |
| - Opening Balance   | 1,007.66 |                                      | 341.06   |                                      |
| - <b>Gain/ (Loss) on Cash Flow Hedge For the year</b>   | (515.71) | 491.95                               | 666.60   | 1,007.66                             |
| <b>Sub Total (b)</b>  |          | <b>4,920.87</b>                      |          | <b>9,241.69</b>                      |
| <b>Gross Total (a+b)</b>  |          | <b>49,078.57</b>                     |          | <b>51,146.41</b>                     |

\* On account of sale of investment in M/s Addverb Technologies Private Limited and M/s Attentive AI Solutions Private Limited, fair value gain (net of tax) reclassified to retained earnings.

i) During the year, the Company has paid interim dividend of ₹ 4.00 per share (Previous year ₹ 9.00 per share)

### Nature and Purpose of reserves

**A Retained Earnings**

The Retained Earnings represents accumulated earnings of the Company. Retained Earnings is a free reserve of the Company and is used for the purposes like issuing bonus shares, buy back of shares and other purposes (like declaring Dividend etc.) as per the approval of Board of Directors. It includes the re-measurement gain/(loss) on defined benefit plans which will not be re-classified to statement of profit and loss in subsequent periods.

**B Bond Redemption Reserve**

As per the Companies Act, 2013 a Bond Redemption Reserve is required to be created for all bonds/ debentures issued by the Company at a specified percentage. Further, MCA vide notification No. 574 (E) dated 16<sup>th</sup> August 2019, creation of Bond Redemption Reserve is not required for listed companies. However, there is no clarity in the notification whether non-creation of Bond Redemption Reserve is applicable for bonds issued before notification date. Therefore, the Company has decided to continue creation of Bond Redemption Reserve as per conservative approach. This reserve is created out of appropriation of profits over the tenure of bonds and during the previous year the Company has fully repaid bonds. Accordingly, the Company has transferred back Bond Redemption Reserve to Retained earnings.

**C Capital Redemption Reserve**

As per the Companies Act 2013, Capital Redemption Reserve is created when the Company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares purchased is transferred to Capital Redemption Reserve. Utilization of this reserve is governed by the provisions of the Companies Act 2013

**D Fair Value Gain/ (Loss) of Equity Instruments**

This reserve represents the cumulative effect of fair value fluctuations of investments made by the company in equity instruments of other entities. The cumulative gain or loss arising on such changes are recognised through Other Comprehensive Income (OCI) and accumulated under this reserve. This will not be re-classified to the statement of profit and loss in subsequent periods.

**E Cash Flow Hedge Reserve**

The Cash Flow Hedge Reserve represents the cumulative effective portion of gains/ (losses) arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain/ (loss) arising on such changes are recognised through Other Comprehensive Income (OCI) and accumulated under this reserve. Such gains/ (losses) will be reclassified to statement of profit and loss in the period in which the hedged item occurs/ affects the statement of profit and loss..

**Note 15 - Borrowings - Non-Current**

₹ in crore

| Particulars   | As at<br>31 <sup>st</sup> March 2023 | As at<br>31 <sup>st</sup> March 2022 |
|---|--------------------------------------|--------------------------------------|
| <b>Secured Loans:</b>   |                                      |                                      |
| <b>Term Loans:</b>  |                                      |                                      |
| <b>From Oil Industry Development Board (OIDB)</b>   | 768.75                               | 893.75                               |
| (Loan drawn during FY 2019-20 & 2020-21 repayable in 8 equal annual instalments after expiry of moratorium of two years from the date of disbursement. Loan carries a fixed interest rate)  |                                      |                                      |
| (First Hypothecation charge in favor of OIDB on all the movable fixed assets (Both present and future) of the section 2B of Jagdishpur Haldia Bokaro Dhamra Pipeline (excluding compressor stations) purchased from the proceeds of this borrowing)                           |                                      |                                      |
| <b>From Banks</b>   |                                      |                                      |
| <b>HDFC Bank</b>  | 1,500.00                             | 1,666.67                             |
| (Repayable in 48 equal quarterly instalments after expiry of moratorium and repayment of installment begin from 30 <sup>th</sup> June 2021. The loan carries a floating interest rate.)   |                                      |                                      |
| (Secured by way of first pari-passu hypothecation charge on movable assets and movable fixed assets, solely in relation to Dahej – Vijapur Pipeline Phase II (DVPL-II) (excluding the compressor stations at Jhabua and Vijapur))   |                                      |                                      |
| <b>HDFC Bank</b>  | 1,500.00                             | 2,250.00                             |
| (Repayable in 16 equal quarterly instalments after expiry of moratorium and repayment of installment begin from 30 <sup>th</sup> June 2022. The loan carries a floating interest rate.)   |                                      |                                      |
| First pari-passu hypothecation charge on all rights, title, easements, interest and benefit in all and singular, the Borrower's Plant & Machinery at Pata Petrochemical Complex including LPG plant at Pata and at Dibiyapur Compressor Station, Dist: Auraiya, Uttar Pradesh |                                      |                                      |

₹ in crore

| Particulars  | As at<br>31 <sup>st</sup> March 2023 | As at<br>31 <sup>st</sup> March 2022 |
|--|--------------------------------------|--------------------------------------|
| <b>From Bank of India</b><br>(Repayable in 15 equal quarterly instalments after expiry of moratorium and repayment of installment begin from 30th June 2023. The loan carries a floating interest rate.)<br>First pari-passu hypothecation charge on all rights, title, easements, interest and benefit in all and singular, the Borrower's movable fixed assets, solely in relation to Section 1 & Section 3A of Jagdishpur Haldia Bokaro Dhamra Pipeline (Excluding Compressor Stations), Including its Spur lines, plant & machinery, spares, equipment(s), tools and accessories and other movable fixed assets both present and future, which are lying or installed or to be brought into or any of the premises, warehouses, stockyards and godowns of the borrower or any of the borrower's agents | 2,493.33                             | -                                    |
| <b>Unsecured Loans</b>   |                                      |                                      |
| <b>Unsecured Bonds</b><br>-Bond Series 2027<br>GAIL India Limited Bond - 2027 (Series-I). Unsecured, listed, rated, taxable, non-cumulative, redeemable, non-convertible debentures.   | 1,575.00                             | -                                    |
| <b>Term Loans From Banks/ Financial Institutions</b><br>KFW Germany (Siemens Facility)<br>(Repayable in 20 half yearly equal instalments starting from March 2014. The Loan carries a fixed rate of interest)  | -                                    | 19.67                                |
| <b>Total</b>   | <b>7,837.08</b>                      | <b>4,830.09</b>                      |

**Note 15A Borrowings - Current**

₹ in crore

| Particulars  | As at<br>31 <sup>st</sup> March 2023 | As at<br>31 <sup>st</sup> March 2022 |
|--|--------------------------------------|--------------------------------------|
| <b>Unsecured Loans:</b><br>Working Capital Demand Loan | 4,502.00                             | 400.00                               |
| <b>Current maturity of long term loans:</b>            |                                      |                                      |
| <b>Secured Term Loans:</b>                             |                                      |                                      |
| - HDFC Bank  | 916.67                               | 916.67                               |
| - Oil Industry Development Board (OIDB)                | 125.00                               | 106.25                               |
| - Bank of India  | 906.67                               | -                                    |
| <b>Unsecured Term loans:</b>                           |                                      |                                      |
| - Societe Generale                                     | -                                    | 28.34                                |
| - Japan Bank for International Cooperation (JBIC)      | -                                    | 32.51                                |
| - KFW Germany (Siemens Facility)                       | 21.32                                | 38.90                                |
| <b>Total</b>   | <b>6,471.66</b>                      | <b>1,522.67</b>                      |

**Note 16 - Other Financial Liabilities - Non-Current**

₹ in crore

| Particulars  | As at<br>31 <sup>st</sup> March 2023 | As at<br>31 <sup>st</sup> March 2022 |
|--|--------------------------------------|--------------------------------------|
| Payables for Derivative Contracts (Hedged/ Unhedged)       | 46.02                                | 4.70                                 |
| Deposits/Retention Money from customers/contractors/others | 37.75                                | 37.80                                |
| Gas pool money provisional (Refer Note No. 36(II) )        | 581.87                               | 581.87                               |
| Other Liabilities  | 67.16                                | 67.16                                |
| <b>Total</b>   | <b>732.80</b>                        | <b>691.53</b>                        |

**Note 16A - Other financial liabilities - Current**

₹ in crore

| Particulars  |        | As at<br>31 <sup>st</sup> March 2023 |          | As at<br>31 <sup>st</sup> March 2022 |
|--|--------|--------------------------------------|----------|--------------------------------------|
| Payables for Derivative Contracts (Hedged/ Unhedged)       |        | 273.98                               |          | 512.18                               |
| Deposits/Retention Money from customers/contractors/others |        | 1,389.46                             |          | 1,221.79                             |
| Financial Guarantee obligations                            |        | 243.08                               |          | 186.88                               |
| <b>Other payables</b>                                      |        |                                      |          |                                      |
| Interest accrued but not due                               | 63.80  |                                      | 16.55    |                                      |
| Unpaid/unclaimed dividend                                  | 8.56   |                                      | 8.12     |                                      |
| Gas pool money   | 183.97 |                                      | 262.04   |                                      |
| Imbalance and overrun charges                              | 13.14  |                                      | 3.94     |                                      |
| Payable for capital expenditure                            | 897.36 |                                      | 1,138.51 |                                      |
| Adjustment in pipeline tariff                              | 32.30  |                                      | 32.30    |                                      |
| E&P expenditure payable                                    | 91.26  |                                      | 49.80    |                                      |
| Employee benefits payable                                  | 181.05 |                                      | 294.40   |                                      |
| Other payables   | 309.78 | 1,781.22                             | 199.80   | 2,005.46                             |
| <b>Total</b>   |        | <b>3,687.74</b>                      |          | <b>3,926.31</b>                      |

**Note 17 - Provisions - Non-Current**

₹ in crore

| Particulars                     |  | As at<br>31 <sup>st</sup> March 2023 |  | As at<br>31 <sup>st</sup> March 2022 |
|---------------------------------|--|--------------------------------------|--|--------------------------------------|
| Provision for employee benefits |  | 797.32                               |  | 664.98                               |
| Provision for abandonment costs |  | 1.94                                 |  | 1.41                                 |
| <b>Total</b>                    |  | <b>799.26</b>                        |  | <b>666.39</b>                        |

Disclosure of movement in provision as required in Ind AS 37 is given in Note No. 48

**Note 17A - Provisions- Current**

₹ in crore

| Particulars                        |  | As at<br>31 <sup>st</sup> March 2023 |  | As at<br>31 <sup>st</sup> March 2022 |
|------------------------------------|--|--------------------------------------|--|--------------------------------------|
| Provision for employee benefits    |  | 48.20                                |  | 43.90                                |
| Provision for probable obligations |  | 845.19                               |  | 799.98                               |
| <b>Total</b>                       |  | <b>893.39</b>                        |  | <b>843.88</b>                        |

Disclosure of movement in provision as required in Ind AS 37 is given in Note No. 48

**Note 18 - Trade Payables**

₹ in crore

| Particulars                                    |  | As at<br>31 <sup>st</sup> March 2023 |  | As at<br>31 <sup>st</sup> March 2022 |
|--|--|--------------------------------------|--|--------------------------------------|
| Trade Payables to Micro and Small Enterprises* |  | 337.10                               |  | 292.37                               |
| Trade Payables to related parties              |  | 2,662.94                             |  | 2,372.96                             |
| Trade Payables to others                       |  | 4,299.20                             |  | 2,800.63                             |
| <b>Total</b>                                   |  | <b>7,299.24</b>                      |  | <b>5,465.96</b>                      |

\*Disclosure with respect to Micro, Small and Medium Enterprises Development Act, 2006 is given in Note No. 52

## Note 19 - Other Non-Current Liabilities

₹ in crore

| Particulars   | As at<br>31 <sup>st</sup> March 2023 | As at<br>31 <sup>st</sup> March 2022 |
|---|--------------------------------------|--------------------------------------|
| Government Grant<br>(Includes Capital subsidy on JHBD pipeline project) | 4,541.57                             | 4,675.95                             |
| <b>Total</b>  | <b>4,541.57</b>                      | <b>4,675.95</b>                      |

## Note 19A - Other Current Liabilities

₹ in crore

| Particulars   | As at<br>31 <sup>st</sup> March 2023 | As at<br>31 <sup>st</sup> March 2022 |
|---|--------------------------------------|--------------------------------------|
| Statutory payables  | 816.07                               | 868.19                               |
| Other liabilities   | 87.63                                | 87.63                                |
| Government Grant<br>(Includes Capital subsidy on JHBD pipeline project) | 123.46                               | 89.88                                |
| <b>Total</b>  | <b>1,027.16</b>                      | <b>1,045.70</b>                      |

## Note 20 - Deferred Tax Liabilities (Net)

### Income Taxes

The Major components of Income tax expenses for the year ended are:-

#### A. Statement of Profit and Loss:

₹ in crore

| (I)  | Profit or Loss section  | As at<br>31 <sup>st</sup> March 2023 | As at<br>31 <sup>st</sup> March 2022 |
|------|---|--------------------------------------|--------------------------------------|
|      | <b>Current Income Tax:</b>  |                                      |                                      |
|      | Current Income Tax Charge   | 1,277.47                             | 3,248.41                             |
|      | Adjustment in respect of current income tax of previous Year            | (52.37)                              | (77.57)                              |
|      | <b>Deferred Tax:</b>  |                                      |                                      |
|      | Relating to origination and reversal of temporary differences           | 57.20                                | 55.48                                |
|      | <b>Income tax expenses reported in the statement of profit or loss</b>  | <b>1,282.30</b>                      | <b>3,226.32</b>                      |
| (II) | <b>OCI Section</b>  |                                      |                                      |
|      | <b>Deferred Tax related to items recognized in OCI during the year:</b> |                                      |                                      |
|      | <b>For OCI that will be reclassified to Profit or Loss</b>              |                                      |                                      |
|      | Net movement on cash flow hedges (Gain) / Loss                          | 173.45                               | (224.20)                             |
|      | <b>For OCI that will not be reclassified to Profit or Loss</b>          |                                      |                                      |
|      | Net (Gain)/ Loss on remeasurement of defined benefit plans              | (11.75)                              | 8.93                                 |
|      | Net (Gain)/ Loss on FVTOCI Equity securities*                           | 1.25                                 | (1.32)                               |
|      | <b>Income tax Charged to OCI</b>  | <b>162.95</b>                        | <b>(216.59)</b>                      |

\*Note:- Finance Act 2018 has amended section 112A / 10 (38) of the Income tax Act 1961 to introduce tax on income from long term capital gains on securities. The company has not recognised deferred tax asset (net) of ₹ 161.02 crore (PY: ₹ 125.55 crore) on unrealized loss arising due to revaluation of FVTOCI -equity securities as there is no reasonable certainty of future taxable income under this head.

**B. Reconciliation of tax expenses and the accounting profit multiplied by India's domestic tax rate**

₹ in crore

| Particulars  | As at<br>31 <sup>st</sup> March 2023 | As at<br>31 <sup>st</sup> March 2022 |
|--|--------------------------------------|--------------------------------------|
| <b>Accounting profit before income tax</b>   | 6,583.81                             | 13,590.29                            |
| At India's statutory income tax rate of 25.168% (31 <sup>st</sup> March 2022: 25.168%) | 1,657.01                             | 3,420.40                             |
| Adjustments in respect of previous years - Current tax                                 | (52.37)                              | (77.57)                              |
| Expenses not allowed as deduction  | 53.65                                | 102.70                               |
| Other temporary differences of earlier years - Deferred tax                            | (6.01)                               | -                                    |
| Deductible income  | (369.99)                             | (219.21)                             |
| <b>Other Adjustment</b>  | -                                    | -                                    |
| Effective rate of income tax - 19.48% (31 <sup>st</sup> March 2022: 23.74%)            | 1,282.30                             | 3,226.32                             |
| Income tax expense reported in the statement of profit and loss                        | 1,282.30                             | 3,226.32                             |
|  | <b>1,282.30</b>                      | <b>3,226.32</b>                      |

**Deferred Tax**

Deferred tax relates to the following:

₹ in crore

| Particulars  | Balance Sheet                        |                                      | Profit or Loss Statement                             |  |
|--|--------------------------------------|--------------------------------------|--|--|
|  | As at<br>31 <sup>st</sup> March 2023 | As at<br>31 <sup>st</sup> March 2022 | For the Year<br>ended<br>31 <sup>st</sup> March 2023 | For the Year<br>ended<br>31 <sup>st</sup> March 2022 |
| Accelerated depreciation for tax purposes                        | 6,323.52                             | 6,209.94                             | 113.58   | 11.34  |
| other liabilities  | 6.32                                 | 3.83                                 | 2.50   | 3.71   |
| Ind AS adjustments   | 179.09                               | 373.57                               | (194.48)   | 400.46   |
| Provision for doubtful debts, deposits ,probable obligation etc. | (462.78)                             | (444.89)                             | (17.89)  | (22.49)  |
| Provision for employee benefits                                  | (201.18)                             | (175.75)                             | (25.43)  | (20.62)  |
| Government Grant   | (1,174.07)                           | (1,199.42)                           | 25.35  | (131.07)   |
| Interest disallowed u/s 43B                                      | (8.13)                               | -                                    | (8.13)   | -  |
| Reclassification of Current and Deferred Tax based on ITR        | -                                    | -                                    | -  | 23.72  |
| <b>Net Deferred Tax Liability</b>                                | <b>4,662.78</b>                      | <b>4,767.28</b>                      | <b>(104.50)</b>                                      | <b>265.05</b>  |

Reflected in the balance sheet as follows:

₹ in crore

| Particulars                           | As at<br>31 <sup>st</sup> March 2023 | As at<br>31 <sup>st</sup> March 2022 |
|---------------------------------------|--------------------------------------|--------------------------------------|
| Deferred tax assets                   | 1,932.97                             | 1,891.94                             |
| Deferred tax liabilities              | 6,595.75                             | 6,659.22                             |
| <b>Deferred tax liabilities (Net)</b> | <b>4,662.78</b>                      | <b>4,767.28</b>                      |

Reconciliation of deferred tax liabilities (net):

₹ in crore

| Particulars  | As at<br>31 <sup>st</sup> March 2023 | As at<br>31 <sup>st</sup> March 2022 |
|--|--------------------------------------|--------------------------------------|
| Opening balance as at 1st April  | 4,767.28                             | 4,502.23                             |
| Tax (income)/expense during the period recognised in profit or loss      | 57.20                                | 55.48                                |
| Tax (income)/expense during the period recognised in OCI                 | (161.70)                             | 215.27                               |
| Tax (income)/expense of earlier year period recognised in profit or loss | -                                    | (3.01)                               |
| Reclassification of Current and Deferred Tax based on ITR                | -                                    | (2.69)                               |
| <b>Deferred Tax Liability</b>  | <b>4,662.78</b>                      | <b>4,767.28</b>                      |



**B. Balance Sheet**

| Particulars   | ₹ in crore                           |                                      |
|---|--------------------------------------|--------------------------------------|
|   | As at<br>31 <sup>st</sup> March 2023 | As at<br>31 <sup>st</sup> March 2022 |
| Deferred tax liabilities  |                                      |                                      |
| Net Deferred Tax Liability due to taxable temporary Differences | 4,662.78                             | 4,767.28                             |
|   | <b>4,662.78</b>                      | <b>4,767.28</b>                      |

**Note 21 - Revenue from Operations**

| Particulars                            | ₹ in crore  |   |
|--|---|---|
|  | For the Year ended<br>31 <sup>st</sup> March 2023 | For the Year ended<br>31 <sup>st</sup> March 2022 |
| <b>a) Sale of Products</b>             |   |   |
| Gas                                    | 1,31,331.85                                       | 75,737.49   |
| Polymers                               | 4,846.22  | 8,476.24  |
| LPG                                    | 4,297.62  | 3,927.56  |
| Propane/Pentane/SBPS/Naphtha           | 646.58  | 722.61  |
| Crude Oil                              | 24.77   | 18.68   |
| CNG & PNG                              | 478.07  | 189.34  |
| Power                                  | 44.11   | 42.59   |
| <b>b) Sale of Service</b>              |   |   |
| LPG/ Natural Gas Transmission          | 2,290.93  | 2,299.55  |
| <b>c) Income from Telecom services</b> | <b>15.77</b>                                      | <b>11.51</b>                                      |
| <b>Total</b>                           | <b>1,43,975.92</b>                                | <b>91,425.57</b>                                  |
| Add: Other Operating Income            | 325.69  | 220.15  |
| <b>TOTAL</b>                           | <b>1,44,301.61</b>                                | <b>91,645.72</b>                                  |

**Note 22 - Other Income**

| Particulars  | ₹ in crore  |   |
|--|---|---|
|  | For the Year ended<br>31 <sup>st</sup> March 2023 | For the Year ended<br>31 <sup>st</sup> March 2022 |
| <b>Interest on :</b>   |   |   |
| - Deposits with Banks  | 33.45   | 52.52   |
| - Income Tax / Vat refund  | 5.69  | 20.35   |
| - Delayed Payment from customers   | 219.67  | 126.94  |
| - Loan to Joint Ventures, Subsidiaries, and Associates etc.                | 389.60  | 367.35  |
| - Loan to Employees  | 28.46   | 27.05   |
| - Others   | 6.49  | 8.39  |
| Transferred to Expenditure during construction period (refer note no - 28) | (3.59)  | (1.24)  |
| <b>Dividend Income</b>   |   |   |
| Dividend from Investments  | 431.90  | 280.80  |
| Dividend from Related parties  | 1,032.07  | 590.14  |
| <b>Other Non-Operating Income</b>  |   |   |
| Gain on Sale of Investments (Mutual Funds)                                 | 6.81  | 18.90   |
| Amortization of Government Grant   | 100.79  | 68.91   |
| Net Gain on Foreign Currency Transaction and Translation                   | 295.70  | 405.45  |
| Excess Provision Written Back  | 84.02   | 27.88   |
| Amortization of financial guarantee obligation                             | 5.35  | 5.36  |
| Miscellaneous Income   | 51.87   | 49.13   |
| Transferred to Expenditure during construction period (refer note no - 28) | (3.58)  | (1.07)  |
| <b>TOTAL</b>   | <b>2,684.70</b>                                   | <b>2,046.86</b>                                   |

## Note 23 - (Increase) / Decrease in Inventories of Stock in Trade Finished Goods, Work in Progress

₹ in crore

| Particulars   |  | For the Year ended<br>31 <sup>st</sup> March 2023 |  | For the Year ended<br>31 <sup>st</sup> March 2022 |
|---|--|---|--|---|
| <b>Inventories at the end of the year:-</b>                               |  |   |  |   |
| Work-in-Progress  |  | 17.45   |  | 6.98  |
| Finished Goods  |  | 891.47  |  | 309.69  |
| Stock in Trade  |  | 2,737.66  |  | 1,369.92  |
| <b>Total</b>  |  | <b>3,646.58</b>                                   |  | <b>1,686.59</b>                                   |
| <b>Inventories at the beginning of the year:-</b>                         |  |   |  |   |
| Work-in-Progress  |  | 6.98  |  | 13.51   |
| Finished Goods  |  | 309.69  |  | 319.62  |
| Stock in Trade  |  | 1,369.92  |  | 1,026.69  |
| <b>Total</b>  |  | <b>1,686.59</b>                                   |  | <b>1,359.82</b>                                   |
|   |  |   |  |   |
| <b>Changes in Inventories of Stock in trade, Finished Goods &amp; WIP</b> |  | <b>(1,959.99)</b>                                 |  | <b>(326.77)</b>                                   |

## Note 24 - Employee benefits expense

₹ in crore

| Particulars   |          | For the Year ended<br>31 <sup>st</sup> March 2023 |          | For the Year ended<br>31 <sup>st</sup> March 2022 |
|---|----------|---|----------|---|
| Salaries, Wages and Allowances  | 1,507.64 |   | 1,495.90 |   |
| Contribution to Provident and Other Funds (Refer Note No. 41)                         | 300.01   |   | 262.99   |   |
| Staff Welfare Expenses  | 209.66   | 2,017.31  | 192.31   | 1,951.20  |
| -Employees Benefit Expenses transferred to Capital Work-in-Progress (Ref Note No. 28) | (153.51) |   | (147.21) |   |
| -Reimbursements for employees on deputation   | (90.03)  | (243.54)  | (92.82)  | (240.03)  |
|   |          |   |          |   |
| <b>TOTAL</b>  |          | <b>1,773.77</b>                                   |          | <b>1,711.17</b>                                   |

## Note 25 - Finance Cost

₹ in crore

| Particulars  |          | For the Year ended<br>31 <sup>st</sup> March 2023 |          | For the Year ended<br>31 <sup>st</sup> March 2022 |
|--|----------|---|----------|---|
| Interest on:   |          |   |          |   |
| - Term Loans   | 487.99   |   | 267.94   |   |
| - Bonds  | 32.31    |   | 37.29    |   |
| - Lease Liability  | 76.29    |   | 29.10    |   |
| - Others   | 109.77   |   | 10.98    |   |
| Interest and Finance Charges transferred to Capital Work-in-Progress (Ref Note No. 28) | (392.21) | 314.15  | (173.94) | 171.37  |
| (Gain)/Loss on changes in fair value of Derivatives                                    |          | (6.18)  |          | (10.96)   |
| Net (Gain) / loss on foreign currency transactions on Borrowings                       |          | 3.75  |          | 14.02   |
| <b>TOTAL</b>   |          | <b>311.72</b>                                     |          | <b>174.43</b>                                     |

## Note 26 - Depreciation and Amortization Expenses

₹ in crore

| Particulars   |  | For the Year ended<br>31 <sup>st</sup> March 2023 |  | For the Year ended<br>31 <sup>st</sup> March 2022 |
|---|--|---|--|---|
| Depreciation and Amortization Expenses  |  | 2,517.96  |  | 2,118.93  |
| Impairment Loss   |  | (3.54)  |  | (1.70)  |
| Depreciation and Amortization transferred to Capital-work-in-progress (Refer Note No. 28) |  | (26.35)   |  | (6.06)  |
| <b>TOTAL</b>  |  | <b>2,488.07</b>                                   |  | <b>2,111.17</b>                                   |

## Note 27 - Other Expenses

| Particulars  | ₹ in crore |   |          |   |
|--|------------|---|----------|---|
|  |            | For the Year ended<br>31 <sup>st</sup> March 2023 |          | For the Year ended<br>31 <sup>st</sup> March 2022 |
| Gas Pool Expenses  |            | 0.29  |          | 1.03  |
| Stores and Spares consumed   |            | 463.30  |          | 519.17  |
| Power, Fuel and Water Charges  |            |   |          |   |
| Power Charges  | 360.79     |   | 385.79   |   |
| Gas used as Fuel   | 3,607.34   |   | 1,762.44 |   |
| Water Charges  | 23.66      | 3,991.79  | 20.66    | 2,168.89  |
| Rent   |            | 16.72   |          | 21.42   |
| Repairs and Maintenance  |            |   |          |   |
| Plant and Machinery  | 446.80     |   | 374.30   |   |
| Buildings  | 66.71      |   | 47.67    |   |
| Others   | 94.40      | 607.91  | 76.98    | 498.95  |
| Insurance  |            | 116.62  |          | 123.95  |
| Rates and Taxes  |            | 9.99  |          | 9.36  |
| Miscellaneous Expenditure :  |            |   |          |   |
| - Travelling Expenses  |            | 96.99   |          | 45.18   |
| - Advertisement and Publicity  |            | 37.35   |          | 31.15   |
| - Vehicle Hire and Running Expenses  |            | 61.66   |          | 47.50   |
| - Survey Expenses  |            | 7.39  |          | 9.65  |
| - Dry Well Expenses written off  |            | -   |          | 0.08  |
| - Oil & Gas Producing Expenses   |            | 66.79   |          | 58.05   |
| - Royalty on Crude Oil (including share of Govt in Profit Petroleum)                                 |            | 456.92  |          | 332.37  |
| - Consultancy Charges  |            | 54.08   |          | 40.14   |
| - Donation   |            | 0.09  |          | 1.00  |
| - Research and Development Expenses  |            | 12.39   |          | 11.73   |
| - Expected Credit Loss on Financial Guarantee  |            | 46.62   |          | 169.58  |
| - Provision for Impairment Loss on Investments   |            | 55.38   |          | -   |
| - Loss on sale / written off of assets (net)   |            | 5.84  |          | 12.03   |
| - Bad Debts/Claims/Advances/Stores written off   |            | 1.12  |          | 0.23  |
| - Provision for Doubtful Debts, Advances, Claims and Deposits  |            | 137.97  |          | 89.42   |
| - Provision for Probable Obligations / Contingencies   |            | 49.98   |          | 56.70   |
| - Expenses on Enabling Facilities  |            | -   |          | -   |
| - Selling & Distribution Expenses  |            | 46.44   |          | 72.22   |
| - Commission on Sales  |            | 15.60   |          | 29.98   |
| - Security Expenses  |            | 232.81  |          | 209.17  |
| - Corporate Social Responsibility Expenses   |            | 99.10   |          | 203.74  |
| - MTM loss/(gain) on Commodity Derivative (Net)  |            | (114.93)  |          | 241.36  |
| - Other Expenses   |            | 356.84  |          | 320.72  |
| Payment to Auditors  |            |   |          |   |
| Audit Fees   | 0.82       |   | 0.78     |   |
| Tax Audit fees   | 0.11       |   | 0.10     |   |
| Other Services (for issuing certificates, etc.)  | 0.45       |   | 0.40     |   |
| Travelling & Out of Pocket Expenses  | 0.40       | 1.78  | 0.32     | 1.60  |
| Incidental Expenditure during construction transferred to Capital Work-in-Progress (Ref Note No. 28) |            | (33.76)   |          | (22.27)   |
| <b>TOTAL</b>   |            | <b>6,901.07</b>                                   |          | <b>5,304.10</b>                                   |

## Note 28 - Expenditure during Construction Period

₹ in crore

| Particulars  |        | For the Year ended<br>31 <sup>st</sup> March 2023 |        | For the Year ended<br>31 <sup>st</sup> March 2022 |
|--|--------|---|--------|---|
| <b>Employees Remuneration and Benefits</b>         |        |   |        |   |
| Salaries, Wages and Allowances                     | 137.32 |   | 128.58 |   |
| Contribution to Provident and Other Funds          | 8.93   |   | 9.17   |   |
| Welfare Expenses                                   | 7.26   | 153.51  | 9.46   | 147.21  |
| Interest and Finance Charges                       |        | 392.21  |        | 173.94  |
| Depreciation                                       |        | 26.35   |        | 6.06  |
| Power Charges                                      |        | 3.41  |        | 1.28  |
| Insurance  |        | -   |        | 0.02  |
| Rent   |        | 1.81  |        | 0.50  |
| Repairs and Maintenance                            |        |   |        |   |
| Plant and Machinery                                | 3.83   |   | 2.63   |   |
| Buildings  | 0.11   |   | 0.01   |   |
| Others   | 0.32   | 4.26  | 1.19   | 3.83  |
| Rates and Taxes                                    |        | 0.08  |        | 0.05  |
| <b>Miscellaneous Expenditure :</b>                 |        |   |        |   |
| - Travelling Expenses                              | 9.27   |   | 7.21   |   |
| - Advertisement and Publicity                      | 0.37   |   | 0.10   |   |
| - Vehicle Hire and Running Expenses                | 2.08   |   | 0.34   |   |
| - Consultancy Charges                              | 0.71   |   | 1.64   |   |
| - Other Expenses                                   | 11.77  | 24.20   | 7.30   | 16.59   |
| Less : - Interest Income                           | 3.59   |   | 1.24   |   |
| - Misc. Income                                     | 3.58   | 7.17  | 1.07   | 2.31  |
| <b>Net Expenditure</b>                             |        | <b>598.66</b>                                     |        | <b>347.17</b>                                     |
| <b>Less :Allocated to Capital Work-in-progress</b> |        |   |        |   |
| a) Employees Benefits Expenses                     |        | 153.51  |        | 147.21  |
| b) Interest & finance Charges                      |        | 392.21  |        | 173.94  |
| c) Depreciation                                    |        | 26.35   |        | 6.06  |
| d) Other Expenses                                  |        | 33.76   |        | 22.27   |
|  |        | 605.83  |        | 349.48  |
| Less:  |        |   |        |   |
| e) Other Income                                    |        | 7.17  |        | 2.31  |
| <b>Sub Total</b>                                   |        | <b>598.66</b>                                     |        | <b>347.17</b>                                     |
| <b>Total</b>                                       |        | -   |        | -   |

## 29 Contingent Liabilities and Commitments:

### I. Contingent Liabilities:

#### a. Claims against the Company not acknowledged as debts:

- (i) Legal cases for claim of ₹ 2,118.27 crore (Previous Year: ₹ 2,270.77 crore) by Suppliers / Contractors etc. on account of Liquidated Damages / Price Reduction Schedule, Natural Gas Price Differential etc. and by Customers for Natural Gas Transmission Charges etc.
- (ii) Income Tax Demands & Appeals of ₹ 0.40 crore (Previous Year ₹ 0.40 crore) is pending and disclosed as Contingent Liability as on 31<sup>st</sup> March 2023.
- (iii) Disputed Indirect Tax Demands are as under:

(₹ in crore)

| Sl. No. | Particulars    | As at 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2022** |
|---------|----------------|------------------------------------|--------------------------------------|
| 1       | Custom Duty#   | 1,560.81                           | 596.03                               |
| 2       | Excise Duty*   | 3,731.94                           | 3,594.31                             |
| 3       | Sales Tax/VAT^ | 868.77                             | 71.32                                |
| 4       | Entry Tax      | 0.80                               | 0.75                                 |
| 5       | Service Tax    | 7.31                               | 7.08                                 |
| 6       | GST            | 0.85                               | 0.85                                 |
|         | <b>Total</b>   | <b>6,170.48</b>                    | <b>4,270.34</b>                      |

# It includes the demand confirmed by customs authorities ₹ 934.01 crore (up to 31<sup>st</sup> March 2023) (Previous Year: ₹ nil) including penalty and interest, on account of Special Additional Duty (SAD) and Custom Duty on differential quantity, while finalising provisionally assessed Bill of Entries in respect of import of LNG by Company during Sept'2017 to Mar'2022 at Dabhol Port, Ratnagiri. Considering the merits of the case, the Company is in process of filing an appeal before the Commissioner (Appeals) Pune. Further, based on the exemption notification no. 51/2017 dated 30.06.2017, clarification provided by Central Board of Indirect Taxes and Customs (CBIC) and practice being followed at other Custom Port i.e. Dahej & Hazira, the Company is confident of favorable outcome in the matter.

\*It includes demand of differential Central Excise Duty confirmed by CESTAT, Delhi vide order dated 30th November 2018 of ₹ 2,889 crore (up to 31<sup>st</sup> March 2023 is ₹ 3,391 crore) (Previous Year: ₹ 3,265.51 crore) including interest and penalty in the matter pertaining to classification of 'Naphtha' manufactured by the Company. The Company has filed an appeal before the Hon'ble Supreme Court against the order, which was admitted and a stay has been granted by the Hon'ble Supreme Court on compliance of the conditions of depositing a sum of ₹ 20 Crore and furnishing security to the extent of ₹ 132 Crore. The Company has obtained opinion from legal expert and according to them; the Company has a good case on merits as well as on limitation. The matter is pending before the Court.

^Maharashtra VAT Authority during the VAT Assessment for the FY 2018-19 in respect of GAIL, Mumbai, has confirmed the demand of ₹ 696 crore (Previous Year: ₹ nil) including penalty and interest by denying benefit of exemption notification issued by Govt. of Maharashtra on supply of NG to power generating company and VAT set-off against purchase of NG. Considering the merits of the case, GAIL has filed a rectification application before the Assessing Authority and based on favorable legal opinion obtained on the matter, the Company is confident of favorable outcome.

\*\* The Company has reviewed its Contingent Liability in respect of Show Cause Notices (SCNs) pending adjudication and the same has not been treated as obligation accordingly the previous year figures have been restated as under:

(₹ in crore)

| Particulars   | Balance As on 31.03.2022 | Amount reduced for SCNs | Revised Balance as on 31.03.2022 |
|---------------|--------------------------|-------------------------|----------------------------------|
| Custom Duty   | 596.03                   | 0.00                    | 596.03                           |
| Excise Duty   | 3625.41                  | 31.10                   | 3594.31                          |
| Sales Tax/VAT | 71.32                    | 0.00                    | 71.32                            |
| Entry Tax     | 0.75                     | 0.00                    | 0.75                             |
| Service Tax   | 165.82                   | 158.74                  | 7.08                             |
| GST           | 881.82                   | 880.97                  | 0.85                             |
| <b>Total</b>  | <b>5341.15</b>           | <b>1070.81</b>          | <b>4270.34</b>                   |

- (iv) Miscellaneous claims of ₹ 14.01 crore (Previous Year: ₹ 47.02 crore) includes mainly arbitration cases filed by vendors for delayed payments and losses incurred by them etc.
- (v) Some of the customers have submitted counter claims amounting to ₹ Nil (Previous Year: ₹ 12,184 crore) against Ship or Pay charges / Consequential Losses for not supplying Gas.

#### b. Corporate Guarantees for raising Loans:

The Company has issued Corporate Guarantees for ₹ 4,583.74 crore (Previous Year: ₹ 4,361.27 crore) on behalf of related parties for raising loan(s). The amount of loan(s) outstanding as on 31<sup>st</sup> March 2023 against these Corporate Guarantees are ₹ 1,523.30 crore (Previous Year: ₹ 1,166.27 crore).

### II. Commitments:

#### a. Capital Commitments:

Estimated amount of contracts (Inclusive of Taxes & Net of Advances) remaining to be executed on Capital account as on 31<sup>st</sup> March 2023 is ₹ 12,381.09 crore (Previous Year: ₹ 6,891.28 crore).

#### b. Lease Commitments:

The company has various lease contracts that have not yet commenced as on 31<sup>st</sup> March 2023. The future lease payments for these non-cancellable lease contracts are as follows:

| Particulars                                 | As at 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2022 |
|---|------------------------------------|------------------------------------|
| Within one year                             | 111.71                             | -                                  |
| After one year but not more than five years | 1,481.31                           | -                                  |
| More than five years                        | 345.42                             | -                                  |
| <b>Total</b>                                | <b>1,938.45</b>                    | <b>-</b>                           |

**c. Other Commitments:**

- (i) The Company has commitment of ₹ 4,357.27 crore (Previous Year: ₹ 4,559.88 crore) towards further investment and disbursement of loans in the Subsidiaries, Joint Ventures, Associates and Other Companies.
- (ii) Commitments made by the Company towards the Minimum Work Programme in respect of Jointly Controlled Assets under various Production Sharing Contracts / Revenue Sharing Contracts in respect of E&P Joint Ventures is ₹ 114.93 crore (Previous Year ₹ 63.59 crore)
- (iii) The Company has been authorized by the Ministry of Petroleum & Natural Gas (MoPNG), Government of India for implementation of City Gas Distribution (CGD) Projects in six Geographical Areas (GAs) along with the Jagdishpur-Haldia-Bokaro-Dhamra Pipeline (JHBDPL). The details of Minimum Work Programme (MWP) (Achievement vs. Targets) towards the same is as under:

| MWP Targets (Five Years) |                                       |                                   |   |   |  |
|--------------------------|---------------------------------------|-----------------------------------|---|---|--|
| Geographical Areas       | Completion Date - Revised Target Date | PNGRB - MWP Total P/L in inch km) | Cumulative Achieved up to 31 <sup>st</sup> March, 2023 (P/L in inch km) | Infrastructure for PNG Connection (in Nos.) | Cumulative Achieved up to 31 <sup>st</sup> March, 2023 (in Nos.) |
|                          |                                       | <b>Target</b>                     | <b>Actual</b>   | <b>Target</b>                               | <b>Actual</b>  |
| Varanasi                 | 31 <sup>st</sup> March, 2025          | 1899                              | 1925  | 40211                                       | 60604  |
| Bhubaneswar              |                                       | 1513                              | 998   | 26900                                       | 45199  |
| Cuttack                  |                                       | 1416                              | 586   | 28959                                       | 20915  |
| Patna                    |                                       | 2445                              | 1812  | 50154                                       | 58671  |
| Ranchi                   |                                       | 1800                              | 1270  | 29962                                       | 45227  |
| Jamshedpur               |                                       | 1282                              | 551   | 24278                                       | 32053  |
| <b>Total</b>             |                                       | <b>10355</b>                      | <b>7142</b>   | <b>200464</b>                               | <b>262669</b>  |

**30 Disclosure relating to Corporate Social Responsibility (CSR):**

As per Section 135 of the Companies Act, 2013 read with guidelines issued by Department of Public Enterprises, Government of India, the Company is required to spend, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR Policy. The details of CSR expenses are as under:

The disclosure in respect of CSR expenditure for is as under:

(₹ in crore)

| Particulars  | FY 2022-23           | FY 2021-22 |
|--|----------------------|------------|
| <b>I. Amount required to be spent by the company during the year</b>   |                      |            |
| Annual CSR Allocation  | 105.42               | 214.14     |
| Carry forward from previous year   | -                    | -          |
| Gross amount required to be spent, @ 2% (as per Provision of Section 135 of the Companies Act 2013)  | 90.78                | 136.46     |
| Amount of expenditure incurred   | 99.10                | 203.74     |
| Shortfall at the end of the year   | -                    | -          |
| Total of previous years' shortfall   | -                    | -          |
| Reasons for shortfall  | NA                   | NA         |
| Nature of CSR activities   | As per 30 (II) below |            |
| Details of related party transactions: contribution to a trust controlled by the company in relation to CSR expenditure as per relevant accounting standards | NIL                  | NIL        |
| <b>Movement of provisions for CSR Expenses</b>   |                      |            |
| Opening Balance  | 20.86                | 19.38      |
| Additional provision made during the year  | 99.10                | 203.74     |
| Amount Paid during the year*   | 95.60                | 202.26     |
| Closing Balance  | 24.36                | 20.86      |

\*Amount paid includes payment against liability created in previous years.

| II. Break-up of the CSR expenses under major heads is as under: (₹ in crore)            |              |                   |              |               |                   |               |
|---|--------------|-------------------|--------------|---------------|-------------------|---------------|
| Particulars   | FY 2022-23   |                   |              | FY 2021-22    |                   |               |
|   | Paid         | Yet to be paid ** | Total        | Paid          | Yet to be paid ** | Total         |
| (i) Construction / Acquisition of any assets  | -            | -                 | -            | -             | -                 | -             |
| (ii) On purposes other than (i) above   |              |                   |              |               |                   |               |
| AROGYA (Health, Nutrition, Drinking Water and Sanitation)                               | 25.74        | 1.87              | 27.61        | 32.79         | 3.40              | 36.19         |
| KAUSHAL (Skill Development and Livelihood Initiatives)                                  | 5.28         | 0.70              | 5.98         | 21.36         | 1.20              | 22.56         |
| UJJAWAL (Education Centric Initiatives)   | 11.29        | 1.18              | 12.47        | 15.46         | 2.66              | 18.12         |
| UNNATI (Rural Development Projects)   | 1.19         | 0.64              | 1.83         | 3.76          | 0.88              | 4.64          |
| SASHAKT (Women Empowerment)   | 30.40        | 1.39              | 31.79        | 0.72          | 0.23              | 0.95          |
| SAKSHAM (Care of Elderly and Disabled)  | 1.98         | 2.05              | 4.03         | 0.97          | 1.39              | 2.36          |
| HARIT (Green Initiatives)   | 6.99         | 0.58              | 7.57         | 19.49         | 1.50              | 20.99         |
| Other – PM CARES, Promotion of nationally recognised Sports, Disaster Management, etc., | 1.12         | 1.72              | 2.84         | 90.54         | 0.11              | 90.65         |
| <b>Total Expenses (ii)</b>  | <b>83.99</b> | <b>10.13</b>      | <b>94.12</b> | <b>185.08</b> | <b>11.37</b>      | <b>196.45</b> |
| Impact Assessment (iii)   | 0.49         | -                 | 0.49         | 0.15          | 0.11              | 0.26          |
| Capacity Building / Administrative Overheads (iv)                                       | 4.49         | -                 | 4.49         | 8.26          | -                 | 8.26          |
| <b>Grand Total (i), (ii), (iii) &amp; (iv)</b>  | <b>88.97</b> | <b>10.13</b>      | <b>99.10</b> | <b>193.49</b> | <b>11.48</b>      | <b>204.97</b> |
| Refunds / Adjustments for earlier years projects (v)                                    | -            | -                 | -            | (1.23)        | -                 | (1.23)        |
| <b>Net Amount (i) to (iv) - (v)</b>   | <b>88.97</b> | <b>10.13</b>      | <b>99.10</b> | <b>192.26</b> | <b>11.48</b>      | <b>203.74</b> |

\*\* Provisions made for liabilities incurred

### 31 Claims by the Company not acknowledged as Income / Asset:

- I. In respect of certain customers towards Ship or Pay charges, matter being sub-judice / under dispute, the Company has been issuing claim letters, aggregate amount of which as on 31<sup>st</sup> March 2023 is ₹ 1,747.05 crore (Previous Year: ₹ 1,758.25 crore). Income in respect of the same shall be recognized as and when the matter is finally decided.
- II. Pending court cases in respect of certain customers for recovery towards invoices raised by the Company for use of APM gas for non-specified purposes by fertilizer companies pursuant to guidelines of Ministry of Petroleum & Natural Gas (MoPNG), the Company has issued claim letters amounting to ₹ 1,704.56 crore (Previous Year: ₹ 1,704.56 crore) on the basis of information provided by Fertilizer Industry Coordination Committee (FICC). The proceeds, if received, will be transferred to the Gas Pool.
- III. During the current financial year one of the Company's Long term LNG Supplier disrupted LNG supplies due to geopolitical situation. The Company has been making multiple efforts on various levels to mitigate the situation. The Company is also pursuing its contractually available legal recourse for Specific Performance of its contractual obligations. Accordingly, the impact on the Company shall be assessed only after final outcome of the said legal recourse.

### 32 Pricing and Tariff:

- I. With effect from 1<sup>st</sup> April 2002, Liquefied Petroleum Gas (LPG)

prices have been de-regulated and decided on the basis of import parity prices fixed by the Oil Marketing Companies. However, the pricing mechanism is provisional and is yet to be finalized by the Ministry of Petroleum and Natural Gas (MoPNG). Impact on pricing, if any, will be recognized as and when the matter is finalized.

- II. Natural Gas Pipeline Tariff and Petroleum Products Pipeline Transportation Tariff are subject to various Regulations issued by Petroleum and Natural Gas Regulatory Board (PNGRB) from time to time. Impact on profits, if any, is being recognized consistently as and when the pipeline tariff is revised by orders of PNGRB.
- III. The Company has filed appeal(s) before Appellate Tribunal (APTEL), against various moderations done by PNGRB in respect of Final Tariff Order(s) issued by PNGRB for Dadri-Bawana-Nangal Natural Gas Pipeline (DBNPL), Chhainsa-Jhajjar-Hissar Natural Gas Pipeline (CJHPL), Cauvery Basin, Kochi –Kootanad –Mangaluru-Bengaluru Pipeline (KKMBPL), Krishna Godavari Basin (KG Basin) and Dabhol-Bangalore Pipeline (DBPL) Networks. The same are pending for final adjudication.
- IV. During the financial year 2015-16, the Company has filed a Writ Petition before Hon'ble Delhi High Court challenging the jurisdiction of PNGRB to fix transmission tariff for natural gas marketed to consumers. Hon'ble High Court has dismissed the aforesaid Writ Petition vide its Order dated 11<sup>th</sup> April 2017. In this regard, the Company has filed a Review Petition before the Hon'ble Delhi High Court on 12<sup>th</sup> May 2017 which has been admitted by the Hon'ble Court and is pending for final adjudication.

V. PNGRB vide Gazette Notification No. F. No. PNGRB RB/COM/3-PPPL Tariff (1)/2012 Vol-IV (P-1018) dated 14<sup>th</sup> December 2021, has extended the existing LPG Pipeline tariff determination regulations till 30<sup>th</sup> September 2023.

**33** On 19<sup>th</sup> February 2014, PNGRB notified the Amended Affiliate Code of Conduct Regulations by insertion of Regulation 5A mandating that an entity engaged in both marketing and transportation of natural gas shall create a separate legal entity on or before 31<sup>st</sup> March 2017 so that the activity of transportation of natural gas is carried on by such separate legal entity and the right of first use shall, however, be available to the affiliate of such separate legal entity. The Company has challenged the said PNGRB Regulation before Hon'ble Delhi High Court by way of a Writ Petition and the same is pending for final adjudication.

Pursuant to the notification of PNGRB (Determination of Natural Gas Pipeline Tariff) Amendment Regulations, 2022 dated 17.11.2022, and the subsequent submission of GAIL, PNGRB, vide Tariff Orders dated 22.03.2023 and 24.03.2023,

has determined Integrated Tariff (levelized and zonal apportionment) for GAIL's Integrated Natural Gas Pipeline (comprising Integrated HV), DUPL-DPPL, DBPL, DBNPL, CJHPL, JHBDPL, South Gujarat sub-network, Trombay and Uran-Thal-Usar sub-networks) with effect from 1<sup>st</sup> April, 2023.

**34** Pursuant to the notification of PNGRB (Determination of Natural Gas Pipeline Tariff) Second Amendment Regulations, 2020 dated 23.11.2020 and the amendments in the PNGRB (Determination of Natural Gas Pipeline Tariff) Regulations, 2008, PNGRB, vide Tariff Order dated 29<sup>th</sup> March, 2023, has determined the 'Unified Tariff' for the National Gas Grid System (NGGS), which has come into force with effect from 1<sup>st</sup> April, 2023. The NGGS comprises of twelve (12) inter-connected natural gas pipelines of nine (09) entities. Under the same, customers/shippers across the country and located on the NGGS shall be paying the same applicable zonal unified tariff for movement of gas from the Unified Entry Point upto the Unified Exit Point on the NGGS. However, Revenue Entitlement of GAIL would be as per its Approved Zonal Integrated Tariff and KG-Basin Tariff which are part of the NGGS.

## 35 Land & Building:

### I. Title deeds of Land pending for execution in the name of the Company as on 31<sup>st</sup> March 2023 are as under:

| Sl. No. | Particular line in the Balance Sheet | Description of item of Property           | Gross Carrying Value (₹ in crore) | Title deeds held in name of (owner/ owners' name)                             | Whether title deed holder is a promoter*, director or relative # of promoters/ director or employee of promoter/director | Property held since which date | Reason for not being held in name of Company*(**also indicate if in dispute) |
|---------|--------------------------------------|---|-----------------------------------|---|--|--------------------------------|--|
| 1       | PPE                                  | Land SV-6 -- Khajod                       | 2.53                              | Diamond Research Mercantile City Limited                                      | No   | 15.07.2007                     | Matter pending with Surat Municipal Corporation                              |
| 2       | PPE                                  | Land IP-2 Additional Silvassa             | 0.06                              | Gram Panchayat Dapcheri   | No   | 30.09.2007                     | Matter pending at Mumbai, High Court   |
| 3       | PPE                                  | Land SV-13 - Dapcheri                     | 0.00                              | LAO D & NH Silvassa Govt Land   | No   | 17.06.2009                     | Matter pending with Revenue Authorities, District Collector Palghar          |
| 4       | PPE                                  | Land at Mora HLPL Pipeline (DUPL)         | 6.82                              | Govt. of Gujarat  | No   | 03.07.2022                     | The matter is being pursued with Collector, Surat through SLAO.              |
| 5       | PPE                                  | Land - CJPL Kanhai Village to Hero Honda  | 1.22                              | Land belongs to Haryana Sehkari Vikas Parishad                                | No   | 13.03.2011                     | The matter is being pursued with Haryana Vikas Pradhikaran.                  |
| 6       | PPE                                  | Land - SV Station.-2, Pradhanpur          | 0.08                              | Sh. Ram Khelawan & Ors (Plot no: 448) and Sh. Ram Sevak & Ors (Plot no: 446)\ | No   | 16.09.2015                     | Pending with Office of DM, Raebareli   |
| 7       | PPE                                  | Land- SV Station - 3, Narayanpur          | 0.12                              | Multiple Farmers  | No   | 16.09.2015                     | Pending with SLAO for initiating acquisition process.                        |
| 8       | PPE                                  | Land - SV Station, - 4 Mahiyamau Dibiapur | 0.40                              | Multiple Farmers  | No   | 16.09.2015                     | Pending with SLAO for initiating acquisition process                         |
| 9       | PPE                                  | Land SV-2 Lakhabaval, Jamnagar, Gujarat   | 4.56                              | Govt. Land  | No   | 24.11.1999                     | Matter pending with Government of Gujarat                                    |



| Sl. No. | Particular line in the Balance Sheet | Description of item of Property  | Gross Carrying Value (₹ in crore) | Title deeds held in name of (owner/ owners' name)    | Whether title deed holder is a promoter*, director or relative # of promoters/ director or employee of promoter/director | Property held since which date | Reason for not being held in name of Company* (**also indicate if in dispute)                    |
|---------|--------------------------------------|--|-----------------------------------|--|--|--------------------------------|--|
| 10      | PPE                                  | Land 4.57 Hectare GIDC, Vaghodia   | 0.25                              | Gujarat Industrial Development Corporation (GIDC)    | No   | 28.06.1991                     | Matter pending with Government of Gujarat  |
| 11      | PPE                                  | Land IP-01-3, (Part-3) Survey No.37/21B, Pur Village, Sangameshwar Tehsil, Ratnagiri Dist      | 0.03                              | Multiple Farmers                                     | No   | 12.06.2012                     | Multiple Farmers - Agency Hired for taking with Land Owner                                       |
| 12      | PPE                                  | Land IP-01-4, (Part-4) Survey No.14/14, Pur Village, Sangameshwar Tehsil, Ratnagiri Dist.      | 0.03                              | Multiple Farmers                                     | No   | 12.06.2012                     | Multiple Farmers - Agency Hired for taking with Land Owner                                       |
| 13      | PPE                                  | Land IP-01-5, (Part-5) Survey No.37/28A1, Pur Village, Sangameshwar Tehsil, Ratnagiri Dist.    | 0.01                              | Multiple Farmers                                     | No   | 12.06.2021                     | Multiple Farmers - Agency Hired for taking with Land Owner                                       |
| 14      | PPE                                  | Land -SV-05G, at Survey No.391/1 of Marcaim Village, Ponda Taluka, Communidada of Marcaim, Goa | 0.61                              | Govt. of Goa   | No   | 30.05.2011                     | Matter pending with Government of Goa  |
| 15      | PPE                                  | Land IP-I Kolhapur-DBPL-I IP-I Village-Pur 8/11 (20 Guntha)37/15                               | 0.15                              | Multiple Farmers                                     | No   | 12.06.2012                     | Multiple Farmers - Agency Hired for taking with Land Owner                                       |
| 16      | PPE                                  | Land IP-I Kolhapur-DBPL-I IP-I Village-Pur 9/11 (42 Guntha) 37/16                              | 0.32                              | Multiple Farmers                                     | No   | 12.06.2012                     | Multiple Farmers - Agency Hired for taking with Land Owner                                       |
| 17      | PPE                                  | Land IP-I Kolhapur-DBPL-I IP-I Village-Pur 10/11 (9 Guntha)37/19                               | 0.07                              | Multiple Farmers                                     | No   | 12.06.2012                     | Multiple Farmers - Agency Hired for taking with Land Owner                                       |
| 18      | PPE                                  | Land IP-I Kolhapur-DBPL-I IP-I Village-Pur 11/11 (10 Guntha) 37/2                              | 0.07                              | Multiple Farmers                                     | No   | 12.06.2012                     | Multiple Farmers - Agency Hired for taking with Land Owner                                       |
| 19      | Others                               | Lease Hold Land Madurgudda Windmill Farm- MG1- MG17  | 4.59                              | Forest Land  | No   | 31.03.2012                     | Proposal for sub-lease of Forest land in favour of GAIL is pending with Government of Karnataka. |
| 20      | Others                               | CNG Station at Kharkiya Ghat   | 4.48                              | Nagar Nigam, Varanasi                                | No   | 12.10.2021                     | The Lease Agreement at draft stage with Nagar Nigam office .                                     |
| 21      | Others                               | Lease -P 25 Malanpur Industrail Area Malanpur  | 0.12                              | Govt Land  | No   | 30.11.2005                     | Lease deed pending with Madhya Pradesh Industrial Development Corporation (MPIDC)                |
| 22      | Others                               | Burdha Tehsil Barad, Shivpuri  | 0.14                              | Govt Land  | No   | 10.08.2022                     | Lease is pending due to delay in finalization in lease deed at the end of Tehsildar, Bairad.     |
| 23      | Others                               | Lease Hold Land - KIADB 10 Yr DBPL-I - IP-3 Gokak, Belgaum                                     | 0.18                              | Karnataka Industrial Areas Development Board (KIADB) | No   | 02.11.2011                     | Pending with Sub Registrar Belgaum   |

| Sl. No. | Particular line in the Balance Sheet | Description of item of Property   | Gross Carrying Value (₹ in crore) | Title deeds held in name of (owner/ owners' name)       | Whether title deed holder is a promoter*, director or relative # of promoters/ director or employee of promoter/director | Property held since which date | Reason for not being held in name of Company**(*also indicate if in dispute) |
|---------|--------------------------------------|---|-----------------------------------|---|--|--------------------------------|--|
| 24      | Others                               | Lease SV, Vill Singhwasa, Tehsil & Distt Guna, Madhya Pradesh,  | -                                 | Government Land   | No   | 14-12-1995                     | Matter pending with the State Government ,                                   |
| 25      | Others                               | Lease Hold Land Survey No. 99,100, Eloor Village, Paravur Taluk & Survey No. 205/37, Vadavucode-Puthencruz, Ernakulam, Kerala | 4.79                              | The Fertilisers And Chemicals Travancore Limited (FACT) | No   | 08.03.2011                     | Matter being persuaded with FACT   |
| 26      | Others                               | Lease Hold Land -30.00 Hectares-(90 Years)  | 1.33                              | Forest department                                       | No   | 30.10.1999                     | Matter pending with the State Government ,                                   |
| 27      | Others                               | Lease Hold Land - Khano   | 0.61                              | Govt Land   | No   | 10.06.2011                     | Matter pending with Government of Goa  |
|         |                                      | <b>TOTAL</b>  | <b>33.57</b>                      |   |  |                                |  |

II. In the year 1990, Gujarat Industrial Development Corporation (GIDC) allotted Leasehold Land measuring 70.87 Hectares to the Company for 99 years for setting up of LPG Recovery in Vaghodia, Gujarat. The Lease Deed executed is for approx. 66.30 Hectares of Land, whereas the Government of Gujarat has not yet transferred the balance to GIDC.

Company is pursuing the matter with GIDC and Government of Gujarat for regularization of the balance land. Company has maintained the stand that no further amount is payable in the absence of demand from GIDC. The Company is of the opinion that since the amount for allotted land has already been paid and there is no additional demand from GIDC, no liability / contingent liability exists on the Company.

III. Details of Land & Buildings being used for CSR activities and accounted as CSR expenses, not included under Property, Plant & Equipment (PPE) and Right of Use Assets are as under: (₹ in crore)

| Sl. No. | Description  | As at 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2022 |
|---------|--|------------------------------------|------------------------------------|
| (i)     | Freehold Land (3.28 acre) in Uttar Pradesh   | 0.31                               | 0.31                               |
| (ii)    | "Building constructed on Freehold Land mentioned at Sl. No. 1 (Completion Date: 27 <sup>th</sup> January,2017)"    | 4.44                               | 4.44                               |
| (iii)   | Leasehold Land (2 hectares) in Madhya Pradesh  | 0.80                               | 0.80                               |
| (iv)    | "Building constructed on Leasehold Land mentioned at Sl. No. 3 (Completion Date: 13 <sup>th</sup> February, 2015)" | 6.51                               | 6.51                               |

IV. The Company has entered into a perpetual land lease agreement with Delhi Development Authority (DDA) for its Corporate Office. The lease rent is payable half-yearly, which is under revision w.e.f. 1<sup>st</sup> January 2018. DDA has not informed revised Lease Rent. Accordingly, the Company has deposited rent till 14<sup>th</sup> July 2023 as per pre-revised lease agreement. The Company has also applied for conversion of title deed of the said land from Leasehold to Freehold for which confirmation from DDA is awaited.

V. For laying Natural Gas pipelines, Company acquires Right of Use (ROU) of Land for which advance is generally paid to Special Land Acquisition Officer (SLAO). The said Advance is being operated by the SLAO through a separate Bank account. However, in some cases, for KYC purposes, PAN number of the Company has been used. These Bank Accounts are solely under the control of the SLAO. Accordingly, these accounts are shown under deposits.

### 36 Earmarked Balances:

I. Liabilities in respect of the following Short-Term Deposits in Banks are kept as Earmarked Balances:

(₹ in crore)

| Particulars   | Earmarked Balance in short term deposit in banks (Refer Note 11A)* |                                    |
|---|--|------------------------------------|
|   | As on 31 <sup>st</sup> March, 2023                                 | As on 31 <sup>st</sup> March, 2022 |
| Liability on account of Gas Pool Account (kept as custodian as per the directions of MoPNG) | 91.42  | 87.05                              |

\*The earmarked balances, which includes interest accrued on short-term deposits in banks, does not belong to the Company and has not been accounted for as income.

II. Gas Pool Money (Provisional) shown under "Other Financial Liabilities – Non-Current" amounting to ₹ 581.87 crore (Previous Year: ₹ 581.87 crore) with a corresponding debit thereof under Trade Receivable will be invested / paid as and when the said amount is received from the customers.

37 I. The Company is acting as a Pool Operator in terms of the decision of Government of India for pooling of Natural Gas for Urea Plants. The scheme envisages uniform cost of gas for urea production by settlement of difference in weighted average price of gas of each plant to the weighted average price for the industry. As on reporting date, the dues payable to Urea plants is ₹ 0 crore (Previous Year: ₹ 82.79 crore).

II. The Company is acting as Pool Operator in terms of the decision of the Government of India for capacity utilization of the notified gas-based power plants. The Scheme, which was applicable till 31<sup>st</sup> March 2017, envisaged support to the power

plants from the Power Sector Development Fund (PSDF) of the Government of India. The gas supplies were on provisional / estimated price basis, which were to be reconciled based on actual cost. Accordingly, current liabilities include a sum of ₹ 87.63 crore (Previous Year: ₹ 87.63 crore) on this account, as on 31<sup>st</sup> March 2023 which is payable to the above said power plants and / or to the Government of India.

revenue arising from contracts with customers and requires that revenue be recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

### 38 Ind AS 115 - Revenue from Contracts with Customers:

Ind AS 115 establishes a five-step model to account for

#### Disaggregation of Revenue as required under Ind AS 115:

For the Year Ended 31<sup>st</sup> March, 2023

(₹ in crore)

| Sl. No.     | Particulars                          | Natural Gas Transmission | LPG Transmission | Natural Gas Trading / Marketing | Petrochemicals  | LPG and Other Liquid Hydrocarbons | Other Segments  | Unallocable | Total 31 <sup>st</sup> March 2023 |
|-------------|--------------------------------------|--------------------------|------------------|---------------------------------|-----------------|-----------------------------------|-----------------|-------------|-----------------------------------|
| 1.          | <b>Revenue</b>                       |                          |                  |                                 |                 |                                   |                 |             |                                   |
|             | Revenue from Operations              | 6,168.28                 | 715.96           | 1,25,877.44                     | 4,916.12        | 4,946.82                          | 1,675.29        | 1.72        | 1,44,301.63                       |
| <b>Add:</b> | Inter Segment Sales                  | 492.79                   | 5.66             | 9,412.91                        | 1.14            | 623.15                            | 26.32           | -           | 10,561.97                         |
|             | <b>Total Revenue</b>                 | <b>6,661.07</b>          | <b>721.62</b>    | <b>1,35,290.35</b>              | <b>4,917.26</b> | <b>5,569.97</b>                   | <b>1,701.61</b> | <b>1.72</b> | <b>1,54,863.60</b>                |
| 2.          | <b>Primary Geographical Markets</b>  |                          |                  |                                 |                 |                                   |                 |             |                                   |
|             | Domestic Sales                       | 6,661.07                 | 721.62           | 1,20,189.54                     | 4,917.26        | 5,569.97                          | 1,676.84        | 1.72        | 1,39,738.02                       |
| <b>Add:</b> | International Sales                  | -                        | -                | 15,100.81                       | -               | -                                 | 24.77           | -           | 15,125.58                         |
|             | <b>Total Revenue</b>                 | <b>6,661.07</b>          | <b>721.62</b>    | <b>1,35,290.35</b>              | <b>4,917.26</b> | <b>5,569.97</b>                   | <b>1,701.61</b> | <b>1.72</b> | <b>1,54,863.60</b>                |
| 3.          | <b>Timing of Revenue Recognition</b> |                          |                  |                                 |                 |                                   |                 |             |                                   |
|             | At the Point                         | -                        | -                | 15,100.81                       | 4,917.26        | 5,569.97                          | 1,701.61        | -           | 27,289.65                         |
| <b>Add:</b> | Over the time                        | 6,661.07                 | 721.62           | 1,20,189.54                     | -               | -                                 | -               | 1.72        | 1,27,573.95                       |
|             | <b>Total Revenue</b>                 | <b>6,661.07</b>          | <b>721.62</b>    | <b>1,35,290.35</b>              | <b>4,917.26</b> | <b>5,569.97</b>                   | <b>1,701.61</b> | <b>1.72</b> | <b>1,54,863.60</b>                |

For the Year Ended 31<sup>st</sup> March, 2022

(₹ in crore)

| Sl. No.     | Particulars                          | Natural Gas Transmission | LPG Transmission | Natural Gas Trading / Marketing | Petrochemicals  | LPG and Other Liquid Hydrocarbons | Other Segments  | Unallocable | Total 31 <sup>st</sup> March 2022 |
|-------------|--------------------------------------|--------------------------|------------------|---------------------------------|-----------------|-----------------------------------|-----------------|-------------|-----------------------------------|
| 1.          | <b>Revenue</b>                       |                          |                  |                                 |                 |                                   |                 |             |                                   |
|             | Revenue from Operations              | 5,794.74                 | 661.98           | 70,892.36                       | 8,547.05        | 4,652.84                          | 1,091.90        | 4.85        | 91,645.72                         |
| <b>Add:</b> | Inter Segment Sales                  | 597.74                   | 6.61             | 6,433.59                        | 1.47            | 212.32                            | 21.31           | -           | 7,273.04                          |
|             | <b>Total Revenue</b>                 | <b>6,392.48</b>          | <b>668.59</b>    | <b>77,325.95</b>                | <b>8,548.52</b> | <b>4,865.16</b>                   | <b>1,113.21</b> | <b>4.85</b> | <b>98,918.76</b>                  |
| 2.          | <b>Primary Geographical Markets</b>  |                          |                  |                                 |                 |                                   |                 |             |                                   |
|             | Domestic Sales                       | 6,392.48                 | 668.59           | 68,465.09                       | 8,438.14        | 4,865.16                          | 1,094.53        | 4.85        | 89,928.84                         |
| <b>Add:</b> | International Sales                  | -                        | -                | 8,860.86                        | 110.38          | -                                 | 18.68           | -           | 8,989.92                          |
|             | <b>Total Revenue</b>                 | <b>6,392.48</b>          | <b>668.59</b>    | <b>77,325.95</b>                | <b>8,548.52</b> | <b>4,865.16</b>                   | <b>1,113.21</b> | <b>4.85</b> | <b>98,918.76</b>                  |
| 3.          | <b>Timing of Revenue Recognition</b> |                          |                  |                                 |                 |                                   |                 |             |                                   |
|             | At the Point                         | -                        | -                | 8,860.86                        | 8,548.52        | 4,865.16                          | 1,113.21        | -           | 23,387.75                         |
| <b>Add:</b> | Over the time                        | 6,392.48                 | 668.59           | 68,465.09                       | -               | -                                 | -               | 4.85        | 75,531.01                         |
|             | <b>Total Revenue</b>                 | <b>6,392.48</b>          | <b>668.59</b>    | <b>77,325.95</b>                | <b>8,548.52</b> | <b>4,865.16</b>                   | <b>1,113.21</b> | <b>4.85</b> | <b>98,918.76</b>                  |

**Note:** No single customer represents 10% or more of the total Company's revenue during the year ended 31<sup>st</sup> March 2023 & 31<sup>st</sup> March 2022.

**Trade Receivables and Contract Balances:**

The following table provides the information about receivables and contract liabilities from contracts with customers:

(₹ in crore)

| Particulars                        | As at 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2022 |
|------------------------------------|------------------------------------|------------------------------------|
| <b>Trade Receivables</b>           |                                    |                                    |
| Trade Receivables (Non-Current)    | 1,044.28                           | 1,049.61                           |
| Trade Receivables (Current)        | 10,364.15                          | 7,315.75                           |
| <b>Contract Assets</b>             |                                    |                                    |
| Contract Assets (Non-Current)      | -                                  | -                                  |
| <b>Contract Assets (Current)</b>   | 2.15                               | 0.63                               |
| Contract Liabilities               |                                    |                                    |
| Contract Liabilities (Non-Current) | 495.73                             | 429.71                             |
| Contract Liabilities (Current)     | 608.70                             | 585.24                             |

Trade receivables are generally on credit terms ranging from 0 to 30 days. Contract Assets represents gas supplied to Domestic and Commercial Customers in City Gas Distribution business for which invoicing will be done at a future date. Contract liabilities are the advances paid by the customers against which supply of products is to happen after the reporting date.

(₹ in crore)

| Changes in Contract Liabilities  | Year ended 31 <sup>st</sup> March, 2023 | Year ended 31 <sup>st</sup> March, 2022 |
|--|---|---|
| Balance at the beginning of the year   | 1,014.95                                | 819.42                                  |
| <b>Less:</b> Revenue recognized that was included in Advances balance at the beginning of the year             | 585.24                                  | 1,563.43                                |
| <b>Add:</b> Increase due to invoicing during the year, excluding amounts recognised as revenue during the year | 674.72                                  | 1,758.96                                |
| <b>Balance at the end of the year</b>  | <b>1,104.43</b>                         | <b>1,014.95</b>                         |

Management expects that 55% of the transaction price i.e. ₹ 608.7 crore allocated to unsatisfied (or partially satisfied) performance obligations as on 31<sup>st</sup> March 2023 will be recognized as revenue during FY 2023-24 and the balance 45% i.e. ₹ 495.73 crore will be recognised from 2024-25 onwards.

**39 Ind AS 116 – Leases:****Company as Lessee:****a. Lease Liabilities:**

Reconciliation of Lease Liabilities:

(₹ in crore)

| Particulars   | Year ended 31 <sup>st</sup> March, 2023 | Year ended 31 <sup>st</sup> March, 2022 |
|---|---|---|
| <b>Opening Balance</b>                                    | <b>1,303.00</b>                         | <b>607.40</b>                           |
| <b>Adjustments for:</b>                                   |   |   |
| Additions during the year                                 | 408.66                                  | 900.62                                  |
| Deletions during the year                                 | -                                       | -                                       |
| Accretion of interest                                     | 76.29                                   | 29.10                                   |
| Foreign exchange loss on restatement of lease liabilities | 88.35                                   | -                                       |
| Lease liabilities paid during the year                    | (427.25)                                | (234.12)                                |
| Excess Lease liabilities written Back                     | (28.25)                                 | -                                       |
| <b>Closing Balance</b>                                    | <b>1,420.80</b>                         | <b>1,303.00</b>                         |
| Current   | 381.63                                  | 364.32                                  |
| Non-current   | 1,039.17                                | 938.68                                  |

**Maturity analysis of Lease Liabilities:****As at 31<sup>st</sup> March, 2023**

(₹ in crore)

| Particulars                     | Less than 3 months | 3 to 12 months | > 1 to 5 years | > 5 years | Total    |
|---------------------------------|--------------------|----------------|----------------|-----------|----------|
| Lease Liabilities (Current)     | 92.27              | 289.36         | -              | -         | 381.63   |
| Lease Liabilities (Non-Current) | -                  | -              | 1,005.14       | 34.03     | 1,039.17 |

**As at 31<sup>st</sup> March, 2022**

(₹ in crore)

| Particulars                     | Less than 3 months | 3 to 12 months | > 1 to 5 years | > 5 years | Total  |
|---------------------------------|--------------------|----------------|----------------|-----------|--------|
| Lease Liabilities (Current)     | 89.45              | 274.87         | -              | -         | 364.32 |
| Lease Liabilities (Non-Current) | -                  | -              | 908.08         | 30.60     | 938.68 |

**Amounts recognized in Statement of Profit and Loss:**

(₹ in crore)

| Particulars                                 | Year ended 31 <sup>st</sup> March, 2023 | Year ended 31 <sup>st</sup> March, 2022 |
|---|---|---|
| Depreciation on right-of-use assets         | 410.88                                  | 233.61                                  |
| Interest expense on lease liabilities       | 76.29                                   | 29.10                                   |
| Expense relating to short-term leases       | 532.44                                  | 6.17                                    |
| Expense relating to low value assets leases | 0.01                                    | 1.04                                    |
| Variable lease payments                     | -                                       | -                                       |
| <b>Total</b>                                | <b>1,019.62</b>                         | <b>269.92</b>                           |

**b. Right of Use Assets:**

(₹ in crore)

| Particulars                     | Year ended 31 <sup>st</sup> March, 2023 | Year ended 31 <sup>st</sup> March, 2022 |
|---------------------------------|---|---|
| <b>Opening Balance</b>          | <b>1,509.60</b>                         | <b>827.98</b>                           |
| Add: Additions during the year  | 939.62                                  | 915.24                                  |
| Less: Deletions during the year | 0.30                                    | -                                       |
| Less: Depreciation for the year | 410.88                                  | 233.62                                  |
| <b>Closing Balance</b>          | <b>2,038.04</b>                         | <b>1,509.60</b>                         |

**Company as Lessor:****a. Operating Lease:**

(₹ in crore)

| Particulars                        | Year ended 31 <sup>st</sup> March, 2023 | Year ended 31 <sup>st</sup> March, 2022 |
|------------------------------------|---|---|
| Rental income from operating lease | 0.19                                    | 5.75                                    |

**Minimum Lease Payments receivable on Operating Leases are as follows:**

(₹ in crore)

| Particulars                                 | Year ended 31 <sup>st</sup> March, 2023 | Year ended 31 <sup>st</sup> March, 2022 |
|---|---|---|
| Within 1 year                               | 0.20                                    | 2.12                                    |
| After one year but not more than five years | 1.15                                    | 1.09                                    |
| Later than 5 years                          | 8.46                                    | 8.71                                    |
| <b>Total</b>                                | <b>9.81</b>                             | <b>11.92</b>                            |

**b. Finance Lease:**

**Future Minimum Lease Payments (MLP) under finance leases together with the present value of the net MLP are as follows:**

(₹ in crore)

| Particulars   | Year ended 31 <sup>st</sup> March, 2023 | Year ended 31 <sup>st</sup> March, 2022 |
|---|---|---|
| <b>Minimum Lease Payments Receivables:</b>                  | 2.23                                    | 2.23                                    |
| Within 1 year   | 7.63                                    | 8.93                                    |
| After one year but not more than five years                 | -                                       | 0.93                                    |
| Later than 5 years  | 9.86                                    | 12.09                                   |
| <b>Total</b>  | <b>0.26</b>                             | <b>0.38</b>                             |
| Less: Unearned finance income                               | 9.60                                    | 11.71                                   |
| <b>Net Investment in Lease</b>                              |   |   |
| <b>Present Value of Minimum Lease Payments Receivables:</b> |   |   |
| Within 1 year   | 2.13                                    | 2.11                                    |
| After one year but not more than five years                 | 7.47                                    | 8.68                                    |
| Later than 5 years  | -                                       | 0.92                                    |
| <b>Total</b>  | <b>9.60</b>                             | <b>11.71</b>                            |
| <b>Unearned Finance Income:</b>                             |   |   |
| Within 1 year   | 0.10                                    | 0.13                                    |
| After one year but not more than five years                 | 0.16                                    | 0.25                                    |
| Later than 5 years  | -                                       | -                                       |
| <b>Total</b>  | <b>0.26</b>                             | <b>0.38</b>                             |

**40 Details of Loans & Advances to Specified persons**

(₹ in crore)

| Type of Borrower                  | 2022-23            |            | 2021-22            |            |
|-----------------------------------|--------------------|------------|--------------------|------------|
|                                   | Amount Outstanding | % of Total | Amount Outstanding | % of Total |
| Directors                         | 0.37               | 0.01%      | 0.07               | 0.00%      |
| KMPs                              | 0.65               | 0.02%      | 0.20               | 0.01%      |
| Relative of Director              | -                  | 0.00%      | 0.43               | 0.01%      |
| Related Party- Konkan LNG Limited | 3,047.43           | 90.03%     | 2,861.72           | 88.63%     |

**41 Disclosure under Ind AS 19 on Employee Benefits is given as below:****I. Defined Contribution Plans****a. Employees' Superannuation Benefit Fund**

During the year, the Company has contributed ₹ 107.34 crore (Previous Year: ₹ 108.10 crore) to Superannuation Benefit Fund (including National Pension System) and charged to Statement of Profit and Loss/ CWIP.

**b. Employee Pension Scheme (EPS-95)**

During the year, the Company has contributed ₹ 5.03 crore (Previous Year: ₹ 5.23 crore) to EPS-95 and charged to Statement of Profit and Loss/ CWIP.

**II. Defined Benefit Plans:****a. Provident Fund**

During the year, the Company has contributed ₹ 89.75 crore (Previous Year: ₹ 76.66 crore) to Provident Fund Trust at predetermined fixed percentage of eligible employees' salary and charged to statement of profit

and loss/ CWIP. Further, the obligation of the Company is to make good shortfall, if any, in the fund assets based on the statutory rate of interest.

**b. Gratuity**

Each employee rendering continuous service of 5 years or more is entitled to receive gratuity amount based on completed tenure of service subject to maximum of ₹ 0.20 crore at the time of separation from the Company.

**c. Post-Retirement Medical Scheme (PRMS)**

PRMS provides medical coverage to retired employees and their eligible dependant family members. During the year, the Company contributed ₹ 38.52 crore (Previous Year: ₹ 16.87) to PRMS using projected unit credit method of actuarial valuation.

**d. Terminal Benefits (TB)**

At the time of superannuation, employees are entitled to settle at a place of their choice in India and they are eligible for Transfer Travelling Allowance from their last place of posting.

**e. Relief Measures for Dependent Family Members of Deceased Employees**

The Company provides various assistance to the dependent family members of the deceased employees for Education of Childrens, Medical Benefits and Residential Quarter Facilities in the event of death of an employee during the service.

**III. Other Long Term Benefit Plans:**

**a. Earned Leave Benefit (EL)**

Earned Leave is accrued 30 days per year. Earned Leave is encashable in the multiple of 5 any no of times in a year while in service, subject to keeping a minimum

balance of 15 days in the respective employee's account. Encashment on retirement or superannuation is limited to 300 days.

**b. Half Pay Leave (HPL)**

HPL is accrued 20 days per year. The encashment of unavailed HPL is allowed as per approved Company rules at the time of Superannuation.

**c. Long Service Award (LSA)**

As per approved policy of the Company, on completion of specified period of service with the company and also at the time of retirement, employees are rewarded monetarily based on the duration of service completed.

**IV The summarised position of various Defined Benefit Plans recognised in the Statement of Profit & Loss, Balance Sheet and Other Comprehensive Income are as under:**

| Particulars   | Gratuity |         | PRMS    |         | Provident fund |         | Terminal Benefits |         |
|---|----------|---------|---------|---------|----------------|---------|-------------------|---------|
|   | Funded   |         | Funded  |         | Funded         |         | Non-Funded        |         |
|   | 2022-23  | 2021-22 | 2022-23 | 2021-22 | 2022-23        | 2021-22 | 2022-23           | 2021-22 |
| <b>a. Expenses recognized in the Statement of Profit &amp; Loss</b>                                   |          |         |         |         |                |         |                   |         |
| Current Service Cost  | 59.88    | 51.87   | 20.34   | 18.82   | 286.60         | -       | 1.49              | 1.44    |
| Past service cost   | -        | -       | -       | -       | -              | -       | -                 | -       |
| Interest on Benefit Obligation  | 26.95    | 27.08   | 34.69   | 31.78   | 274.13         | -       | 1.54              | 1.45    |
| Expected Return on Plan Assets  | (29.95)  | (31.59) | (36.20) | (35.47) | (200.79)       | -       | -                 | -       |
| Net actuarial (Gain) / Loss recognized in the year  | (46.09)  | (45.55) | 1.20    | 2.53    | (106.56)       | -       | 1.91              | 2.80    |
| Impact of Gratuity Limit enhancement to ₹.20 lakh reversed  | -        | -       | -       | -       | -              | -       | -                 | -       |
| Interest on under Funding transferred to Emp. Rec. account  | -        | -       | -       | -       | -              | -       | -                 | -       |
| Other Comprehensive Income  | (46.91)  | 47.62   | 0.21    | (0.79)  | (28.36)        | -       | -                 | -       |
| Expenses recognized in Statement of P&L *   | 57.69    | 49.43   | 38.53   | 16.87   | 281.73         | -       | 4.94              | 5.69    |
| <b>b. Reconciliation of fair value of plan assets and Present value of defined benefit obligation</b> |          |         |         |         |                |         |                   |         |
| Present value of Obligation as at year end  | 397.84   | 392.44  | 555.35  | 485.92  | 3,531.40       | -       | 24.08             | 23.99   |
| Fair value of Plan Assets as at year end  | 398.87   | 404.75  | 517.46  | 489.13  | 3,564.64       | -       | -                 | -       |
| Difference  | 1.03     | 12.31   | (37.89) | 3.21    | 33.24          | -       | (24.08)           | (23.99) |
| Net Asset / (Liability) recognized in the Balance Sheet   | 1.03     | 12.31   | (37.89) | 3.21    | 33.24          | -       | (24.08)           | (23.99) |
| <b>c. Reconciliation of the changes in the Present Value of the Defined Benefit Obligations:</b>      |          |         |         |         |                |         |                   |         |
| Present value of Obligations as at beginning of the year  | 392.44   | 388.16  | 485.92  | 441.37  | 3,188.64       | -       | 23.99             | 21.81   |
| Interest Cost   | 26.96    | 27.08   | 34.69   | 31.78   | 274.13         | -       | 1.54              | 1.45    |
| Current Service Cost  | 60.63    | 55.18   | 23.02   | 19.95   | 286.60         | -       | 1.83              | 1.82    |
| Past service cost   | -        | -       | 18.71   | -       | -              | -       | -                 | -       |
| Benefit Paid  | (36.10)  | (32.43) | (8.19)  | (9.71)  | (111.41)       | -       | (5.19)            | (3.89)  |
| Net Actuarial (Gain) / Loss on Obligation   | (46.09)  | (45.55) | 1.20    | 2.53    | (106.56)       | -       | 1.91              | 2.80    |
| Present Value of the Defined Benefit Obligation as at end of the year                                 | 397.84   | 392.44  | 555.35  | 485.92  | 3,531.40       | -       | 24.08             | 23.99   |

| Particulars  | Gratuity |         | PRMS    |         | Provident fund |         | Terminal Benefits |         |
|--|----------|---------|---------|---------|----------------|---------|-------------------|---------|
|  | Funded   |         | Funded  |         | Funded         |         | Non-Funded        |         |
|  | 2022-23  | 2021-22 | 2022-23 | 2021-22 | 2022-23        | 2021-22 | 2022-23           | 2021-22 |
| <b>d. Reconciliation of the changes in the Fair Value of Plan Assets</b> |          |         |         |         |                |         |                   |         |
| Fair Value of Plan Assets as at beginning of the year                    | 404.75   | 405.48  | 489.13  | 463.37  | 3,188.64       | -       | -                 | -       |
| Expected return on Plan Assets   | 29.95    | 31.59   | 36.20   | 35.47   | 200.79         | -       | -                 | -       |
| Contributions by Employer  | 0.27     | 0.11    | 0.32    | -       | 286.60         | -       | -                 | -       |
| Benefit Paid   | (36.10)  | (32.43) | (8.19)  | (9.71)  | (111.41)       | -       | -                 | -       |
| Actuarial Gain / (Loss)  | -        | -       | -       | -       | -              | -       | -                 | -       |
| Fair Value of Plan Assets as at end of the year                          | 398.87   | 404.75  | 517.46  | 489.13  | 3,564.63       | -       | -                 | -       |
| <b>e. Principal actuarial assumption at the Balance Sheet Date</b>       |          |         |         |         |                |         |                   |         |
| Discount rate  | 7.20%    | 7.28%   | 7.20%   | 7.28%   | 7.20%          | -       | 7.20%             | 7.28%   |
| Expected return on plan assets   | 7.20%    | 7.28%   | 7.20%   | 7.28%   | 8.75%          | -       | -                 | -       |
| Annual increase in costs   | -        | -       | 10.00%  | 10.00%  | -              | -       | -                 | 10.00%  |
| Annual increase in salary  | 10.00%   | 10.00%  | -       | -       | 10.00%         | -       | -                 | -       |

\* Expenses recognised in Statement of Profit & Loss excludes amount transferred to GAIL Gas Limited

| Particulars   | Earned leave |          | HPL        |          | LSA        |         | Benefit to deceased employee |         |
|---|--------------|----------|------------|----------|------------|---------|------------------------------|---------|
|   | Non-Funded   |          | Non-Funded |          | Non-Funded |         | Non-Funded                   |         |
|   | 2022-23      | 2021-22  | 2022-23    | 2021-22  | 2022-23    | 2021-22 | 2022-23                      | 2021-22 |
| <b>a. Expenses recognized in the Statement of Profit &amp; Loss</b>                                   |              |          |            |          |            |         |                              |         |
| Current Service Cost  | 99.25        | 91.77    | 51.13      | 46.79    | 1.66       | 1.61    | -                            | -       |
| Past service cost   | -            | -        | -          | -        | -          | -       | 12.08                        | -       |
| Interest on Benefit Obligation  | 25.51        | 21.19    | 19.31      | 18.20    | 1.74       | 1.72    | -                            | -       |
| Expected Return on Plan Assets  | -            | -        | -          | -        | -          | -       | -                            | -       |
| Net actuarial (Gain) / Loss recognized in the year  | (16.02)      | (21.76)  | (37.88)    | (33.47)  | (0.63)     | 0.63    | 1.44                         | -       |
| Impact of Gratuity Limit enhancement to ₹.20 lakh reversed  | -            | -        | -          | -        | -          | -       | -                            | -       |
| Interest on under Funding transferred to Emp. Rec. account  | -            | -        | -          | -        | -          | -       | -                            | -       |
| Other Comprehensive Income  | -            | -        | -          | -        | -          | -       | -                            | -       |
| Expenses recognized in Statement of P&L*  | 108.74       | 91.12    | 32.57      | 31.52    | 2.77       | 3.96    | 13.52                        | -       |
| <b>b. Reconciliation of fair value of plan assets and Present value of defined benefit obligation</b> |              |          |            |          |            |         |                              |         |
| Present value of Obligation as at year end  | 452.38       | 372.37   | 295.34     | 276.00   | 25.44      | 25.93   | 13.01                        | -       |
| Fair value of Plan Assets as at year end  | -            | -        | -          | -        | -          | -       | -                            | -       |
| Difference  | (452.38)     | (372.37) | (295.34)   | (276.00) | (25.44)    | (25.93) | (13.01)                      | -       |
| Net Asset / (Liability) recognized in the Balance Sheet   | (452.38)     | (372.37) | (295.34)   | (276.00) | (25.44)    | (25.93) | (13.01)                      | -       |
| <b>c. Reconciliation of the changes in the Present Value of the Defined Benefit Obligations:</b>      |              |          |            |          |            |         |                              |         |
| Present value of Obligations as at beginning of the year  | 372.37       | 306.94   | 276.00     | 257.76   | 25.93      | 25.55   | -                            | -       |
| Interest Cost   | 25.51        | 21.19    | 19.31      | 18.20    | 1.74       | 1.72    | -                            | -       |
| Current Service Cost  | 106.78       | 97.78    | 53.39      | 48.89    | 1.84       | 1.88    | -                            | -       |
| Past service cost   | -            | -        | -          | -        | -          | -       | 13.01                        | -       |
| Benefit Paid  | (36.27)      | (31.78)  | (15.49)    | (15.38)  | (3.45)     | (3.85)  | (1.44)                       | -       |



| Particulars  | Earned leave |         | HPL        |         | LSA        |         | Benefit to deceased employee |         |
|--|--------------|---------|------------|---------|------------|---------|------------------------------|---------|
|  | Non-Funded   |         | Non-Funded |         | Non-Funded |         | Non-Funded                   |         |
|  | 2022-23      | 2021-22 | 2022-23    | 2021-22 | 2022-23    | 2021-22 | 2022-23                      | 2021-22 |
| Net Actuarial (Gain) / Loss on Obligation                                | (16.02)      | (21.76) | (37.88)    | (33.47) | (0.63)     | 0.63    | 1.44                         | -       |
| Present Value of the Defined Benefit Obligation as at end of the year    | 452.38       | 372.37  | 295.34     | 276.00  | 25.44      | 25.93   | 13.01                        | -       |
| <b>d. Reconciliation of the changes in the Fair Value of Plan Assets</b> |              |         |            |         |            |         |                              |         |
| Fair Value of Plan Assets as at beginning of the year                    | -            | -       | -          | -       | -          | -       | -                            | -       |
| Expected return on Plan Assets   | -            | -       | -          | -       | -          | -       | -                            | -       |
| Contributions by Employer  | -            | -       | -          | -       | -          | -       | -                            | -       |
| Benefit Paid   | -            | -       | -          | -       | -          | -       | -                            | -       |
| Actuarial Gain / (Loss)  | -            | -       | -          | -       | -          | -       | -                            | -       |
| Fair Value of Plan Assets as at end of the year                          | -            | -       | -          | -       | -          | -       | -                            | -       |
| <b>e. Principal actuarial assumption at the Balance Sheet Date</b>       |              |         |            |         |            |         |                              |         |
| Discount rate  | 7.20%        | 7.28%   | 7.20%      | 7.28%   | 7.20%      | 7.28%   | 7.20%                        | -       |
| Expected return on plan assets   |              | 7.28%   |            |         |            |         |                              | -       |
| Annual increase in costs   |              |         |            |         |            | 10.00%  |                              | -       |
| Annual increase in salary  | 10.00%       | 10.00%  | 10.00%     | 10.00%  |            |         |                              | -       |

\* Expenses recognised in Statement of Profit & Loss excludes amount transferred to GAIL Gas Limited

**f. Net Asset / (Liability) recognized in the Balance Sheet (including experience adjustment impact)**

(₹ in crore)

| Gratuity  | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 | 31 <sup>st</sup> March, 2021 | 31 <sup>st</sup> March, 2020 | 31 <sup>st</sup> March, 2019 |
|---|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Present Value of Defined Benefit Obligation as at end of the year | 397.84                       | 392.44                       | 388.16                       | 370.06                       | 328.52                       |
| Fair Value of Plan Asset as at end of the year                    | 398.87                       | 404.75                       | 405.48                       | 389.43                       | 379.68                       |
| Status [Surplus / (Deficit)]                                      | 1.03                         | 12.31                        | 17.32                        | 19.37                        | 51.16                        |
| Experience Adjustment of Plan Assets [Gain / (Loss)]              | -                            | -                            | (0.55)                       | 3.15                         | 8.86                         |
| Experience Adjustment of Obligation [(Gain) / Loss]               | (46.09)                      | (45.55)                      | (29.26)                      | (6.75)                       | (26.94)                      |

(₹ in crore)

| PRMS  | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 | 31 <sup>st</sup> March, 2021 | 31 <sup>st</sup> March, 2020 | 31 <sup>st</sup> March, 2019 |
|---|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Present Value of Defined Benefit Obligation as at end of the year | 555.35                       | 485.92                       | 441.37                       | 408.46                       | 328.08                       |
| Fair Value of Plant Asset as at end of the year                   | 517.46                       | 489.13                       | 459.70                       | 336.30                       | -                            |
| Status [Surplus / (Deficit)]                                      | (37.89)                      | 3.21                         | 18.33                        | (72.16)                      | -                            |
| Experience Adjustment of Plan Assets [Gain / (Loss)]              | -                            | -                            | 4.25                         | -                            | -                            |
| Experience Adjustment of Obligation [(Gain) / Loss]               | 1.20                         | 2.53                         | (8.30)                       | 24.91                        | (11.71)                      |

(₹ in crore)

| Earned Leave  | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 | 31 <sup>st</sup> March, 2021 | 31 <sup>st</sup> March, 2020 | 31 <sup>st</sup> March, 2019 |
|---|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Present Value of Defined Benefit Obligation as at end of the year | 452.38                       | 372.37                       | 306.94                       | 252.62                       | 171.07                       |
| Experience Adjustment of Obligation [(Gain) / Loss]               | (16.02)                      | (21.76)                      | 8.83                         | 33.45                        | 7.03                         |

(₹ in crore)

| Terminal Benefits   | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 | 31 <sup>st</sup> March, 2021 | 31 <sup>st</sup> March, 2020 | 31 <sup>st</sup> March, 2019 |
|---|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Present Value of Defined Benefit Obligation as at end of the year | 24.08                        | 23.99                        | 21.81                        | 18.90                        | 16.72                        |
| Experience Adjustment of Obligation [(Gain) / Loss]               | 1.91                         | 2.80                         | 2.94                         | 1.63                         | 2.23                         |

(₹ in crore)

| HPL   | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 | 31 <sup>st</sup> March, 2021 | 31 <sup>st</sup> March, 2020 | 31 <sup>st</sup> March, 2019 |
|---|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Present Value of Defined Benefit Obligation as at end of the year | 295.34                       | 276.00                       | 257.77                       | 239.58                       | 199.20                       |
| Experience Adjustment of Obligation [(Gain) / Loss]               | (37.88)                      | (33.47)                      | (9.28)                       | 20.67                        | 7.87                         |

(₹ in crore)

| Long Service Award  | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 | 31 <sup>st</sup> March, 2021 | 31 <sup>st</sup> March, 2020 | 31 <sup>st</sup> March, 2019 |
|---|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Present Value of Defined Benefit Obligation as at end of the year | 25.44                        | 25.93                        | 25.55                        | 25.85                        | 23.21                        |
| Experience Adjustment of Obligation [(Gain) / Loss]               | (0.63)                       | 0.63                         | (1.32)                       | 1.80                         | 0.49                         |

(₹ in crore)

| Provident fund  | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 | 31 <sup>st</sup> March, 2021 | 31 <sup>st</sup> March, 2020 | 31 <sup>st</sup> March, 2019 |
|---|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Present Value of Defined Benefit Obligation as at end of the year | 3,531.40                     | -                            | -                            | -                            | -                            |
| Experience Adjustment of Obligation [(Gain) / Loss]               | (106.57)                     | -                            | -                            | -                            | -                            |

| Benefit to deceased employee                                      | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 | 31 <sup>st</sup> March, 2021 | 31 <sup>st</sup> March, 2020 | 31 <sup>st</sup> March, 2019 |
|---|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Present Value of Defined Benefit Obligation as at end of the year | 13.01                        | -                            | -                            | -                            | -                            |
| Experience Adjustment of Obligation [(Gain) / Loss]               | 1.44                         | -                            | -                            | -                            | -                            |

**The effect of increase/decrease of cost**

(₹ in crore)

| Sensitivity Analysis                        | GRATUITY |          |          |          | PRMS     |          |          |          |
|---|----------|----------|----------|----------|----------|----------|----------|----------|
|   | Funded   |          |          |          | Funded   |          |          |          |
|   | 2022-23  |          | 2021-22  |          | 2022-23  |          | 2021-22  |          |
|   | Increase | Decrease | Increase | Decrease | Increase | Decrease | Increase | Decrease |
| Discount Rate (-/+ 0.5%)                    | 382.26   | 414.73   | 377.24   | 408.89   | 523.51   | 591.44   | 444.82   | 532.79   |
| %Change Compared to base due to sensitivity | -3.91%   | 4.25%    | -3.87%   | 4.19%    | -5.73%   | 6.50%    | -8.46%   | 9.64%    |
| Salary Growth (- / + 0.5%)                  | 399.41   | 396.09   | 394.05   | 390.72   | NA       | NA       | NA       | NA       |
| %Change Compared to base due to sensitivity | 0.40%    | -0.44%   | 0.41%    | -0.44%   | NA       | NA       | NA       | NA       |
| Attrition Rate (- / + 0.5%)                 | 398.18   | 397.48   | 392.80   | 392.08   | 554.35   | 557.18   | 485.04   | 487.53   |
| %Change Compared to base due to sensitivity | 0.09%    | -0.09%   | 0.09%    | -0.09%   | -0.18%   | 0.33%    | -0.18%   | 0.33%    |
| Mortality Rate (- / + 10%)                  | 398.48   | 397.18   | 393.09   | 391.79   | 533.91   | 578.79   | 467.18   | 506.40   |
| %Change Compared to base due to sensitivity | 0.16%    | -0.16%   | 0.17%    | -0.17%   | -3.86%   | 4.22%    | -3.86%   | 4.22%    |

(₹ in crore)

| Sensitivity Analysis                        | Benefit to deceased employee |          |          |          |
|---|------------------------------|----------|----------|----------|
|   | Non - Funded                 |          |          |          |
|   | 2022-23                      |          | 2021-22  |          |
|   | Increase                     | Decrease | Increase | Decrease |
| Discount Rate (-/+ 0.5%)                    | 12.50                        | 13.56    | NA       | NA       |
| %Change Compared to base due to sensitivity | -3.91%                       | 4.25%    | NA       | NA       |
| Salary Growth (- / + 0.5%)                  | NA                           | NA       | NA       | NA       |
| %Change Compared to base due to sensitivity | NA                           | NA       | NA       | NA       |
| Attrition Rate (-/+ 0.5%)                   | 13.02                        | 13.00    | NA       | NA       |
| %Change Compared to base due to sensitivity | 0.09%                        | -0.09%   | NA       | NA       |
| Mortality Rate (-/+ 10%)                    | 13.02                        | 12.99    | NA       | NA       |
| %Change Compared to base due to sensitivity | 0.16%                        | -0.16%   | NA       | NA       |

(₹ in crore)

| Sensitivity Analysis                         | TERMINAL BENEFITS |          |          |          | Earned Leave |          |          |          |
|--|-------------------|----------|----------|----------|--------------|----------|----------|----------|
|  | Non - Funded      |          |          |          | Non - Funded |          |          |          |
|  | 2022-23           |          | 2021-22  |          | 2022-23      |          | 2021-22  |          |
|  | Increase          | Decrease | Increase | Decrease | Increase     | Decrease | Increase | Decrease |
| Discount Rate (-/+ 0.5%)                     | 22.97             | 25.27    | 23.02    | 25.05    | 425.97       | 481.48   | 350.64   | 396.31   |
| % Change Compared to base due to sensitivity | -4.60%            | 4.98%    | -4.06%   | 4.41%    | -5.84%       | 6.43%    | -5.84%   | 6.43%    |
| Salary Growth (-/+ 0.5%)                     | NA                | NA       | NA       | NA       | 480.45       | 426.62   | 395.47   | 351.15   |
| % Change Compared to base due to sensitivity | NA                | NA       | NA       | NA       | 6.21%        | -5.69%   | 6.20%    | -5.70%   |
| Attrition Rate (-/+ 0.5%)                    | 24.06             | 24.10    | 23.02    | 23.02    | 451.80       | 452.96   | 371.91   | 372.84   |
| % Change Compared to base due to sensitivity | -0.08%            | 0.08%    | -0.27%   | -0.27%   | -0.13%       | 0.13%    | -0.12%   | -0.13%   |
| Mortality Rate (-/+ 10%)                     | 24.06             | 24.11    | 22.89    | 23.14    | 451.81       | 452.94   | 371.91   | 372.83   |
| % Change Compared to base due to sensitivity | -0.10%            | 0.10%    | -0.61%   | 0.62%    | -0.12%       | 0.13%    | -0.12%   | 0.12%    |

(₹ in crore)

| Sensitivity Analysis                         | HPL          |          |          |          | Long Service Award |          |          |          |
|--|--------------|----------|----------|----------|--------------------|----------|----------|----------|
|  | Non - Funded |          |          |          | Non - Funded       |          |          |          |
|  | 2022-23      |          | 2021-22  |          | 2022-23            |          | 2021-22  |          |
|  | Increase     | Decrease | Increase | Decrease | Increase           | Decrease | Increase | Decrease |
| Discount Rate (-/+ 0.5%)                     | 282.31       | 309.40   | 263.66   | 289.32   | 23.96              | 27.08    | 24.95    | 26.99    |
| % Change Compared to base due to sensitivity | -4.41%       | 4.76%    | -4.47%   | 4.83%    | -5.84%             | 6.43%    | -3.79%   | 4.09%    |
| Salary Growth (-/+ 0.5%)                     | 308.90       | 282.64   | 288.86   | 263.96   | NA                 | NA       | NA       | NA       |
| % Change Compared to base due to sensitivity | 4.59%        | -4.30%   | 4.66%    | -4.37%   | NA                 | NA       | NA       | NA       |
| Attrition Rate (-/+ 0.5%)                    | 295.12       | 295.55   | 275.81   | 276.20   | 25.41              | 25.47    | 25.84    | 26.03    |
| % Change Compared to base due to sensitivity | -0.07%       | 0.07%    | -0.07%   | 0.07%    | -0.13%             | 0.13%    | -0.36%   | 0.36%    |
| Mortality Rate (-/+ 10%)                     | 295.05       | 295.62   | 275.73   | 276.27   | 25.41              | 25.47    | 25.80    | 26.06    |
| % Change Compared to base due to sensitivity | -0.10%       | 0.10%    | -0.10%   | 0.10%    | -0.12%             | 0.13%    | -0.49%   | 0.50%    |

(₹ in crore)

| Sensitivity Analysis                                | Provident Fund |          |          |          |
|---|----------------|----------|----------|----------|
|   | Non - Funded   |          |          |          |
|   | 2022-23        |          | 2021-22  |          |
|   | Increase       | Decrease | Increase | Decrease |
| PF interest Rate given by GRSE PF Trust ((-/+)0.5%) | 3,416.06       | 3,655.39 | NA       | NA       |
| % Change Compared to base due to sensitivity        | -3.27%         | 3.51%    | NA       | NA       |

**(ii) Details of the investment pattern of Plan Assets of Gratuity Trust**

| Particulars                          | (% of Investment)            |                              |
|--------------------------------------|------------------------------|------------------------------|
|                                      | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
| <b>Central Government Securities</b> | <b>1.75</b>                  | <b>1.72</b>                  |
| State Government Securities          | 0.36                         | 0.36                         |
| PSU Bonds                            | -                            | -                            |
| Private Bonds                        | -                            | -                            |
| Insurance Investment                 | 97.89                        | 97.92                        |
| <b>Total</b>                         | <b>100.00</b>                | <b>100.00</b>                |

| MORTALITY TABLE REFERRED                  |                | IALM 2012-2014<br>ULTIMATE     | IALM 2006-2008<br>ULTIMATE     |
|---|----------------|--------------------------------|--------------------------------|
|   | AGE            | Withdrawal Rate %<br>(2022-23) | Withdrawal Rate %<br>(2021-22) |
| Withdrawal Rate/Employee<br>Turnover Rate | UPTO 30 YEARS  | 3%                             | 3%                             |
|   | UPTO 44 YEARS  | 2%                             | 2%                             |
|   | ABOVE 44 YEARS | 1%                             | 1%                             |

**Note:**

- The actuarial valuation considers the estimates of future salary increases, inflation, seniority, promotion and other relevant factors.
- The management has relied on the overall actuarial valuation conducted by the actuary.

**42 Disclosure as per Ind AS 23 on 'Borrowing Costs':**

Borrowing costs capitalized in assets including amount allocated towards Capital Work in Progress during the year was ₹ 392.21 crore (Previous Year: ₹ 173.94 crore).

**43** In compliance of Ind AS 108 on "Operating Segment", the Company has adopted following Business Segments as its reportable segments:

- Transmission services
  - Natural Gas
  - LPG
- Natural Gas Marketing
- Petrochemicals
- LPG and other Liquid Hydrocarbons
- Other Segments (includes GAILTEL, E&P, Power Generation and City Gas Distribution)

There are no geographical segments in the Company.

Information about Business Segments for the financial year ended 31<sup>st</sup> March 2023

(₹ in crore)

| Sr. No.   | Segment   | Transmission services |               | Natural Gas Marketing** | Petro-chemicals   | LPG & Liquid Hydro Carbons | Other Segment*  | Unallocated       | Total              | Elimination      | Consolidated Total |
|-----------|---|-----------------------|---------------|-------------------------|-------------------|----------------------------|-----------------|-------------------|--------------------|------------------|--------------------|
|           |   | Natural Gas**         | LPG           |                         |                   |                            |                 |                   |                    |                  |                    |
| <b>1.</b> | <b>Segment Revenue #</b>  |                       |               |                         |                   |                            |                 |                   |                    |                  |                    |
|           | External Sales/Other Income   | 6,168.28              | 715.96        | 1,25,877.44             | 4,916.12          | 4,946.82                   | 1,675.29        | 1.72              | 1,44,301.63        | -                | 1,44,301.63        |
|           | Inter-segment sales   | 492.79                | 5.66          | 9,412.91                | 1.14              | 623.15                     | 26.32           | -                 | 10,561.97          | 10,561.97        | -                  |
|           | <b>Total revenue</b>  | <b>6,661.07</b>       | <b>721.62</b> | <b>1,35,290.35</b>      | <b>4,917.26</b>   | <b>5,569.97</b>            | <b>1,701.61</b> | <b>1.72</b>       | <b>1,54,863.60</b> | <b>10,561.97</b> | <b>1,44,301.63</b> |
| <b>2.</b> | <b>Segment Results</b>  |                       |               |                         |                   |                            |                 |                   |                    |                  |                    |
|           | Segment Result(Profit before Interest & Tax)                        | 1,919.69              | 368.69        | 3,078.75                | (1,060.85)        | 1,228.43                   | 506.85          | -                 | 6,041.56           | -                | 6,041.56           |
|           | Unallocated expenses (Net)  | -                     | -             | -                       | -                 | -                          | -               | 1,289.77          | 1,289.77           | -                | 1,289.77           |
|           | <b>Operating Profit</b>   | <b>1,919.69</b>       | <b>368.69</b> | <b>3,078.75</b>         | <b>(1,060.85)</b> | <b>1,228.43</b>            | <b>506.85</b>   | <b>(1,289.77)</b> | <b>4,751.79</b>    | -                | <b>4,751.79</b>    |
|           | Interest Expenses   | -                     | -             | -                       | -                 | -                          | -               | 311.72            | 311.72             | -                | 311.72             |
|           | Interest/ Dividend Income   | 9.33                  | 2.10          | 215.07                  | 8.85              | 3.12                       | 1.40            | 1,903.87          | 2,143.74           | -                | 2,143.74           |
|           | Provision for Taxation  | -                     | -             | -                       | -                 | -                          | -               | 1,282.30          | 1,282.30           | -                | 1,282.30           |
|           | <b>Profit/(Loss) from Ordinary Activities</b>                       | <b>1,929.02</b>       | <b>370.79</b> | <b>3,293.82</b>         | <b>(1,052.00)</b> | <b>1,231.55</b>            | <b>508.25</b>   | <b>(979.92)</b>   | <b>5,301.51</b>    | -                | <b>5,301.51</b>    |
|           | <b>Net Profit/(Loss)</b>  | <b>1,929.02</b>       | <b>370.79</b> | <b>3,293.82</b>         | <b>(1,052.00)</b> | <b>1,231.55</b>            | <b>508.25</b>   | <b>(979.92)</b>   | <b>5,301.51</b>    | -                | <b>5,301.51</b>    |
| <b>3.</b> | <b>Other Information</b>  |                       |               |                         |                   |                            |                 |                   |                    |                  |                    |
|           | Segment Assets  | 61,114.43             | 1,029.70      | -                       | 11,176.00         | 1,492.25                   | 3,389.85        | 17,929.35         | 96,131.58          | -                | 96,131.58          |
|           | Segment Liabilities   | 17,597.39             | 115.11        | -                       | 895.08            | 169.48                     | 463.75          | 21,237.10         | 40,477.91          | -                | 40,477.91          |
|           | Cost to acquire fixed assets  | 5,388.41              | 41.12         | 382.35                  | 1,276.00          | 88.03                      | 479.35          | 127.02            | 7,782.28           | -                | 7,782.28           |
|           | Depreciation and Amortization Expenses                              | 1,199.79              | 65.76         | 353.47                  | 552.83            | 97.83                      | 154.86          | 63.53             | 2,488.07           | -                | 2,488.07           |
|           | Non Cash expenses other than Depreciation and Amortization Expenses | 114.71                | 1.17          | (84.52)                 | 37.68             | 6.84                       | 3.30            | 0.80              | 79.98              | -                | 79.98              |

# Segment Revenue includes Other Operating Income

\* Other Segment includes GAIL TEL, E&amp;P, City Gas Distribution &amp; Power Generation

\*\* Assets &amp; Liabilities of Natural Gas Marketing included in Natural Gas Transmission Segment

Information about Business Segments for the financial year ended 31<sup>st</sup> March 2022

(₹ in crore)

| Sr. No.   | Segment                                       | Transmission services |               | Natural Gas Marketing** | Petro-chemicals | LPG & Liquid Hydro Carbons | Other Segment*  | Unallocable       | Total            | Elimination     | Consolidated Total |
|-----------|---|-----------------------|---------------|-------------------------|-----------------|----------------------------|-----------------|-------------------|------------------|-----------------|--------------------|
|           |   | Natural Gas**         | LPG           |                         |                 |                            |                 |                   |                  |                 |                    |
| <b>1.</b> | <b>Segment Revenue #</b>                      |                       |               |                         |                 |                            |                 |                   |                  |                 |                    |
|           | External Sales/Other Income                   | 5,794.74              | 661.98        | 70,892.36               | 8,547.05        | 4,652.84                   | 1,091.90        | 4.85              | 91,645.72        | -               | 91,645.72          |
|           | Inter-segment sales                           | 597.74                | 6.61          | 6,433.59                | 1.47            | 212.32                     | 21.31           | -                 | 7,273.04         | 7,273.04        | -                  |
|           | <b>Total revenue</b>                          | <b>6,392.48</b>       | <b>668.59</b> | <b>77,325.95</b>        | <b>8,548.52</b> | <b>4,865.16</b>            | <b>1,113.21</b> | <b>4.85</b>       | <b>98,918.76</b> | <b>7,273.04</b> | <b>91,645.72</b>   |
| <b>2.</b> | <b>Segment Results</b>                        |                       |               |                         |                 |                            |                 |                   |                  |                 |                    |
|           | Segment Result(Profit before Interest & Tax)  | 3,805.75              | 335.04        | 4,932.17                | 1,245.26        | 2,899.70                   | 356.96          | -                 | 13,574.88        | -               | 13,574.88          |
|           | Unallocated expenses (Net)                    | -                     | -             | -                       | -               | -                          | -               | 1,282.46          | 1,282.46         | -               | 1,282.46           |
|           | <b>Operating Profit</b>                       | <b>3,805.75</b>       | <b>335.04</b> | <b>4,932.17</b>         | <b>1,245.26</b> | <b>2,899.70</b>            | <b>356.96</b>   | <b>(1,282.46)</b> | <b>12,292.42</b> | -               | <b>12,292.42</b>   |
|           | Interest Expenses                             | -                     | -             | -                       | -               | -                          | -               | 174.43            | 174.43           | -               | 174.43             |
|           | Interest/ Dividend Income                     | 17.73                 | 2.13          | 127.74                  | 9.85            | 2.00                       | 0.60            | 1,312.25          | 1,472.30         | -               | 1,472.30           |
|           | Provision for Taxation                        | -                     | -             | -                       | -               | -                          | -               | 3,226.32          | 3,226.32         | -               | 3,226.32           |
|           | <b>Profit/(Loss) from Ordinary Activities</b> | <b>3,823.48</b>       | <b>337.17</b> | <b>5,059.91</b>         | <b>1,255.11</b> | <b>2,901.70</b>            | <b>357.56</b>   | <b>(3,370.96)</b> | <b>10,363.97</b> | -               | <b>10,363.97</b>   |
|           | <b>Net Profit/(Loss)</b>                      | <b>3,823.48</b>       | <b>337.17</b> | <b>5,059.91</b>         | <b>1,255.11</b> | <b>2,901.70</b>            | <b>357.56</b>   | <b>(3,370.96)</b> | <b>10,363.97</b> | -               | <b>10,363.97</b>   |

| Sr. No.   | Segment   | Transmission services |          | Natural Gas Marketing** | Petro-chemicals | LPG & Liquid Hydro Carbons | Other Segment* | Unallocable | Total     | Elimination | Consolidated Total |
|-----------|---|-----------------------|----------|-------------------------|-----------------|----------------------------|----------------|-------------|-----------|-------------|--------------------|
|           |   | Natural Gas**         | LPG      |                         |                 |                            |                |             |           |             |                    |
| <b>3.</b> | <b>Other Information</b>  |                       |          |                         |                 |                            |                |             |           |             |                    |
|           | Segment Assets  | 53,196.29             | 1,057.86 | -                       | 9,497.48        | 1,273.17                   | 2,936.27       | 18,379.45   | 86,340.53 | -           | 86,340.53          |
|           | Segment Liabilities   | 16,087.01             | 137.02   | -                       | 636.54          | 188.03                     | 371.37         | 13,333.75   | 30,753.73 | -           | 30,753.73          |
|           | Cost to acquire fixed assets  | 5,221.93              | 33.69    | -                       | 588.52          | 95.94                      | 635.84         | 40.31       | 6,616.23  |             | 6,616.23           |
|           | Depreciation and Amortization Expenses                              | 1,094.86              | 62.35    | 188.41                  | 485.22          | 84.00                      | 129.44         | 66.89       | 2,111.17  |             | 2,111.17           |
|           | Non Cash expenses other than Depreciation and Amortization Expenses | 32.72                 | 4.46     | 301.94                  | 14.30           | 13.58                      | 32.12          | 170.28      | 569.40    | -           | 569.40             |

# Segment Revenue includes Other Operating Income

\* Other Segment includes GAIL TEL, E&P, City Gas Distribution & Power Generation

\*\* Assets & Liabilities of Natural Gas Marketing included in Natural Gas Transmission Segment

## 44. Related Parties Disclosures

As per Ind AS 24, the disclosures of transactions with the related parties are given below:

### (I) List of Related Parties where Control exists and Relationships:

| Sr. No. | Name of the Related Party  | Relationship              |
|---------|--|---------------------------|
| 1       | GAIL Gas Limited   | Subsidiary                |
| 2       | GAIL Global (Singapore) Pte. Limited                                 |                           |
| 3       | GAIL Global (USA) Inc.   |                           |
| 4       | GAIL Global USA LNG LLC (100% subsidiary of GAIL Global (USA) Inc. ) |                           |
| 5       | Bengal Gas Company Limited   |                           |
| 6       | Konkan LNG Limited   |                           |
| 7       | Tripura Natural Gas Company Limited                                  |                           |
| 8       | Aavantika Gas Limited  | Joint Venture / Associate |
| 9       | Bhagyanagar Gas Limited  |                           |
| 10      | Brahmaputra Cracker and Polymer Limited                              |                           |
| 11      | Central UP Gas Limited   |                           |
| 12      | China Gas Holdings Limited   |                           |
| 13      | Fayum Gas Company  |                           |
| 14      | Green Gas Limited  |                           |
| 15      | Indradhanush Gas Grid Limited  |                           |
| 16      | Indraprastha Gas Limited   |                           |
| 17      | Mahanagar Gas Limited  |                           |
| 18      | Maharashtra Natural Gas Limited                                      |                           |
| 19      | ONGC Petro additions Limited   |                           |
| 20      | Petronet LNG Limited   |                           |
| 21      | Ramagundam Fertilizers and Chemicals Limited                         |                           |
| 22      | Talcher Fertilizers Limited  |                           |
| 23      | TAPI Pipeline Company Limited  |                           |
| 24      | Vadodara Gas Limited   |                           |
| 25      | LLC Bharat Energy Office   |                           |
| 26      | ONGC Tripura Power Company   |                           |
| 27      | LNG Japonica Shipping Corporation Limited                            |                           |

| Sr. No. | Name of the Related Party   | Relationship                               |
|---------|---|--|
| 28      | Andhra Pradesh Gas Distribution Corporation Limited*  | Joint Venture of GAIL Gas Ltd (Subsidiary) |
| 29      | Goa Natural Gas Private Limited*  |  |
| 30      | Haridwar Natural Gas Private Limited*   |  |
| 32      | Purba Bharti Gas Private Limited*   |  |
| 33      | Rajasthan State Gas Limited*  |  |
| 34      | Shri Sandeep Kumar Gupta, Chairman and Managing Director (From:- 3 <sup>rd</sup> Oct 2022)  | Key Managerial Personnel                   |
| 35      | Shri Manoj Jain, Chairman and Managing Director (upto 31 <sup>st</sup> August 2022), Additional Charge of Director (HR) (upto 21 <sup>st</sup> August 2022) |  |
| 36      | Shri M. V. Iyer, Director (Business Development) and Director (Marketing) and Additional charge of CMD w.e.f. 01 Sept 2022 till 02.10.2022)                 |  |
| 37      | Shri Rakesh Kumar Jain, Director (Finance)  |  |
| 38      | Shri Deepak Gupta, Director (Project)   |  |
| 39      | Shri Ayush Gupta, Director (Human Resources) (w.e.f 22 <sup>nd</sup> Aug 2022)  |  |
| 40      | Dr. Navneet Mohan Kothari (Independent Director)  |  |
| 41      | Shri Akhilesh Jain (Independent Director)   |  |
| 42      | Shri Sanjay Kashyap (Independent Director)  |  |
| 43      | Shri Nandhagopal Narayanasamy (Independent Director)  |  |
| 44      | Smt. Kangabam Inaocha Devi (Independent Director)   |  |
| 45      | Shri Sher Singh (Independent Director)  |  |
| 46      | Prof. Dr. Ravikant Kolhe (Independent Director)   |  |
| 47      | Shri Anil Kumar Jha (Company Secretary) (Upto 26 <sup>th</sup> Aug 2022)  |  |
| 48      | Shri Mahesh Kumar Agarwal (Company Secretary ) (w.e.f 27 <sup>th</sup> Aug 2022)  |  |
| 49      | GAIL Employees Superannuation Benefit Fund  | Employee Benefit Trust                     |
| 50      | GAIL (India) Ltd. Employees Provident Fund Trust  |  |
| 51      | GAIL (India) Ltd. Employees Death-cum-Superannuation Gratuity Scheme  |  |
| 52      | GAIL Post Retirement Medical Scheme Trust   |  |
| 53      | GAIL Charitable & Education Trust   |  |

## (II) Transactions during the period with Subsidiary Companies

(₹ in crore)

| Nature of transaction                       | For the Year ended 31 <sup>st</sup> March, 2023 | For the Year ended 31 <sup>st</sup> March, 2022 |
|---|---|---|
| Advances/SD Received Net                    | -4.06   | 1.90  |
| Claim Reco./Advance Paid Net                | -0.01   |   |
| Dividend                                    | 161.26  | 2.93  |
| Financial Guarantee Obligation (Inc.) /Exp. | 5.20  | 164.22  |
| Inter Corporate Loans                       | 100.29  | 83.98   |
| Interest Income                             | 389.60  | 367.35  |
| Investment                                  | 958.75  | 345.41  |
| Other Expenses/ Reimbursements              | 0.33  | 5.69  |
| Other Income / Reimbursements               | 163.91  | 147.66  |
| Purchases of Goods / Services               | 18,504.09                                       | 8,857.44  |
| Regasification Service                      | 392.19  | -   |
| Sales/ Operating Income                     | 14,607.76                                       | 9,583.72  |

**(III) Outstanding balances with Subsidiary Companies**

(₹ in crore)

| Nature of transaction                       | For the Year ended 31 <sup>st</sup> March, 2023 | For the Year ended 31 <sup>st</sup> March, 2022 |
|---|---|---|
| Advances/SD Received Net                    | 10.34   | 14.40   |
| Claim Reco./Advance Paid Net                | -   | 0.01  |
| Financial Guarantee Obligation (Inc.) /Exp. | 242.84  | 186.88  |
| Hooking Up Charges                          | 32.79   | 34.45   |
| Inter Corporate Loans                       | 2,795.59  | 2,695.30  |
| Interest Income                             | 251.84  | 166.42  |
| Investment                                  | 3,427.71  | 2,468.96  |
| Other Expenses/ Reimbursements              | 2.79  | -   |
| Other Income / Reimbursements               | 30.89   | 55.79   |
| Preference Shares                           | 252.00  | 252.00  |
| Purchases of Goods / Services               | 1,106.30  | 791.82  |
| Regasification Service                      | 31.72   | 51.85   |
| Sales/ Operating Income                     | 661.68  | 538.54  |

**(IV) Transactions during the period with Joint Venture/Associates**

(₹ in crore)

| Nature of transaction          | For the Year ended 31 <sup>st</sup> March, 2023 | For the Year ended 31 <sup>st</sup> March, 2022 |
|--------------------------------|---|---|
| Advances/SD Received Net       | 45.58   | 5.88  |
| Claim Reco./Advance Paid Net   | -38.63  | -38.11  |
| Dividend                       | 870.81  | 587.21  |
| Investment                     | 113.27  | 637.97  |
| Other Expenses/ Reimbursements | 5.15  | 0.38  |
| Other Income / Reimbursements  | 77.32   | 36.67   |
| Purchases of Goods / Services  | 35,357.08                                       | 22,399.41                                       |
| Sales/ Operating Income        | 19,448.10                                       | 8,569.87  |

**(V) Outstanding balances with Joint Venture/Associates**

(₹ in crore)

| Nature of transaction                       | As at 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2022 |
|---|------------------------------------|------------------------------------|
| Advances/SD Received Net                    | 60.02                              | 14.44                              |
| Claim Reco./Advance Paid Net                | 324.69                             | 363.32                             |
| Dividend                                    | 141.75                             | 1.67                               |
| Financial Guarantee Obligation (Inc.) /Exp. | 0.24                               | -                                  |
| Hooking Up Charges                          | 72.48                              | 47.69                              |
| Investment                                  | 4,167.00                           | 4,109.11                           |
| Other Expenses/ Reimbursements              | 0.19                               | -                                  |
| Other Income / Reimbursements               | 31.54                              | 16.16                              |
| Purchases of Goods / Services               | 1,467.49                           | 1,254.13                           |
| Sales/ Operating Income                     | 2,406.68                           | 1,099.46                           |



**(VI) Transactions and outstanding balances with Trusts****Transactions (contributions) with trusts during the period**

(₹ in crore)

| Name of Related Party  | For the Year ended 31 <sup>st</sup> March, 2023 | For the Year ended 31 <sup>st</sup> March, 2022 |
|--|---|---|
| GAIL Employees Superannuation Benefit Fund                           | 67.05   | 88.2  |
| GAIL (India) Ltd. Employees Provident Fund Trust                     | 101.33  | 92.93   |
| GAIL (India) Ltd. Employees Death-cum-Superannuation Gratuity Scheme | 34.94   | 5.11  |
| GAIL Post Retirement Medical Scheme Trust                            | 17.20   | 18.78   |

**Transactions (contributions) with trusts during the period**

(₹ in crore)

| Name of Related Party  | For the Year ended 31 <sup>st</sup> March, 2023 | For the Year ended 31 <sup>st</sup> March, 2022 |
|--|---|---|
| GAIL Employees Superannuation Benefit Fund                           | 4.89  | 12.42   |
| GAIL (India) Ltd. Employees Provident Fund Trust                     | 13.30   | 13.73   |
| GAIL (India) Ltd. Employees Death-cum-Superannuation Gratuity Scheme | 58.82   | 35.72   |
| GAIL Post Retirement Medical Scheme Trust                            | 9.19  | 18.19   |

**(VII) Compensation of Key Management Personnel****(a) Whole-time Directors of the Company**

(₹ in crore)

| Particulars                  | For the Year ended 31 <sup>st</sup> March, 2023 | For the Year ended 31 <sup>st</sup> March, 2022 |
|------------------------------|---|---|
| Short Term Employee Benefits | 4.03  | 1.98  |
| Post Employment Benefits     | 0.50  | 0.31  |
| Other Long Term Benefits     | 1.16  | 0.49  |

(₹ in crore)

| Particulars                    | For the Year ended 31 <sup>st</sup> March, 2023 | For the Year ended 31 <sup>st</sup> March, 2022 |
|--------------------------------|---|---|
| Outstanding Loans and Advances | 1.17  | 1.06  |

**(a) Independent Directors of the Company**

(₹ in crore)

| Particulars        | For the Year ended 31 <sup>st</sup> March, 2023 | For the Year ended 31 <sup>st</sup> March, 2022 |
|--------------------|---|---|
| Sitting Fees       | 0.51  | 0.31  |
| <b>Grand Total</b> | <b>0.51</b>                                     | <b>0.31</b>                                     |

**(VIII) Government related entities where significant transactions carried out**

Apart from transactions reported above, the Company has transactions with other Government related entities, which includes but not limited to the following:

**Name of Government:** Government of India (Central and State Government)

**Nature of Transactions:**

- Sale of Products and Services
- Purchase of Products
- Purchase of Raw Materials
- Handling and Freight Charges, etc.

These transactions are conducted in the ordinary course of the Company's business on terms comparable to those with other entities that are not Government-related.

## 45 Disclosure under Ind AS 112 on "Disclosure of Interests in Other Entities":

## I. Subsidiaries / Joint Venture / Associates

| Sr. No. | Name of Companies                            | Relation      | Proportion of ownership as on |                              |
|---------|--|---------------|-------------------------------|------------------------------|
|         |  |               | 31 <sup>st</sup> March, 2023  | 31 <sup>st</sup> March, 2022 |
| 1       | GAIL Gas Limited                             | Subsidiary    | 100.00%                       | 100.00%                      |
| 2       | GAIL Global (USA) Inc.                       | Subsidiary    | 100.00%                       | 100.00%                      |
| 3       | GAIL Global Singapore Pte. Limited           | Subsidiary    | 100.00%                       | 100.00%                      |
| 4       | Tripura Natural Gas Company Ltd.             | Subsidiary    | 48.98%                        | 48.98%                       |
| 5       | Bengal Gas Company Limited                   | Subsidiary    | 88.13%                        | 77.20%                       |
| 6       | Konkan LNG Limited                           | Subsidiary    | 93.50%                        | 90.83%                       |
| 7       | Aavantika Gas Limited                        | Joint Venture | 49.99%                        | 49.99%                       |
| 8       | Bhagyanagar Gas Limited                      | Joint Venture | 48.73%                        | 48.73%                       |
| 9       | Maharashtra Natural Gas Limited              | Joint Venture | 22.50%                        | 22.50%                       |
| 10      | Central UP Gas Limited                       | Joint Venture | 25.00%                        | 25.00%                       |
| 11      | Green Gas Limited                            | Joint Venture | 49.98%                        | 49.98%                       |
| 12      | Indradhanush Gas Grid Limited                | Joint Venture | 20.00%                        | 20.00%                       |
| 13      | Talcher Fertilizers Limited                  | Joint Venture | 33.33%                        | 33.33%                       |
| 14      | Vadodara Gas Limited*                        | Joint Venture | 50.00%                        | 50.00%                       |
| 15      | Tapi Pipeline Company Limited                | Joint Venture | 5.00%                         | 5.00%                        |
| 16      | Mahanagar Gas Limited                        | Associate     | 32.50%                        | 32.50%                       |
| 17      | Indraprastha Gas Limited                     | Associate     | 22.50%                        | 22.50%                       |
| 18      | Petronet LNG Limited                         | Associate     | 12.50%                        | 12.50%                       |
| 19      | Brahmaputra Cracker and Polymer Limited      | Associate     | 70.00%                        | 70.00%                       |
| 20      | ONGC Petro additions Limited **              | Associate     | 49.21%                        | 49.21%                       |
| 21      | Ramagundam Fertilizers and Chemicals Limited | Associate     | 14.72%                        | 14.72%                       |
| 22      | Fayum Gas Company                            | Associate     | 19.00%                        | 19.00%                       |
| 23      | China Gas Holdings Limited                   | Associate     | 2.76%                         | 2.71%                        |
| 24      | ONGC Tripura Power Company Ltd.              | Associate     | 26.00%                        | 26.00%                       |
| 25      | LLC Bharat Energy Office                     | Associate     | 20.00%                        | 20.00%                       |
| 26      | LNG Japonica Shipping Corporation Limited    | Associate     | 26.00%                        | 0.00%                        |

\* Including 17.07 % holding of GAIL Gas Limited

\*\* Holding on fully diluted basis is 7.56%

The Company's share in the Assets and Liabilities, Income and Expenditure for the year in respect of above Subsidiaries / Joint Ventures / Associates, based on Audited / Unaudited Financial Statements, as furnished by these companies, is as under:

| Sl. No.                            | Particulars                         | 2022-23          | 2021-22          |
|------------------------------------|-------------------------------------|------------------|------------------|
| <b>A. Summary of Balance Sheet</b> |                                     |                  |                  |
| 1                                  | <b>Assets</b>                       |                  |                  |
|                                    | Non-Current Assets                  | 39,800.86        | 37,205.60        |
|                                    | Current Assets                      | 11,832.77        | 10,193.74        |
|                                    | <b>Total</b>                        | <b>51,633.63</b> | <b>47,399.34</b> |
| 2                                  | <b>Liabilities &amp; Provisions</b> |                  |                  |
|                                    | Non-Current Liabilities             | 21,605.93        | 17,826.98        |
|                                    | Current Liabilities & Provisions    | 13,650.35        | 13,155.94        |
|                                    | <b>Total</b>                        | <b>35,256.28</b> | <b>30,982.92</b> |

| Sl. No.                                      | Particulars | 2022-23   | 2021-22   |
|--|-------------|-----------|-----------|
| <b>B. Summary of Profit and Loss Account</b> |             |           |           |
| 1  | Income      | 63,483.40 | 42,458.61 |
| 2  | Expenditure | 63,227.65 | 40,350.44 |
| <b>C. Contingent Liabilities (*)</b>         |             | 4,756.21  | 5,001.36  |

(\*) To the extent of information available with the Company

## II. Jointly Controlled Assets

- a) The Company has participating interest in blocks offered under New Exploration Licensing Policy (NELP) / Hydrocarbon Exploration Licensing Policy (HELP) in 10 Blocks (Previous Year: 9 Blocks) for which the Company has entered into Production Sharing Contract(s) (PSCs) / Revenue Sharing Contract (RSC), for NELP and HELP respectively, with Government of India along with other partners for exploration and production of oil and gas. The Company is operator in 3 Blocks i.e. CB-ONN-2010/11, CB-ONHP-2017/12 and RJ-ONHP-2021/1 and it is a Non-operating Partner in the remaining 7 blocks. The expenditure, income, assets and liabilities are shared by the Company based upon its Participating Interest(s) in PSC(s) / RSC of respective blocks.

Details of blocks as on 31<sup>st</sup> March, 2023 is as under:

| Sl. No. | Name of the E&P Block                    | Participating Interest | Remarks      |
|---------|--|------------------------|--------------|
| 1, 2    | CB-ONN-2000/1 & its Ring Fenced Contract | 50%                    | Non-Operator |
| 3       | AA-ONN-2002/1                            | 80%                    | Non-Operator |
| 4       | CB-ONN-2003/2                            | 20%                    | Non-Operator |
| 5       | CB-ONN-2010/11                           | 25%                    | Operator     |
| 6       | AA-ONN-2010/2                            | 20%                    | Non-Operator |
| 7       | GK-OSN-2010/1                            | 10%                    | Non-Operator |
| 8       | CB-ONN-2010/8                            | 25%                    | Non-Operator |
| 9       | CB-ONHP-2017/12                          | 100%                   | Operator     |
| 10      | RJ-ONHP-2021/1                           | 100%                   | Operator     |

- b) Apart from NELP/HELP blocks, the Company has farmed-in as a Non-operator in the following 3 blocks:

| Sl. No. | Name of the Block | Participating Interest |
|---------|-------------------|------------------------|
| 1       | A-1, Myanmar*     | 8.50 %                 |
| 2       | A-3, Myanmar*     | 8.50 %                 |
| 3       | CY-OS/2           | 25.00 %                |

\* In addition, the Company has 8.50% Participating Interest in "Shwe Offshore Pipeline" in Myanmar for the purpose of transportation of gas from the offshore delivery point to landfall point in Myanmar.

- c) The Company's share in the Assets, Liabilities, Income and Expenditure for the year in respect of jointly operated blocks has been incorporated in the Company's Financial Statements based upon unaudited Financial Statements submitted by the operator(s) and are as given below (Final adjustments are effected during the year in which audited financial statements are received):

(₹ in crore)

| Particulars   | 2022-23  | 2021-22  |
|---|----------|----------|
| Income  | 1,182.78 | 834.07   |
| Expenditure (including Depreciation and amortisation) | 688.34   | 515.23   |
| Profit Before Tax                                     | 494.44   | 318.84   |
| Total Comprehensive Income                            | 494.44   | 318.84   |
| Net Assets  | 1,533.68 | 1,324.74 |
| Liabilities   | 195.46   | 107.89   |

The above figures includes the following pertaining to 32 E&P blocks relinquished till 31<sup>st</sup> March 2023 (32 E&P blocks relinquished till 31<sup>st</sup> March 2022) where the Company was a non-operator.

(₹ in crore)

| Particulars   | 2022-23 | 2021-22 |
|---|---------|---------|
| Income  | -       | 1.17    |
| Expenditure (including Depreciation and amortisation) | 44.89   | 3.24    |
| Other Assets  | 3.32    | 3.32    |
| Liabilities   | 93.29   | 52.31   |

d) Share of Minimum Work Programme committed under various Production Sharing Contracts / Revenue Sharing Contract in respect of E&P Joint Ventures is ₹ 114.93 crore (Previous Year ₹ 63.59 crore)

e) **Quantitative Information:**

i) **Details of the Company's Share of Production of Crude Oil and Natural Gas during the year ended 31<sup>st</sup> March 2023:**

**Crude Oil Blocks CB-ONN-2000/1 & CB-ONN-2003/2 & CB-ONN-2000/1 (RFC):**

| Particulars                             | Opening Stock |              | Production (Treated & Processed Crude) |              | Sales    |              | Closing Stock |              |
|---|---------------|--------------|--|--------------|----------|--------------|---------------|--------------|
|   | Qty.          | Value        | Qty.                                   | Value*       | Qty.     | Value        | Qty.          | Value        |
| Crude Oil                               | (MT)          | (₹ in crore) | (MT)                                   | (₹ in crore) | (MT)     | (₹ in crore) | (MT)          | (₹ in crore) |
| Year ended 31 <sup>st</sup> March, 2023 | 215.68        | 0.70         | 6,293.76                               | -            | 5,801.91 | 24.77        | 707.53        | 1.91         |
| Year ended 31 <sup>st</sup> March, 2022 | 300.05        | 0.38         | 5,610.43                               | -            | 5,694.80 | 18.70        | 215.68        | 0.70         |

\*Production value not provided by the operator

**Crude Oil Block CB-ONN-2010-11 (GAIL Operated):**

| Particulars                             | Opening Stock |              | Production (Treated & Processed Crude) |              | Sales + Internal Consumption |              | Closing Stock |              |
|---|---------------|--------------|--|--------------|------------------------------|--------------|---------------|--------------|
|   | Qty.          | Value        | Qty.                                   | Value*       | Qty.                         | Value        | Qty.          | Value        |
| Natural Gas                             | (MT)          | (₹ in crore) | (MT)                                   | (₹ in crore) | (MT)                         | (₹ in crore) | (MT)          | (₹ in crore) |
| Year ended 31 <sup>st</sup> March, 2023 | -             | -            | 7.47                                   | -            | -                            | -            | 7.47          | 0.12         |
| Year ended 31 <sup>st</sup> March, 2022 | -             | -            | -                                      | -            | -                            | -            | -             | -            |

**Natural Gas Blocks A-1 and A-3 (Myanmar)**

| Particulars                             | Opening Stock             |              | Production                |              | Sales + Internal Consumption |              | Closing Stock             |              |
|---|---------------------------|--------------|---------------------------|--------------|------------------------------|--------------|---------------------------|--------------|
|   | Qty.                      | Value        | Qty.                      | Value*       | Qty.                         | Value        | Qty.                      | Value        |
| Natural Gas                             | (Million M <sup>3</sup> ) | (₹ in crore) | (Million M <sup>3</sup> ) | (₹ in crore) | (Million M <sup>3</sup> )    | (₹ in crore) | (Million M <sup>3</sup> ) | (₹ in crore) |
| Year ended 31 <sup>st</sup> March, 2023 | 0.47                      | 0.47         | 475.63                    | -            | 475.63                       | 961.85       | 0.47                      | 0.48         |
| Year ended 31 <sup>st</sup> March, 2022 | 0.45                      | 0.35         | 451.73                    | -            | 451.71                       | 706.72       | 0.47                      | 0.47         |

\*Production value not provided by the operators.

ii). **Net Quantities of the Company's interest in proved reserves and proved developed reserves:**

| Particulars                   | Proved Reserves |         | Proved Developed Reserves |         |
|-------------------------------|-----------------|---------|---------------------------|---------|
|                               | 2022-23         | 2021-22 | 2022-23                   | 2021-22 |
| <b>Crude Oil (in '000 MT)</b> |                 |         |                           |         |
| Beginning of the year         | 120.51          | 87.80   | 120.51                    | 68.24   |
| Additions                     | -               | 38.32   |                           | 57.88   |

| Particulars                                   | Proved Reserves |                 | Proved Developed Reserves |                 |
|---|-----------------|-----------------|---------------------------|-----------------|
|   | 2022-23         | 2021-22         | 2022-23                   | 2021-22         |
| Deletion                                      |                 |                 |                           |                 |
| Production                                    | 6.29            | 5.61            | 6.29                      | 5.61            |
| Closing Balance                               | 114.22          | 120.51          | 114.22                    | 120.51          |
| <b>Natural Gas (in Million M<sup>3</sup>)</b> |                 |                 |                           |                 |
| <b>a) Myanmar</b>                             |                 |                 |                           |                 |
| Beginning of the year                         | 3,358.25        | 3,809.98        | 2,619.22                  | 3,070.96        |
| Additions                                     |                 |                 |                           | -               |
| Deletion                                      |                 |                 |                           | -               |
| Production                                    | 475.63          | 451.73          | 475.63                    | 451.73          |
| Closing Balance                               | 2,882.62        | 3,358.25        | 2,143.59                  | 2,619.22        |
| <b>b) India</b>                               |                 |                 |                           |                 |
| Beginning of the year                         | 1,812.28        | 1,812.28        | -                         | -               |
| Additions                                     | -               | -               | -                         | -               |
| Deletion                                      | -               | -               | -                         | -               |
| Production                                    | -               | -               | -                         | -               |
| Closing Balance                               | 1,812.28        | 1,812.28        | -                         | -               |
| <b>Closing Balance Total (a+b)</b>            | <b>4,694.90</b> | <b>5,170.53</b> | <b>2,143.59</b>           | <b>2,619.22</b> |

**Notes:**

- (i) The Company is a Non-operating partner in E&P blocks for which reserves are disclosed.
  - (ii) The initial oil and gas reserve assessment was made through an expert third party agency / internal expert assessment by respective operators of E&P blocks. The year-end oil reserves are estimated based on information obtained from operators / on the basis of depletion during the year. Re-assessment of oil and gas reserves carried out by the respective Operator as and when there is new significant data or discovery of hydrocarbon in the respective block.
  - (iii) E&P blocks are assessed individually for impairment.
- III The Company's share of balance cost recovery is ₹ 426.19 crore (Previous Year ₹ 352.36 crore) to be recovered from future revenues from E&P blocks having proved reserves as per production sharing contracts

**46 Accounting Standards - Impairment of Assets – Ind AS-36:**

In compliance of Ind AS-36, Impairment of Assets, the Company carried out assessments of impairment in respect of assets of GAIL Tel, and Right of Use (RoU) for Pipelines as on 31<sup>st</sup> March 2023:

- I. The Company reversed impairment loss of ₹ 4.26 crore against earlier provisions (Previous Year reversal of impairment loss ₹ 0.83 crore) in respect of assets of GAIL Tel.
- II. The Company accounted impairment loss of ₹ 0.72 crore (Previous Year reversal of impairment loss ₹ 0.87 crore) in respect of Plant and Machinery
- III. The Company conducted impairment study of RoUs for Pipelines in compliance to the provisions of Ind AS 36. There is no impairment loss found in respect of RoUs.

**47** In compliance of Ind AS 109 on Impairment of Financial Assets/ Expected Credit Loss (ECL) on Financial Guarantees, the Company has carried out an assessment in respect of its following investments/ Financial Guarantees as on 31<sup>st</sup> March 2023:

- I. During the year, based on fair valuation of investment in Tapi Pipeline Company Limited, the Company has made a provision for impairment of ₹ 55.38 crore (Previous Year: ₹ Nil). The Carrying Value of Company's investment in Tapi Pipeline Company Limited as on 31<sup>st</sup> March 2023 is ₹ nil (Previous Year: ₹ 55.38 crore).
- II. During the year, based on the fair valuation of GAIL Global USA Inc. (GGUI), the Company has provided for Expected Credit Loss of ₹ 46.62 crore (Previous Year: ₹ 169.58 crore) against Corporate Guarantee provided by the company on behalf of GGUI.

- 48 In compliance of Ind AS 37 on “Provisions, Contingent liabilities and Contingent Assets”, the required information on Provision for Probable Obligations is as under:

(₹ in crore)

| Provisions                      | Opening Balance | Addition during the year | Reversal/adjusted during the year | Closing Balance |
|---------------------------------|-----------------|--------------------------|-----------------------------------|-----------------|
|                                 |                 | (incl. OCI)              | (incl. OCI)                       |                 |
| Indirect Tax                    | 313.09          | 17.26                    | -                                 | 330.35          |
| Employee Benefit                | 708.88          | 173.86                   | 37.22                             | 845.52          |
| Liability for Abandonment Costs | 1.41            | 0.53                     | -                                 | 1.94            |
| Legal & Arbitration Cases       | 486.89          | 37.84                    | 9.89                              | 514.84          |
| <b>Total</b>                    | <b>1,510.27</b> | <b>229.49</b>            | <b>47.11</b>                      | <b>1,692.65</b> |

#### 49 Unhedged Foreign Currency Exposure:

(₹ in crore)

| Particulars   | Currencies | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
|---|------------|------------------------------|------------------------------|
| Borrowings, including interest accrued but not due* | USD        | -                            | 0.03                         |
| Trade Payables / Deposits and Retention Amount      | USD        | 3,534.19                     | 3,410.50                     |
|   | EURO       | 9.63                         | 0.52                         |
|   | Others     | 28.78                        | 1.48                         |
|   |            |                              |                              |
| Trade / Other Receivables and Bank Balances         | USD        | 581.49                       | 839.68                       |
|   | EURO       | 1.14                         | -                            |
|   | Others     | 0.06                         | 0.35                         |
| Unexecuted amount of contracts                      | USD        | 410.00                       | 166.69                       |
|   | EURO       | 1,019.90                     | 42.67                        |
|   | Others     | 127.32                       | 84.46                        |
| Loan Receivable from SEAGP                          | USD        | -                            | 36.52                        |
| Capital Contribution Receivable from SEAGP          | USD        | 96.53                        | 109.09                       |

\*excludes amount which is naturally hedged against foreign currency inflows.

- 50 Details of Loans, Investments, Guarantees and Securities given by the Company covered u/s 186 (4) of the Companies Act 2013:

- I. Investments made and Loans given are disclosed under the respective notes No 5 & 7.
- II. (a) Corporate Guarantees given by the Company on behalf of its Subsidiaries/ JVs/ Associates in respect of loans are as under:

(₹ in crore)

| Sl. No. | Name of the Company                  | As at 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2022 |
|---------|--------------------------------------|------------------------------------|------------------------------------|
| 1       | GAIL Gas Limited                     | 1,500.00                           | 1,500.00                           |
| 2       | Brahmaputra Cracker and Polymer Ltd. | -                                  | 652.34                             |
| 3       | GAIL Global Singapore Pte Ltd.       | 1,241.10                           | 1,142.55                           |
| 4       | GAIL Global (USA) Inc.               | 579.18                             | 533.19                             |
| 5       | GAIL Global (USA) LNG LLC            | 744.66                             | 533.19                             |
| 6       | Indradhanush Gas Grid Limited        | 518.80                             | -                                  |
|         | <b>Total</b>                         | <b>4,583.74</b>                    | <b>4,361.27</b>                    |

b) Corporate Guarantees given by the Company on behalf of its Subsidiaries in respect of non-fund based facilities are as under:

(₹ in crore)

| Sl. No. | Name of the Company                   | As at 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2022 |
|---------|---------------------------------------|------------------------------------|------------------------------------|
| 1       | GAIL Gas Limited                      | 2,832.00                           | 5,951.99                           |
| 2       | GAIL Global Singapore Pte Ltd.        | 1,654.80                           | 571.28                             |
| 3       | GAIL Global (USA) LNG LLC             | 8,142.52                           | 6,970.03                           |
| 4       | LNG Japonica Shipping Corporation Ltd | 419.24                             | -                                  |
|         | <b>Total</b>                          | <b>13,048.56</b>                   | <b>13,493.30</b>                   |

III. There is no security provided by the Company.

**51** Interest free advance has been given to M/s. Petronet LNG Ltd. (PLL) for booking of regasification capacity to the tune of ₹ 561.80 crore during FY 2014-15 & FY 2015-16 in two equal tranches. The said advance is to be adjusted within 15 years against regasification invoices of PLL. Out of above advance, PLL has adjusted ₹ 38.2 crore during the year (Previous Year: ₹ 38.2 crore). Balance amount of ₹ 324.63 crore during the year (Previous Year: ₹ 362.83 crore) has been accounted as advance in Note No 12 and 12A.

**52** In some cases, the Company has received intimation from Micro and Small Enterprises regarding their status under "The Micro, Small and Medium Enterprises Development Act, 2006". As per practice, the payment to all suppliers has been made within 7 -10 days of receipt of valid invoice.

(₹ in crore)

| Particulars   | FY 2022-23 | FY 2021-22 |
|---|------------|------------|
| <b>Amount due and Payable at the year end</b>           |            |            |
| - Principal*  | 337.10     | 292.37     |
| - Interest on above Principal                           | -          | -          |
| <b>Payments made during the year after the due date</b> |            |            |
| - Principal   | -          | -          |
| - Interest  | -          | -          |
| Interest due and payable for principals already paid    | -          | -          |
| Total Interest accrued and remained unpaid at year end  | -          | -          |

\*Includes Liabilities and Provisions etc.

**53** Cabinet Committee on Economic Affairs (CCEA), Government of India in its meeting held on 21<sup>st</sup> September 2016 approved 40% capital grant of estimated capital cost of ₹ 12,940 crore i.e. ₹ 5,176 crore to the Company for execution of Jagdishpur Haldia Bokaro Dhamra Pipeline Project (JHBDPL).

The Company has received ₹ 4,926.29 crore (Previous year ₹ 4,926.29 crore) towards Capital Grant till 31<sup>st</sup> March 2023. During the year, the Company has amortised the capital grant amounting ₹ 100.67 crore (Previous Year: ₹ 68.8 crore) based on the useful life of the asset capitalized.

## 54 Financial Risk Management:

The company is exposed to a number of financial risks arising from natural business exposures as well as its use of financial instruments. This includes risks relating to commodity prices, foreign currency exchange, interest rates, credit and liquidity.

### I. Market Risk

Market risk is a risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk, foreign currency risk, equity price risk and commodity price risk. Financial instruments affected by market risk includes Loans, Borrowings, Deposits and Derivative Instruments.

#### (a) Interest Rate Risk

Interest rate risk is a risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the long-term domestic rupee term loans with floating interest rates. The Company manages its interest rate risk according to its Board approved Foreign Currency and Interest Rate Risk Management Policy. Market interest rate risk is mitigated by hedging through appropriate derivatives products such as interest rate swaps & full currency swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

#### Interest Rate Sensitivity

With all other variables held constant, the following table demonstrates the sensitivity to a reasonably possible change in interest rates on floating rate portion of forex loans and borrowings outstanding as on 31<sup>st</sup> March 2023, after considering the impact of swap contracts.

| Particulars                              | 31 <sup>st</sup> March, 2023 |        | 31 <sup>st</sup> March, 2022 |        |
|--|------------------------------|--------|------------------------------|--------|
|  | US Dollar (LIBOR)*           | Others | US Dollar (LIBOR)            | Others |
| Increase/decrease (in Basis Points)      | 10                           | -10    | +10                          | -10    |
| Effect on Profit Before Tax (₹ in crore) | -                            | -      | -0.01                        | 0.01   |

\*LIBOR- London Interbank Offer Rate

With all other variables held constant, the following table demonstrates the sensitivity to a reasonably possible change in interest rates on floating rate portion of INR loans and borrowings outstanding as on 31<sup>st</sup> March 2023, after considering the impact of swap contracts.

| Particulars                              | 31 <sup>st</sup> March, 2023   |       |        | 31 <sup>st</sup> March, 2022   |       |        |
|--|--------------------------------|-------|--------|--------------------------------|-------|--------|
|  | Interest Rate (RBI REPO Rate)* |       | Others | Interest Rate (RBI REPO Rate)* |       | Others |
| Increase/decrease (in Basis Points)      | +10                            | -10   | Nil    | +10                            | -10   | Nil    |
| Effect on Profit Before Tax (₹ in crore) | -7.32                          | +7.32 |        | -4.83                          | +4.83 |        |

With all other variables held constant, the following table demonstrates the sensitivity to a reasonably possible change in interest rates on Corporate Linked Term Deposit Scheme (CLTD) outstanding as on 31<sup>st</sup> March, 2022 which are linked with Mumbai Interbank Offer Rate (MIBOR):

| Particulars                              | 31 <sup>st</sup> March, 2023 |       |        | 31 <sup>st</sup> March, 2022 |      |        |
|--|------------------------------|-------|--------|------------------------------|------|--------|
|  | INR (MIBOR)                  |       | Others | INR (MIBOR)                  |      | Others |
| Increase/decrease in (MIBOR) by 100 bps  | +100                         | -100  | Nil    | +100                         | -100 | Nil    |
| Effect on profit before Tax (₹ in crore) | +0.77                        | -0.77 |        | 4.7                          | -4.7 |        |

#### b) Foreign Currency Risk

Foreign currency risk is a risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company transacts business in local currency and foreign currency, primarily US Dollars. Company has obtained foreign currency loans and has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk. As per its Board approved policy, Company may mitigate its foreign currency risk through plain vanilla derivative products such as foreign exchange option contracts, swap contracts and forward contracts for hedging such risks. These foreign exchange contracts, carried at fair value, may have varying maturities depending upon the underlying contract requirement and risk management strategy of the Company.

#### Foreign Currency Sensitivity

The following table demonstrates the sensitivity in the USD, EURO, and other currencies to the functional currency of the Company, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including foreign currency derivatives.

| Particulars                              | 31 <sup>st</sup> March, 2023 |        |                  |        | 31 <sup>st</sup> March, 2022 |        |                  |       |
|--|------------------------------|--------|------------------|--------|------------------------------|--------|------------------|-------|
|  | USD                          |        | Other Currencies |        | USD                          |        | Other Currencies |       |
| Increase/decrease in Exchange Rate (%)   | 1%                           | -1%    | 1%               | -1%    | 1%                           | -1%    | 1%               | -1%   |
| Effect on Profit Before Tax (₹ in crore) | -32.66                       | +32.66 | -11.84           | +11.84 | -25.92                       | +25.92 | -1.29            | +1.29 |

#### c) Commodity Price Risk

The Company imports LNG for marketing and its internal consumption on an on-going basis and is not exposed to the price risk to the extent it has contracted with customers in India and overseas on back to back basis. However, the Company is exposed to the price risk on the volume which is not contracted on back to back basis. As most of the LNG purchase and sales contracts are based on natural gas or crude based index, such price risk arises out of the volatility in these indices. In order to mitigate this index linked price risk, the Company has been taking appropriate derivative products in line with the Board approved 'Natural Gas Price Risk Management Policy'.

#### d) Equity Price Risk

The Company's investment in listed and unlisted equity instruments are subject to market price risk arising from uncertainties about future values of these investments. The Company manages the equity price risk through review of investments on a regular basis. The Company's Board of Directors reviews and approves all the equity investment decisions of the Company.

At the reporting date, the exposure to unlisted equity investments at fair value was ₹ 280.78 crore (Previous Year: ₹ 233.42 crore).

At the reporting date, the exposure to listed equity investments at fair value was ₹ 4662.74 crore (Previous Year: ₹ 5058.89 crore). A variation of (+/-) 10% in share price of equity investments listed on the stock exchange could have an impact of approximately (+/-) ₹ 466.27 crore (Previous Year ₹ 505.89 crore) on the OCI and equity investments of the Company. These changes would not have an effect on profit or loss.

## II. Liquidity Risk

Liquidity risk is a risk that suitable sources of funding for Company's business activities may not be available. The Company's objective is to maintain optimum level of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It also maintains adequate sources to finance its short term and long term fund requirements such as overdraft facility and long term borrowing through domestic and international market.



**Liquidity Risk - Maturity Profile as on 31<sup>st</sup> March 2023**

(₹ in crore)

| Particulars                               | On Demand       | Less than 3 months | 3 to 12 months  | >1 to 5 years   | > 5 years       | Total            |
|---|-----------------|--------------------|-----------------|-----------------|-----------------|------------------|
| Borrowings (Non-current)                  | -               | -                  | -               | 6,735.00        | 1,102.08        | 7,837.08         |
| Borrowings (Current)                      | 4,502.00        | 12.50              | 1,957.16        | -               | -               | 6,471.66         |
| Trade Payables                            | -               | 7,299.25           | -               | -               | -               | 7,299.25         |
| Other Financial Liabilities (Current)     | -               | 3,687.74           | -               | -               | -               | 3,687.74         |
| Other Financial Liabilities (Non-Current) | -               | -                  | -               | 732.80          | -               | 732.80           |
| <b>Total</b>                              | <b>4,502.00</b> | <b>10,999.49</b>   | <b>1,957.16</b> | <b>7,467.80</b> | <b>1,102.08</b> | <b>26,028.53</b> |

**Liquidity Risk - Maturity Profile as on 31<sup>st</sup> March, 2022**

(₹ in crore)

| Particulars                               | On Demand     | Less than 3 months | 3 to 12 months  | >1 to 5 years   | > 5 years       | Total            |
|---|---------------|--------------------|-----------------|-----------------|-----------------|------------------|
| Borrowings (Non-current)                  | -             | -                  | -               | 3,436.34        | 1,393.75        | 4,830.09         |
| Borrowings (current)                      | 400.00        | 28.34              | 1,094.33        | -               | -               | 1,522.67         |
| Trade Payables                            | -             | 5,465.97           | -               | -               | -               | 5,465.97         |
| Other Financial Liabilities (Current)     | -             | 3,926.31           | -               | -               | -               | 3,926.31         |
| Other Financial Liabilities (Non-Current) | -             | -                  | -               | 691.53          | -               | 691.53           |
| <b>Total</b>                              | <b>400.00</b> | <b>9,420.62</b>    | <b>1,094.33</b> | <b>4,127.87</b> | <b>1,393.75</b> | <b>16,436.57</b> |

**III. Credit Risk**

Credit risk is a risk that a customer or ship party to a financial instrument may fail to perform or pay the due amounts causing financial loss to the Company. It is considered as a part of the risk-reward balance of doing business and is considered on entering into any business contract to the extent to which the arrangement exposes the Company to credit risk. It may arise from Cash and Cash Equivalents, Derivative Financial Instruments, deposits with financial institutions and mainly from credit exposures to customers relating to outstanding receivables. Credit exposure also exists in relation to guarantees issued by the Company. Each segment is responsible for its own credit risk management and reporting.

The Company has issued Corporate Guarantees on behalf of its group companies, refer note no. 50 (II) for details.

**Trade Receivables**

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and controls relating to customer credit risk management. Outstanding receivables from customers are regularly monitored. An impairment analysis is performed at each reporting date on an individual basis for major clients.

**Trade Receivables Ageing Schedule:****Non-Current Trade Receivables Ageing Schedule as on 31<sup>st</sup> March, 2023:**

(₹ in crore)

| Particulars   | Outstanding for following periods from due date of payment |                  |              |              |                   | Total           |
|---|--|------------------|--------------|--------------|-------------------|-----------------|
|   | Less than 6 Months   | 6 Months- 1 Year | 1-2 Years    | 2-3 Years    | More than 3 years |                 |
| (i) Undisputed Trade Receivable - Considered Good     | -  | -                | -            | -            | -                 | -               |
| (ii) Undisputed Trade Receivable- Considered doubtful | -  | -                | -            | -            | -                 | -               |
| (iii) Disputed Trade Receivable- Considered good      | 2.47   | -                | 94.06        | 45.84        | 901.91            | 1,044.28        |
| (iv) Disputed Trade Receivable- Considered doubtful   | 1.26   | 7.63             | 4.61         | 3.37         | 595.11            | 611.98          |
| <b>Sub-total</b>                                      | <b>3.73</b>  | <b>7.63</b>      | <b>98.67</b> | <b>49.21</b> | <b>1,497.02</b>   | <b>1,656.26</b> |
| Less: Provision for Expected Credit Loss              |  |                  |              |              |                   | (611.98)        |
| <b>Net Amount</b>                                     | <b>3.73</b>  | <b>7.63</b>      | <b>98.67</b> | <b>49.21</b> | <b>1,497.02</b>   | <b>1,044.28</b> |

**Non-Current Trade Receivables Ageing Schedule as on 31<sup>st</sup> March, 2022:**

(₹ in crore)

| Particulars   | Outstanding for following periods from due date of payment |                 |              |               |                   | Total           |
|---|--|-----------------|--------------|---------------|-------------------|-----------------|
|   | Less than 6 Months   | 6 Months-1 Year | 1-2 Years    | 2-3 Years     | More than 3 years |                 |
| (i) Undisputed Trade Receivable - Considered Good     | -  | -               | -            | -             | -                 | -               |
| (ii) Undisputed Trade Receivable- Considered doubtful | -  | -               | -            | -             | -                 | -               |
| (iii) Disputed Trade Receivable- Considered good      | 0.37   | 20.40           | 29.38        | 115.73        | 883.73            | 1,049.61        |
| (iv) Disputed Trade Receivable- Considered doubtful   | 7.84   | 2.40            | 48.23        | 0.68          | 549.62            | 608.77          |
| <b>Sub-total</b>                                      | <b>8.21</b>  | <b>22.80</b>    | <b>77.61</b> | <b>116.41</b> | <b>1,433.35</b>   | <b>1,658.38</b> |
| Less: Provision for Expected Credit Loss              |  |                 |              |               |                   | (608.77)        |
| <b>Net Amount</b>                                     | <b>8.21</b>  | <b>22.80</b>    | <b>77.61</b> | <b>116.41</b> | <b>1,433.35</b>   | <b>1,049.61</b> |

**Current Trade Receivables Ageing Schedule as on 31<sup>st</sup> March, 2023:**

(₹ in crore)

| Particulars   | Outstanding for following periods from due date of payment # |                 |           |              |                   | Total            |
|---|--|-----------------|-----------|--------------|-------------------|------------------|
|   | Less than 6 Months   | 6 Months-1 Year | 1-2 Years | 2-3 Years    | More than 3 years |                  |
| (i) Undisputed Trade Receivable- Considered Good      | 10,365.66  | 81.97           | -         | 24.88        | -                 | 10,472.51        |
| (ii) Undisputed Trade Receivable- Considered doubtful | -  | -               | -         | -            | -                 | -                |
| (iii) Disputed Trade Receivable- Considered good      | -  | -               | -         | -            | -                 | -                |
| (iv) Disputed Trade Receivable- Considered doubtful   | -  | -               | -         | -            | -                 | -                |
| <b>Sub-total</b>                                      | <b>10,365.66</b>   | <b>81.97</b>    | <b>-</b>  | <b>24.88</b> | <b>-</b>          | <b>10,472.51</b> |
| Less: Provision for Expected Credit Loss              |  |                 |           |              |                   | (106.21)         |
| <b>Net Amount</b>                                     | <b>10,365.66</b>   | <b>81.97</b>    | <b>-</b>  | <b>24.88</b> | <b>-</b>          | <b>10,366.30</b> |

**Current Trade Receivables Ageing Schedule as on 31<sup>st</sup> March, 2022:**

(₹ in crore)

| Particulars   | Outstanding for following periods from due date of payment # |                 |           |              |                   | Total           |
|---|--|-----------------|-----------|--------------|-------------------|-----------------|
|   | Less than 6 Months   | 6 Months-1 Year | 1-2 Years | 2-3 Years    | More than 3 years |                 |
| (i) Undisputed Trade Receivable- Considered Good      | 7,371.74   | -               | -         | 13.40        | 27.57             | 7,412.71        |
| (ii) Undisputed Trade Receivable- Considered doubtful | -  | -               | -         | -            | -                 | -               |
| (iii) Disputed Trade Receivable- Considered good      | -  | -               | -         | -            | -                 | -               |
| (iv) Disputed Trade Receivable- Considered doubtful   | -  | -               | -         | -            | -                 | -               |
| <b>Sub-total</b>                                      | <b>7,371.74</b>  | <b>-</b>        | <b>-</b>  | <b>13.40</b> | <b>27.57</b>      | <b>7,412.71</b> |
| Less: Provision for Expected Credit Loss              |  |                 |           |              |                   | (96.33)         |
| <b>Net Amount</b>                                     | <b>7,371.74</b>  | <b>-</b>        | <b>-</b>  | <b>13.40</b> | <b>27.57</b>      | <b>7,316.38</b> |

**Expected Credit Loss**

The following table summarizes the changes in the allowances for doubtful accounts for trade receivables:

(₹ in crore)

| Particulars  | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
|--|------------------------------|------------------------------|
| Start of the year  | 705.10                       | 651.62                       |
| Provision for Impairment / (Reversal)                    |                              |                              |
| Receivables written off during the year as uncollectible | 13.09                        | 50.66                        |
| Unused amounts reversed                                  |                              |                              |
| Other Provisions   | -                            | 2.82                         |
| <b>End of year</b>                                       | <b>718.19</b>                | <b>705.10</b>                |

**Financial Instruments and Cash Deposits**

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with approved limits of its empanelled banks, for the purpose of investment of surplus funds and foreign exchange transactions. Foreign exchange transaction and investments of surplus funds are made only with empanelled Banks and Liquid & Overnight Mutual Funds. Credit limits of all Banks are reviewed by the Management on regular basis.

**IV. Capital Management**

Capital includes issued capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders, or issue new shares. No changes were made in the objectives, policies or processes during the reporting year.

**55 Accounting Classifications and Fair Value Measurements:**

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

**Level 1:** quoted (unadjusted) prices in active markets for identical assets or liabilities

**Level 2:** other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

**Level 3:** technique which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

As at **31<sup>st</sup> March, 2023**, the Company held the following financial instruments carried at fair value on the statement of financial position:

(₹ in crore)

| Particulars  | Carrying Amount              | Fair value |         |          |
|--|------------------------------|------------|---------|----------|
|  | 31 <sup>st</sup> March, 2023 | Level 1    | Level 2 | Level 3  |
| <b>Financial assets at amortised cost:</b>                             |                              |            |         |          |
| <b>Non-current</b>   |                              |            |         |          |
| Loans  | 3,317.06                     | -          | -       | 3,317.06 |
| <b>Current</b>   |                              |            |         |          |
| Loans  | 67.72                        | -          | -       | 67.72    |
| <b>Financial assets at fair value through profit and loss account:</b> |                              |            |         |          |
| <b>Non-current</b>   |                              |            |         |          |
| Derivative Instrument – Borrowing INR/USD Swap                         | 45.72                        | -          | -       | 45.72    |
| Embedded Derivative Instruments  | 0.52                         |            | 0.52    |          |
| <b>Current</b>   |                              |            |         |          |
| Derivative Instrument – Borrowing INR/USD Swap                         | 7.48                         | -          | -       | 7.48     |
| Embedded Derivative Instruments  | 0.52                         |            | 0.52    |          |

| Particulars  | Carrying Amount              | Fair value |         |          |
|--|------------------------------|------------|---------|----------|
|  | 31 <sup>st</sup> March, 2023 | Level 1    | Level 2 | Level 3  |
| <b>Financial assets at fair value through other comprehensive income:</b>      |                              |            |         |          |
| <b>Non-Current</b>   |                              |            |         |          |
| Derivative Instruments – Commodity   | 455.50                       |            | 455.50  |          |
| Investments  | 4,943.51                     | 4,662.74   | -       | 280.77   |
| <b>Current</b>   |                              |            |         |          |
| Derivative Instruments – Commodity   | 467.61                       |            | 467.61  |          |
| Financial liabilities at amortised cost:                                       |                              |            |         |          |
| <b>Non-current</b>   |                              |            |         |          |
| Interest-bearing loans and borrowings:   |                              |            |         |          |
| Fixed  | 2,343.75                     |            |         | 2,306.55 |
| Floating   | 5,493.33                     |            |         | 5,493.33 |
| <b>Current</b>   |                              |            |         |          |
| Interest-bearing loans and borrowings:   |                              |            |         |          |
| Fixed  | 146.32                       |            |         | 147.20   |
| Floating   | 1,823.33                     |            |         | 1,823.33 |
| <b>Financial liabilities at fair value through Other Comprehensive Income:</b> |                              |            |         |          |
| <b>Current</b>   |                              |            |         |          |
| Derivative Instruments – Commodity   | 265.68                       |            | 265.68  |          |

**Note:**

- The carrying cost of Interest bearing Loans & Borrowings is approximately equal to their Fair Market Value.
- The carrying amount of trade receivables, cash and cash equivalents, other bank balance, others receivables, trade payables, interest accrued and due, other payables and other financial liabilities are considered to be same as their fair value due to their short term nature.
- With respect to loans, the fair value was calculated based on cash flows discounted using the current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

As at **31<sup>st</sup> March, 2022** the Company held the following financial instruments carried at fair value on the statement of financial position:

(₹ in crore)

| Particulars  | Carrying Amount              | Fair value |         |          |
|--|------------------------------|------------|---------|----------|
|  | 31 <sup>st</sup> March, 2022 | Level 1    | Level 2 | Level 3  |
| <b>Financial assets at amortised cost:</b>                             |                              |            |         |          |
| <b>Non-current</b>   |                              |            |         |          |
| Loans  | 3,129.72                     | -          | -       | 3,129.72 |
| <b>Current</b>   |                              |            |         |          |
| Loans  | 99.11                        | -          | -       | 99.11    |
| <b>Financial assets at fair value through profit and loss account:</b> |                              |            |         |          |
| <b>Non-current</b>   |                              |            |         |          |
| Derivative Instruments – Borrowing                                     | 3.25                         | -          | 3.25    | -        |
| <b>Current</b>   |                              |            |         |          |
| Derivative Instruments – Borrowing                                     | 6.50                         | -          | 6.50    | -        |

| Particulars  | Carrying Amount              | Fair value |                 |                 |
|--|------------------------------|------------|-----------------|-----------------|
|  | 31 <sup>st</sup> March, 2022 | Level 1    | Level 2         | Level 3         |
| <b>Financial assets at fair value through other comprehensive income:</b>      |                              |            |                 |                 |
| <b>Non-Current</b>   |                              |            |                 |                 |
| <b>Derivative Instruments – Commodity</b>                                      | <b>1,014.10</b>              |            | <b>1,014.10</b> |                 |
| Embedded Derivative Instruments  | 0.76                         |            | 0.76            |                 |
| Investments  | 5,292.31                     | 5,058.89   | -               | 233.42          |
| <b>Current</b>   |                              |            |                 |                 |
| Derivative Instruments – Borrowing   | 0.08                         | -          | 0.08            | -               |
| Derivative Instruments – Commodity   | <b>842.82</b>                | -          | <b>842.82</b>   | -               |
| Financial liabilities at amortised cost:                                       |                              |            |                 |                 |
| <b>Non-current</b>   |                              |            |                 |                 |
| Interest-bearing loans and borrowings:   |                              |            |                 |                 |
| Fixed  | 913.42                       | -          | -               | 922.97          |
| Floating   | <b>3,916.67</b>              | -          | -               | <b>3,916.67</b> |
| <b>Current</b>   |                              |            |                 |                 |
| Interest-bearing loans and borrowings:   |                              |            |                 |                 |
| Fixed  | <b>177.66</b>                | -          | -               | <b>180.53</b>   |
| Floating   | <b>945.01</b>                | -          | -               | <b>945.01</b>   |
| <b>Financial liabilities at fair value through Profit and loss account:</b>    |                              |            |                 |                 |
| <b>Non-current</b>   |                              |            |                 |                 |
| Derivative Instrument – Borrowing INR/USD Swap                                 | 4.70                         |            | 4.70            |                 |
| <b>Current</b>   |                              |            |                 |                 |
| Derivative Instruments – Borrowing   | <b>1.00</b>                  | -          | <b>1.00</b>     | -               |
| Derivative Instrument – Borrowing INR/USD Swap                                 | 0.58                         | -          | 0.58            | -               |
| <b>Financial liabilities at fair value through Other Comprehensive Income:</b> |                              |            |                 |                 |
| <b>Current</b>   |                              |            |                 |                 |
| Derivative Instruments – Borrowing   | <b>0.07</b>                  | -          | <b>0.07</b>     | -               |
| Derivative Instruments – Commodity   | <b>510.37</b>                | -          | <b>510.37</b>   | -               |

**Note:**

- i) The carrying cost of Interest-bearing loans & borrowings is approximately equal to their Fair Market Value.
- ii) The carrying amount of trade receivables, cash and cash equivalents, other bank balance, others receivables, trade payables, interest accrued and due, other payables and other financial liabilities are considered to be same as their fair value due to their short term nature.
- iii) With respect to loans, the fair value was calculated based on cash flows discounted using the current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**Description for significant unobservable inputs to valuation:**

The following table shows the valuation techniques and inputs used for financial instruments:

| Particulars | As at 31 <sup>st</sup> March, 2023                            | As at 31 <sup>st</sup> March, 2022 |
|-------------|---|------------------------------------|
| Investments | Discounted Cash flow method using risk adjusted discount rate |                                    |

The following table shows a reconciliation of opening balances to the closing balances for Level 3 fair values:

(₹ in crore)

| Particulars   | FY 2022-23    | FY 2021-22    |
|---|---------------|---------------|
| <b>Balance as at the beginning of the year</b>                        | <b>233.42</b> | <b>255.47</b> |
| <b>Add:</b> Additional investment during the year                     | 9.05          | 14.66         |
| <b>Add:</b> Fair Value gain recognized in Other Comprehensive Income  | 38.97         | 2.16          |
| <b>Less:</b> Fair Value loss recognized in Other Comprehensive Income | 0.67          | 26.22         |
| <b>Less:</b> Sale of Investments during the year                      | -             | 12.65         |
| <b>Balance as at the end of the year</b>                              | <b>280.77</b> | <b>233.42</b> |

## 56 Hedging Activities and Derivatives:

### Derivatives not designated as Hedging Instruments:

The Company uses forward currency contracts, interest rate swaps, cross currency interest rate swaps, commodity swap contracts to hedge its foreign currency risks, interest rate risks and commodity price risks. Derivative contracts not designated by management as hedging instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value on each reporting date. Such contracts are entered into for periods consistent with exposure of the underlying transactions.

### Derivatives designated as Hedging Instruments:

#### Cash Flow Hedges

The Company enters into hedging instruments in accordance with policies as approved by the Board of Directors with written principles which is consistent with the risk management strategy of the Company. Company has decided to apply hedge accounting for certain derivative contracts that meets the qualifying criteria of hedging relationship entered into post October 01, 2017.

#### Foreign Currency Risk

Foreign exchange forward contracts are designated as hedging instruments in cash flow hedges of firm commitment of capital purchases in USD and existing borrowings e.g. USD / Japanese Yen etc.

#### Commodity Price Risk

The Company purchases and sells natural gas / liquefied petroleum gas on an ongoing basis as its operating activities. The significant volatility in natural gas / liquefied petroleum gas prices over the years has led to Company's decision to enter into hedging instruments through swap transactions including basis swaps. These contracts are designated as hedging instruments in cash flow hedges of forecasted sales and purchases of natural gas / liquefied petroleum gas.

The table below shows the position of hedging instruments and hedged items (underlying) as at the balance sheet date.

### Details relating to Hedging Instrument for March 2023:

Dr (+) / Cr (-) for OCI

| Cash Flow Hedge  | Nominal amount / Qty of the hedging instrument          | Carrying amount of hedging instrument |                             | Changes in fair value | Line item in balance sheet where hedging instrument is disclosed   |
|--|---|---------------------------------------|-----------------------------|-----------------------|--|
|  |   | Asset<br>(₹ in crore)                 | Liabilities<br>(₹ in crore) |                       |  |
| <b>Commodity Price Risk</b>  |   |                                       |                             |                       |  |
| Commodity Swap - Forecasted Purchase & Sale of Natural Gas / Liquefied Petroleum Gas | MMBTU<br>2,57,65,737<br>Barrels 68,10,990<br>& MT 5,000 | 923.10                                | 265.68                      | (689.14)              | Other Financial Assets – Non Current & Current (Note 8 & 8A) and Other Financial Liabilities – Non Current & Current (Note 16 & 16A) |

## Details relating to Hedged Item for March, 2023:

(₹ in crore)

|   | Change in Fair Value | Balance in Cash Flow Hedge Reserve |                              |               |
|---|----------------------|------------------------------------|------------------------------|---------------|
|   |                      | For continuing hedges              | For hedges no longer applied | Total balance |
| <b>Commodity Price Risk</b>   |                      |                                    |                              |               |
| Highly probable forecasted Sale and Purchase of Natural Gas / Liquefied Petroleum Gas | 689.14               | (657.42)                           | -                            | (657.42)      |

## Details relating to Hedging Instrument for March, 2022:

Dr (+) / Cr (-) for OCI

| Cash Flow Hedge  | Nominal amount / Qty of the hedging instrument           | Carrying amount of hedging instrument |              | Changes in fair value | Line item in balance sheet where hedging instrument is disclosed   |
|--|--|---------------------------------------|--------------|-----------------------|--|
|  |  | Asset                                 | Liabilities  |                       |  |
|  |  | (₹ in crore)                          | (₹ in crore) |                       |  |
| <b>Foreign Currency Risk</b>                               |  |                                       |              |                       |  |
| Forward contracts – Borrowings                             | USD<br>3,716,610.36                                      | (0.27)                                | 0.43         | 0.11                  | Assets- Non Current Assets- Other Financial Assets- Current<br><br>Liabilities- Non Current liabilities- Other Financial Liabilities- Current (Note 16A) |
| <b>Commodity Price Risk</b>                                |  |                                       |              |                       |  |
| Commodity Swap - Forecasted Purchase & Sale of Natural Gas | MMBTU<br>1,48,26,127,<br>Barrels 76,07,543<br>& MT 7,500 | 1,856.92                              | 510.37       | 890.90                | Other Financial Assets – Non Current & Current (Note 8 & 8A) and Other Financial Liabilities – Non Current & Current (Note 16 & 16A)                     |

## Details relating to Hedging Item for March, 2022:

Dr (+) / Cr (-) for OCI

(₹ in crore)

|   | Change in fair value | Balance in Cash Flow Hedge Reserve |                              |               |
|---|----------------------|------------------------------------|------------------------------|---------------|
|   |                      | For continuing hedges              | For hedges no longer applied | Total balance |
| <b>Foreign Currency Risk</b>  |                      |                                    |                              |               |
| Borrowings  | 2.08                 | (0.02)                             | -                            | (0.02)        |
| <b>Commodity Price Risk</b>   |                      |                                    |                              |               |
| Highly probable forecasted Sale and Purchase of Natural Gas / Liquefied Petroleum Gas | (890.90)             | (1,346.55)                         | -                            | (1,346.55)    |

**Reconciliation of Cash Flow Hedge Reserve for year ended 31<sup>st</sup> March 2023**

(₹ in crore)

|   | Opening balance as at 1 <sup>st</sup> April 2022 Gain/(Loss) (a) | Hedging Gain/(Loss) recognized in OCI during the year (b) | Income Tax on (b) | Amount reclassified to statement of Profit and Loss as hedged item has affected Profit or Loss (c) | Income Tax on (c) | Line item in Statement of Profit and Loss that includes reclassification adjustments | Closing balance as at 31 <sup>st</sup> March 2023 Gain / (Loss) |
|---|--|---|-------------------|--|-------------------|--|---|
| <b>Foreign Currency Risk</b>  |  |   |                   |  |                   |  |   |
| Forward contracts - Borrowings  | 0.01   |   |                   | -0.02  | 0.01              | Finance Cost under Expenses Note 24  | -   |
| <b>Commodity Price Risk</b>   |  |   |                   |  |                   |  |   |
| Commodity Swap - Forecasted Purchase & Sale of Natural Gas/ Liquefied Petroleum Gas | 1,007.65   | (241.68)  | 60.83             | (447.46)   | 112.62            | Revenue from Operation (Gross) Note 21 & Purchase of Stock in Trade                  | 491.95  |
| <b>Total</b>  | <b>1,007.66</b>  | <b>-241.68</b>  | <b>60.83</b>      | <b>-447.48</b>   | <b>112.62</b>     | -  | <b>491.95</b>   |

**Reconciliation of Cash Flow Hedge Reserve for year ended 31<sup>st</sup> March 2022**

(₹ in crore)

|   | Opening balance as at 1 <sup>st</sup> April 2021 Gain/(Loss) (a) | Hedging Gain/(Loss) recognized in OCI during the year (b) | Income Tax on (b) | Amount reclassified to statement of Profit and Loss as hedged item has affected Profit or Loss (c) | Income Tax on (c) | Line item in Statement of Profit and Loss that includes reclassification adjustments | Closing balance as at 31 <sup>st</sup> March 2022 Gain / (Loss) |
|---|--|---|-------------------|--|-------------------|--|---|
| <b>Foreign Currency Risk</b>  |  |   |                   |  |                   |  |   |
| Forward contracts - Borrowings  | 0.10   | 0.16  | -0.04             | -0.27  | 0.07              | Finance Cost under Expenses Note 24  | 0.01  |
| <b>Commodity Price Risk</b>   |  |   |                   |  |                   |  |   |
| Commodity Swap - Forecasted Purchase & Sale of Natural Gas/ Liquefied Petroleum Gas | 340.96   | 1,323.98  | -333.22           | -433.07  | 108.99            | Revenue from Operation (Gross) Note 21 & Purchase of Stock in Trade                  | 1,007.65  |
| <b>Total</b>  | <b>341.06</b>  | <b>1,324.14</b>   | <b>-333.26</b>    | <b>-433.34</b>   | <b>109.06</b>     | -  | <b>1,007.66</b>   |

**57 Statement pursuant to Section 129 (3) of Companies Act, 2013 related to financial statement of subsidiaries / associate companies / joint ventures**

(₹ in crore)

| S. No. | Particulars  | GAIL Global Singapore Pte. Ltd.   | GAIL Global (USA) Inc.            | GAIL Gas Limited                  | Tripura Natural Gas Company Limited | Konkan LNG Limited                | Bengal Gas Company Limited        |
|--------|--|-----------------------------------|-----------------------------------|-----------------------------------|-------------------------------------|-----------------------------------|-----------------------------------|
|        |  | (₹ in crore)                      | (₹ in crore)                      | (₹ in crore)                      | (₹ in crore)                        | (₹ in crore)                      | (₹ in crore)                      |
| 1      | <b>The financial year of the subsidiary Company ended on</b>     | <b>31<sup>st</sup> March 2023</b> | <b>31<sup>st</sup> March 2023</b> | <b>31<sup>st</sup> March 2023</b> | <b>31<sup>st</sup> March 2023</b>   | <b>31<sup>st</sup> March 2023</b> | <b>31<sup>st</sup> March 2023</b> |
| 2      | <b>(a) Reporting Currency</b>                                    | <b>USD</b>                        | <b>USD</b>                        | <b>INR</b>                        | <b>INR</b>                          | <b>INR</b>                        | <b>INR</b>                        |
|        | (b) Exchange rate as on last date of the relevant Financial Year | 81.72                             | 81.72                             | NA                                | NA                                  | NA                                | NA                                |
| 3      | Share Capital  | 41.94                             | 179.17                            | 2,000.00                          | 30.00                               | 1,139.00                          | 497.72                            |
| 4      | Reserves & Surplus   | 31.82                             | (266.45)                          | 906.86                            | 167.11                              | (817.12)                          | (19.67)                           |
| 5      | Total Assets   | 443.73                            | 1,353.44                          | 5,372.58                          | 282.90                              | 4,405.40                          | 684.62                            |
| 6      | Total Liabilities  | 369.97                            | 1,440.72                          | 2,465.72                          | 85.79                               | 4,083.52                          | 206.58                            |
| 7      | Investments  | 40.86                             | -                                 | 386.00                            | -                                   | -                                 | -                                 |
| 8      | Turnover   | 13,567.62                         | 9,809.08                          | 10,524.07                         | 263.59                              | 400.86                            | 10.99                             |
| 9      | Profit before Taxation   | 3.46                              | 5.58                              | 385.94                            | 29.58                               | (179.58)                          | (15.17)                           |
| 10     | Provision for Taxation   | 0.39                              | 1.07                              | 103.00                            | 9.33                                | 268.68                            | (4.27)                            |
| 11     | Profit after Taxation  | 3.07                              | 4.51                              | 282.94                            | 20.25                               | (448.26)                          | (10.89)                           |
| 12     | % of shareholding  | 100.00%                           | 100.00%                           | 100.00%                           | 48.98%                              | 93.50%                            | 88.13%                            |

**Note :**

- 1 Name of the subsidiaries which are yet to commence operations : Not Applicable  
2 Name of the subsidiaries which have been liquidated or sold during the year : Not Applicable



**Statement pursuant to Section 129 (3) of Companies Act, 2013 related to Associate Companies and joint ventures  
Part "B": Associates and Joint Ventures**

(₹ in crore)

| S. No. | Particulars  | Maha-nagar Gas Limited      | Indra-prastha Gas Limited   | Central UP Gas Ltd.         | Green Gas Ltd.              | Maha-rashtra Natural Gas Limited | Aavanti Gas Limited         | Bhagy-nagar Gas Limited     | China Gas Holdings Ltd.  | Fayoum Gas Company          | Petronet LNG Ltd.           | Talcher Fertilizers Limited | Bihamputra Crackers and Polymers Ltd. | TAPI Pipeline Company Ltd   | ONGC Petro Additions Ltd.   | Indra-dhanush Gas Grid Ltd  | Ramagundam Fertilizers and Chemicals Limited | Vadodra Gas Limited         | ONGC Tripura Power Company Ltd | LLC Bihar Energy Office     |
|--------|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|----------------------------------|-----------------------------|-----------------------------|--|-----------------------------|-----------------------------|-----------------------------|---------------------------------------|-----------------------------|-----------------------------|-----------------------------|--|-----------------------------|--------------------------------|-----------------------------|
| 1      | Latest audited Balance Sheet Date  | 31 <sup>st</sup> March 2022 | 31 <sup>st</sup> March 2022 | 31 <sup>st</sup> March 2022 | 31 <sup>st</sup> March 2022 | 31 <sup>st</sup> March 2023      | 31 <sup>st</sup> March 2023 | 31 <sup>st</sup> March 2022 | 31 <sup>st</sup> March 2022  | 31 <sup>st</sup> March 2023 | 31 <sup>st</sup> March 2022 | 31 <sup>st</sup> March 2022 | 31 <sup>st</sup> March 2022           | 31 <sup>st</sup> March 2022 | 31 <sup>st</sup> March 2022 | 31 <sup>st</sup> March 2023 | 31 <sup>st</sup> March 2022                  | 31 <sup>st</sup> March 2022 | 31 <sup>st</sup> March 2023    | 31 <sup>st</sup> March 2022 |
| 2      | No of Shares of Associate/ joint Ventures held by the Company on the year end- | 3,21,02,750 (₹ 10 each)     | 15,15,00,000 (₹ 2 each)     | 1,50,00,000 (₹ 10 each)     | 2,30,47,250 (₹ 10 each)     | 2,25,00,000 (₹ 10 each)          | 2,95,57,038 (₹ 10 each)     | 4,35,50,000 (₹ 10 each)     | 15,00,00,000 (HKD 0.01 each)   | 19,000 (₹ 10 each)          | 18,75,00,000 (₹ 10 each)    | 80,54,80,825 (₹ 10 each)    | 99,23,69,000 (₹ 10 each)              | 8,25,025 (USD 10 each)      | 99,49,45,000 (₹ 10 each)    | 19,90,00,000 (₹ 10 each)    | 27,03,04,320 (₹ 10 each)                     | 12,01,46,774 (₹ 10 each)    | 29,12,00,000 (₹ 10 each)       | 20% holding                 |
| 3      | Amount of Investment in Associates / Joint Venture                             | 32.10                       | 31.50                       | 15.00                       | 23.09                       | 22.50                            | 50.02                       | 128.25                      | 97.37  | 8.10                        | 98.75                       | 805.48                      | 992.37                                | 55.38                       | 994.95                      | 198.00                      | 270.30                                       | 79.14                       | 319.05                         | 0.76                        |
| 4      | Extent of Holding %  | 32.50%                      | 22.50%                      | 25.00%                      | 49.98%                      | 22.50%                           | 49.99%                      | 48.73%                      | 2.76%  | 19.00%                      | 12.50%                      | 33.33%                      | 70.00%                                | 5.00%                       | 49.21%                      | 20.00%                      | 14.72%                                       | 32.93%                      | 26.00%                         | 20.00%                      |
| 5      | Joint Control / Significant influence  | Associate                   | Associate                   | Joint Venture               | Joint Venture               | Joint Venture                    | Joint Venture               | Joint Venture               | Representation on the board of directors or corresponding governing body of the investee | Associate                   | Associate                   | Joint Venture               | Associate                             | Joint Venture               | Associate                   | Joint Venture               | Associate                                    | Joint Venture               | Associate                      | Associate                   |
| 6      | Reason for not consolidated  | Not Applicable              | Not Applicable              | Not Applicable              | Not Applicable              | Not Applicable                   | Not Applicable              | Not Applicable              | Not Applicable   | Not Applicable              | Not Applicable              | Not Applicable              | Not Applicable                        | Not Applicable              | Not Applicable              | Not Applicable              | Not Applicable                               | Not Applicable              | Not Applicable                 | Not Applicable              |
| 7      | Networth attributable to Shareholding as per latest audited Balance Sheet*     | 1,343.62                    | 1,784.80                    | 148.27                      | 265.14                      | 319.55                           | 194.67                      | 196.83                      | 2,055.61   | 15.10                       | 1,908.07                    | 808.88                      | 2,236.37                              | 53.33                       | 305.50                      | 196.78                      | 142.86                                       | 89.28                       | 410.48                         | 0.71                        |
| 8      | Profit / Loss for the year*  |                             |                             |                             |                             |                                  |                             |                             |  |                             |                             |                             |                                       |                             |                             |                             |  |                             |                                |                             |
|        | (i) Considered in Consolidation  | 788.79                      | 1,641.41                    | 85.46                       | 17.54                       | 421.31                           | 58.96                       | 3.46                        | 14,674.14  | (9.15)                      | 3,321.46                    | 32.57                       | 126.68                                | 80.22                       | (4,154.40)                  | 7.35                        | 8.79   | (11.26)                     | 206.01                         | (0.61)                      |
|        | (ii) Not Considered in Consolidation   | -                           | -                           | -                           | -                           | -                                | -                           | -                           | -  | -                           | -                           | -                           | -                                     | -                           | -                           | -                           | -  | -                           | -                              | -                           |
|        |  | -                           | -                           | -                           | -                           | -                                | -                           | -                           | -  | 0                           | -                           | -                           | -                                     | -                           | -                           | -                           | -  | -                           | -                              | -                           |

\* Total Profit of the Entity Including Other Comprehensive Income

**Note :**

- 1 Name of the associates or joint ventures which are yet to commence operations: A) TAPI Pipeline Company Limited**
- 2 Name of associates or joint ventures which have been liquidated or sold during the year: Not Applicable**

## 58 Confirmation of Assets & Liabilities:

- I. Some balances of trade and other receivables, trade and other payables are subject to confirmation / reconciliation. Adjustment, if any, will be accounted for on confirmation / reconciliation of the same, which will not have a material impact.
- II. In the opinion of management, the value of assets, other than fixed assets and non-current investments, on realization in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.

## 59 Research and Development/Innovation Initiatives

The company has incurred the following amount towards Research and Development / Innovation Initiatives, the detailed breakup is as under:

(₹ in crore)

| Particulars           | 2022-23       | 2021-22       |
|-----------------------|---------------|---------------|
| Capital Expenditure   | 168.32        | 231.97        |
| Recurring Expenditure | 12.39         | 11.73         |
| <b>Total</b>          | <b>180.71</b> | <b>243.70</b> |

## 60 Trade Payables:

**Current Trade Payables Ageing Schedule as on 31<sup>st</sup> March, 2023:**

(₹ in crore)

| Sl. No. | Particulars            | Outstanding for following periods from due date of payment |           |           |                   | Total    |
|---------|------------------------|--|-----------|-----------|-------------------|----------|
|         |                        | Less than 1 year   | 1-2 Years | 2-3 Years | More than 3 years |          |
| (i)     | MSME                   | 337.10   | -         | -         | -                 | 337.10   |
| (ii)    | Others                 | 6,962.14   | -         | -         | -                 | 6,962.14 |
| (iii)   | Disputed Dues - MSME   | -  | -         | -         | -                 | -        |
| (iv)    | Disputed Dues - Others | -  | -         | -         | -                 | -        |

**Trade Payables ageing schedule as on 31<sup>st</sup> March 2022:**

(₹ in crore)

| Sl. No. | Particulars            | Outstanding for following periods from due date of payment |           |           |                   | Total    |
|---------|------------------------|--|-----------|-----------|-------------------|----------|
|         |                        | Less than 1 year   | 1-2 Years | 2-3 Years | More than 3 years |          |
| (i)     | MSME                   | 292.37   | -         | -         | -                 | 292.37   |
| (ii)    | Others                 | 5,173.60   | -         | -         | -                 | 5,173.60 |
| (iii)   | Disputed Dues - MSME   | -  | -         | -         | -                 | -        |
| (iv)    | Disputed Dues - Others | -  | -         | -         | -                 | -        |

**Unbilled Trade Payables Ageing Schedule as on 31<sup>st</sup> March, 2023:**

(₹ in crore)

| Sl. No. | Particulars            | Outstanding for following periods from due date of payment |           |           |                   | Total  |
|---------|------------------------|--|-----------|-----------|-------------------|--------|
|         |                        | Less than 1 year   | 1-2 Years | 2-3 Years | More than 3 years |        |
| (i)     | MSME                   | 161.91   | -         | -         | -                 | 161.91 |
| (ii)    | Others                 | 343.35   | -         | -         | -                 | 343.35 |
| (iii)   | Disputed Dues - MSME   | 1.33   | -         | -         | -                 | 1.33   |
| (iv)    | Disputed Dues - Others | -  | -         | -         | -                 | -      |

**Unbilled Trade Payables Ageing Schedule as on 31<sup>st</sup> March, 2022:**

(₹ in crore)

| Sl. No. | Particulars            | Outstanding for following periods from due date of payment |           |           |                   | Total  |
|---------|------------------------|--|-----------|-----------|-------------------|--------|
|         |                        | Less than 1 year   | 1-2 Years | 2-3 Years | More than 3 years |        |
| (i)     | MSME                   | 137.10   | -         | -         | -                 | 137.10 |
| (ii)    | Others                 | 156.73   | -         | -         | -                 | 156.73 |
| (iii)   | Disputed Dues - MSME   | -  | -         | -         | -                 | -      |
| (iv)    | Disputed Dues - Others | -  | -         | -         | -                 | -      |

**61 Disclosures as per Division II to Schedule III****I. Capital Work in Progress (CWIP)****a) CWIP ageing Schedule as on 31<sup>st</sup> March 2023**

(₹ in crore)

| Capital Work in Progress (CWIP)     | Less than 1 Year | 1-2 Years | 2-3 Years | More than 3 Years | Total     |
|-------------------------------------|------------------|-----------|-----------|-------------------|-----------|
| Gross Block (Projects in Progress)  | 7,349.00         | 2,158.48  | 1,514.53  | 2,915.36          | 13,937.37 |
| Less: Provision and Impairment Loss |                  |           |           |                   | 274.89    |
| Net Block (Projects in Progress)    |                  |           |           |                   | 13,662.48 |
| Projects temporarily suspended      | -                | -         | -         | -                 | -         |

**CWIP ageing Schedule as on 31<sup>st</sup> March 2022**

(₹ in crore)

| Capital Work in Progress (CWIP)     | Less than 1 Year | 1-2 Years | 2-3 Years | More than 3 Years | Total     |
|-------------------------------------|------------------|-----------|-----------|-------------------|-----------|
| Gross Block (Projects in Progress)  | 5,225.38         | 3,177.46  | 2,741.13  | 2,155.51          | 13,299.47 |
| Less: Provision and Impairment Loss |                  |           |           |                   | 228.16    |
| Net Block (Projects in Progress)    |                  |           |           |                   | 13,071.31 |
| Projects temporarily suspended      | -                | -         | -         | -                 | -         |

**b. CWIP Completion Schedule for Cost Overrun Projects as on 31<sup>st</sup> March, 2023:**

(₹ in crore)

| Capital Work in Progress (CWIP)              | To be completed in |           |           |                   |
|--|--------------------|-----------|-----------|-------------------|
|  | Less than 1 Year   | 1-2 Years | 2-3 Years | More than 3 Years |
| KKB MPL II                                   | 415.00             | 1,986.69  | -         | -                 |
| Haridwar-Rishikesh-Dehradun Pipeline (HRDPL) | 21.84              | -         | -         | -                 |
| Integrated JHBDPL (including BGPL)           | 936.30             |           |           |                   |

**CWIP Completion Schedule for Cost Overrun Projects as on 31<sup>st</sup> March, 2022:**

(₹ in crore)

| Capital Work in Progress (CWIP)              | To be completed in |           |           |                   |
|--|--------------------|-----------|-----------|-------------------|
|  | Less than 1 Year   | 1-2 Years | 2-3 Years | More than 3 Years |
| KKB MPL II                                   | 50.00              | 600.00    | 800.00    | 879.32            |
| Sultanpur-Jhajjar-Hissar Pipeline (SJHPL)    | 84.71              | -         | -         | -                 |
| Haridwar-Rishikesh-Dehradun Pipeline (HRDPL) | 99.90              | -         | -         | -                 |

c. CWIP Completion Schedule for Time Overrun Projects as on 31<sup>st</sup> March, 2023:

(₹ in crore)

| Capital Work in Progress (CWIP)              | To be completed in |           |           |                   |
|--|--------------------|-----------|-----------|-------------------|
|  | Less than 1 Year   | 1-2 Years | 2-3 Years | More than 3 Years |
| Integrated JHBDPL(Including BGPL)            | 936.30             | -         | -         | -                 |
| Dhamra-Haldia Pipeline (DHPL)                | 468.58             | -         | -         | -                 |
| Srikakulam-Angul Pipeline (SAPL)             | 1,324.04           | -         | -         | -                 |
| KKBMPL II                                    | 415.00             | 1,986.69  | -         | -                 |
| Mumbai Nagpur Jharsuguda Pipeline (MNJPL)    | 1,186.00           | 2,005.60  | -         | -                 |
| Haridwar-Rishikesh-Dehradun Pipeline (HRDPL) | 21.84              | -         | -         | -                 |

CWIP Completion Schedule for Time Overrun Projects as on 31<sup>st</sup> March, 2022:

(₹ in crore)

| Capital Work in Progress (CWIP)              | To be completed in |           |           |                   |
|--|--------------------|-----------|-----------|-------------------|
|  | Less than 1 Year   | 1-2 Years | 2-3 Years | More than 3 Years |
| Integrated JHBDPL(Including BGPL)            | 1,354.71           | 986.51    | 267.67    | -                 |
| Dhamra-Haldia Pipeline (DHPL)                | 330.00             | 306.01    | -         | -                 |
| Srikakulam-Angul Pipeline (SAPL)             | 550.00             | 948.00    | 270.00    | 221.60            |
| KKBMPL II                                    | 50.00              | 600.00    | 800.00    | 879.32            |
| Sultanpur-Jhajjar-Hissar Pipeline (SJHPL)    | 84.71              | -         | -         | -                 |
| Haridwar-Rishikesh-Dehradun Pipeline (HRDPL) | 99.90              | -         | -         | -                 |

## 62 Relationship with Struck-off Companies:

Details of Relationship with Struck-off Companies as on 31<sup>st</sup> March, 2023:

| Sl. No. | Name of struck off Company         | Nature of Transactions with struck-off Company |              |              |                                   |   | Relationship with Struck-off Company if any to be disclosed |
|---------|------------------------------------|--|--------------|--------------|-----------------------------------|---|---|
|         |                                    | Investment in Securities                       | Receivables  | Payables     | Shares held by Struck-off Company | Other Outstanding Balance (To be specified) |   |
|         |                                    | (₹ in crore)                                   | (₹ in crore) | (₹ in crore) | (in Nos.)                         | (₹ in crore)                                |   |
| 1       | Premi Chemco (P) Ltd               | -  | 0.06         | -            | -                                 | -   | Customer  |
| 2       | Gulbrandsen Chemicals Pvt. Ltd.    | -  | 1.04         | -            | -                                 | -   | Customer  |
| 3       | A.V. Infraprojects Private Ltd.    | -  | 5.19         | -            | -                                 | -   | Customer  |
| 4       | Prayag Polytech Pvt Ltd            | -  | -            | 0.01         | -                                 | -   | Customer  |
| 5       | Eco Pack Pvt Ltd                   | -  | -            | 0.01         | -                                 | -   | Customer  |
| 6       | Lure Info Solution Pvt. Ltd.       | -  | 0.01         | -            | -                                 | -   | Vendor  |
| 7       | Sansrishti Infra Designs (P) Ltd.  | -  | -            | 0.01         | -                                 | -   | Vendor  |
| 8       | Videocon Petroleum Ltd.            | -  | -            | 6.55         | -                                 | -   | Vendor  |
| 9       | Arihants Securities Limited        | -  | -            | -            | 1500                              | -   | Shareholder   |
| 10      | Regent Exim International Ltd.     | -  | -            | -            | 18300                             | -   | Shareholder   |
| 11      | Rajdeep Automation Private Limited | -  | -            | -            | 18000                             | -   | Shareholder   |
| 12      | Astral Auto Parts Pvt. Ltd.        | -  | -            | -            | 5019                              | -   | Shareholder   |

| Sl. No. | Name of struck off Company      | Nature of Transactions with struck-off Company |              |              |                                   |   | Relationship with Struck-off Company if any to be disclosed |
|---------|---------------------------------|--|--------------|--------------|-----------------------------------|---|---|
|         |                                 | Investment in Securities                       | Receivables  | Payables     | Shares held by Struck-off Company | Other Outstanding Balance (To be specified) |   |
|         |                                 | (₹ in crore)                                   | (₹ in crore) | (₹ in crore) | (in Nos.)                         | (₹ in crore)                                |   |
| 13      | Data Nova India Private Limited | -  | -            | -            | 3000                              | -   | Shareholder   |
| 14      | Vikram Textils Pvt. Ltd.        | -  | -            | -            | 1062                              | -   | Shareholder   |
| 15      | Indexco Trading (P) Ltd.        | -  | -            | -            | 255                               | -   | Shareholder   |
| 16      | Kothari Intergroup Ltd.         | -  | -            | -            | 15                                | -   | Shareholder   |
|         |                                 |  |              |              |                                   |   |   |
|         |                                 |  |              |              |                                   |   |   |
|         |                                 |  |              |              |                                   |   |   |

**Details of Relationship with Struck-off Companies as on 31<sup>st</sup> March, 2022:**

| Sl. No. | Name of struck off Company                        | Nature of Transactions with struck-off Company |              |              |                                   |   | Relationship with Struck-off Company if any to be disclosed |
|---------|---|--|--------------|--------------|-----------------------------------|---|---|
|         |   | Investment in Securities                       | Receivables  | Payables     | Shares held by Struck-off Company | Other Outstanding Balance (To be specified) |   |
|         |   | (₹ in crore)                                   | (₹ in crore) | (₹ in crore) | (in Nos.)                         | (₹ in crore)                                |   |
| 1       | Premi Chemco (P) Ltd                              | -  | 0.06         | -            | -                                 | -   | Customer  |
| 2       | Gulbrandsen Chemicals Pvt. Ltd.                   | -  | 0.45         | -            | -                                 | -   | Customer  |
| 3       | Lure Info Solution Pvt. Ltd.                      | -  | 0.01         | -            | -                                 | -   | Vendor  |
| 4       | Integra Micro Systems Pvt. Ltd.*                  | -  | -            | -            | -                                 | -   | Vendor  |
| 5       | A.V. Infraprojects Private Ltd.                   | -  | -            | 0.15         | -                                 | -   | Customer  |
| 6       | Surya Alumex (Unit of Surya Irrigation Pvt. Ltd.) | -  | -            | 0.03         | -                                 | -   | Customer  |
| 7       | Prayag Polytech Pvt. Ltd.                         | -  | -            | 0.01         | -                                 | -   | Customer  |
| 8       | Eco Pack Pvt. Ltd.                                | -  | -            | 0.02         | -                                 | -   | Customer  |
| 9       | Noble Mech. Maint. Contractor**                   | -  | -            | -            | -                                 | -   | Vendor  |
| 10      | Arihants Securities Limited                       | -  | -            | -            | 1000                              | -   | Shareholder   |
| 11      | Unicon Fincap Private Limited                     | -  | -            | -            | 224                               | -   | Shareholder   |
| 12      | Indexco Trading (P) Ltd.                          | -  | -            | -            | 170                               | -   | Shareholder   |
| 13      | Kothari Intergroup Ltd.                           | -  | -            | -            | 10                                | -   | Shareholder   |

\* (₹ 23,364.00 receivable)

\*\* (₹ 30,690.00 payable)

**63 Wilful Defaulter:**

The Company has not been declared as a wilful defaulter by any bank or financial institution or any other lender as on 31<sup>st</sup> March 2023 and 31<sup>st</sup> March 2022.

**64 Benami Property:**

The Company is not holding any Benami Property as on 31<sup>st</sup> March 2023 and 31<sup>st</sup> March 2022. Further, no proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

**65 Borrowings Secured against Current Assets:**

During the financial year ended 31<sup>st</sup> March 2023, the Company has not availed any borrowings from banks or financial institutions against security of current assets. Accordingly no quarterly return/statements of current assets filled by the Company with Banks or Financial Institutions.

**66 Registration of Charges or satisfaction with Registrar of Companies (ROC):**

During the financial year 2022-23, charge amounting to ₹ 3,400 crore was created in favour of Bank of India. The charges were created/satisfied within statutory timelines and no charge creation or satisfaction is pending.

## 67 Ratio Analysis:

Statement containing Ratio analysis is as under:

| Ratio                            | Numerator                                | Denominator  | Year Ended 31 <sup>st</sup> March 2023 | Year Ended 31 <sup>st</sup> March 2022 | % Variance | Reason for Variance   |
|----------------------------------|--|--|--|--|------------|---|
| Current Ratio (in times)         | Current Assets                           | Current Liabilities  | 0.92                                   | 1.08                                   | -15%       |   |
| Debt-Equity Ratio                | Total Debt (including Lease Liabilities) | Total Equity (excluding revaluation reserves)                                | 0.22                                   | 0.15                                   | 47%        | The Company has taken fresh borrowings during the year  |
| Debt Service Coverage Ratio      | Earnings available for debt service      | Debt service = Interest payment + Principal payment + lease liabilities paid | 3.91                                   | 7.47                                   | -48%       | Profit after tax is ₹ 5,301.51 crore during current year as against previous year ₹ 10,363.97 crore                     |
| Return on Equity Ratio           | Net Profit after tax                     | Average shareholder's equity   | 10.52%                                 | 22.22%                                 | -53%       | Profit after tax is ₹ 5,301.51 crore during current year as against previous year ₹ 10,363.97 crore                     |
| Inventory Turnover ratio         | Cost of Goods Sold                       | Inventory  | 33.77                                  | 28.45                                  | 19%        |   |
| Trade Receivables Turnover Ratio | Net Credit Sales                         | Average Trade Receivables  | 14.56                                  | 14.22                                  | 2%         |   |
| Trade Payables Turnover Ratio,   | Net Credit Purchases                     | Average Trade Payables   | 22.30                                  | 16.41                                  | 36%        | Average Trade Payables is ₹ 6,382.61 crore during current year as against previous year ₹ 4,896.16 crore                |
| Net Capital Turnover Ratio       | Net Sales                                | Working Capital  | (89.05)                                | 82.00                                  | -209%      | Working Capital is ₹ (1,616.14) crore during current year as against previous year ₹ 1,114.69 crore                     |
| Net Profit Ratio                 | Net Profit after tax                     | Net Sales  | 3.68%                                  | 11.34%                                 | -68%       | Profit after tax is ₹ 5,301.51 crore during current year as against previous year ₹ 10,363.97 crore                     |
| Return on Capital Employed       | Earnings Before Interest and Tax         | Capital Employed   | 9.64%                                  | 20.36%                                 | -53%       | Profit after tax is ₹ 5,301.51 crore during current year as against previous year ₹ 10,363.97 crore                     |
| Return on Investment             | Net income from investments              | Closing investments  | 16.85%                                 | -13.73%                                | 223%       | Market value of quoted investments is ₹. 20,578.25 crore during current year as against previous year ₹ 18,329.05 crore |

**68** The Company is charging depreciation on Natural Gas/ LPG Transmission pipelines considering useful life 30 years and residual value 5%. During the year the Company has sought an opinion of the EAC of ICAI on the Residual value of Natural Gas/ LPG Transmission pipelines vide letter no. GAIL/ND/F&A/CO/EAC Opinion/2022-23/1 dated 25<sup>th</sup> November 2022 for which opinion is awaited.

**69** Previous Year's figures have been regrouped / reclassified, wherever necessary to correspond with the current year's classification / disclosure. Major items regrouped / reclassified are as under:

(₹ in crore)

| Particulars                                 | Regrouped from                          | Regrouped to                        | Amount |
|---|---|-------------------------------------|--------|
| Financial Guarantee Obligations-Non Current | Other Financial Liabilities Non Current | Other Financial Liabilities Current | 182.45 |

**For and on behalf of the Board of Directors**

Sd/-  
**M K Aggarwal**  
Company Secretary  
(ACS No. 69402)

Sd/-  
**R K Jain**  
Director (Finance)  
(DIN: 08788595)

Sd/-  
**M V Iyer**  
Director (BD) & Director (Marketing)  
(DIN: 08198178)

Sd/-  
**S K Gupta**  
Chairman & Managing Director  
(DIN: 07570165)

As per our separate report of even date

For **A.R. & Co**  
**Chartered Accountants**  
Firm No.002744C

For **Gandhi Minocha & Co**  
**Chartered Accountants**  
Firm No.000458N

Sd/-  
**Pawan K Goel**  
**(Partner)**  
Membership No. 072209

Sd/-  
**Manoj Bhardwaj**  
**(Partner)**  
Membership No. 098606

Place : **New Delhi**  
Date : **18<sup>th</sup> May 2023**

## Licensed Capacity, Installed Capacity and Actual Production

| Particulars                  | FY 2022-23        |                    |                |            | FY 2021-22        |                    |                |            |
|------------------------------|-------------------|--------------------|----------------|------------|-------------------|--------------------|----------------|------------|
|                              | Licensed Capacity | Installed Capacity | Gas Throughput | Production | Licensed Capacity | Installed Capacity | Gas Throughput | Production |
| i) Natural Gas (MMSCMD)      | 206.03            | 206.03             | 107.28         |            | 206.03            | 206.03             | 110.98         | -          |
| ii) LPG (MT)*                | 9,52,685          | 9,86,276           | -              | 6,89,855   | 9,52,685          | 9,86,276           | -              | 7,33,884   |
| iii) Propane (MT)            | 2,57,100          | 2,57,100           | -              | 1,64,886   | 2,57,100          | 2,57,100           | -              | 1,77,230   |
| iv) Ethylene (MT)**          | 8,50,000          | 8,96,000           | -              | 4,59,613   | 8,50,000          | 8,96,000           | -              | 8,05,294   |
| v) HDPE/LLDPE (MT)***        | 8,10,000          | 8,10,000           | -              | 4,45,450   | 8,10,000          | 8,10,000           | -              | 7,81,685   |
| vi) Pentane (MT)             | 55,182            | 57,545             | -              | 22,575     | 55,182            | 57,545             | -              | 25,565     |
| vii) Naphtha (MT)            | 1,20,574          | 1,23,773           | -              | 56,493     | 1,20,574          | 1,23,773           | -              | 64,700     |
| viii) Crude Oil (MT)         | 11,829.70         | 11,829.70          | -              | 6,294      | 9,176.57          | 9,176.57           | -              | 5,610.43   |
| ix) CNG & PNG ('000 KG) **** | 3,35,419          | 3,35,419           | -              | 63,650     | 2,19,368          | 2,19,368           | -              | 32,821     |
| x) C2/C3 (MT)**              | 9,52,000          | 21,94,594          | -              | 5,33,527   | 9,52,000          | 21,94,594          | -              | 10,34,209  |
| xi) Butene-1 (MT)**          | 30,000            | 30,000             | -              | 15,520     | 30,000            | 30,000             | -              | 27,861     |

**Notes :**

\* Excluding Capacities of Usar Plant

\*\* Internally consumed

\*\*\* Includes L P Wax and Poly Lumps

\*\*\*\* Licensed & Installed Capacities of CNG & PNG prorated on the basis of date of Commissioning



## Quantitative Information

(₹ in crore)

| S. No. | PARTICULARS                                       | OPENING STOCK |          | PURCHASES |             | SALES       |             | INTERNAL CONSUMPTION |           | CLOSING STOCK |          |
|--------|---|---------------|----------|-----------|-------------|-------------|-------------|----------------------|-----------|---------------|----------|
|        |   | QTY           | VALUE    | QTY       | VALUE       | QTY         | VALUE       | QTY                  | VALUE     | QTY           | VALUE    |
| 1      | <b>Natural Gas including LNG and RLNG (MMSCM)</b> |               |          |           |             |             |             |                      |           |               |          |
|        | Year Ended 31 <sup>st</sup> March 2023            | 402.03        | 1,369.92 | 30,457.31 | 1,34,430.68 | 28,318.84   | 1,31,331.85 | 2,747.32             | 10,467.49 | 432.00        | 2,737.66 |
|        | Year Ended 31 <sup>st</sup> March 2022            | 371.56        | 1,026.51 | 35,189.89 | 72,567.91   | 32,340.81   | 75,737.49   | 2,786.69             | 6,806.48  | 402.03        | 1,369.92 |
| 2      | <b>LPG (MT)</b>                                   |               |          |           |             |             |             |                      |           |               |          |
|        | Year Ended 31 <sup>st</sup> March 2023            | 2,927.01      | 5.77     |           |             | 6,86,939.64 | 4,297.62    | 50.47                |           | 6,829.84      | 32.94    |
|        | Year Ended 31 <sup>st</sup> March 2022            | 5,602.12      | 8.61     |           |             | 7,36,643.29 | 3,927.56    | 157.50               |           | 2,927.01      | 5.77     |
| 3      | <b>Pentane (MT)</b>                               |               |          |           |             |             |             |                      |           |               |          |
|        | Year Ended 31 <sup>st</sup> March 2023            | 207.04        | 0.36     |           |             | 20,774.32   | 165.71      | 723.17               |           | 1,346.40      | 6.25     |
|        | Year Ended 31 <sup>st</sup> March 2022            | 731.41        | 1.09     |           |             | 24,702.97   | 178.53      | 1,482.04             |           | 207.04        | 0.36     |
| 4      | <b>Propane (MT)</b>                               |               |          |           |             |             |             |                      |           |               |          |
|        | Year Ended 31 <sup>st</sup> March 2023            | 2,144.69      | 3.53     |           |             | 26,552.30   | 183.39      | 1,37,625.28          |           | 2,701.51      | 12.05    |
|        | Year Ended 31 <sup>st</sup> March 2022            | 1,305.90      | 1.82     |           |             | 38,911.41   | 231.19      | 1,37,423.09          |           | 2,144.69      | 3.53     |
| 5      | <b>Naphtha (MT)</b>                               |               |          |           |             |             |             |                      |           |               |          |
|        | Year Ended 31 <sup>st</sup> March 2023            | 734.26        | 1.39     |           |             | 56,301.43   | 299.62      |                      |           | 832.91        | 3.59     |
|        | Year Ended 31 <sup>st</sup> March 2022            | 592.79        | 1.03     |           |             | 64,597.57   | 313.14      |                      |           | 734.26        | 1.39     |
| 6      | <b>Polymers ( MT)</b>                             |               |          |           |             |             |             |                      |           |               |          |
|        | Year Ended 31 <sup>st</sup> March 2023            | 28,577.87     | 234.87   |           |             | 3,99,675.64 | 4,575.68    | 3,142.45             |           | 71,208.80     | 749.93   |
|        | Year Ended 31 <sup>st</sup> March 2022            | 42,289.29     | 264.47   |           |             | 7,90,746.33 | 8,043.71    | 4,642.95             |           | 28,577.87     | 234.87   |
| 7      | <b>C2/C3 ( MT) *</b>                              |               |          |           |             |             |             |                      |           |               |          |
|        | Year Ended 31 <sup>st</sup> March 2023            | 3,925.19      | 20.99    |           |             |             |             | 10,10,100.88         |           | 3,909.01      | 26.69    |
|        | Year Ended 31 <sup>st</sup> March 2022            | 5,937.94      | 19.33    |           |             |             |             | 10,35,558.43         |           | 3,925.19      | 20.99    |

(₹ in crore)

| S. No.    | PARTICULARS                            | OPENING STOCK |       | PURCHASES |       | SALES           |        | INTERNAL CONSUMPTION |       | CLOSING STOCK |       |
|-----------|--|---------------|-------|-----------|-------|-----------------|--------|----------------------|-------|---------------|-------|
|           |  | QTY           | VALUE | QTY       | VALUE | QTY             | VALUE  | QTY                  | VALUE | QTY           | VALUE |
| <b>8</b>  | <b>Ethylene ( MT)*</b>                 |               |       |           |       |                 |        |                      |       |               |       |
|           | Year Ended 31 <sup>st</sup> March 2023 | 2,886.96      | 19.43 |           |       |                 |        | 4,60,384.51          |       | 2,115.11      | 19.02 |
|           | Year Ended 31 <sup>st</sup> March 2022 | 1,303.19      | 6.51  |           |       |                 |        | 8,03,710.38          |       | 2,886.96      | 19.43 |
| <b>9</b>  | <b>Butene-1 (MT)*</b>                  |               |       |           |       |                 |        |                      |       |               |       |
|           | Year Ended 31 <sup>st</sup> March 2023 | 939.55        | 8.89  |           |       |                 |        | 15,471.27            |       | 988.21        | 9.04  |
|           | Year Ended 31 <sup>st</sup> March 2022 | 823.73        | 5.69  |           |       |                 |        | 27,745.52            |       | 939.55        | 8.89  |
| <b>10</b> | <b>Crude Oil (MT)</b>                  |               |       |           |       |                 |        |                      |       |               |       |
|           | Year Ended 31 <sup>st</sup> March 2023 | 215.68        | 0.70  |           |       | 5,801.91        | 24.77  |                      |       | 707.53        | 2.03  |
|           | Year Ended 31 <sup>st</sup> March 2022 | 300.05        | 0.38  |           |       | 5,694.80        | 18.68  |                      |       | 215.68        | 0.70  |
| <b>11</b> | <b>CNG and PNG ('000KG)</b>            |               |       |           |       |                 |        |                      |       |               |       |
|           | Year Ended 31 <sup>st</sup> March 2023 | 58.54         | 0.25  | 1,092.78  | 12.59 | 63,763.07       | 478.07 |                      |       | 204.55        | 1.09  |
|           | Year Ended 31 <sup>st</sup> March 2022 | 45.37         | 0.19  | 2,075.42  | 16.60 | 34,781.76       | 189.34 |                      |       | 58.54         | 0.25  |
| <b>12</b> | <b>Power (KWH)</b>                     |               |       |           |       |                 |        |                      |       |               |       |
|           | Year Ended 31 <sup>st</sup> March 2023 | -             | -     |           |       | 14,35,13,142.00 | 44.11  | 2,29,27,040.50       |       |               |       |
|           | Year Ended 31 <sup>st</sup> March 2022 |               |       |           |       | 13,54,03,210.23 | 42.59  | 2,35,71,010.77       |       |               |       |
| <b>13</b> | <b>Other Products (MT)</b>             |               |       |           |       |                 |        |                      |       |               |       |
|           | Year Ended 31 <sup>st</sup> March 2023 | 2,205.96      | 13.76 |           |       | 40,417.85       | 268.21 | 10,299.57            |       | 5,665.90      | 29.93 |
|           | Year Ended 31 <sup>st</sup> March 2022 | 2,465.56      | 10.38 |           |       | 77,711.39       | 432.53 | 18,398.02            |       | 2,205.96      | 13.76 |

**Note :** (i) Difference in reconciliation of opening stock, purchase, sales and closing stock is on account of measurement tolerance

(ii) Natural Gas used for Fuel & Raw Material

(\*) Ethylene, Butene-1 and C2/C3 are consumed internally for manufacture of final products at Pata

## COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF GAIL (INDIA) LIMITED FOR THE YEAR ENDED 31 MARCH 2023

The preparation of financial statements of GAIL (India) Limited for the year ended 31 March 2023 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 18 May 2023.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the standalone financial statements of GAIL (India) Limited for the year ended 31 March 2023 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditor's report under section 143(6)(b) of the Act.

For and on behalf of the  
Comptroller & Auditor General of India

Sd/-  
(Sanjay K. Jha)  
Director General of Audit (Energy),  
Delhi

Place: New Delhi  
Dated: 20.07.2023

Natural Gas Compressor Station at Dibiyapur, Auraiya



# CONSOLIDATED FINANCIAL STATEMENTS



## INDEPENDENT AUDITORS' REPORT

### To the Members of GAIL (India) Limited

#### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of GAIL (India) Limited (hereinafter referred to as "the Holding company") and its subsidiaries ( Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities, which comprise of the Consolidated Balance Sheet as at March 31,2023 the Consolidated Statement of Profit and Loss (including Other Comprehensive Income),the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the act, read with the Companies (Indian Accounting Standards) Rule 2015, as amended and accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at March 31, 2023, and their consolidated net profit (financial performance including other comprehensive income), their consolidated changes in equity, and consolidated cash flows for the year then ended.

#### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion, on the consolidated Financial Statements.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred in to paragraph 1 of the Other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statement.

#### Emphasis of Matter

1. We draw attention to Note No. 32 (iii) to the consolidated financial statements regarding, various final transportation tariff orders

issued by Petroleum and Natural Gas Regulatory Board (PNGRB), which have been contested by the company at Appellate Tribunal for Electricity (APTEL) and also certain customers have challenged these orders of PNGRB in Court of Law. Adjustment if any will be recognized as and when matter is finally decided.

2. We draw attention to Note No. 30 (I) (a) (iii) to the consolidated financial statements regarding CESTAT order confirming the demand for the differential amount by the Central Excise Department in the matter pertaining to classification of 'Naphtha' manufactured by the Company, of ₹ 3,391 crores including applicable penalty and interest thereon. Considering the merits of the case, Company has filed an appeal before the Hon'ble Supreme Court. Based on the legal opinion obtained, the Company does not foresee any probable outflow in the matter and accordingly has disclosed the same under contingent liability.
3. We draw attention to Note No. 30 (I) (a) (iii) to the consolidated financial statements regarding, demand by customs authorities amounting to ₹ 934.01 crore including penalty and interest, on account of Special Additional Duty (SAD) and Custom Duty on differential quantity, while finalizing provisionally assessed Bill of Entries in respect of import of LNG by Company during September 2017 to March 2022 at Dabhol Port, Ratnagiri. Considering the merits of the case, the Company is in process of filing an appeal before the Commissioner (Appeals) Pune. Further based on the exemption notification 51/2017 dated 30.06.2017, clarification provided by Central Board of Indirect Taxes and Customs (CBIC) and practice being followed at other Custom Port i.e. Dahej & Hazira, the Company is confident of favorable outcome in the matter and accordingly has disclosed the same under contingent liability.
4. We draw attention to Note no 64 to the consolidated financial statements regarding depreciation on Natural Gas/LPG Transmission Pipelines considering useful life of 30 years and residual value of 5%. During the year, the company has sought an opinion of the Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI) on the residual value of Natural Gas/LPG Transmission Pipelines for which opinion is awaited.

Our opinion is not modified in respect of matters mentioned in above paragraphs.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, description of how our audit addressed the matter is provided in that context. Considering the requirement of Standard on Auditing (SA 600) on 'Using the work of Another Auditor' including materiality, below Key Audit Matters have been reproduced from the Independent Auditors' report on the audit of Standalone Financial Statements of the Holding Company.

| Sl.No. | Key Audit Matter   | How our audit addressed the Key Audit Matter  |
|--------|--|---|
| 1.     | <p><b>Recognition and measurement of revenues in view of adoption of Ind AS 115 "Revenue from Contracts with Customers"</b></p> <p>We identified above as Key Audit Matter as the application of the revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p> <p>Refer notes 21 and 38 to the Consolidated financial statements.</p> | <p><b>Principal Audit Procedures</b></p> <p>We assessed the Company's process to identify the impact of adoption of the revenue accounting standard and checked the appropriateness of accounting policy. Our audit approach consisted testing of design and operating effectiveness of the internal controls as follows:</p> <ol style="list-style-type: none"> <li>1. Evaluated the design of internal controls relating to implementation of the revenue accounting standard, wherever applicable.</li> <li>2. Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, re-performance and inspection of evidence in respect of operation of these controls.</li> <li>3. Tested the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the revenue accounting standard.</li> </ol> <p>Selected a sample of continuing and new contracts and performed the following substantive procedures:</p> <ol style="list-style-type: none"> <li>1. Read, analyzed and identified the distinct performance obligations in these contracts.</li> <li>2. Compared these performance obligations with that identified and recorded by the Company.</li> <li>3. Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration.</li> </ol> |
| 2.     | <p><b>Evaluation of uncertain tax positions and contingent liabilities</b></p> <p>The company operates in multiple jurisdictions and is subject to periodic challenges by local tax authorities and other regulatory authorities such as PNGRB on a range of matters during the normal course of business including indirect tax matters. We have identified above as Key Audit Matter as these involve significant judgement to determine the possible outcome of material uncertain tax positions and contingent liabilities including matters under dispute, consequently having an impact on related accounting and disclosures.</p> <p>Refer note 30 (I) to the consolidated financial statements.</p>  | <p><b>We have applied the following audit procedures in this regard:</b></p> <ol style="list-style-type: none"> <li>1. Obtained an understanding of key tax matters and other contingent liabilities.</li> <li>2. Read and analyzed the key correspondences, external legal opinions/ consultations obtained by the company.</li> <li>3. Evaluated and challenged key assumptions made by the company in estimating the current and deferred tax balances.</li> <li>4. Assessed and challenged the company's estimate of the possible outcome of the disputed cases by considering legal precedence and other judicial rulings.</li> <li>5. Assessed and tested the presentation and disclosures relating to uncertain tax positions and contingent liabilities.</li> </ol>   |
| 3.     | <p><b>Derivative transaction and accounting of hedge transactions</b></p> <p>We have identified above as Key Audit Matter as hedge accounting has resulted into significant impact on financial statements coupled with complexity of its accounting, calculations and complex/numerous assumptions taken for establishing hedge relationship. Mark to market gain / loss pertaining to these derivative contracts are recognized in other comprehensive income.</p> <p>Refer note 56 to the consolidated financial statements.</p>  | <p><b>We have applied the following audit procedures in this regard:</b></p> <ol style="list-style-type: none"> <li>1. Obtained an understanding of management's controls over recording of derivative transactions and application of hedge accounting.</li> <li>2. Tested the accuracy and completeness of derivative transactions.</li> <li>3. We have relied on the valuation report evaluating the appropriateness of the valuation methodologies applied and tested on sample basis the valuation of the derivative financial instruments.</li> <li>4. Validated that the derivative financial instruments qualify for hedge accounting and tested accuracy of hedge effectiveness and ineffectiveness on sample basis.</li> </ol>  |
| 4      | <p><b>Technical parameters and voluminous transactions of Natural gas trading and transmission captured to measure Revenue and Inventory through integrated system and complexities involved therein.</b></p>  | <p><b>We have applied the following audit procedures in this regard:</b></p> <ol style="list-style-type: none"> <li>1. We have performed test of controls, assisted by our IT specialists, over the accuracy and completeness of the quantity captured via IT system through the accounting software.</li> </ol>  |

| Sl.No. | Key Audit Matter   | How our audit addressed the Key Audit Matter  |
|--------|--|---|
|        | <p>We have identified above as Key Audit Matter because determination of the quantity of Natural Gas sold and in stock through gas-pipelines involves use of various technical aspects of the natural gas such as pressure, temperature etc. captured from the measuring devices installed on the gas pipelines. We were informed that the methodology is standard and used industry-wide. This increases the complexity of validating quantity of Natural Gas sold and stock in pipeline as at March 31, 2023. Refer notes 10 and 21 to the consolidated financial statements.</p>  | <ol style="list-style-type: none"> <li>We have obtained management representation that the IT system applies a standard methodology to capture the quantity of Natural Gas for the purpose of Revenue and inventory measurement.</li> <li>We have verified valuation of closing Inventories by applying various aspects made available to us by the management such as conversion factors, meter reading etc.</li> </ol>  |
| 5.     | <p><b>Evaluation of the recoverable amounts of investments in and advances to certain subsidiaries</b></p> <p>The Company's evaluation of the recoverable amounts of investments in and advances to certain subsidiaries involves comparison of their recoverable value and the carrying amount. Management determines the recoverable amount based on management's estimates of future cash flows. Significant judgements are required to determine the aforesaid assumptions used in the discounted cash flow models. Due to the uncertainty of forecasting and discounting future cash flows, being inherently subjective, the level of management's judgement involved and the significance of the Company's investment as at March 31, 2023, we have considered this as a key audit matter.</p> <p>Refer note 5 of consolidated financial statements.</p> | <p><b>We have applied the following audit procedures in this regard:</b></p> <ol style="list-style-type: none"> <li>We have carried out assessment of forecasts of future cash flows prepared by the management, evaluating the assumptions and comparing the estimates to externally available industry, economic and financial data.</li> <li>Assessed the reasonableness of the key business assumptions such as revenue growth and EBITDA margins, by understanding the management's plan and performing retrospective testing.</li> <li>We have evaluated the Company's valuation methodology in determining the fair value of the investment. In making this assessment, we also assessed the professional competence, objectivity and capabilities of the valuation specialist engaged by the management.</li> <li>Assessed the reasonableness of the key assumptions adopted in the cash flow forecasts with the assistance of our internal valuation experts.</li> <li>We have carried out discussions with management on the performance of the Company's investments as compared to previous year in order to evaluate whether the inputs and assumptions used in the cash flow forecasts were suitable.</li> <li>Evaluated management's sensitivity analysis around the key assumptions.</li> </ol> |
| 6.     | <p><b>Provision for Performance Related Pay</b></p> <p>The provision for performance related pay for financial year 2022-23 is made based on Department of Public enterprises guidelines (DPE). The rating factors are yet to be approved by Board of Directors.</p>   | <p><b>We have applied the following audit procedures in this regard:</b></p> <ol style="list-style-type: none"> <li>We have reviewed the circular issued by DPE and verified the computations shared by the management for FY 2022-23 to satisfy that the methodology as prescribed in the circular have been followed and the provision made is reasonable.</li> <li>We have verified the self-evaluation report of GAIL's Memorandum of Understanding (MOU) for the FY 2021-22 where ratings have been approved by the Board of Directors to determine reasonability of assumptions used for FY 2022-23.</li> <li>We have also obtained MOU ratings communicated by DPE for FY 2021-22 mentioning scores and rating of the Company.</li> </ol>  |

#### Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of other information. The other information includes the Director's Report, Corporate Governance Report, Business Responsibility Report and Management Discussion and Analysis of Annual Report, but does not include the consolidated financial statements and our auditors' report thereon. The Director's Report, Corporate Governance Report, Business Responsibility Report and Management Discussion and Analysis of Annual Report are expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance/ conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available to us and, in doing so, consider whether

the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated.

When we read such other information as and when made available to us and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action, if required.

#### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group, its associates and jointly controlled entities in accordance with the accounting principles generally accepted in India,



including the Indian Accounting Standards ("Ind AS") specified under section 133 of the Act read with the companies (Indian Accounting Standards) Rules 2015 as amended. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its associates and jointly controlled entities and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for assessing the ability of the Group and of its associates and jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group, its associates and jointly controlled entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

#### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company, its subsidiaries, its associates and jointly controlled entities incorporated in India have adequate internal financial controls with reference to Consolidated Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the holding companies' managements and Board of Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and jointly controlled entities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and jointly controlled entities to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and jointly controlled entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matters**

We draw attention to the following matters in the Notes to the consolidated financial statements:

1. We did not audit the financial statements/financial information of 6 (Six) subsidiaries included in consolidated financial statements, whose financial statements reflects the details given below of total assets as at 31<sup>st</sup> March 2023, total revenues from operations and net cash flows for the year then ended on that date, as considered in the consolidated financial statements.

(₹ in crore)

| Sl. No. | Name of the Company                 | Total Assets    | Total Revenue from Operations | Net Cash Inflows/ (Outflows) |
|---------|-------------------------------------|-----------------|-------------------------------|------------------------------|
| i.      | GAIL Global Singapore Pte. Ltd.     | 443.73          | 13,567.62                     | 9.56                         |
| ii.     | GAIL Global (USA) Inc.              | 1353.44         | 9809.08                       | (6.83)                       |
| iii.    | Tripura Natural Gas Company Limited | 282.90          | 263.59                        | (12.01)                      |
| iv.     | GAIL Gas Limited                    | 5372.58         | 10524.07                      | (29.21)                      |
| v.      | Bengal Gas Company Limited          | 684.62          | 10.99                         | (51.98)                      |
| vi.     | Konkan LNG Limited                  | 4405.40         | 400.86                        | 6.99                         |
|         | <b>Total</b>                        | <b>12542.67</b> | <b>34,576.21</b>              | <b>(83.48)</b>               |

The consolidated financial statements also include the Group's share of net profit/loss and other comprehensive income using equity method for the year ended 31<sup>st</sup> March 2023, as considered in consolidated financial statements, in respect of 3 (three) associates and 3 (three) jointly controlled entities, whose financial statements / financial information have not been audited by us.

(in ₹ crore)

| Sl No. | Name of the Company             | Classification | Group's share net profit/(loss) including other comprehensive income using equity method |
|--------|---------------------------------|----------------|--|
| i.     | Maharashtra Natural Gas Limited | Joint venture  | 94.79  |
| ii.    | Aavantika Gas Limited           | Joint venture  | 29.47  |
| iii.   | Indradhanush Gas Grid Ltd       | Joint venture  | 1.47   |
| iv.    | Petronet LNG Ltd.               | Associate      | 415.19   |
| v.     | Fayoum Gas Company              | Associate      | 3.99   |
| vi.    | ONGC Tripura Power Company Ltd  | Associate      | 53.57  |
|        | <b>Total</b>                    |                | <b>598.48</b>  |

These financial statements have been audited by other auditors whose reports have been furnished to us by the Holding Company's Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of sub-section (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of other auditors.

2. The consolidated financial statements also include the Group's share of net profit/ (loss) (including other comprehensive income) using equity method for the year ended March 31, 2023, as considered in consolidated financial statements, in respect of 8 (eight) associates and 6 (six) jointly controlled entities, whose financial statements / financial information are unaudited and have been furnished to us by the Holding Company's Management.

(in ₹ crore)

| Sl No. | Name of the Company                          | Classification | Group's share net profit/(loss) including other comprehensive income using equity method |
|--------|--|----------------|--|
| i.     | Central UP Gas Ltd.                          | Joint Venture  | 21.36  |
| ii.    | Green Gas Ltd.                               | Joint Venture  | 8.77   |
| iii.   | Bhagyanagar Gas Limited                      | Joint Venture  | 1.69   |
| iv.    | Talcher Fertilizers Limited                  | Joint Venture  | 10.85  |
| v.     | TAPI Pipeline Company Ltd                    | Joint Venture  | (0.17)   |
| vi.    | Vadodara Gas Limited                         | Joint Venture  | (3.71)   |
| vii.   | Brahmaputra Crackers and Polymers Ltd.       | Associate      | 88.68  |
| viii.  | ONGC Petro Additions Ltd.                    | Associate      | -  |
| ix.    | Indraprastha Gas Limited                     | Associate      | 369.31   |
| x.     | Mahanagar Gas Limited                        | Associate      | 256.36   |
| xi.    | China Gas Holdings Ltd.                      | Associate      | 234.70   |
| xii.   | Ramagundam Fertilizers and Chemicals Limited | Associate      | 1.30   |
| xiii.  | LLC Bharat Energy Office                     | Associate      | (0.22)   |
| xiv.   | LNG Japonica Shipping Corporation Limited    | Associate      | 2.32   |
|        | <b>TOTAL</b>                                 |                | <b>991.24</b>  |

These financial statements / financial information have been furnished to us by the Holding Company's Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, jointly controlled entities and associates, and our report in terms of sub-section (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiary, jointly controlled entities and associates, is based solely on such unaudited financial statements / financial information.

3. The consolidation of financial statement of

- a) GAIL Global (USA) Inc. (Subsidiary) is done based on review done by their auditor as on 31<sup>st</sup> March 2023, reflecting total asset of ₹ 1,353.44 Crore as at 31<sup>st</sup> March 2023, total revenue of ₹ 9,809.08 Crore and net cash inflow of ₹ (6.83) Crore for the year ended on that date. These financial statements were last audited upto 31<sup>st</sup> December 2022.
- b) Fayoum Gas Company (Associate) is done based on audited results as of 31<sup>st</sup> December 2022, reflecting total PAT share of ₹ 3.99 Crore as at 31<sup>st</sup> December 2022. These financial statements were last audited upto 31<sup>st</sup> December 2022.
- c) China Gas Holdings Ltd. is done based on unaudited results as of 31<sup>st</sup> December 2022, reflecting total PAT share of ₹ 165.91 Crore as at 31<sup>st</sup> December 2022.

No adjustment has been done for the period subsequent to that date (i.e. 31<sup>st</sup> Dec. 2022) since there is no significant material transactions as informed by respective company's management.

4. Regarding inclusion of proportionate share in Jointly Controlled Operations in the consolidated financial statements of the Holding company. The total proportionate share includes Assets of ₹ 1533.68 Crore, Liabilities of ₹ 195.46 Crore, Expenditure of ₹ 688.34 Crore, Income of ₹ 1182.78 Crore along with the elements making up the Cash Flow Statement and related disclosures. The aforesaid amounts have been included based on the unaudited statements of these entities. Management is of view that this will not have a material impact on the Holding company's consolidated financial statements.

The status of Audited Financial Statements and unaudited management accounts as mentioned above are based on information furnished to us till 11<sup>th</sup> May 2023 (Cut off date).

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/information certified by the Management.

#### Report on Other Legal and Regulatory Requirements

1. As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we report that there are no qualifications or adverse remarks included in the CARO report in respect of the Standalone financial statements of the Holding Company which are included in these Consolidated Financial Statements except few title deeds of the immovable properties not held in the name of the company as detailed in para (i) (c) of the CARO report of the holding company. In respect of Subsidiaries and jointly controlled entities whose accounts are audited, qualifications or adverse remarks given by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the Companies included in the consolidated financial statements along with details of subsidiaries and jointly controlled entities whose audit reports are not available till cut-off date are given in **Annexure "A"**.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements of subsidiary companies, associate companies and jointly controlled companies as was audited by other auditors, as noted in the 'Other Matters' paragraph we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (Including the other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015 as amended.
  - (e) Being a government company, pursuant to the Notification No. GSR 463(E) dated 5<sup>th</sup> June 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of sub-section (2) of Section 164 of the Act, are not applicable to the Holding Company, and its four subsidiaries incorporated in India. Further, on the basis of the reports of the auditors of five jointly controlled entities and associates incorporated in India, none of the directors of the jointly controlled entities incorporated in India is disqualified as on 31<sup>st</sup> March 2023 from being appointed as a director in terms of Section 164 (2) of the Act, wherever applicable.
  - (f) We are enclosing herewith a report in **Annexure - B** for our opinion on Holding Company and considering the opinion of other auditors of subsidiary companies, associate companies and jointly controlled companies incorporated in India on adequacy of internal financial controls system in place and the operating effectiveness of such controls.
  - (g) Pursuant to the Notification No. GSR 463(E) dated 5<sup>th</sup> June 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of Section 197 of the Act, is not applicable to the Government Companies; Accordingly, reporting in accordance with requirement of provisions of section 197(16) of the Act is not applicable to the Holding company and its four subsidiaries. Further, on the basis of the reports of the auditors of five jointly controlled entities and associates incorporated in India, the managerial remuneration paid/ provided by such jointly controlled entities and associates to its directors during the year was in accordance with the provisions of section 197 read with Schedule V of the Act, wherever applicable.
  - (h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors') Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us & based on the consideration of report of other auditors on separate financial statements and

also the other financial information of Subsidiaries, associate companies and jointly controlled companies as mentioned in the "Other Matters" paragraph :

- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities as at 31<sup>st</sup> March 2023– Refer Note 30 (I) to the consolidated financial statements;
- ii. The Group, its associate companies and jointly controlled entities have made provision, as required under the applicable law or Indian accounting standards, for material foreseeable losses, if any and to the extent ascertainable, on long-term contracts including derivative contracts;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group including its associate companies and jointly controlled entities incorporated in India;
- (iv) (a) The respective Managements of the Holding Company and its subsidiaries, associates and jointly controlled entities which are companies incorporated in India, whose financial statements have been audited under the Act, and furnished to us have represented to us and the auditors of such subsidiaries, associates and its jointly controlled entities that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any such subsidiaries, associates and jointly controlled entities to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries, associates and jointly controlled entities ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The respective Managements of the Holding Company and its subsidiaries, associates and jointly controlled entities whose financial statements have been audited under the Act, and furnished to us

have represented to us and the auditors of such subsidiaries, associates and jointly controlled entities that to the best of their knowledge and belief, no funds have been received by the Holding Company or any of such subsidiaries, associates and jointly controlled entities from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries, associates and jointly controlled entities shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances and that performed by the auditors of the subsidiaries, associates and jointly controlled entities which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors' notice that has caused us or other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement;
- (v) a) The dividend declared & paid during the year by the Holding company and its subsidiaries, associates and jointly controlled entities incorporated in India are in compliance with section 123 of the Act.
- b) The Board of Directors of two Jointly controlled entities have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting of the respective companies. The amount of dividend proposed is in accordance with Section 123 of the Act to the extent as applicable;
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable w.e.f. April 1, 2023 to the Company, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31<sup>st</sup>, 2023.

**For Gandhi Minocha & Co.**  
Chartered Accountants  
Firm Registration No: 000458N

Sd/-  
**(Manoj Bhardwaj)**  
(Partner)  
Membership No. 098606  
UDIN 23098606BGSSNO6669

**Place: New Delhi**  
**Date: 18<sup>th</sup> May, 2023**

**For A.R. & Co.**  
Chartered Accountants  
Firm Registration No: 002744C

Sd/-  
**(Pawan K Goel)**  
(Partner)  
Membership No. 072209  
UDIN: 23072209BGVYPA7481

## ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 under "Report on Other legal and regulatory requirements" section of our Independent Auditors' Report of even date to the members of GAIL (India) Limited on the consolidated financial statements for the year ended March 31<sup>st</sup>, 2023.

With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO"), we state that:

i) Below mentioned subsidiaries & Jointly controlled entities are carrying remarks as given under:-

| Sl. No. | Name of Company                 | CIN                   | Holding/ Subsidiary/ Associate/ JV | Clause No. of CARO report which is qualified of adverse comment |
|---------|---------------------------------|-----------------------|------------------------------------|---|
| 1       | GAIL Gas Limited                | U40200DL2008GOI178614 | Subsidiary                         | (i) (a) & (c)   |
| 2       | Maharashtra Natural Gas Limited | U11102PN2006PLC021839 | Joint Venture                      | (i) (c)   |
| 3       | Konkan LNG Limited              | U11100DL2015PLC288147 | Subsidiary                         | (i) (c)   |
| 4       | Indradhanush Gas Grid Ltd       | U40300AS2018GOI018660 | Joint Venture                      | (i) (c)   |

ii) According to information and explanation given to us, in respect of following companies incorporated in India & included in the consolidated financial statements, the CARO report related to them has not been provided to us till the cut off date.

| Sl. No. | Company                                      | CIN                   | Holding/ Subsidiary/ Associate/ JV |
|---------|--|-----------------------|------------------------------------|
| 1.      | Central UP Gas Limited                       | U40200TG2003PLC041566 | Joint Venture                      |
| 2.      | Green Gas Ltd.                               | U23201UP2005PLC030834 | Joint Venture                      |
| 3.      | Bhagyanagar Gas Limited                      | U40200TG2003PLC041566 | Joint Venture                      |
| 4.      | Talcher Fertilizers Limited                  | U24120OR2015PLC019575 | Joint Venture                      |
| 5.      | Vadodara Gas Limited                         | U40106GJ2013PLC076828 | Joint Venture                      |
| 6.      | Brahmaputra Crackers and Polymers Ltd.       | U11101AS2007GOI008290 | Associate                          |
| 7.      | ONGC Petro Additions Ltd.                    | U23209GJ2006PLC060282 | Associate                          |
| 8.      | Indraprastha Gas Limited                     | L23201DL1998PLC097614 | Associate                          |
| 9.      | Mahanagar Gas Limited                        | L40200MH1995PLC088133 | Associate                          |
| 10.     | Ramagundam Fertilizers and Chemicals Limited | U24100DL2015PLC276753 | Associate                          |

**For Gandhi Minocha & Co.**  
Chartered Accountants  
Firm Registration No: 000458N

Sd/-  
**(Manoj Bhardwaj)**  
(Partner)  
Membership No. 098606  
UDIN 23098606BGSSNO6669

**Place: New Delhi**  
**Date: 18<sup>th</sup> May, 2023**

**For A.R. & Co.**  
Chartered Accountants  
Firm Registration No: 002744C

Sd/-  
**(Pawan K Goel)**  
(Partner)  
Membership No. 072209  
UDIN: 23072209BGVYPA7481

## ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT

**Referred to in paragraph 2(f) under "Report on Other legal and regulatory requirements" section of our Independent Auditors' Report of even date to the members of GAIL (India) Limited on the consolidated financial statements for the year ended March 31, 2023.**

**Report on the Internal Financial Controls with reference to Consolidated Financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of the company as of and for the year ended March 31, 2023, We have audited the internal financial controls with reference to Consolidated Financial Statements of GAIL (India) Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies (the Holding Company and its subsidiaries together referred to as "the Group"), its associate companies and jointly controlled companies, which are companies incorporated in India, as of that date.

**Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding company, its subsidiary companies, its associate companies and jointly controlled entities, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Holding company, its subsidiary companies, its associate companies and jointly controlled companies which are incorporated in India, Internal Financial Control over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls both issued by Institute of Chartered Accountants of India, with reference to Consolidated Financial Statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Consolidated Financial Statement was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to consolidated financial statement and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statement included obtaining an understanding of internal financial controls with reference to Consolidated Financial Statement, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The

procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial control of the Group, its associates and jointly controlled companies incorporated in India with reference to Consolidated Financial Statements.

**Meaning of Internal Financial Controls with reference to Financial Reporting**

A Company's internal financial control with reference to Consolidated Financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated financial Statement for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to Consolidated financial Statement includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the Company;
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Consolidated Financial Statements.

**Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Reporting**

Because of the inherent limitations of internal financial controls with reference to Consolidated financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Consolidated financial statement to future periods are subject to the risk that the internal financial control with reference to financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion and to the best of our information and according to the explanation given to us, the Holding Company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system, with reference to Consolidated financial Statements except timely closure of contracts in case of holding company in place and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at March 31<sup>st</sup>, 2023, based on the internal control Over financial reporting criteria established by the Group, its associates and jointly controlled entities considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by The Institute of Chartered Accountants of India.

**Other Matters**

1. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated financial statement of the holding company, insofar as it relates to 4 (Four) subsidiary and 5 (Five) jointly controlled / associate company which are incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.
2. Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Financial Statements insofar as it relates to 10 (ten) associates / jointly controlled

entities incorporated in India, whose financial statements / financial information are unaudited and our opinion on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Group, its associates and jointly controlled entities is not affected as the Group's, its associates and jointly controlled entities share of net profit/loss (including Other Comprehensive Income) and disclosures included in respect of these associates/jointly controlled entities in these Consolidated Financial Statements are not material to the Group.

Our report is not modified in respect of the above matters.

**For Gandhi Minocha & Co.**

Chartered Accountants  
Firm Registration No: 000458N

Sd/-

**(Manoj Bhardwaj)**

(Partner)

Membership No. 098606  
UDIN 23098606BGSSNO6669

**For A.R. & Co.**

Chartered Accountants  
Firm Registration No: 002744C

Sd/-

**(Pawan K Goel)**

(Partner)

Membership No. 072209  
UDIN: 23072209BGVYPA7481

**Place: New Delhi**

**Date: 18<sup>th</sup> May, 2023**

## GAIL (India) Limited, New Delhi

### Consolidated Balance Sheet as at 31<sup>st</sup> March 2023

(₹ in crore)

| Sl. No.   | Particulars   | Note No. | As at                       |                             |
|-----------|---|----------|-----------------------------|-----------------------------|
|           |   |          | 31 <sup>st</sup> March 2023 | 31 <sup>st</sup> March 2022 |
| <b>1</b>  | <b>ASSETS</b>   |          |                             |                             |
|           | <b>Non Current Assets</b>                               |          |                             |                             |
|           | a) Property, Plant and Equipment and Intangible Assets  |          |                             |                             |
|           | i) Property, Plant and Equipment                        | 2        | 44,651.29                   | 40,410.09                   |
|           | ii) Capital work-in-progress                            | 3        | 16,646.50                   | 15,490.40                   |
|           | iii) Intangible Assets                                  | 4        | 2,856.29                    | 2,536.61                    |
|           | iv) Right of Use Assets                                 | 2A       | 2,189.29                    | 1,625.36                    |
|           | b) Financial Assets                                     |          |                             |                             |
|           | i) Investments accounted as per Equity Method           | 5        | 12,163.97                   | 10,978.18                   |
|           | ii) Other Investments                                   | 5a       | 5,084.35                    | 5,429.97                    |
|           | iii) Trade Receivables                                  | 6        | 1,047.98                    | 1,055.54                    |
|           | iv) Loans   | 7        | 281.21                      | 285.37                      |
|           | v) Others Financial Assets                              | 8        | 550.82                      | 1,144.03                    |
|           | c) Non Current Tax Assets (Net)                         | 9        | 744.13                      | 432.04                      |
|           | d) Other Non Current Assets                             | 12       | 1,034.23                    | 864.66                      |
|           | <b>Total Non Current Assets (1)</b>                     |          | <b>87,250.06</b>            | <b>80,252.25</b>            |
| <b>2</b>  | <b>Current Assets</b>                                   |          |                             |                             |
|           | a) Inventories  | 10       | 5,917.92                    | 3,576.61                    |
|           | b) Financial Assets                                     |          |                             |                             |
|           | i) Trade Receivables                                    | 6A       | 10,679.61                   | 7,446.53                    |
|           | ii) Cash and Cash Equivalents                           | 11       | 243.77                      | 1,519.80                    |
|           | iii) Bank Balances other than cash and cash equivalents | 11A      | 859.20                      | 1,284.23                    |
|           | iv) Loans   | 7A       | 67.99                       | 99.54                       |
|           | v) Others Financial Assets                              | 8A       | 1,823.79                    | 1,679.42                    |
|           | c) Current Tax Assets (Net)                             | 9A       | -                           | -                           |
|           | d) Other Current Assets                                 | 12A      | 938.41                      | 701.02                      |
|           | <b>Total Current Assets (2)</b>                         |          | <b>20,530.69</b>            | <b>16,307.15</b>            |
|           | <b>Total Assets (1+2)</b>                               |          | <b>1,07,780.75</b>          | <b>96,559.40</b>            |
|           | <b>EQUITY AND LIABILITIES</b>                           |          |                             |                             |
| <b>1.</b> | <b>EQUITY</b>   |          |                             |                             |
|           | a) Equity Share Capital                                 | 13       | 6,575.10                    | 4,440.39                    |
|           | b) Other Equity   | 14       | 58,352.33                   | 59,673.89                   |
|           | c) Non - Controlling Interests                          |          | 179.55                      | 191.18                      |
|           | <b>Total Equity (1)</b>                                 |          | <b>65,106.98</b>            | <b>64,305.46</b>            |



(₹ in crore)

| Sl. No.   | Particulars                                     | Note | As at                       |                             |
|-----------|---|------|-----------------------------|-----------------------------|
|           |   | No.  | 31 <sup>st</sup> March 2023 | 31 <sup>st</sup> March 2022 |
| <b>2.</b> | <b>LIABILITIES</b>                              |      |                             |                             |
|           | <b>Non Current Liabilities</b>                  |      |                             |                             |
|           | a) Financial Liabilities                        |      |                             |                             |
|           | i) Borrowings                                   | 15   | 8,879.69                    | 5,468.06                    |
|           | ii) Lease liabilities                           |      | 1,117.72                    | 1,001.90                    |
|           | iii) Other Financial Liabilities                | 16   | 732.80                      | 691.55                      |
|           | b) Provisions                                   | 17   | 809.13                      | 676.08                      |
|           | c) Contract Liabilities                         |      | 486.13                      | 447.22                      |
|           | d) Deferred Tax Liabilities (net)               | 20   | 4,395.09                    | 4,199.17                    |
|           | e) Other Non Current Liabilities                | 19   | 4,542.19                    | 4,676.63                    |
|           | <b>Total Non Current Liabilities (2)</b>        |      | <b>20,962.75</b>            | <b>17,160.61</b>            |
| <b>3.</b> | <b>Current Liabilities</b>                      |      |                             |                             |
|           | a) Financial Liabilities                        |      |                             |                             |
|           | i) Borrowings                                   | 15A  | 7,395.21                    | 2,362.26                    |
|           | ii) Lease Liabilities                           |      | 423.56                      | 383.50                      |
|           | iii) Trade Payables                             |      |                             |                             |
|           | -Dues of Micro and Small Enterprises            | 18   | 344.29                      | 303.91                      |
|           | -Dues of Other than Micro and Small Enterprises | 18   | 6,799.27                    | 5,057.35                    |
|           | iv) Other Financial Liabilities                 | 16A  | 4,039.67                    | 4,342.35                    |
|           | b) Other Current Liabilities                    | 19A  | 1,169.19                    | 1,183.04                    |
|           | c) Contract Liabilities                         |      | 611.27                      | 587.72                      |
|           | d) Provisions                                   | 17A  | 928.56                      | 873.20                      |
|           | <b>Total Current Liabilities (3)</b>            |      | <b>21,711.02</b>            | <b>15,093.33</b>            |
|           | <b>Total Equity and Liabilities (1+2+3)</b>     |      | <b>1,07,780.75</b>          | <b>96,559.40</b>            |

The significant accounting policies and accompanying notes form an integral part of Consolidated Financial Statements.

**For and on behalf of the Board of Directors**

Sd/-  
**M K Aggarwal**  
Company Secretary  
(ACS No. 69402)

Sd/-  
**R K Jain**  
Director (Finance)  
(DIN: 08788595)

Sd/-  
**M V Iyer**  
Director (BD) & Director (Marketing)  
(DIN: 08198178)

Sd/-  
**S K Gupta**  
Chairman & Managing Director  
(DIN: 07570165)

As per our separate report of even date

For **A.R. & Co**  
**Chartered Accountants**  
Firm No.002744C

For **Gandhi Minocha & Co**  
**Chartered Accountants**  
Firm No.000458N

Sd/-  
**Pawan K Goel**  
**(Partner)**  
Membership No. 072209

Sd/-  
**Manoj Bhardwaj**  
**(Partner)**  
Membership No. 098606

Place : **New Delhi**  
Date : **18<sup>th</sup> May 2023**

## GAIL (India) Limited, New Delhi

Consolidated Statement of Profit and Loss for the Financial Year ended 31<sup>st</sup> March 2023

(₹ in crore)

| Sl. No.  | Particulars  | Note No. | As at                       |                             |
|----------|--|----------|-----------------------------|-----------------------------|
|          |  |          | 31 <sup>st</sup> March 2023 | 31 <sup>st</sup> March 2022 |
| <b>1</b> | <b>Income</b>  |          |                             |                             |
|          | Revenue from Operation   | 21       | 1,45,875.03                 | 92,873.82                   |
|          | Other Income   | 22       | 1,328.47                    | 1,172.25                    |
|          | <b>Total Income (1)</b>  |          | <b>1,47,203.50</b>          | <b>94,046.07</b>            |
| <b>2</b> | <b>Expenses</b>  |          |                             |                             |
|          | Cost of Materials Consumed   |          | 6,860.15                    | 11,103.28                   |
|          | Excise Duty  |          | 206.73                      | 103.99                      |
|          | Purchase of Stock in trade   |          | 1,23,964.11                 | 59,266.68                   |
|          | Changes in Inventories of Finished Goods, Stock in Trade and Work in Progress                      | 23       | (1,992.93)                  | (262.78)                    |
|          | Employee Benefits Expense  | 24       | 1,902.39                    | 1,815.55                    |
|          | Finance costs  | 25       | 366.58                      | 202.48                      |
|          | Depreciation and Amortization Expense  | 26       | 2,701.57                    | 2,420.17                    |
|          | Other Expenses   | 27       | 7,446.58                    | 5,695.52                    |
|          | <b>Total Expenses (2)</b>  |          | <b>1,41,455.18</b>          | <b>80,344.89</b>            |
| <b>3</b> | <b>Profit/ (Loss) before share of profit/(loss) of associate and Joint Ventures, and tax (1-2)</b> |          | 5,748.32                    | 13,701.18                   |
| <b>4</b> | <b>Share of Profit / (Loss) in JV's/Associates for the year (4)</b>                                |          | 1,508.06                    | 1,762.34                    |
| <b>5</b> | <b>Profit/(loss) before tax (3+4)</b>  |          | <b>7,256.38</b>             | <b>15,463.52</b>            |
| <b>6</b> | <b>Tax expense:</b>  |          |                             |                             |
|          | <b>Current Tax</b>   |          |                             |                             |
|          | Current Year   |          | 1,355.89                    | 3,333.25                    |
|          | Earlier Year   |          | (52.01)                     | (77.24)                     |
|          | Deferred tax   |          | 356.61                      | (96.12)                     |
|          | <b>Total Tax Expenses</b>  |          | <b>1,660.49</b>             | <b>3,159.89</b>             |
| <b>7</b> | <b>Profit for the year (5-6)</b>   |          | <b>5,595.89</b>             | <b>12,303.63</b>            |
| <b>8</b> | <b>Other comprehensive income (OCI)</b>  |          |                             |                             |
|          | <b>Items to be reclassified to profit or loss:</b>   |          |                             |                             |
|          | Exchange differences on translation of foreign operations  |          | 187.17                      | (53.95)                     |
|          | Income tax effect  |          | -                           | -                           |
|          |  |          | <b>187.17</b>               | <b>(53.95)</b>              |
|          | Net movement on cash flow hedges Profit (+)/ Loss(-)   |          | (689.16)                    | 890.80                      |
|          | Income Tax effect thereon  |          | 173.45                      | (224.20)                    |
|          |  |          | <b>(515.71)</b>             | <b>666.60</b>               |
|          | <b>Net OCI to be reclassified to profit or loss</b>  |          | <b>(328.54)</b>             | <b>612.65</b>               |
|          | <b>Items not to be reclassified to profit or loss:</b>   |          |                             |                             |
|          | Re-measurement gains (losses) on defined benefit plans   |          | 46.84                       | 46.72                       |
|          | Income Tax effect thereon  |          | (11.79)                     | 8.96                        |
|          |  |          | <b>35.05</b>                | <b>55.68</b>                |
|          | Net (loss)/gain on FVTOCI equity Securities  |          | <b>(357.85)</b>             | <b>1,886.99</b>             |
|          | Income Tax effect thereon  |          | 1.25                        | (1.32)                      |
|          |  |          | <b>(356.60)</b>             | <b>1,885.67</b>             |

(₹ in crore)

| Sl. No.   | Particulars  | Note No. | As at                       |                             |
|-----------|--|----------|-----------------------------|-----------------------------|
|           |  |          | 31 <sup>st</sup> March 2023 | 31 <sup>st</sup> March 2022 |
|           | Share of Other Comprehensive income in Associates/JV's for the year                        |          | 67.55                       | 115.73                      |
|           | Income Tax effect thereon  |          | -                           | -                           |
|           |  |          | <b>67.55</b>                | <b>115.73</b>               |
|           | <b>Net OCI not to be reclassified to profit or loss:</b>                                   |          | <b>(254.00)</b>             | <b>2,057.08</b>             |
|           | <b>Other comprehensive income for the year, net of tax (8)</b>                             |          | <b>(582.54)</b>             | <b>2,669.73</b>             |
| <b>9</b>  | <b>Total Comprehensive Income for the period (Comprising Profit/(Loss) and OCI) (7+8):</b> |          | <b>5,013.35</b>             | <b>14,973.36</b>            |
|           | <b>Profit for the year</b>   |          | <b>5,595.89</b>             | <b>12,303.63</b>            |
|           | <b>Attributable to:</b>  |          |                             |                             |
|           | Equity holders of the parent PAT   |          | 5,616.00                    | 12,256.07                   |
|           | Non-controlling interests  |          | (20.11)                     | 47.56                       |
|           | <b>Total Other comprehensive income for the year</b>                                       |          | <b>(582.54)</b>             | <b>2,669.73</b>             |
|           | <b>Attributable to:</b>  |          |                             |                             |
|           | Equity holders of the parent   |          | (582.59)                    | 2,669.78                    |
|           | Non-controlling interests  |          | 0.05                        | (0.05)                      |
|           | <b>Total comprehensive income for the year</b>   |          | <b>5,013.35</b>             | <b>14,973.36</b>            |
|           | <b>Attributable to:</b>  |          |                             |                             |
|           | Equity holders of the parent TCOI  |          | 5,033.41                    | 14,925.85                   |
|           | Non-controlling interests  |          | (20.06)                     | 47.51                       |
| <b>10</b> | <b>Earnings per share for continuing operations (in ₹)</b>                                 | 48       |                             |                             |
|           | Basic, attributable to equity holders of the parent  |          | 8.52                        | 18.40                       |
|           | Diluted, attributable to equity holders of the parent                                      |          | 8.52                        | 18.40                       |

The significant accounting policies and accompanying notes form an integral part of Consolidated Financial Statements.

There is no discontinued operation during the above period.

**For and on behalf of the Board of Directors**

Sd/-  
**M K Aggarwal**  
Company Secretary  
(ACS No. 69402)

Sd/-  
**R K Jain**  
Director (Finance)  
(DIN: 08788595)

Sd/-  
**M V Iyer**  
Director (BD) & Director (Marketing)  
(DIN: 08198178)

Sd/-  
**S K Gupta**  
Chairman & Managing Director  
(DIN: 07570165)

As per our separate report of even date

For **A.R. & Co**  
**Chartered Accountants**  
Firm No.002744C

For **Gandhi Minocha & Co**  
**Chartered Accountants**  
Firm No.000458N

Sd/-  
**Pawan K Goel**  
**(Partner)**  
Membership No. 072209

Sd/-  
**Manoj Bhardwaj**  
**(Partner)**  
Membership No. 098606

Place : **New Delhi**  
Date : **18<sup>th</sup> May 2023**

## Consolidated Statement of Changes in Equity for the Year Ended 31<sup>st</sup> March 2023

### A. Equity Share Capital

For the Year Ended 31<sup>st</sup> March 2023

Equity Share Capital for Issued, Subscribed and Paid up Equity share of ₹ 10 each attributable to owners of the parent

| Particulars                             | Note. No. | Amount (₹ in crore) |
|---|-----------|---------------------|
| As at 1 <sup>st</sup> April 2022        | 13        | 4,440.39            |
| Buyback of shares during the year*      |           | (56.98)             |
| Bonus issue of shares during the year#  |           | 2,191.70            |
| <b>As at 31<sup>st</sup> March 2023</b> |           | <b>6,575.10</b>     |

\* During the year the Company has bought back 5,69,85,463 equity shares at a price of ₹ 190 per equity share.

# During the year the Company has issued bonus shares in the ratio of 1:2.

For the Year Ended 31<sup>st</sup> March 2022

Equity Share Capital for Issued, Subscribed and Paid up Equity share of ₹ 10 each attributable to owners of the parent

| Particulars                             | Note. No. | Amount (₹ in crore) |
|---|-----------|---------------------|
| As at 1 <sup>st</sup> April 2021        | 13        | 4,440.39            |
| <b>As at 31<sup>st</sup> March 2022</b> |           | <b>4,440.39</b>     |

### B. Other Equity (Refer Note No.14)

For the Year Ended 31<sup>st</sup> March 2023

(₹ in crore)

| Particulars  | Reserve and Surplus |                          |                 |                  |                            | Other Comprehensive Income                   |  |                                      | Total            | Non Controlling Interest |
|--|---------------------|--------------------------|-----------------|------------------|----------------------------|--|--|--------------------------------------|------------------|--------------------------|
|  | Retained earnings   | Bond redemption reserves | Capital Reserve | General reserves | Capital Redemption Reserve | Net (loss)/ gain on FVTOCI equity Securities | Net movement on cash flow hedges (loss)/gain | Foreign Currency Translation Reserve |                  |                          |
| <b>Balance as at 1<sup>st</sup> April 2022</b>           | <b>49,356.98</b>    | -                        | <b>984.13</b>   | <b>3,505.49</b>  | <b>69.76</b>               | <b>4,562.04</b>                              | <b>1,007.66</b>                              | <b>187.83</b>                        | <b>59,673.89</b> | <b>191.18</b>            |
| Adjustment in Opening Balance*/Changes in NCI            | 178.16              |                          |                 |                  |                            | -  |  |                                      | 178.16           | 8.43                     |
| Profit for the Year                                      | 5,616.00            |                          |                 |                  |                            |  |  |                                      | 5,616.00         | (20.11)                  |
| Re-measurement gains (losses) on defined benefit plans   | 102.60              |                          |                 |                  |                            |  |  |                                      | 102.60           | 0.05                     |
| Transfer from Reserve during the Period                  | -                   | -                        |                 | (56.98)          | 56.98                      |  |  |                                      | -                |                          |
| Buyback of Shares (including Buyback tax and expenses)   |                     |                          |                 | (1,271.90)       |                            |  |  |                                      | (1,271.90)       |                          |
| Bonus issue of shares                                    | (15.08)             |                          |                 | (2,176.61)       |                            |  |  |                                      | (2,191.69)       |                          |
| Transfer of Capital Reserve                              |                     |                          | 0.11            |                  |                            |  |  |                                      | 0.11             |                          |
| Dividends  | (3,069.70)          |                          |                 |                  |                            |  |  |                                      | (3,069.70)       |                          |
| Corporate Dividend Tax                                   | -                   |                          |                 |                  |                            |  |  |                                      | -                |                          |
| <b>Other Comprehensive Income/(loss) for the Year</b>    |                     |                          |                 |                  |                            |  |  |                                      |                  | -                        |
| -Net (loss)/gain on FVTOCI equity Securities             |                     |                          |                 |                  |                            | (356.60)                                     |  |                                      | (356.60)         |                          |
| -Net movement on cash flow hedges (loss)/gain            |                     |                          |                 |                  |                            |  | (515.71)                                     |                                      | (515.71)         |                          |
| -Exchange Difference on Translation of Foreign Operation |                     |                          |                 |                  |                            |  |  | 187.17                               | 187.17           |                          |
| <b>Balance as at 31<sup>st</sup> March 2023</b>          | <b>52,168.96</b>    | -                        | <b>984.24</b>   | -                | <b>126.74</b>              | <b>4,205.44</b>                              | <b>491.95</b>                                | <b>375.00</b>                        | <b>58,352.33</b> | <b>179.55</b>            |

For the Year Ended 31<sup>st</sup> March 2022

(₹ in crore)

| Particulars  | Reserve and Surplus |                          |                 |                  |                            | Other Comprehensive Income                  |  |                                      | Total             | Non Controlling Interest |
|--|---------------------|--------------------------|-----------------|------------------|----------------------------|---|--|--------------------------------------|-------------------|--------------------------|
|  | Retained earnings   | Bond redemption reserves | Capital Reserve | General reserves | Capital Redemption Reserve | Net (loss)/gain on FVTOCI equity Securities | Net movement on cash flow hedges (loss)/gain | Foreign Currency Translation Reserve |                   |                          |
| <b>Balance as at 1<sup>st</sup> April 2021</b>             | <b>41,877.71</b>    | <b>104.78</b>            | <b>947.92</b>   | <b>2,469.09</b>  | <b>69.76</b>               | <b>2,689.85</b>                             | <b>341.06</b>                                | <b>241.78</b>                        | <b>48,741.95</b>  | <b>97.49</b>             |
| Adjustment in Opening Balance                              | (32.62)             |                          |                 |                  |                            |   |  |                                      | (32.62)           | 46.18                    |
| Net gain/ (loss) on FVTOCI of equity shares*               | 13.48               |                          |                 |                  |                            | (13.48)                                     |  |                                      |                   | -                        |
| Current tax on net gain/ (loss) on FVTOCI of equity shares | -                   |                          |                 |                  |                            |   |  |                                      |                   | -                        |
| Profit / (Loss) for the Year                               | 12,256.07           |                          |                 |                  |                            |   |  |                                      | <b>12,256.07</b>  | 47.56                    |
| Re-measurement gains (losses) on defined benefit plans     | 171.41              |                          |                 |                  |                            |   |  |                                      | <b>171.41</b>     | (0.05)                   |
| Transfer to Reserve during the Period                      | (1,044.28)          | 7.88                     |                 | 1,036.40         |                            |   |  |                                      |                   | -                        |
| Transfer from Reserve during the Year                      | 112.66              | (112.66)                 |                 |                  |                            |   |  |                                      |                   | -                        |
| Transfer to Capital Reserve                                |                     |                          | 36.21           |                  |                            |   |  |                                      | <b>36.21</b>      |                          |
| Buyback of shares (including buyback tax and expenses)     |                     |                          |                 |                  | -                          |   |  |                                      |                   | -                        |
| Issue of Bonus Shares                                      |                     |                          |                 |                  | -                          |   |  |                                      |                   | -                        |
| Dividends  | (3,997.45)          |                          |                 |                  |                            |   |  |                                      | <b>(3,997.45)</b> |                          |
| <b>Corporate Dividend Tax</b>                              | -                   |                          |                 |                  |                            |   |  |                                      |                   | -                        |
| Other Comprehensive Income/(loss) for the Year             |                     |                          |                 |                  |                            |   |  |                                      |                   | -                        |
| - Net (loss)/gain on FVTOCI equity Securities              |                     |                          |                 |                  |                            | 1,885.67                                    |  |                                      | <b>1,885.67</b>   |                          |
| - Net movement on cash flow hedges (loss)/gain             |                     |                          |                 |                  |                            |   | 666.60                                       |                                      | <b>666.60</b>     |                          |
| - Exchange Difference on Translation of Foreign Operation  |                     |                          |                 |                  |                            |   |  | (53.95)                              | (53.95)           |                          |
| <b>Balance as at 31<sup>st</sup> March 2022</b>            | <b>49,356.98</b>    | <b>-</b>                 | <b>984.13</b>   | <b>3,505.49</b>  | <b>69.76</b>               | <b>4,562.04</b>                             | <b>1,007.66</b>                              | <b>187.83</b>                        | <b>59,673.89</b>  | <b>191.18</b>            |

\* On account of sale of investment in M/s Addverb Technologies Private Limited and M/s Attentive AI Solutions Private Limited, fair value gain (net of tax) reclassified to retained earnings.

## For and on behalf of the Board of Directors

Sd/-  
**M K Aggarwal**  
Company Secretary  
(ACS No. 69402)

Sd/-  
**R K Jain**  
Director (Finance)  
(DIN: 08788595)

Sd/-  
**M V Iyer**  
Director (BD) & Director (Marketing)  
(DIN: 08198178)

Sd/-  
**S K Gupta**  
Chairman & Managing Director  
(DIN: 07570165)

As per our separate report of even date

For **A.R. & Co**  
**Chartered Accountants**  
Firm No.002744C

For **Gandhi Minocha & Co**  
**Chartered Accountants**  
Firm No.000458N

Sd/-  
**Pawan K Goel**  
**(Partner)**  
Membership No. 072209

Sd/-  
**Manoj Bhardwaj**  
**(Partner)**  
Membership No. 098606

Place : **New Delhi**  
Date : **18<sup>th</sup> May 2023**

## GAIL (India) Limited, New Delhi

Consolidated Statement of Cash Flows For the Financial Year Ended  
31<sup>st</sup> March 2023

(₹ in crore)

| Particulars   | For the Financial Year Ended |                             |
|---|------------------------------|-----------------------------|
|   | 31 <sup>st</sup> March 2023  | 31 <sup>st</sup> March 2022 |
|   | Audited                      | Audited                     |
| 1 Profit Before Tax   | 7,256.38                     | 15,463.52                   |
| <b>2 Adjustments for :</b>  |                              |                             |
| Depreciation and amortisation expenses                                    | 2,701.57                     | 2,420.17                    |
| Finance Cost  | 366.58                       | 202.48                      |
| Dividend Income on Investment   | (433.38)                     | (285.18)                    |
| Interest Income   | (324.54)                     | (258.40)                    |
| (Profit) / Loss on Sale of Investment                                     | (6.81)                       | (18.90)                     |
| MTM (gain)/loss on Mutual fund Investment                                 |                              | 0.42                        |
| Provision for Employees Benefits  | 255.45                       | 267.01                      |
| Provision for Probable Obligations  | 45.96                        | 58.49                       |
| Provision for Doubtful Debts  | 12.69                        | 54.49                       |
| Other Provisions  | 11.66                        | (2.73)                      |
| Amortization of Government Grant  | (100.79)                     | (68.91)                     |
| Amortization of Financial Guarantee Obligation                            | (0.03)                       | (0.14)                      |
| (Profit) / Loss on Sale of Assets (Net)                                   | 21.33                        | 12.08                       |
| Provision for Impairment Loss/ CWIP                                       | 15.32                        | (22.05)                     |
| MTM loss on Commodity Derivative (Net)                                    | (114.93)                     | 241.36                      |
| Dry Well Expenses written off   |                              | 0.87                        |
| Share of Profit/Loss of joint ventures                                    | (1,508.06)                   | (1,762.34)                  |
| Provision/(Reversal) for Impairment (Net)                                 | 49.14                        | -                           |
| <b>Subtotal (2)</b>   | <b>991.16</b>                | <b>838.72</b>               |
| <b>3 Operating Profit Before Working Capital Changes (1+2)</b>            | <b>8,247.54</b>              | <b>16,302.24</b>            |
| <b>4 Changes in Working Capital (Excluding Cash and Cash Equivalents)</b> |                              |                             |
| Trade and Other Receivables   | (2,344.41)                   | (5,992.00)                  |
| Inventories   | (2,341.05)                   | (591.18)                    |
| Trade and Other Payable   | 1,256.37                     | 2,985.05                    |
| <b>Changes in Working Capital (Excluding Cash and Cash Equivalents)</b>   | <b>(3,429.09)</b>            | <b>(3,598.13)</b>           |
| <b>5 Cash Generated from Operations (3+4)</b>                             | <b>4,818.45</b>              | <b>12,704.11</b>            |
| <b>6 Direct Taxes Paid</b>  | <b>(1,613.76)</b>            | <b>(3,284.20)</b>           |
| <b>Net Cash flow from Operating Activities (5+6)</b>                      | <b>3,204.69</b>              | <b>9,419.91</b>             |
| <b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>                             |                              |                             |
| Purchase of Fixed Assets/ CWIP  | (8,830.56)                   | (6,971.28)                  |
| Sale of Fixed Assets  | 77.49                        | 32.74                       |
| Receipt of Government Grants (Capital Grant)                              | (0.07)                       | 589.47                      |
| Investment in Mutual Funds  | (11,113.00)                  | (12,104.95)                 |
| Sale of Mutual Fund   | 11,119.81                    | 12,591.91                   |
| Investment in Other Companies   | 453.03                       | (182.34)                    |
| Sale of Investments   |                              | 19.43                       |
| Loans Recieved / (Given)  | 233.85                       | 61.29                       |
| Interest Received   | 127.70                       | 242.51                      |
| Dividend Received on Investments  | 291.63                       | 285.18                      |
| <b>Net Cash flow from Investing Activities</b>                            | <b>(7,640.12)</b>            | <b>(5,436.04)</b>           |

| Particulars  | For the Financial Year Ended |                             |
|--|------------------------------|-----------------------------|
|  | 31 <sup>st</sup> March 2023  | 31 <sup>st</sup> March 2022 |
|  | Audited                      | Audited                     |
| <b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>                                |                              |                             |
| Repayment of Borrowings  | (2,077.02)                   | (1,615.20)                  |
| Borrowings during the period   | 10,521.60                    | 2,240.16                    |
| Changes in Non Controlling Interest  | -                            | 34.07                       |
| Lease Liabilities Paid   | (312.88)                     | (182.46)                    |
| Interest on Lease Liabilities Paid   | (82.61)                      | (34.52)                     |
| Buyback of Shares  | (1,328.88)                   |                             |
| Dividend Paid  | (3,069.25)                   | (3,995.37)                  |
| Finance Cost Paid  | (678.90)                     | (363.39)                    |
| <b>Net Cash Flow from Financing Activities</b>                               | <b>2,972.06</b>              | <b>(3,916.71)</b>           |
| <b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>                     | <b>(1,463.37)</b>            | <b>67.16</b>                |
| Cash and Cash equivalent at the opening of the period                        | 1,519.80                     | 1,506.59                    |
| Effects of exchange rate changes on the balance of Cash and Cash Equivalents | 187.34                       | (53.95)                     |
| Cash and Cash equivalent at the closing of the period                        | 243.77                       | 1,519.80                    |

**Note:****1. Net Cash Flow From Financing Activities includes following non-cash changes:-**

| Particulars                                 | 31 <sup>st</sup> March 2023 | 31 <sup>st</sup> March 2022 |
|---|-----------------------------|-----------------------------|
| (Gain)/Loss due to changes in exchange rate | (6.08)                      | (0.82)                      |

- Statement of Cash Flows has been prepared using Indirect Method as per Ind AS 7 Statement of Cash Flows
- Refer Note 11 for Cash and Cash equivalents
- Previous period figures have been regrouped where ever necessary to correspond with current period classification/disclosure

**For and on behalf of the Board of Directors**

Sd/-  
**M K Aggarwal**  
Company Secretary  
(ACS No. 69402)

Sd/-  
**R K Jain**  
Director (Finance)  
(DIN: 08788595)

Sd/-  
**M V Iyer**  
Director (BD) & Director (Marketing)  
(DIN: 08198178)

Sd/-  
**S K Gupta**  
Chairman & Managing Director  
(DIN: 07570165)

As per our separate report of even date

For **A.R. & Co**  
**Chartered Accountants**  
Firm No.002744C

For **Gandhi Minocha & Co**  
**Chartered Accountants**  
Firm No.000458N

Sd/-  
**Pawan K Goel**  
**(Partner)**  
Membership No. 072209

Sd/-  
**Manoj Bhardwaj**  
**(Partner)**  
Membership No. 098606

Place : **New Delhi**  
Date : **18<sup>th</sup> May 2023**

## Notes Accompanying Consolidated Financial Statement for the year ended 31<sup>st</sup> March, 2023

### Corporate Information

GAIL (India) Limited ("GAIL" or "the Company" or "Parent") is a Limited Company domiciled in India and was incorporated on August 16, 1984. Equity shares of the Company are listed in India on the Bombay stock exchange and the National stock exchange. In addition, GAIL GDRs are listed at London Stock Exchange. The Government of India holds 51.52% in the paid-up equity capital of the company as on 31<sup>st</sup> March 2023. The registered office of the Company is located at 16, Bhikaji Cama Place, R K Puram, New Delhi 110066.

The Company along with Subsidiary (the group) and its Joint ventures and Associate is the largest state-owned natural gas processing and distribution Company in India. The Company has a diversified business portfolio and has interests in the sourcing and trading of natural gas, manufacturing of LPG, Liquid hydrocarbons and Petrochemicals, transmission of natural gas and LPG through pipelines, City Gas, etc. GAIL is also engaged in the business of Oil and Gas Exploration and Production to increase the access to gas supplies through equity and joint venture participations.

The financial statements of the company for the year ended 31<sup>st</sup> March 2023 were authorized for issue in accordance with a resolution of the Board of Directors on 18<sup>th</sup> May 2023.

### Basis of Preparation

The Consolidated Financial Statements of the Group along with its Associates and Joint venture have been prepared in accordance with Indian Accounting Standards (Ind-AS) as notified by the Ministry of Corporate Affairs ("MCA") under section 133 of the Companies Act, 2013 ("Act"), read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act.

The Consolidated Financial Statements have been prepared as a going concern on accrual basis of accounting. The Group has adopted historical cost basis for assets and liabilities except for certain items which have been measured on a different basis and such basis is disclosed in the relevant accounting policy.

The financial statements are presented in Indian Rupees (₹) which is functional currency of the company and the values are rounded to the nearest crore (up to two decimals), except otherwise indicated.

### Basis of Consolidation

The consolidated financial statements comprise the financial statements of GAIL and its subsidiaries along with its joint ventures and associates as at 31<sup>st</sup> March 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The financial statements of the Group and its subsidiaries have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances. If necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies if material to the group financials.

The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as that of the parent i.e. year ended 31<sup>st</sup> March 2023, except as stated in Note 29 (B).

### Consolidation Procedure

- The consolidated financial statements of the Company and its subsidiaries are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-Group balances and intra-Group transactions resulting in unrealized profits or losses.
- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- Eliminate in full intragroup assets and liabilities, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.
- Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

### Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about



the relevant activities require unanimous consent of the parties sharing control.

The Group's investments in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity, same is followed when opening financials are revised by the Joint venture/associates after date of consolidation in previous years. Unrealized gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture. The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit and loss.

The financial statements of the Group's associate and joint venture are prepared for the same reporting period as the Group except as stated in Note 29. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

## 1. Accounting Policies

### 1.1 Property, Plant and Equipment (PPE)

- (i) The Costs of an item of PPE is recognized as an asset if, and only if:
  - i. It is probable that the future economic benefits flow to the entity; and
  - ii. The cost of an item can be measured reliably
- (ii) Property, Plant and Equipment are stated at original cost net of tax / duty credit availed, less accumulated depreciation / amortization and cumulative impairment losses. All costs relating to acquisition of fixed assets till commissioning of such assets are capitalized. In the case of commissioned assets where final payment to the Contractors is pending, capitalization is made on provisional basis, including provisional liability pending approval of Competent Authority, subject to necessary adjustment in cost and depreciation in the year of settlement.
- (iii) Stores & Spares which meet the definition of PPE (whether as component or otherwise) and satisfy the recognition criteria, are capitalized as PPE in the underlying asset. Expenditure on major inspection and overhauls of PPE is capitalized, when it meets the asset recognition criteria. Any remaining carrying amount of the cost of the previous inspection and overhaul is derecognized. The cost of replacing major part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized regardless of whether the replaced part has been depreciated separately. If it is not practicable to determine the carrying amount of the replaced part, the Company uses the cost of the replacement as an indication of what the cost of replaced part was at the time it was acquired or constructed
- (iv) Technical know-how/license fee incurred at the time of procurement of PPE are capitalized as part of the underlying asset.

- (v) Items of PPE may be acquired for safety or environmental reasons. The acquisition of such PPE, although not directly increasing the future economic benefits of any particular existing item of PPE, may be necessary for an entity to obtain the future economic benefits from its other assets. Such items of PPE are recognized as assets
- (vi) Property, plant and equipment is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on de-recognition of an item of property, plant and equipment are determined as the difference between sale proceeds from disposal, if any, and the carrying amount of property, plant and equipment and are recognized in the statement of profit and loss. In circumstance, where an item of property, plant and equipment is abandoned, the net carrying cost relating to the property, plant and equipment is written off in the same period.
- (vii) On transition to Ind AS, the Company has elected to continue with the carrying value of all of its PPE recognized as at 01.04.2015 measured as per previous GAAP and use that carrying value as deemed cost of the PPE.

### 1.2 Intangible Assets

- a) Intangible assets like Right of Use (RoU), Software, Licenses which are expected to provide future enduring economic benefits are capitalized as Intangible Assets and are stated at their cost of acquisition less accumulated amortization and any accumulated impairment loss.
- b) Expenditure incurred which are eligible for capitalizations under intangible assets are carried as intangible assets under development till they are ready for their intended use.
- c) An intangible asset is derecognized when no future economic benefits are expected from their use or upon their disposal. Gain or loss on de-recognition of an intangible asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of intangible assets and are recognized in the statement of profit and loss.
- d) On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognized as at 01.04.2015 measured as per previous GAAP and use that carrying value as deemed cost of the intangible assets.

### 1.3 Capital Work in Progress

- a) Crop compensation is accounted for under Capital Work-in-Progress on the basis of actual payments/estimated liability, as and when work commences where ROU is acquired.
- b) The capital work in progress includes Construction Stores including Material in Transit/ Equipment / Services, etc. received at site for use in the projects.
- c) All revenue expenses incurred during Construction Period, which are exclusively attributable to acquisition / construction of the asset, are capitalized at the time of commissioning of such assets.

### 1.4 Exploration and Development Costs

- a) The Company follows Successful Efforts Method for accounting of Oil & Gas exploration and production activities carried out through incorporate or unincorporated Joint Ventures in the nature of Production Sharing Contracts (PSC) and Revenue Sharing Contracts (RSC) with respective host government and various body corporates for exploration, development and production activities, which includes exploration and evaluation costs as follows:

- (i) Geological and Geophysical (G&G) costs including seismic surveys, surface lease rentals etc. for exploration and appraisal proposes are recognized as revenue expenditure in the year in which these are incurred.
- (ii) Cost of exploratory/ appraisal wells are carried as Capital Work in Progress - Intangible Assets under development/ Capital work in progress. Such exploratory wells in progress are capitalized in the year in which the Producing Property is created. Such costs are written off in the year when determined to be dry / abandoned.
- (iii) Cost of all "exploratory wells in progress" is debited to Statement of Profits and Loss except of those wells for which there are reasonable indications of sufficient quantity of reserves and the enterprise is making sufficient progress assessing the reserves and the economic and operating viability of the project.

#### b) Capitalization of Producing Properties

Producing Properties are capitalized as "completed wells / producing wells" when the wells in the area / field are ready to commence commercial production on establishment of proved developed oil and gas reserves.

Cost of Producing Properties includes cost of successful exploratory wells, development wells, initial depreciation of support equipments & facilities and estimated future abandonment cost.

#### c) Depletion of Producing Properties

Producing Properties are depleted using the "Unit of Production Method (UOP)". The depletion or unit of production charged for all the capitalized cost is calculated in the ratio of production during the year to the proved developed reserves at the year end.

#### d) Production cost of Producing Properties

Company's share of production costs as indicated by Operator consists of pre well head and post well head expenses including depreciation and applicable operating cost of support equipment and facilities.

#### e) Accounting for joint operations

In relation to its interests in joint operations entered through Production Sharing Contracts (PSC) and Revenue Sharing Contracts, the company recognizes its proportionate share in assets, liabilities, revenue from the sale of the output, expenses of the joint operation entity, in the financial statements.

### 1.5 Foreign Currency Transaction

- a) Functional Currency of the Company is Indian Rupee (₹).
- b) Transactions in foreign currency are initially accounted at the exchange rate prevailing on the transaction date.
- c) Monetary items (such as Cash, Receivables, Loans, Payables, etc.) denominated in foreign currencies, outstanding at the year end, are translated at exchange rates (BC Selling Rate for Payables and TT Buying Rate for Receivables) prevailing at year end.
- d) Non-monetary items (such as Equity Investments, Property plant and equipment, Intangible assets etc.), denominated in foreign currencies are accounted at the exchange rate prevailing on the date of transaction(s) other than those measured at fair value.
- e) Any gains or loss arising on account of exchange difference either on settlement or on translation is adjusted in the Statement of Profit & Loss.
- f) Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-

monetary items is recognized in line with the gain or loss of the item arising on determination of fair value of such item, either in other comprehensive income or the Statement of Profit and Loss as the case maybe.

### 1.6 Borrowing Cost

Borrowing costs consist of:

- (a) interest expense calculated using the effective interest method as described in Ind AS 109 –'Financial Instruments'
- (b) interest expense on lease liabilities recognized in accordance with Ind AS 116–'Leases' and
- (c) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing cost of the funds specifically borrowed for the purpose of obtaining qualifying assets and eligible for capitalization along with the cost of the assets, is capitalized up to the date when the asset is ready for its intended use after netting off any income earned on temporary investment of such funds. Other borrowing costs are recognized as expense in the year of incurrence.

### 1.7 Government Grants

Government Grants are not recognized until there is reasonable assurance that the Company will comply with conditions attached to them and the grants will be received. In case of depreciable assets, the cost of the assets is shown at gross value and grant thereon is taken to deferred income which is recognized as income in the Statement of Profit and Loss over the useful life of the asset. Government Grants related to non-depreciable assets may also require the fulfillment of certain obligations and would then be recognised in profit or loss over the periods that bear the cost of meeting the obligations.

### 1.8 Non-Current Assets held for Sale:

Non-current assets or disposable groups classified as held for sale are measured at the lower of carrying amount and fair value less cost to sale. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Non-current assets or disposable groups are classified as held for sale if their carrying amount will be recovered principally through a sale rather than through continuing use. Management must be committed to the sale expected within one year from the date of classification. Action required to complete the plan of sale should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

PPE and Intangible assets once classified as held for sale are not depreciated or amortised.

### 1.9 Inventories

- a) Stock of Liquefied Natural Gas (LNG) and Natural Gas in pipelines is valued at cost on First in First out (FIFO) basis or net realizable value, whichever is lower.
- b) Raw materials and finished goods are valued at weighted average cost or net realizable value, whichever is lower. Finished goods include excise duty and royalty wherever applicable.
- c) Stock in process is valued at weighted average cost or net realisable value, whichever is lower. It is valued at weighted average cost where the finished goods in which these are to be incorporated are expected to be sold at or above the weighted average cost.
- d) Stores and spares and other material for use in production of inventories are valued at weighted average cost or net realisable value, whichever is lower. It is valued at weighted average cost

where the finished goods in which they will be incorporated are expected to be sold at/or above cost.

- e) Surplus / Obsolete Stores and Spares are valued at cost or net realisable value, whichever is lower.
- f) Surplus / Obsolete Capital Stores, other than held for use in construction of a capital asset, are valued at lower of cost or net realisable value.
- g) Imported LNG in transit is valued at CIF value or net realizable value whichever is lower.
- h) Renewable Energy Certificates (RECs) are valued at cost on First in First out (FIFO) basis or net realizable value, whichever is lower.

### 1.10 Revenue recognition

The Company has applied the modified retrospective approach on transition to Ind AS 115.

- a) Revenue is recognized to depict the transfer of control of promised goods or services to customers upon the satisfaction of performance obligation under the contract in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Consideration includes contributions by customers towards assets over which Company has control.
- b) Where performance obligation is satisfied over time, company recognizes revenue using input/ output method based on performance completion till reporting date. Where performance obligation is satisfied at a point in time, company recognizes revenue when customer obtains control of promised goods and services in the contract.
- c) The Company uses output method in accounting for the revenue in respect of sale of services. Use of output method requires the Company to recognize revenue based on performance completion till date e.g. time elapsed. The estimates are assessed continually during the term of the contract and the company re-measures its progress towards complete satisfaction of its performance obligations satisfied over time at the end of each reporting period.
- d) Company updates its estimated transaction price at each reporting period, to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period including penalties, discounts and damages etc.
- e) Insurance claims are accounted for on the basis of claims admitted by the insurers.
- f) Claims (including interest on delayed realization from customers) are accounted for, when there is significant certainty that the claims are realizable.
- g) Liability in respect of Minimum Guaranteed Offtake (MGO) of Natural gas is not provided for where the same is secured by MGO recoverable from customers. Payments/receipts during the year on account of MGO are adjusted on receipt basis.
- h) Minimum charges relating to transportation of LPG are accounted for on receipt basis.
- i) In terms of the Gas Sales Agreement with the customers, amount received towards Annual Take or Pay Quantity (ATOPQ) of Gas is accounted for on the basis of realization and shown as liability till make up Gas is delivered to customer as per the contract.
- j) Dividend is recognized when right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be measured reliably.

### 1.11 Depreciation /Amortisation

#### A. Property Plant and Equipment (PPE)

Depreciation on PPE (including enabling assets) is provided in accordance with the manner and useful life as specified in Schedule II of the Companies Act, 2013, on straight line method (SLM) on pro-rata basis (monthly pro-rata for bought out assets), except for the assets as mentioned below where different useful life has been taken on the basis of external / internal technical evaluation:

| Particulars  | Years   |
|--|---------|
| Furniture provided for the use of employees              | 6 years |
| Electrical Equipment's provided for the use of employees | 4 years |
| Mobile Phones provided for the use of employees          | 2 years |

Cost of the leasehold land is amortized over the lease period except perpetual leases.

Depreciation due to price adjustment in the original cost of fixed assets is charged prospectively.

The residual values, useful lives and methods of depreciation of PPE are reviewed at each financial year end and adjusted prospectively, if appropriate. The depreciation/amortization for future periods is revised if there are significant changes from previous estimates. The Company has considered residual value of PPE at 5% of the cost of assets.

#### b) Intangible Assets

- i. Right of use (ROU) having indefinite life (for which there is no foreseeable limit to the period over which they are expected to generate net cash flows given the fact that these rights can be used even after the life of respective pipelines) are not amortized, but are tested for impairment annually.
- ii. The cost of Intangible assets comprising software and licences, etc. are amortised on Straight Line Method (SLM) over a period of 5 years/actual useful life whichever is lower from the date of capitalization.
- iii. After impairment of assets, if any, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

#### C) Capital assets facilities installed at the consumers' premises

Capital assets facilities installed at the consumers' premises on the land whose ownership is not with the company, has been depreciated on SLM basis in accordance with the useful life as specified in Schedule II of the Companies Act, 2013.

### 1.12 Employees Benefits

- (a) All short term employee benefits are recognized at the undiscounted amount in the accounting period in which they are incurred.
- (b) The Company's contribution to the Provident Fund is remitted to a separate trust established for this purpose based on a fixed percentage of the eligible employee's salary and debited to Statement of Profit and Loss / CWIP. Further, the company makes provision as per actuarial valuation towards any shortfall in fund assets to meet statutory rate of interest in the future period, to be compensated by the company to the Provident Fund Trust.

- (c) Employee Benefits under Defined Benefit Plans in respect of post-retirement medical scheme and gratuity are recognized based on the present value of defined benefit obligation, which is computed on the basis of actuarial valuation using the Projected Unit Credit Method. Actuarial liability in excess of respective plan assets is recognized during the year.
- (d) Obligations on other long term employee benefits, viz., leave encashment, compensated absence and long service awards are provided using the Projected Unit Credit method of actuarial valuation made at the end of the year.
- (e) Re-measurement including actuarial gains and losses are recognized in the balance sheet with a corresponding debit or credit to retained earnings through Statement of Profit and Loss or Other Comprehensive Income in the year of occurrence, as the case may be. Re-measurements are not reclassified to the Statement of Profit and Loss in subsequent periods.
- (f) The Company also operates a defined contribution scheme for Pension benefits for its employees and the contribution is remitted to a separate Trust.
- (g) Liability for gratuity and Post-Retirement Medical Scheme (PRMS) as per actuarial valuation is funded with a separate trust.

### 1.13 Impairment of non-financial assets

The Carrying amount of cash generating unit are reviewed at each reporting date. In case there is any indication of impairment based on Internal / External factors, impairment loss is recognized wherever the carrying amount of asset exceeds its recoverable amount.

### 1.14 Provisions, Contingent Liabilities, Contingent Assets & Capital Commitments

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, the amount of a provision shall be the present value of the expenditures expected to be required to settle the obligation. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the statement of profit and loss net of reimbursement, if any.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable on the basis of judgment of management. These are assessed continually to ensure that developments are appropriately reflected in the financial statements.

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities/assets exceeding ₹ 5 Lacs in each case are disclosed by way of notes to accounts except when there is remote possibility of settlement/realization.

Estimated amount of contracts (Inclusive of Tax & net of advances) remaining to be executed on capital accounts are disclosed in each case above ₹ 5 lacs.

## 1.15 Taxes on Income

### a) Current Tax

Provision for current tax is made as per the provisions of the Income Tax Act, 1961. Deferred tax is provided, using the balance sheet method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes considering the tax rate and tax laws that have been enacted or substantively enacted as on the reporting date.

### b) Deferred Tax

Deferred tax relating to items recognized outside Statement of Profit and Loss is recognized outside Statement of Profit and Loss (either in Other Comprehensive Income or in Equity).

The carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liabilities arises from the initial recognition of assets/ liabilities/ goodwill in a transaction that is not a business combination and at the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets/ liabilities are measured based on the tax rates (and tax laws) that have been enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legal right exists to set off the same.

## 1.16 Research & Development Expenditure

Revenue expenditure on Research and Development is charged to Statement of Profit and Loss in the year in which it is incurred. Capital expenditure on Research and Development is capitalized in case the same qualifies as asset.

## 1.17 Cash and cash equivalents

Cash and cash equivalents consist of cash at bank and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

### 1.18 Segment reporting

The Management of the company monitors the operating results of its business Segments for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

The Operating segments have been identified on the basis of the nature of products / services.

- a) Segment revenue includes directly identifiable with/allocable to the segment including inter-segment revenue.
- b) Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result.
- c) Expenses which relate to the Company as a whole and not allocable to segments are included under unallocable expenditure.
- d) Income which relates to the Company as a whole and not allocable to segments is included in unallocable income.
- e) Segment assets including CWIP and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

### 1.19 Earning per share

Basic earnings per equity share is computed by dividing the net profit after tax attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing adjusted net profit after tax by the aggregate of weighted average number of equity shares and dilutive potential equity shares during the year.

### 1.20 Liquidated damages/ Price Reduction Schedule

Amount recovered towards Liquidated Damages/Price Reduction Schedule are adjusted/appropriated as and when the matter is settled.

### 1.21 Statement of Cash Flow

Statement of cash flow is prepared in accordance with the indirect method prescribed in Ind AS 7, 'Statement of Cash Flows'

### 1.22 Fair value measurement

The Company measures financial instruments including derivatives and specific investments (other than subsidiary, joint venture and associates), at fair value at each balance sheet date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- (i) **Level 1** — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- (ii) **Level 2** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- (iii) **Level 3** — Valuation techniques for which the lowest level

input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

### 1.23 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### (A) Financial Assets

##### (i) Classification

The Company classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through Statement of Profit and Loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

##### (ii) Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through Statement of Profit and Loss, transaction costs that are attributable to the acquisition of the financial asset.

##### (iii) Subsequent measurement

For purposes of subsequent measurement financial assets are classified in below categories:

##### i. Financial assets carried at amortised cost

A financial asset other than derivatives and specific investments, is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### ii. Financial assets at fair value through other comprehensive income

A financial asset other than derivatives comprising specific investment is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

**iii. Financial assets at fair value through Statement of Profit and Loss**

A financial asset comprising derivatives which is not classified in any of the above categories are subsequently fair valued through profit or loss.

**(iv) De recognition**

A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

**(v) Investment in subsidiaries, joint ventures and associates**

- i. The company has accounted for its investment in subsidiaries, joint ventures and associates at cost. The company assesses whether there is any indication that these investments may be impaired. If any such indication exists, the investment is considered for impairment based on the fair value thereof.
- ii. When the company issues financial guarantees on behalf of subsidiaries, joint ventures and associates initially it measures the financial guarantee at their fair values and subsequently measures at higher of:
  - The amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 and
  - The amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of Ind AS 115 'Revenue from Contracts with Customers'
- iii. The Company recognize the initial fair value of financial guarantee as deemed investment with a corresponding liability recorded as financial guarantee obligation. Such deemed investment is added to the carrying value amount of the investment in subsidiaries, joint venture and associates. Financial guarantee obligation is recognized as other income in Statement of Profit and Loss over the remaining period of financial guarantee.

**(vi) Impairment of other financial assets**

The Company assesses impairment based on expected credit losses (ECL) model for measurement and recognition of impairment loss on the financial assets that are trade receivables or contract revenue receivables and all lease receivables etc.

**(B) Financial liabilities****(i) Classification**

The Company classifies all financial liabilities as subsequently measured at amortized cost, except for financial liabilities at fair value through Statement of Profit and Loss. Such liabilities, including derivatives shall be subsequently measured at fair value.

**(ii) Initial recognition and measurement**

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's

financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

**(iii) Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

**i. Financial liabilities at amortised cost**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

**ii. Financial liabilities at fair value through Statement of Profit and Loss**

Financial liabilities at fair value through Statement of Profit and Loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through Statement of Profit and Loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category comprises derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

**(iv) Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

**(C) Embedded Derivatives**

- a) If the hybrid contract contains a host that is an asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract.
- b) If the hybrid contract contains a host that is not an asset within the scope of Ind AS 109, the Company separate embedded derivatives from the host and measures at fair value with changes in fair value recognized in statement of profit or loss if, and only if:
  - (i) The economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host.
  - (ii) A separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and
  - (iii) The hybrid contract is not measured at fair value with changes in fair value recognized in profit or loss

## (D) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

## (E) Derivative financial instruments and Hedge Accounting

The Company uses derivative financial instruments, in form of forward currency contracts, interest rate swaps, cross currency interest rate swaps, commodity swap contracts to hedge its foreign currency risks, interest rate risks and commodity price risks.

### (i) Derivatives Contracts not designated as hedging instruments

- i. The derivatives that are not designated as hedging instrument under Ind AS 109, are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.
- ii. Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss.

### (ii) Derivatives Contracts designated as hedging instruments

- The derivatives that are designated as hedging instrument under Ind AS 109 to mitigate its risk arising out of foreign currency and commodity hedge transactions are accounted for as cash flow hedges.
- The Company enters into hedging instruments in accordance with policies as approved by the Board of Directors, provide written principles which is consistent with the risk management strategy of the Company.
- The hedge instruments are designated and documented as hedges at the inception of the contract. The effectiveness of hedge instruments is assessed and measured at inception and on an ongoing basis. The effective portion of change in the fair value of the designated hedging instrument is recognized in the "Other Comprehensive Income" as "Cash Flow Hedge Reserve". The ineffective portion is recognized immediately in the Statement of Profit and Loss as and when occurs. The amount accumulated in Cash Flow Hedge Reserve is reclassified to profit or loss in the same period(s) during which the hedged item affects the Statement of Profit or Loss Account. In case the hedged item is the cost of non-financial assets / liabilities, the amount recognized as Cash Flow Hedge Reserve are transferred to the initial carrying amount of the non-financial assets / liabilities.
- If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in Cash Flow Hedging Reserve remains in Cash Flow Hedging Reserve till the period the hedge was effective. The cumulative gain or loss previously recognized in the Cash Flow Hedging Reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.

## 1.24 Leases

The Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. The Company assesses at the inception of contract whether a contract is, or contains, a lease i.e. if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### As a Lessee

#### 1. Identifying a lease

At the inception of the contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The company assesses whether:

- i. The contract involves the use of an identified asset, specified explicitly or implicitly.
- ii. The Company has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use, and
- iii. The Company has right to direct the use of the asset.

Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### 2. Initial recognition of Right of use asset (ROU)

The Company recognizes a ROU asset at the lease commencement date (i.e., the date the underlying asset is available for use). ROU assets are initially measured at cost less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, adjusted for any lease payments made on or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or site on which it is located, less any lease incentives received.

#### 3. Subsequent measurement of Right of use asset (ROU)

ROU assets are subsequently amortized using the straight-line method from the commencement date to the earlier of the end of the useful life of ROU asset or the end of the lease term. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurement of the lease liability. Refer to the accounting policies in section 1.12 Impairment of non-financial assets.

#### 4. Initial recognition of lease liability

Lease liabilities are initially measured at the present value of the lease payments to be paid over the lease term. Lease payments included in the measurement of the lease liabilities comprise of the following:

- i. Fixed payments, including in-substance fixed payments
- ii. Variable lease payments that depend on an index or a rate
- iii. Amounts expected to be payable under a residual value guarantee; and
- iv. The exercise price under a purchase option, extension option and penalties for early termination only if the Company is reasonably certain to exercise those options.

## 5. Subsequent measurement of lease liability

Lease liabilities are subsequently increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

## 6. Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption. Lease payments on short-term leases and leases of low-value assets are recognized as expense in Statement of Profit and Loss.

### As a Lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the lease term.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables and finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

### Estimates and assumptions

#### **Determination of discount rate as a lessee**

Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. Company estimates its incremental borrowing rate, which is the rate of interest that the Company would have to pay to borrow on a collateralized basis over a similar term an amount equal to the lease payments in a similar economic environment using observable available inputs (such as market interest rates).

## 1.25 The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification as below.

### **An asset is treated as current when it is:**

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or

- Cash or Cash Equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

### **A liability is treated as current when:**

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current

## 1.26 Recent accounting pronouncements - Standards issued but not yet effective:

The Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 vide notification No. G.S.R 242(E) dated 31<sup>st</sup> March 2023, effective from 1<sup>st</sup> April 2023. The following are the major amendments

### **Ind AS 1 – Presentation of Financial Statements**

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

### **Ind AS 12 – Income Taxes**

The amendments clarifies how company should account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

### **Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors**

The amendments clarifies the definition of a change in accounting estimates by replacing with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.



## NOTE-1 B: Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Company's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, accompanying disclosures, contingent liabilities/assets at the date of the consolidated financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require adjustment to the carrying amount of assets or liabilities affected in future periods.

In particular, the Company has identified the areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the financial statements. Changes in estimates are accounted for prospectively.

### 1. Judgments

In the process of applying the Company's accounting policies, management has made the judgments, which have the most significant effect on the amounts recognized in the consolidated financial statements:

#### 1.1 Contingencies

Contingent liabilities and assets which may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involve the exercise of significant judgments and the use of estimates regarding the outcome of future events.

### 2. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company determines its assumptions and estimates on parameters available when the financial statements are prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

#### 2.1. Estimation uncertainties relating to global health pandemic from COVID-19:

On March 11, 2020 the World Health Organization (WHO) declared the outbreak of new Corona virus ("COVID-19") as a global pandemic. This outbreak is causing significant disturbances and slowdown of economic activity. The Company's operations were slightly impacted in the last week of March 2020, resulting in slight reduction of sales volumes due to nationwide lockdown advised by the Government of India in view of COVID-19.

In assessing the recoverability of carrying amounts of Company's assets such as property, plant and equipment, trade receivables, loans/ advance, intangible assets, investments and other assets etc., the Company has considered various internal and external information up to the date of approval of these financial statements and concluded that they are recoverable based on the cash flow projections.

The Company has assessed the potential impact of COVID-19 based on the current circumstances and expects no significant impact on the continuity of operations of the business on long term basis/ on useful life of the assets/on financial position etc.

#### 2.2 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

#### 2.3 Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

#### 2.4 Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

#### 2.5 Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgments in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Impairment of investment in subsidiaries, joint ventures or associates is based on the impairment calculations using discounted cash flow/net asset value method, valuation report of external agencies, Investee Company's past history etc.

## GAIL (India) Limited, New Delhi

Note : 2 - Property, Plant and Equipment for the year ended 31<sup>st</sup> March 2023

₹ In crore

| Particulars                          | Gross Block                      |                           |                      |                                 | Accumulated Depreciation          |                                  |                 |                                 | Impairment Loss                   |                                  |                | Net Block                         |                                   |                                   |
|--------------------------------------|----------------------------------|---------------------------|----------------------|---------------------------------|-----------------------------------|----------------------------------|-----------------|---------------------------------|-----------------------------------|----------------------------------|----------------|-----------------------------------|-----------------------------------|-----------------------------------|
|                                      | As at 1 <sup>st</sup> April 2022 | Additions during the year | Acquisition from AUC | Disposals/ Adj. during the year | As at 31 <sup>st</sup> March 2023 | As at 1 <sup>st</sup> April 2022 | For the year    | Disposals/ Adj. during the year | As at 31 <sup>st</sup> March 2023 | As at 1 <sup>st</sup> April 2022 | For the year   | As at 31 <sup>st</sup> March 2023 | As at 31 <sup>st</sup> March 2023 | As at 31 <sup>st</sup> March 2023 |
| <b>Property, Plant and Equipment</b> |                                  |                           |                      |                                 |                                   |                                  |                 |                                 |                                   |                                  |                |                                   |                                   |                                   |
| Land : Freehold                      | 633.76                           | 21.41                     | 104.84               | -                               | 760.01                            | -                                | -               | -                               | -                                 | -                                | -              | -                                 | -                                 | 760.01                            |
| Building : Office/Others             | 1,190.45                         | 10.56                     | 226.85               | (2.48)                          | 1,425.38                          | 264.03                           | 39.83           | (0.57)                          | 303.29                            | -                                | -              | -                                 | -                                 | 1,122.09                          |
| Building : Residential               | 362.43                           | 2.84                      | 2.57                 | (0.43)                          | 367.41                            | 77.54                            | 10.88           | (0.08)                          | 88.34                             | -                                | -              | -                                 | -                                 | 279.07                            |
| Bunk Houses                          | 3.75                             | 0.08                      | -                    | (0.15)                          | 3.68                              | 2.63                             | 0.46            | (0.14)                          | 2.95                              | -                                | -              | -                                 | -                                 | 0.73                              |
| Plant and Machinery                  | 48,295.45                        | 497.74                    | 4,940.43             | (145.70)                        | 53,587.92                         | 10,693.36                        | 2,012.37        | (41.81)                         | 12,663.92                         | 412.07                           | (94.42)        | 317.65                            | 40,606.35                         |                                   |
| Railway Lines & Sidings              | 6.70                             | 0.17                      | -                    | -                               | 6.87                              | 0.88                             | 1.29            | -                               | 2.17                              | -                                | -              | -                                 | -                                 | 4.70                              |
| Electrical Equipment's               | 447.94                           | 43.41                     | 38.87                | (7.86)                          | 522.36                            | 264.84                           | 51.38           | (7.20)                          | 309.02                            | 0.03                             | -              | 0.03                              | 213.31                            |                                   |
| Furniture & Fixtures                 | 170.06                           | 22.80                     | 6.56                 | (10.53)                         | 188.89                            | 83.87                            | 16.90           | (9.31)                          | 91.46                             | -                                | -              | -                                 | 97.43                             |                                   |
| Office Equipment's                   | 333.05                           | 30.59                     | 35.83                | (23.27)                         | 376.20                            | 220.30                           | 41.69           | (21.62)                         | 240.37                            | 0.01                             | -              | 0.01                              | 135.82                            |                                   |
| Other Equipment's                    | 256.91                           | 42.49                     | 5.00                 | (18.43)                         | 285.97                            | 132.68                           | 38.56           | (16.62)                         | 154.62                            | 0.02                             | -              | 0.02                              | 131.33                            |                                   |
| Transport Equipment's                | 9.45                             | 3.86                      | -                    | (0.05)                          | 13.26                             | 5.67                             | 0.74            | (0.03)                          | 6.38                              | -                                | -              | -                                 | 6.88                              |                                   |
| <b>E&amp;P Assets</b>                |                                  |                           |                      |                                 |                                   |                                  |                 |                                 |                                   |                                  |                |                                   |                                   |                                   |
| Producing Property                   | 2,011.31                         | 26.66                     | 514.23               | 86.51                           | 2,638.71                          | 1,157.04                         | 137.28          | 54.22                           | 1,348.54                          | -                                | -              | -                                 | -                                 | 1,290.17                          |
| Support Equipment & Facilities       | 6.24                             | -                         | -                    | -                               | 6.24                              | 2.42                             | 0.43            | (0.01)                          | 2.84                              | -                                | -              | -                                 | -                                 | 3.40                              |
| <b>Total</b>                         | <b>53,727.50</b>                 | <b>702.61</b>             | <b>5,875.18</b>      | <b>(122.39)</b>                 | <b>60,182.90</b>                  | <b>12,905.26</b>                 | <b>2,351.81</b> | <b>(43.17)</b>                  | <b>15,213.90</b>                  | <b>412.13</b>                    | <b>(94.42)</b> | <b>317.71</b>                     | <b>44,651.29</b>                  |                                   |

\* Refer Note No.46 for impairment of assets

## GAIL (India) Limited, New Delhi

Note : 2 - Property, Plant and Equipment for the year ended 31<sup>st</sup> March 2022

₹ In crore

| Particulars                          | Gross Block                      |                           |                      | Accumulated Depreciation        |                                   |                                  | Impairment Loss |                                 |                                   | Net Block                        |                |                                   |
|--------------------------------------|----------------------------------|---------------------------|----------------------|---------------------------------|-----------------------------------|----------------------------------|-----------------|---------------------------------|-----------------------------------|----------------------------------|----------------|-----------------------------------|
|                                      | As at 1 <sup>st</sup> April 2021 | Additions during the year | Acquisition from AUC | Disposals/ Adj. during the year | As at 31 <sup>st</sup> March 2022 | As at 1 <sup>st</sup> April 2021 | For the year    | Disposals/ Adj. during the year | As at 31 <sup>st</sup> March 2022 | As at 1 <sup>st</sup> April 2021 | For the year   | As at 31 <sup>st</sup> March 2022 |
| <b>Property, Plant and Equipment</b> |                                  |                           |                      |                                 |                                   |                                  |                 |                                 |                                   |                                  |                |                                   |
| Land : Freehold                      | 568.91                           | 25.73                     | 39.12                | -                               | 633.76                            | -                                | -               | -                               | -                                 | -                                | -              | 633.76                            |
| Building : Office/Others             | 1,087.40                         | 4.83                      | 98.54                | (0.32)                          | 1,190.45                          | 226.24                           | 37.90           | (0.11)                          | 264.03                            | -                                | -              | 926.42                            |
| Building : Residential               | 334.83                           | 0.60                      | 27.01                | (0.01)                          | 362.43                            | 66.95                            | 10.59           | -                               | 77.54                             | -                                | -              | 284.89                            |
| Bunk Houses                          | 2.81                             | 0.89                      | 0.05                 | -                               | 3.75                              | 2.37                             | 0.26            | -                               | 2.63                              | -                                | -              | 1.12                              |
| Plant and Machinery                  | 44,111.40                        | 350.40                    | 3,919.44             | (85.79)                         | 48,295.45                         | 8,896.74                         | 1,814.38        | (17.74)                         | 10,693.38                         | 458.12                           | (46.05)        | 37,190.00                         |
| Railway Lines & Sidings              | 2.39                             | 4.31                      | -                    | -                               | 6.70                              | 0.24                             | 0.64            | -                               | 0.88                              | -                                | -              | 5.82                              |
| Electrical Equipment's               | 412.09                           | 18.08                     | 28.16                | (10.39)                         | 447.94                            | 230.24                           | 43.87           | (9.27)                          | 264.84                            | 0.04                             | 0.03           | 183.07                            |
| Furniture & Fixtures                 | 162.76                           | 9.71                      | 2.29                 | (4.70)                          | 170.06                            | 71.21                            | 16.24           | (3.58)                          | 83.87                             | -                                | -              | 86.19                             |
| Office Equipment's                   | 307.31                           | 5.20                      | 23.41                | (2.87)                          | 333.05                            | 183.56                           | 39.25           | (2.51)                          | 220.30                            | 0.01                             | 0.01           | 112.74                            |
| Other Equipment's                    | 232.29                           | 35.84                     | 5.99                 | (17.21)                         | 256.91                            | 112.96                           | 34.94           | (15.22)                         | 132.68                            | 0.02                             | 0.02           | 124.21                            |
| Transport Equipment's                | 9.44                             | 0.01                      | -                    | -                               | 9.45                              | 4.86                             | 0.82            | (0.01)                          | 5.67                              | -                                | -              | 3.78                              |
| E&P Assets                           |                                  |                           |                      |                                 |                                   |                                  |                 |                                 |                                   |                                  |                |                                   |
| <b>Producing Property</b>            | <b>1,962.63</b>                  | <b>2.24</b>               | <b>13.13</b>         | <b>33.31</b>                    | <b>2,011.31</b>                   | <b>990.76</b>                    | <b>147.19</b>   | <b>19.09</b>                    | <b>1,157.04</b>                   | <b>-</b>                         | <b>-</b>       | <b>854.27</b>                     |
| Support Equipment & Facilities       | 4.91                             | -                         | 1.33                 | -                               | 6.24                              | 2.05                             | 0.36            | 0.01                            | 2.42                              | -                                | -              | 3.82                              |
|                                      |                                  |                           |                      |                                 |                                   |                                  |                 |                                 |                                   |                                  |                |                                   |
| <b>Total</b>                         | <b>49,199.17</b>                 | <b>457.82</b>             | <b>4,158.47</b>      | <b>(87.96)</b>                  | <b>53,727.50</b>                  | <b>10,788.18</b>                 | <b>2,146.44</b> | <b>(29.34)</b>                  | <b>12,905.28</b>                  | <b>458.19</b>                    | <b>(46.05)</b> | <b>40,410.09</b>                  |

\*Refer Note No.46 for impairment of assets

**Note : 2A - Right of Use for the year ended 31<sup>st</sup> March 2023**

₹ In crore

| Particulars                  | Gross Block                      |                      |                           |                      | Accumulated Depreciation        |                                   |                                  |                      | Net Block     |                                |                                   |                                   |
|------------------------------|----------------------------------|----------------------|---------------------------|----------------------|---------------------------------|-----------------------------------|----------------------------------|----------------------|---------------|--------------------------------|-----------------------------------|-----------------------------------|
|                              | As at 1 <sup>st</sup> April 2022 | Transferred from PPE | Additions during the year | Acquisition from AUC | Disposals/ Adj. during the year | As at 31 <sup>st</sup> March 2023 | As at 1 <sup>st</sup> April 2022 | Transferred from PPE | For the year  | Disposals/ Adj during the year | As at 31 <sup>st</sup> March 2023 | As at 31 <sup>st</sup> March 2023 |
| <b>Right of Used Assets</b>  |                                  |                      |                           |                      |                                 |                                   |                                  |                      |               |                                |                                   |                                   |
| Land : Leasehold             | 405.65                           | -                    | 533.00                    | 5.12                 | (17.30)                         | 926.47                            | 54.13                            | -                    | 34.54         | (11.61)                        | 77.06                             | 849.41                            |
| Building : Leasehold         | 79.23                            | -                    | 25.33                     | -                    | (6.10)                          | 98.46                             | 37.50                            | -                    | 22.68         | (6.67)                         | 53.51                             | 44.95                             |
| Plant & Machinery: Leasehold | 1,414.88                         | -                    | 388.16                    | -                    | (2.48)                          | 1,800.56                          | 202.33                           | -                    | 361.16        | (2.51)                         | 560.98                            | 1,239.58                          |
| Vehicle : Leasehold          | 39.56                            | -                    | 69.20                     | -                    | (3.96)                          | 104.80                            | 20.00                            | -                    | 33.40         | (3.95)                         | 49.45                             | 55.35                             |
| <b>Total</b>                 | <b>1,939.32</b>                  | <b>-</b>             | <b>1,015.69</b>           | <b>5.12</b>          | <b>(29.84)</b>                  | <b>2,930.29</b>                   | <b>313.96</b>                    | <b>-</b>             | <b>451.78</b> | <b>(24.74)</b>                 | <b>741.00</b>                     | <b>2,189.29</b>                   |

**Note : 2A - Right of Use for the year ended 31<sup>st</sup> March 2022**

₹ In crore

| Particulars                  | Gross Block                      |                      |                           |                      | Accumulated Depreciation        |                                   |                                  |                      | Net Block     |                                |                                   |                                   |
|------------------------------|----------------------------------|----------------------|---------------------------|----------------------|---------------------------------|-----------------------------------|----------------------------------|----------------------|---------------|--------------------------------|-----------------------------------|-----------------------------------|
|                              | As at 1 <sup>st</sup> April 2021 | Transferred from PPE | Additions during the year | Acquisition from AUC | Disposals/ Adj. during the year | As at 31 <sup>st</sup> March 2022 | As at 1 <sup>st</sup> April 2021 | Transferred from PPE | For the year  | Disposals/ Adj during the year | As at 31 <sup>st</sup> March 2022 | As at 31 <sup>st</sup> March 2022 |
| <b>Right of Used Assets</b>  |                                  |                      |                           |                      |                                 |                                   |                                  |                      |               |                                |                                   |                                   |
| Land : Leasehold             | 343.34                           | -                    | 60.96                     | 3.59                 | (2.24)                          | 405.65                            | 34.52                            | -                    | 21.52         | (1.91)                         | 54.13                             | 351.52                            |
| Building : Leasehold         | 80.22                            | -                    | 23.76                     | -                    | (24.75)                         | 79.23                             | 38.40                            | -                    | 24.09         | (24.99)                        | 37.50                             | 41.73                             |
| Plant & Machinery: Leasehold | 543.46                           | -                    | 871.55                    | -                    | (0.13)                          | 1,414.88                          | 16.67                            | -                    | 194.11        | (8.45)                         | 202.33                            | 1,212.55                          |
| Vehicle : Leasehold          | 37.76                            | -                    | 17.14                     | -                    | (15.34)                         | 39.56                             | 8.32                             | -                    | 18.68         | (7.00)                         | 20.00                             | 19.56                             |
| <b>Total</b>                 | <b>1,004.78</b>                  | <b>-</b>             | <b>973.41</b>             | <b>3.59</b>          | <b>(42.46)</b>                  | <b>1,939.32</b>                   | <b>97.91</b>                     | <b>-</b>             | <b>258.40</b> | <b>(42.35)</b>                 | <b>313.96</b>                     | <b>1,625.36</b>                   |

### Note : 3 - Capital Work in Progress for the year ended 31<sup>st</sup> March 2023

₹ In Crore

| Particulars                                  | Gross Block                            |                             |                                      | Provision               |   | Net Block                           |                 |   |
|--|--|-----------------------------|--------------------------------------|-------------------------|---|-------------------------------------|-----------------|---|
|  | As at<br>1 <sup>st</sup> April<br>2022 | Addition during<br>the year | Capitalization<br>during the<br>year | Retirement/<br>Transfer | As at<br>31 <sup>st</sup> March<br>2023 | As at<br>1 <sup>st</sup> April 2022 | For the<br>year | As at<br>31 <sup>st</sup> March<br>2023 |
| <b>A. Tangible</b>                           |  |                             |                                      |                         |   |                                     |                 |   |
| Linepipe Construction and related facilities | 9,840.04                               | 5,396.10                    | (5,366.07)                           | (20.38)                 | 9,849.69                                | 11.05                               | 108.74          | 119.79                                  |
| Despatch/Receiving Terminals                 | 42.08                                  | 4.04                        | (45.29)                              | -                       | 0.83                                    | -                                   | -               | 0.83                                    |
| Compressor Stations                          | 4.37                                   | 3.20                        | (6.19)                               | -                       | 1.38                                    | -                                   | -               | 1.38                                    |
| Telecom/Telesupervisory System               | 2.03                                   | 0.07                        | (0.64)                               | -                       | 1.46                                    | -                                   | -               | 1.46                                    |
| Others                                       | 508.18                                 | 518.56                      | (172.54)                             | (0.08)                  | 854.12                                  | -                                   | -               | 854.12                                  |
| Petrochemicals                               | 248.11                                 | 638.65                      | (0.12)                               | -                       | 886.64                                  | -                                   | -               | 886.64                                  |
| Exploratory Well in Progress                 | 258.06                                 | 2.18                        | (7.52)                               | -                       | 252.72                                  | 191.20                              | (49.23)         | 141.97                                  |
| Development well in Progress                 | 592.95                                 | 240.24                      | (506.71)                             | -                       | 326.48                                  | 14.19                               | (14.19)         | -                                       |
| Buildings                                    | 13.06                                  | 70.13                       | (73.90)                              | -                       | 9.29                                    | 5.28                                | -               | 5.28                                    |
| Linepipes, Capital Items in Stock/Transit    | 4,207.34                               | 558.89                      | (23.13)                              | (7.09)                  | 4,736.01                                | 6.44                                | 1.41            | 7.85                                    |
| <b>B. Intangible</b>                         | 2.34                                   | 0.46                        | (0.03)                               | -                       | 2.77                                    | -                                   | -               | -                                       |
| <b>Total</b>                                 | <b>15,718.56</b>                       | <b>7,432.52</b>             | <b>(6,202.14)</b>                    | <b>(27.55)</b>          | <b>16,921.39</b>                        | <b>228.16</b>                       | <b>46.73</b>    | <b>274.89</b>                           |
|  |  |                             |                                      |                         |   |                                     |                 | <b>16,646.50</b>                        |

### Note : 3 - Capital Work in Progress for the year ended 31<sup>st</sup> March 2022

₹ In Crore

| Particulars                                  | Gross Block                            |                             |                                      | Provision               |   | Net Block                           |   |
|--|--|-----------------------------|--------------------------------------|-------------------------|---|-------------------------------------|---|
|  | As at<br>1 <sup>st</sup> April<br>2021 | Addition during<br>the year | Capitalization<br>during the<br>year | Retirement/<br>Transfer | As at<br>31 <sup>st</sup> March<br>2022 | As at<br>1 <sup>st</sup> April 2021 | As at<br>31 <sup>st</sup> March<br>2022 |
| <b>A. Tangible</b>                           |  |                             |                                      |                         |   |                                     |   |
| Linepipe Construction and related facilities | 8,588.20                               | 5,352.40                    | (4,047.33)                           | (53.23)                 | 9,840.04                                | 10.76                               | 9,828.99                                |
| Despatch/Receiving Terminals                 | 38.95                                  | 3.21                        | (0.08)                               | -                       | 42.08                                   | -                                   | 42.08                                   |
| Compressor Stations                          | 0.91                                   | 3.99                        | (0.53)                               | -                       | 4.37                                    | -                                   | 4.37                                    |
| Telecom/Telesupervisory System               | 3.65                                   | (0.87)                      | (0.75)                               | -                       | 2.03                                    | -                                   | 2.03                                    |
| Others                                       | 394.83                                 | 391.42                      | (277.99)                             | (0.08)                  | 508.18                                  | -                                   | 508.18                                  |
| Petrochemicals                               | 67.69                                  | 193.57                      | (13.15)                              | -                       | 248.11                                  | -                                   | 248.11                                  |
| Exploratory Well in Progress                 | 268.83                                 | (1.66)                      | (9.11)                               | -                       | 258.06                                  | 194.50                              | 66.86                                   |
| Development well in Progress                 | 252.72                                 | 345.58                      | (5.35)                               | -                       | 592.95                                  | 14.95                               | 578.76                                  |
|  |  |                             |                                      |                         |   |                                     |   |
| Buildings                                    | 38.94                                  | 15.56                       | (41.42)                              | (0.02)                  | 13.06                                   | 5.28                                | 7.78                                    |
|  |  |                             |                                      |                         |   |                                     |   |
| Linepipes, Capital Items in Stock/Transit    | 3,994.82                               | 221.90                      | (9.38)                               | -                       | 4,207.34                                | 14.09                               | 4,200.90                                |
|  |  |                             |                                      |                         |   |                                     |   |
| <b>B. Intangible</b>                         | 0.22                                   | 2.28                        | (0.16)                               | -                       | 2.34                                    | -                                   | 2.34                                    |
| <b>Total</b>                                 | <b>13,649.76</b>                       | <b>6,527.38</b>             | <b>(4,405.25)</b>                    | <b>(53.33)</b>          | <b>15,718.56</b>                        | <b>239.58</b>                       | <b>15,490.40</b>                        |
|  |  |                             |                                      |                         |   | <b>(11.40)</b>                      | <b>228.16</b>                           |

### Note : 4 - Intangible Assets for the year ended 31<sup>st</sup> March 2023

| Particulars             | Gross Block                      |                           |                      | Accumulated Depreciation and Impairment |                                   |              | Net Block                         |
|-------------------------|----------------------------------|---------------------------|----------------------|---|-----------------------------------|--------------|-----------------------------------|
|                         | As at 1 <sup>st</sup> April 2022 | Additions during the year | Acquisition from AUC | Disposals/Adj. during the year          | As at 31 <sup>st</sup> March 2023 | For the year | As at 31 <sup>st</sup> March 2023 |
| <b>Intangible Asset</b> |                                  |                           |                      |   |                                   |              |                                   |
| Right of Use            | 2,483.86                         | 14.30                     | 318.71               | (0.44)                                  | 2,816.43                          | -            | 2,816.21                          |
| Softwares / Licences    | 186.55                           | 0.51                      | 10.23                | (0.30)                                  | 196.99                            | 23.63        | 40.08                             |
| <b>Total</b>            | <b>2,670.41</b>                  | <b>14.81</b>              | <b>328.94</b>        | <b>(0.74)</b>                           | <b>3,013.42</b>                   | <b>23.63</b> | <b>2,856.29</b>                   |

### Note : 4 - Intangible Assets for the year ended 31<sup>st</sup> March 2022

| Particulars             | Gross Block         |                           |                      | Accumulated Depreciation       |                                   |              | Net Block                         |
|-------------------------|---------------------|---------------------------|----------------------|--------------------------------|-----------------------------------|--------------|-----------------------------------|
|                         | As at 01 April 2021 | Additions during the year | Acquisition from AUC | Disposals/Adj. during the year | As at 31 <sup>st</sup> March 2022 | For the year | As at 31 <sup>st</sup> March 2022 |
| <b>Intangible Asset</b> |                     |                           |                      |                                |                                   |              |                                   |
| Right of Use            | 2,236.24            | 33.99                     | 213.63               | -                              | 2,483.86                          | -            | 2,483.64                          |
| Softwares / Licences    | 176.72              | 5.81                      | 10.57                | (6.55)                         | 186.55                            | 28.04        | 52.97                             |
| <b>Total</b>            | <b>2,412.96</b>     | <b>39.80</b>              | <b>224.20</b>        | <b>(6.55)</b>                  | <b>2,670.41</b>                   | <b>28.04</b> | <b>2,536.61</b>                   |

Notes to Consolidated Financial Statements for the Year Ended 31<sup>st</sup> March 2023

## Note 5 - Investments Accounted for as per Equity Method

(₹ in crore)

| Sl. No.    | Particulars  | As at 31 <sup>st</sup> March 2023 |                 | As at 31 <sup>st</sup> March 2022 |                 |
|------------|--|-----------------------------------|-----------------|-----------------------------------|-----------------|
|            |  | Number of Shares                  | Amount          | Number of Shares                  | Amount          |
| <b>(a)</b> | <b>In Joint Venture Companies:</b>   |                                   |                 |                                   |                 |
|            | Unquoted Investment (Equity Shares)  |                                   |                 |                                   |                 |
| 1          | - Central UP Gas Ltd.  | 1,50,00,000<br>(₹10 each)         | 148.27          | 1,50,00,000<br>(₹ 10 each)        | 131.41          |
| 2          | - Green Gas Ltd.   | 2,30,47,250<br>(₹ 10 each)        | 265.14          | 2,30,47,250<br>(₹ 10 each)        | 258.68          |
| 3          | - Maharashtra Natural Gas Ltd.   | 2,25,00,000<br>(₹ 10 each)        | 319.55          | 2,25,00,000<br>(₹ 10 each)        | 247.07          |
| 4          | - Aavantika Gas Ltd.<br>(Includes 70,57,038 equity shares allotted at a premium of ₹ 29/- per share)   | 2,95,57,038<br>(₹ 10 each)        | 194.67          | 2,95,57,038<br>(₹ 10 each)        | 165.19          |
| 5          | - Bhagyanagar Gas Ltd.<br>(Includes 2,11,50,000 equity shares allotted at a premium of ₹ 40/- per share)   | 4,36,50,000<br>(₹ 10 each)        | 196.83          | 4,36,50,000<br>(₹ 10 each)        | 195.14          |
| 6          | -Vadodara Gas Limited  | 12,01,46,774<br>(₹ 10 each)       | 135.56          | 12,01,46,774<br>(₹ 10 each)       | 141.39          |
| 7          | -Talchar Fertilizers Ltd.  | 80,54,80,825<br>(₹ 10 each)       | 808.88          | 80,54,80,825<br>(₹ 10 each)       | 798.02          |
| 8          | -Tapi Pipeline Company Ltd.<br>(Refer Note No. 47 for provision for impairment)  | 8,25,025<br>(USD 10 each)         | -               | 8,25,025<br>(USD 10 each)         | 49.32           |
| 9          | -Indradhnush Gas Grid Ltd  | 19,80,00,000<br>(₹ 10 each)       | 196.78          | 8,50,00,000<br>(₹ 10 each)        | 82.31           |
|            | <b>Through GAIL Gas Ltd</b>  |                                   |                 |                                   |                 |
| 10         | - Andhra Pradesh Gas Distribution Corporation Limited  | 9,85,70,849<br>₹ (10 each)        | 70.73           | 3,83,70,849<br>(₹10 each)         | 58.08           |
| 11         | - Rajasthan State Gas Limited  | 650,00,000<br>(₹ 10 each)         | 76.99           | 650,00,000<br>(₹ 10 each)         | 71.70           |
| 12         | - Haridwar Gas Private Limited   | 2,22,00,000<br>(₹ 10 each)        | 22.96           | 2,22,00,000<br>(₹ 10 each)        | 21.82           |
| 13         | -GOA Natural Gas Private Limited   | 4,00,00,000<br>₹ (10 each)        | 38.10           | 2,63,80,000<br>(₹ 10 each)        | 31.62           |
| 14         | -Purba Bharati Gas Private Limited   | 3,16,96,600<br>₹ (10 each)        | 30.95           | 2,60,00,000<br>(₹ 10 each)        | 26.07           |
|            | <b>Total (a)</b>   |                                   | <b>2,505.41</b> |                                   | <b>2,277.82</b> |
| <b>b)</b>  | <b>In Associate companies:</b>   |                                   |                 |                                   |                 |
|            | <b>Quoted Investments (Equity Shares)</b>  |                                   |                 |                                   |                 |
| 1          | - China Gas Holding Ltd. China<br>(Acquired at a premium of HK\$ 1.148 per share)  | 15,00,00,000<br>(HK\$ 0.01 each)  | 1,816.23        | 15,00,00,000<br>(HK\$ 0.01 each)  | 1,314.28        |
| 2          | - Indraprastha Gas Ltd.<br>(Share split in the ratio 5:1 on 11 <sup>th</sup> November 2017 )   | 15,75,00,000<br>(₹ 2 each)        | 1,784.80        | 15,75,00,000<br>(₹ 2 each)        | 1,706.86        |
| 3          | - Petronet LNG Ltd.(PLL)<br>(Includes 1,00,00,000 equity shares allotted at a premium of ₹ 5/- per share, 1:1 Bonus is issued on 05 <sup>th</sup> July 2017) | 18,75,00,000<br>(₹ 10 each)       | 1,908.07        | 18,75,00,000<br>(₹ 10 each)       | 1,678.18        |
| 4          | - Mahanagar Gas Ltd.   | 3,21,02,750<br>(₹ 10 each)        | 1,343.62        | 3,21,02,750<br>(₹ 10 each)        | 1,169.13        |



(₹ in crore)

| Sl. No.   | Particulars  | As at 31 <sup>st</sup> March 2023  |                  | As at 31 <sup>st</sup> March 2022  |                  |
|---|--|------------------------------------|------------------|------------------------------------|------------------|
|   |  | Number of Shares                   | Amount           | Number of Shares                   | Amount           |
| <b>Unquoted Investments (Equity Shares)</b>                       |  |                                    |                  |                                    |                  |
| 1   | - ONGC Petro Additions Ltd.  | 99,49,45,000<br>(₹ 10 each)        | -                | 99,49,45,000<br>(₹ 10 each)        | -                |
| 2   | - Fayoum Gas Company<br>(Acquired at a premium of LE 478.95 per share) | 19,000<br>(LE 100 each)            | 15.10            | 19,000<br>(LE 100 each)            | 17.37            |
| 3   | - Brahmaputra Cracker & Polymer Ltd.                                   | 99,23,69,000<br>(₹ 10 each)        | 2,236.37         | 99,23,69,000<br>(₹ 10 each)        | 2,296.55         |
| 4   | -Ramgundam Fertilizers & Chemical Ltd.                                 | 27,03,04,320<br>(₹ 10 each)        | 142.86           | 27,03,04,320<br>(₹ 10 each)        | 141.57           |
| 5   | ONGC Tripura Power Company Limited                                     | 29,12,00,000<br>(₹ 10 each)        | 408.89           | 29,12,00,000<br>(₹ 10 each)        | 375.71           |
| 6   | LNC Japonica Shipping Corporation Limited                              | 260<br>(USD 1 each)                | 2.53             |                                    | -                |
| <b>In Membership/ Participating Interest of LLC – Unquoted</b>    |  |                                    |                  |                                    |                  |
| 1   | LLC Bharat Energy Office (20% participating interest)                  | (20%<br>participating<br>interest) | 0.09             | (20%<br>participating<br>interest) | 0.71             |
| <b>Total (b)</b>  |  |                                    | <b>9,658.56</b>  |                                    | <b>8,700.36</b>  |
| <b>Total Investments accounted for as per Equity Method (a+b)</b> |  |                                    | <b>12,163.97</b> |                                    | <b>10,978.18</b> |

**Note 5A - Other Non Current Investments**

(₹ in crore)

| Sl. No.   | Particulars   | As at 31 <sup>st</sup> March 2023 |          | As at 31 <sup>st</sup> March 2022 |          |
|---|---|-----------------------------------|----------|-----------------------------------|----------|
|   |   | Number of Shares                  | Amount   | Number of Shares                  | Amount   |
| <b>a) Quoted equity shares (Fair Value through OCI)</b>   |   |                                   |          |                                   |          |
| 1   | -Gujarat Industries Power Co. Ltd.<br>(Includes 1,90,200 Equity Shares acquired at a premium of ₹15/- per share)  | 5,70,600<br>(₹ 10 each)           | 4.33     | 5,70,600<br>(₹ 10 each)           | 4.19     |
| 2   | -Oil and Natural Gas Corporation Ltd.<br><br>(Acquired 3,42,66,845 shares of ₹ 10/- each during 1999-2000 at a price of ₹ 162.34 per Share, 1,71,33,422 bonus shares of ₹ 10/- each received during 2006-07, During the year 2010-11, 5,14,00,267 Equity shares of ₹ 10/- each were splitted into Equity shares of ₹ 5/- each and bonus issue of 1:1 equity shares of ₹ 5/- each after split received during 2010-11, further during the year 2016-17 bonus issue of 1:2 equity shares has been received) | 30,84,01,602<br>(₹ 5 each)        | 4,658.41 | 30,84,01,602<br>(₹ 5 each)        | 5,054.70 |
| <b>b) Unquoted equity shares (Fair Value through OCI)</b> |   |                                   |          |                                   |          |
| 1   | - South East Asia Gas Pipeline Ltd.   | 8,347<br>(USD 1 each)             | 185.50   | 8,347<br>(USD 1 each)             | 168.27   |
| 2   | - Gujrat State Energy Generation Ltd.   | 2,07,60,000<br>(₹ 10 each)        | 8.43     | 2,07,60,000<br>(₹ 10 each)        | 8.98     |
| 3   | - National Gas Company "Nat Gas"*   | 30,00,000<br>(LE 100 each)        | 40.83    | 30,00,000<br>(LE 100 each)        | 37.66    |
| 4   | - Indian Gas Exchange Limited   | 36,93,750<br>(₹ 10 each)          | 12.50    | 36,93,750<br>(₹ 10 each)          | 5.85     |
| 5   | CEID Consultants and Engineering Private Limited<br>(Acquired at a premium of ₹ 555.70 per share)   | 88,386<br>(₹ 10 each)             | 19.37    | 88,386<br>(₹ 10 each)             | 5.00     |

(₹ in crore)

| Sl. No.   | Particulars  | As at 31 <sup>st</sup> March 2023 |        | As at 31 <sup>st</sup> March 2022 |        |
|-----------|--|-----------------------------------|--------|-----------------------------------|--------|
|           |  | Number of Shares                  | Amount | Number of Shares                  | Amount |
| 6         | Ducere Technologies Pvt. Ltd.<br>(Acquired at a premium of ₹ 596.34 per share)   | 49,477<br>(₹ 10 each)             | 3.73   |                                   | -      |
| <b>c)</b> | <b><u>Unquoted Preference Shares</u></b>   |                                   |        |                                   |        |
| 1         | -Andhra Pradesh Gas Distribution Corporation Limited (APGDCL)<br>9% Cumulative compulsory Convertible Preference share of ₹ 10 each fully paid up                  | 10,00,00,000<br>(₹ 10 each)       | 100.00 | 10,00,00,000<br>(₹ 10 each)       | 100.00 |
| <b>d)</b> | <b><u>- Unquoted equity shares at Cost -Start up Companies</u></b>   |                                   |        |                                   |        |
| 1         | -JV Foodworks Pvt. Ltd.<br>(180 equity shares acquired at a premium of ₹ 5,524.49 per share and 2,909 equity shares acquired at a premium of ₹ 4,459.27 per share) | 3,854<br>(₹ 10 each)              | -      | 3,854<br>(₹ 10 each)              | -      |
| 2         | -Bhagwandas Retail Pvt. Ltd.<br>(acquired at a premium of ₹ 8,976 per Share)   | 467<br>(₹ 10 each)                | 0.42   | 467<br>(₹ 10 each)                | 0.42   |
| 3         | Tache Technologies Pvt. Ltd<br>(acquired at a premium of ₹ 890.98 per share)   | 1,307<br>(₹ 10 each)              | -      | 1,307<br>(₹ 10 each)              | 0.12   |
| 4         | Kshumat Energy Pvt. Ltd.<br>(acquired at a premium of ₹ 5,990 per share)   | 2,499<br>(₹ 10 each)              | 1.50   | 2,499<br>(₹ 10 each)              | 1.50   |
| 5         | Sarvodaya Infotech Pvt. Ltd.<br>(acquired at a premium of ₹ 2,240.23 per share)  | 5,555<br>(₹ 10 each)              | 1.25   | 5,555<br>(₹ 10 each)              | 1.25   |
| 6         | -Persapien Innovations Pvt. Ltd.<br>(acquired at a premium of ₹ 3,79,994.18 per share)   | 52<br>(₹ 10 each)                 | 1.98   | 52<br>(₹ 10 each)                 | 1.98   |
| 7         | Tycheejuno Speciality Tyres Pvt. Ltd.<br>(acquired at a premium of ₹ 13,418.57 per share)  | 2,234<br>(₹ 10 each)              | 3.00   | 2,234<br>(₹ 10 each)              | 3.00   |
| 8         | VDT Pipeline Solutions Pvt. Ltd.<br>(acquired at a premium of ₹ 22,490 per share)  | 1,111<br>(₹ 10 each)              | 2.50   | 1,111<br>(₹ 10 each)              | 2.50   |
| 9         | Featherdyne Private Limited<br>(acquired at a premium of ₹ 8,490 per share)  | 1,764<br>(₹ 10 each)              | 1.50   | 1,764<br>(₹ 10 each)              | 1.50   |
| 10        | RD Grow Green India Pvt. Ltd.<br>(acquired at a premium of ₹ 752.72 per share)   | 10,095<br>(₹ 10 each)             | 0.77   | 10,095<br>(₹ 10 each)             | 0.77   |
| 11        | Zunik Energies Pvt. Ltd.<br>(acquired at a premium of ₹ 8,387.14 per share)  | 1,190<br>(₹ 10 each)              | 1.00   | 1,190<br>(₹ 10 each)              | 1.00   |
| 12        | Vasitars Pvt. Ltd<br>(acquired at a premium of ₹ 3,250 per share)  | 4,907<br>(₹ 10 each)              | 1.60   | 2,453<br>(₹ 10 each)              | 0.80   |
| 13        | Geo Climate Risk Solutions Pvt. Ltd<br>(acquired at a premium of ₹ 17,990 per share)   | 1,111<br>(₹ 10 each)              | 2.00   | 1,111<br>(₹ 10 each)              | 2.00   |
| 14        | IROV Technology Pvt. Ltd.<br>(acquired at a premium of ₹ 15,740 per share)   | 1,904<br>(₹ 10 each)              | 3.00   | 1,904<br>(₹ 10 each)              | 3.00   |
| 15        | Arcturus Business Solutions Pvt. Ltd.<br>(acquired at a premium of ₹ 1,037.14 per share)   | 9,549<br>(₹ 10 each)              | 1.00   | 9,549<br>(₹ 10 each)              | 1.00   |
| 16        | Kriya Labs Pvt. Ltd.<br>(acquired at a premium of ₹ 1,000 per share)   | 5,940<br>(₹ 10 each)              | 0.60   | 5,940<br>(₹ 10 each)              | 0.60   |
| 17        | Quanteon Powertrain Pvt. Ltd.<br>(acquired at a premium of ₹ 1,249.26 per share)   | 27,794<br>(₹ 10 each)             | 3.50   | 25,808<br>(₹ 10 each)             | 3.25   |
| 18        | Prayogik Technology Pvt. Ltd.<br>(acquired at a premium of ₹ 286.30 per share)   | 20,248<br>(₹ 10 each)             | 0.60   | 20,248<br>(₹ 10 each)             | 0.60   |
| 19        | Yali Mobility Pvt. Ltd.<br>(acquired at a premium of ₹ 11,728.21 per share)  | 1,073<br>(₹ 10 each)              | 1.26   | 1,073<br>(₹ 10 each)              | 1.26   |

(₹ in crore)

| Sl. No.                        | Particulars  | As at 31 <sup>st</sup> March 2023 |                 | As at 31 <sup>st</sup> March 2022 |                 |
|--------------------------------|--|-----------------------------------|-----------------|-----------------------------------|-----------------|
|                                |  | Number of Shares                  | Amount          | Number of Shares                  | Amount          |
| 20                             | Celectic Automotive Drives Pvt. Ltd<br>(acquired at a premium of ₹ 13,322.34 per share)      | 1,770<br>(₹ 10 each)              | 2.36            | 1,770<br>(₹ 10 each)              | 2.36            |
| 21                             | Orxa Energies Pvt. Ltd<br>(acquired at a premium of 3,631.33 per share)                      | 14,033<br>(₹ 10 each)             | 5.11            | 14,033<br>(₹ 10 each)             | 5.11            |
| 22                             | PI Beam Labs Pvt. Ltd<br>(acquired at a premium of ₹ 14,319.45 per share)                    | 3,489<br>(₹ 10 each)              | 5.00            | 3,489<br>(₹ 10 each)              | 5.00            |
| 23                             | Cleanergy Tech Solutions Private Limited<br>(Acquired at a premium of ₹ 14,319.45 per share) | 1,290<br>(₹ 10 each)              | 0.50            | 1,290<br>(₹ 10 each)              | 0.50            |
| 24                             | Zonta Infratech Pvt. Ltd<br>(Acquired at a premium of ₹ 9,018.78 per share)                  | 5,537<br>(₹ 10 each)              | 5.00            | 5,537<br>(₹ 10 each)              | 5.00            |
| 25                             | LR Energy Vrindavan Pvt. Ltd.  | 18,00,000<br>(₹ 10 each)          | 1.80            | 8,00,000<br>(₹ 10 each)           | 0.80            |
| 26                             | Cargosite Ventures Pvt Ltd<br>(Acquired at a premium of ₹ 48,901.09 per share)               | 408<br>(₹ 10 each)                | 2.00            | -                                 | -               |
| 27                             | Xyma Analytics Pvt Ltd<br>(Acquired at a premium of ₹ 31,509.87 per share)                   | 475<br>(₹ 10 each)                | 1.50            | -                                 | -               |
| 28                             | Good Move Logistics & Transport Pvt Ltd<br>(Acquired at a premium of ₹ 3,769.86 per share)   | 1,322<br>(₹ 10 each)              | 0.50            | -                                 | -               |
| <b>Sub Total (a&amp;b)</b>     |  |                                   | <b>5,084.35</b> |                                   | <b>5,429.97</b> |
| <b>e)</b>                      | <b>Unquoted equity shares (Co-oprative societies) at Cost</b>                                |                                   |                 |                                   |                 |
| 1                              | - Green Field (B) Co-operative Housing Society Ltd., Mumbai<br>(₹ 2,750/-)                   | 40<br>(₹ 50 each)                 | -               | 40<br>(₹ 50 each)                 | -               |
| 2                              | - Avillion Greenfields Co-Op Hsg. Society Ltd, Mumbai (₹ 250/-)                              | 5<br>(₹ 50 each)                  | -               | 5<br>(₹ 50 each)                  | -               |
| 3                              | - Suraj Heights A Co-Op Hsg. Society Ltd, Mumbai (₹ 1,500/-)                                 | 15<br>(₹ 50 each)                 | -               | 15<br>(₹ 50 each)                 | -               |
| <b>Total Other Investments</b> |  |                                   | <b>5,084.35</b> |                                   | <b>5,429.97</b> |

**Notes:-**

Aggregate amount of quoted investments

|                                 |           |           |
|---------------------------------|-----------|-----------|
| -Book Value (At Carrying Value) | 11,515.46 | 10,927.34 |
|---------------------------------|-----------|-----------|

|               |           |           |
|---------------|-----------|-----------|
| -Market Value | 20,578.25 | 18,329.05 |
|---------------|-----------|-----------|

|   |          |          |
|---|----------|----------|
| Aggregate amount of unquoted investment (At Carrying Value) | 5,732.86 | 5,480.81 |
|---|----------|----------|

- Out of aforesaid investments in Subsidiaries/ Joint Ventures/ Associates few shares are held in the name of GAIL officials jointly with GAIL
- Investment are valued in accordance with Accounting Policy No. 1.23 given in Note No. 1
- Investment in other than subsidiaries, associates and joint ventures are valued at fair value through OCI at each Balance Sheet date.
- Investment made in Start-up companies and its fair value is considered to be equal to book value for initial 10 years except there is a major change.

**Note 6 - Trade receivables- Non Current**

(₹ in crore)

| Sl. No. | Particulars                              | As at 31 <sup>st</sup> March 2023 | As at 31 <sup>st</sup> March 2022 |
|---------|--|-----------------------------------|-----------------------------------|
|         | From related Parties                     | 331.84                            | 331.84                            |
|         | From Others                              | 1,333.18                          | 1,338.18                          |
|         |  | 1,665.02                          | 1,670.02                          |
|         | Less: Provision for Expected Credit Loss | 617.04                            | 614.48                            |
|         | <b>Total</b>                             | <b>1,047.98</b>                   | <b>1,055.54</b>                   |

**Note 6A - Trade receivables- Current**

(₹ in crore)

| Sl. No. | Particulars                              |  | As at 31 <sup>st</sup> March 2023 | As at 31 <sup>st</sup> March 2022 |
|---------|--|--|-----------------------------------|-----------------------------------|
|         | From related parties                     |  | 2,085.83                          | 793.11                            |
|         | From others                              |  | 8,702.00                          | 6,751.51                          |
|         |  |  | 10,787.83                         | 7,544.62                          |
|         | Less: Provision for expected credit loss |  | 108.22                            | 98.09                             |
|         | <b>Total</b>                             |  | <b>10,679.61</b>                  | <b>7,446.53</b>                   |

**Breakup of Trade Receivables**

(₹ in crore)

| Sl. No. | Particulars  |                  | As at 31 <sup>st</sup> March 2023 | As at 31 <sup>st</sup> March 2022 |
|---------|--|------------------|-----------------------------------|-----------------------------------|
|         | <b>Non Current</b>   |                  |                                   |                                   |
|         | Considered Good - Secured  | -                | -                                 | -                                 |
|         | Considered Good - Unsecured                                      | 1,047.98         | 1,055.54                          |                                   |
|         | Trade Receivables which have significant increase in credit risk | -                | -                                 |                                   |
|         | Trade Receivables - credit impaired                              | 617.04           | 614.48                            |                                   |
|         |  | <b>1,665.02</b>  | <b>1,670.02</b>                   |                                   |
|         | Less: Provision for Expected Credit Loss                         | 617.04           | 614.48                            | <b>1,055.54</b>                   |
|         | <b>Current</b>   |                  |                                   |                                   |
|         | Considered Good - Secured  | -                | -                                 |                                   |
|         | Considered Good - Unsecured                                      | 10,679.61        | 7,446.53                          |                                   |
|         | Trade Receivables which have significant increase in credit risk |                  |                                   |                                   |
|         | Trade Receivables - credit impaired                              | 108.22           | 98.09                             |                                   |
|         |  | <b>10,787.83</b> | <b>7,544.62</b>                   |                                   |
|         | Less: Provision for Expected credit Loss                         | 108.22           | 98.09                             | <b>7,446.53</b>                   |
|         | <b>Total</b>   |                  | <b>11,727.59</b>                  | <b>8,502.07</b>                   |

**Note 7 - Loans - Non-Current**

(₹ in crore)

| Sl. No. | Particulars   |        | As at 31 <sup>st</sup> March 2023 | As at 31 <sup>st</sup> March 2022 |
|---------|---|--------|-----------------------------------|-----------------------------------|
|         | <b>Loans:</b>   |        |                                   |                                   |
|         | <b>To Related Parties</b>   |        |                                   |                                   |
|         | Unsecured, considered good  |        |                                   |                                   |
|         | - Loan to associates  |        | -                                 | -                                 |
|         | - Loan to joint ventures (Unsecured considered good)                                    |        | 11.45                             | <b>17.33</b>                      |
|         | <b>To Employees</b>   |        |                                   |                                   |
|         | - Secured, considered good  | 211.43 | 201.17                            |                                   |
|         | (Including dues from Directors and Officers ₹ 1.00 crore (previous year: ₹ 0.59 crore)) |        |                                   |                                   |
|         | - Unsecured, considered good  | 58.33  | 269.76                            | 66.87                             |
|         | <b>To South East Asia Gas Pipeline Company Ltd</b>                                      |        |                                   |                                   |
|         | Considered Good - Unsecured   |        | -                                 | -                                 |
|         | <b>Total</b>  |        | <b>281.21</b>                     | <b>285.37</b>                     |

**Note 7A- Loans - Current**

(₹ in crore)

| Sl. No. | Particulars   |       | As at 31 <sup>st</sup> March 2023 |       | As at 31 <sup>st</sup> March 2022 |
|---------|---|-------|-----------------------------------|-------|-----------------------------------|
|         | <b>Loans:</b>   |       |                                   |       |                                   |
|         | To Employees  |       |                                   |       |                                   |
|         | - Secured   | 51.72 |                                   | 50.76 |                                   |
|         | (Including dues from Directors and Officers ₹ 0.17 crore (previous year: ₹ 0.11 crore)) |       |                                   |       |                                   |
|         | - Unsecured   | 16.27 | 67.99                             | 12.26 | 63.02                             |
|         | <b>To Others</b>  |       |                                   |       |                                   |
|         | Unsecured, considered good  |       | -                                 |       | 36.52                             |
|         | <b>Total</b>  |       | <b>67.99</b>                      |       | <b>99.54</b>                      |

**Note 8- Other Financial Assets -Non Current  
(Unsecured considered good unless specified otherwise)**

(₹ in crore)

| Sl. No. | Particulars   |       | As at 31 <sup>st</sup> March 2023 |       | As at 31 <sup>st</sup> March 2022 |
|---------|---|-------|-----------------------------------|-------|-----------------------------------|
|         | Receivables for Derivative Contracts (Hedged/ Non Hedged) |       | 456.01                            |       | 1,018.11                          |
|         | Equity Investments Pending Allotment                      |       | 21.38                             |       | 27.70                             |
|         | Finance lease receivables                                 |       | 7.47                              |       | 9.60                              |
|         | Balance with Bank Deposits exceeding twelve Months        |       | -                                 |       | 27.00                             |
|         | <b>Security deposits paid:</b>                            |       |                                   |       |                                   |
|         | - Unsecured, Considered Good                              | 65.96 |                                   | 61.62 |                                   |
|         | - Unsecured, Considered Doubtful                          | 7.19  |                                   | 6.30  |                                   |
|         |   | 73.15 |                                   | 67.92 |                                   |
|         | Less : Provision for Doubtful Deposits                    | 7.19  | 65.96                             | 6.30  | 61.62                             |
|         | <b>Total</b>  |       | <b>550.82</b>                     |       | <b>1,144.03</b>                   |

**Note 8A-Other Financial Assets -Current**

(₹ in crore)

| Sl. No. | Particulars   |       | As at 31 <sup>st</sup> March 2023 |       | As at 31 <sup>st</sup> March 2022 |
|---------|---|-------|-----------------------------------|-------|-----------------------------------|
|         | <b>(Considered Good - Unsecured)</b>                      |       |                                   |       |                                   |
|         | Receivables for Derivative Contracts (Hedged/ Non Hedged) |       | 472.72                            |       | 850.07                            |
|         | <b>Other Receivable :</b>                                 |       |                                   |       |                                   |
|         | <b>From related parties</b>                               |       |                                   |       |                                   |
|         | - Associates  | 2.69  |                                   | 2.74  |                                   |
|         | - Joint ventures  | 69.27 | 71.96                             | 50.43 | 53.17                             |
|         | <b>From Others</b>  |       | 360.20                            |       | 113.26                            |
|         | Finance lease receivables                                 |       | 2.13                              |       | 2.11                              |
|         | <b>Dividend Receivable</b>                                |       |                                   |       |                                   |
|         | - From Related Parties                                    |       | 141.75                            |       | -                                 |
|         | <b>Security deposits</b>                                  |       |                                   |       |                                   |
|         | - Considered Good - Unsecured                             |       | 751.96                            |       | 640.03                            |
|         | Interest accrued but not due                              |       | 23.07                             |       | 20.78                             |
|         | <b>Total</b>  |       | <b>1,823.79</b>                   |       | <b>1,679.42</b>                   |

**Note 9 - Non Current tax assets (Net)**

(₹ in crore)

| Sl. No. | Particulars   |          | As at 31 <sup>st</sup> March 2023 |          | As at 31 <sup>st</sup> March 2022 |
|---------|---|----------|-----------------------------------|----------|-----------------------------------|
|         | Advance income tax against pending demand                               |          |                                   |          |                                   |
|         | - Unsecured considered good   | 458.77   |                                   | 192.76   |                                   |
|         | - Unsecured considered doubtful   | 20.26    |                                   | 65.66    |                                   |
|         |   | 479.03   |                                   | 258.42   |                                   |
|         | Less : Provision for doubtful advance income tax against pending demand | 20.26    | 458.77                            | 65.66    | 192.76                            |
|         | Advance tax   | 1,782.10 |                                   | 3,643.63 |                                   |
|         | Less : Provision for tax (Net of MAT credit entitlement)                | 1,496.74 | 285.36                            | 3,404.35 | 239.28                            |
|         | <b>Total</b>  |          | <b>744.13</b>                     |          | <b>432.04</b>                     |

**Note 10 - Inventories**

(₹ in crore)

| Sl. No. | Particulars  |          | As at 31 <sup>st</sup> March 2023 |          | As at 31 <sup>st</sup> March 2022 |
|---------|--|----------|-----------------------------------|----------|-----------------------------------|
|         | <b>Raw materials:</b>  |          |                                   |          |                                   |
|         | Stock of gas (after adjustment of calorific value)   |          | 15.88                             |          | 35.10                             |
|         | <b>Work in progress:</b>   |          |                                   |          |                                   |
|         | Stock in process   |          | 17.45                             |          | 6.98                              |
|         | <b>Finished goods:</b>   |          |                                   |          |                                   |
|         | Polymers / LPG and Other Products  |          | 891.47                            |          | 309.69                            |
|         | <b>Stock in Trade:</b>   |          |                                   |          |                                   |
|         | Stock of gas including Liquefied Natural Gas* (After adjustment of calorific value) (Including Renewable Energy Certificate) |          | 3,333.92                          |          | 1,872.19                          |
|         | <b>Stores and spares:</b>  |          |                                   |          |                                   |
|         | Stores and spares  | 1,639.62 |                                   | 1,345.64 |                                   |
|         | <b>Less: Provision for Obsolescence / Loss</b>   | 24.54    | 1,615.08                          | 24.81    | 1,320.83                          |
|         | <b>In Transit</b>  |          |                                   |          |                                   |
|         | Stores and spares  |          | 44.12                             |          | 31.82                             |
|         | <b>Total</b>   |          | <b>5,917.92</b>                   |          | <b>3,576.61</b>                   |

(\*Includes ₹ 483.33 crore (Previous Year: ₹ 247.70 crore) in transit)

Amount of written down of inventories at NRV and recognized as expense of ₹ 380.84 crore (previous year – ₹ 0.01 crore)

Valuation of Inventories are done in accordance with Accounting Policy No. 1.9

**Note 11 - Cash and cash equivalents**

(₹ in crore)

| Sl. No. | Particulars  |  | As at 31 <sup>st</sup> March 2023 |  | As at 31 <sup>st</sup> March 2022 |
|---------|--|--|-----------------------------------|--|-----------------------------------|
|         | <b>Balances with banks:</b>                              |  |                                   |  |                                   |
|         | - Current accounts                                       |  | 141.03                            |  | 130.01                            |
|         | - Deposits with original maturity less than three months |  | 99.41                             |  | 1,384.69                          |
|         | Cash on hand   |  | 2.35                              |  | 2.57                              |
|         | Imprest Advances   |  | 0.88                              |  | 0.90                              |
|         | Others (Remittance in Transit)                           |  | 0.10                              |  | 1.63                              |
|         | <b>Total</b>   |  | <b>243.77</b>                     |  | <b>1,519.80</b>                   |

**Note 11A - Bank Balances other than cash and cash equivalents**

(₹ in crore)

| Sl. No. | Particulars  |  | As at 31 <sup>st</sup> March 2023 |  | As at 31 <sup>st</sup> March 2022 |
|---------|--|--|-----------------------------------|--|-----------------------------------|
|         | Other Bank Balance (FD with original maturity more than three months)  |  | 561.59                            |  | 1,002.56                          |
|         | <b>Earmarked accounts:</b>   |  |                                   |  |                                   |
|         | - Current Account - Dividend Payable   |  | 134.01                            |  | 127.74                            |
|         | - Short Term Deposits - Gas Pool Money   |  | 91.42                             |  | 87.05                             |
|         | (Including interest accrued but not due ₹ 2.23 crore (Previous Year ₹ 1.23 crore)) (Refer Note No. 36 (ii) ) |  |                                   |  |                                   |
|         | - Others (by Group Companies)  |  | 72.18                             |  | 66.88                             |
|         | <b>Total</b>   |  | <b>859.20</b>                     |  | <b>1,284.23</b>                   |

**Note 12 - Other Non-Current Assets**

(₹ in crore)

| Sl. No. | Particulars  |        | As at 31 <sup>st</sup> March 2023 |        | As at 31 <sup>st</sup> March 2022 |
|---------|--|--------|-----------------------------------|--------|-----------------------------------|
|         | <b>Capital Advances:</b>   |        |                                   |        |                                   |
|         | - Unsecured considered good  | 601.69 |                                   | 317.60 |                                   |
|         | - Unsecured considered doubtful  | 0.35   |                                   | 0.35   |                                   |
|         |  | 602.04 |                                   | 317.95 |                                   |
|         | Less: Provision for doubtful advances  | 0.35   | 601.69                            | 0.35   | 317.60                            |
|         | <b>Advances, Other than Capital Advances:</b>                                      |        |                                   |        |                                   |
|         | <b>Balance with Government Authorities</b>   |        |                                   |        |                                   |
|         | Unsecured, Considered Good:  |        |                                   |        |                                   |
|         | VAT Credit Receivable  | 12.66  |                                   | 66.33  |                                   |
|         | Sales tax/ Court Cases   | 1.10   | 13.76                             | 1.10   | 67.43                             |
|         | <b>Claims recoverable:</b>   |        |                                   |        |                                   |
|         | - Unsecured considered good  | 10.55  | 10.55                             | 10.55  | 10.55                             |
|         | Other advances   |        | 296.64                            |        | 368.59                            |
|         | (Including advance to an associate ₹ 324.63 crore (Previous Year: ₹ 324.63 crore)) |        |                                   |        |                                   |
|         | <b>Prepayments:</b>  |        |                                   |        |                                   |
|         | Prepaid expenses   |        | 22.46                             |        | 7.87                              |
|         | Prepaid employee expenses (loans to employees)                                     |        | 89.13                             |        | 92.62                             |
|         | <b>Total</b>   |        | <b>1,034.23</b>                   |        | <b>864.66</b>                     |

**Note 12A - Other Current Assets**

(₹ in crore)

| Sl. No. | Particulars                                 |        | As at 31 <sup>st</sup> March 2023 |        | As at 31 <sup>st</sup> March 2022 |
|---------|---|--------|-----------------------------------|--------|-----------------------------------|
|         | <b>Balance with Government Authorities:</b> |        |                                   |        |                                   |
|         | Unsecured, Considered Good:                 |        |                                   |        |                                   |
|         | CENVAT Credit Receivable                    | 0.73   |                                   | 0.31   |                                   |
|         | GST Receivable                              | 265.59 |                                   | 213.45 |                                   |
|         | VAT Credit Receivable                       | 25.52  | 291.84                            | 0.50   | 214.26                            |
|         | <b>Claims recoverable:</b>                  |        |                                   |        |                                   |
|         | - Unsecured considered good                 | 197.89 |                                   | 146.83 |                                   |
|         | - Unsecured considered doubtful             | 20.68  |                                   | 20.68  |                                   |
|         |   | 218.57 |                                   | 167.51 |                                   |
|         | Less : Provision for doubtful claims        | 20.68  | 197.89                            | 20.68  | 146.83                            |

| Sl. No. | Particulars  |        | As at 31 <sup>st</sup> March 2023 | As at 31 <sup>st</sup> March 2022 |
|---------|--|--------|-----------------------------------|-----------------------------------|
|         | <b>Other advances:</b><br>(Including advance to an associate ₹ 38.20 crore (Previous Year: ₹ 38.20 crore)) |        | 115.90                            | 135.06                            |
|         | <b>Advances to suppliers/contractors:</b>  |        |                                   |                                   |
|         | - Unsecured considered good  | 84.81  |                                   | 48.27                             |
|         | - Unsecured considered doubtful  | 22.83  |                                   | 11.41                             |
|         |  | 107.64 |                                   | 59.68                             |
|         | <b>Less : Provision for doubtful advances</b>  | 22.83  | 84.81                             | 11.41                             |
|         | <b>Advances to Employees</b>   |        |                                   |                                   |
|         | Considered Good - Unsecured  |        | 1.93                              | 1.73                              |
|         | <b>Prepayments</b>   |        |                                   |                                   |
|         | Prepaid expenses   |        | 233.22                            | 137.82                            |
|         | Prepaid employee benefits  |        | 12.82                             | 17.04                             |
|         | <b>Total</b>   |        | <b>938.41</b>                     | <b>701.01</b>                     |

### Note 13 - Equity share capital

(₹ in crore)

| Sl. No. | Particulars   |  | As at 31 <sup>st</sup> March 2023 | As at 31 <sup>st</sup> March 2022 |
|---------|---|--|-----------------------------------|-----------------------------------|
|         | <b>Share capital</b>  |  |                                   |                                   |
|         | <b>Authorized</b>   |  |                                   |                                   |
|         | 10,00,00,00,000 Equity Shares of ₹ 10 each<br>(Previous year 500,00,00,000 Equity shares of ₹ 10 each)  |  | 10,000.00                         | 5,000.00                          |
|         | <b>Issued, subscribed and fully paid up</b>   |  |                                   |                                   |
|         | 6,57,50,99,643 Equity shares of ₹ 10 each<br>(Previous Year: 4,44,03,85,225 Equity shares of ₹ 10 each) |  | 6,575.10                          | 4,440.39                          |
|         | <b>Total</b>  |  | <b>6,575.10</b>                   | <b>4,440.39</b>                   |

### Reconciliation of the shares outstanding at the beginning and at the end of the year

| Sl. No. | Particulars                               | As at 31 <sup>st</sup> March 2023 |                 | As at 31 <sup>st</sup> March 2022 |                 |
|---------|---|-----------------------------------|-----------------|-----------------------------------|-----------------|
|         |   | Numbers                           | Amount          | Numbers                           | Amount          |
|         | <b>At the Beginning of the Year</b>       | 4,44,03,85,225                    | 4,440.39        | 4,44,03,85,225                    | 4,440.39        |
|         | Bonus shares during the year              | 2,19,16,99,881                    | 2,191.70        |                                   |                 |
|         | Buy back of shares during the year        | (5,69,85,463)                     | (56.98)         |                                   | -               |
|         | <b>Outstanding at the end of the year</b> | <b>6,57,50,99,643</b>             | <b>6,575.10</b> | <b>4,44,03,85,225</b>             | <b>4,440.39</b> |

### Related Information:-

a) Details of Shareholders holding more than 5% shares in the parent Company

| Sl. No. | Particulars                   | As at 31 <sup>st</sup> March 2023 |              | As at 31 <sup>st</sup> March 2022 |              |
|---------|-------------------------------|-----------------------------------|--------------|-----------------------------------|--------------|
|         |                               | Numbers                           | % of Holding | Numbers                           | % of Holding |
| i)      | President of India (Promoter) | 3,38,75,80,047                    | 51.52        | 2,28,45,90,082                    | 51.45        |
| ii)     | LIC ULIP Growth Fund          | 51,68,24,126                      | 7.86         | 24,96,04,588                      | 5.62         |

b) Details of Shareholding of Promoters

| Sl. No. | Shares held by promoters at the end of 31 <sup>st</sup> March 2023 |                |                  | % change during the year |
|---------|--|----------------|------------------|--------------------------|
|         | Promoter Name  | No. of shares  | % of total share |                          |
| 1       | The President of India   | 3,38,75,80,047 | 51.52            | 0.07%                    |



| Sl. No. | Shares held by promoters at the end of 31 <sup>st</sup> March 2022 |                |                  | % change during the year |
|---------|--|----------------|------------------|--------------------------|
|         | Promoter Name  | No. of shares  | % of total share |                          |
| 1       | The President of India   | 2,28,45,90,082 | 51.45            | 0.00%                    |

- c) The Company has only one class of equity shares having par value of ₹ 10/- per share. The holders of the equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their shareholding at the shareholders meetings.
- d) 4.87,93,407 shares (Previous Year: 2,96,90,172) are held in the form of Global Depository Receipts
- e) The Company has not issued any shares for a consideration other than cash in immediately preceding five years except 2,19,16,99,881 bonus shares issued during FY 2022-23, 2,25,50,70,933 bonus shares issued during FY 2019-20 and 56,37,67,733 bonus shares during FY 2017-18.
- f) The Company bought back 5,69,85,463 fully paid up equity shares representing 1.28% of the paid-up share capital for an aggregate amount of ₹ 1,082.72 crore (excluding taxes) at ₹ 190 per equity share. The equity shares bought back were extinguished on 21<sup>st</sup> June 2022.

The Company bought back 6,97,56,641 fully paid up equity shares representing 1.55% of the paid-up share capital for an aggregate amount of ₹ 1,046.35 crore (excluding taxes) at ₹ 150 per equity share. The equity shares bought back were extinguished on 22<sup>nd</sup> March 2021.

### Note 14 - Other equity

(₹ in crore)

| Sl. No. | Particulars   |                  | As at 31 <sup>st</sup> March 2023 | As at 31 <sup>st</sup> March 2022 |
|---------|---|------------------|-----------------------------------|-----------------------------------|
|         | <b>a) Retained earnings opening balance</b>   | <b>49,356.98</b> |                                   | <b>41,877.71</b>                  |
|         | <b>Add:</b> Profit for the Period   | 5,616.00         |                                   | 12,256.07                         |
|         | <b>Add:</b> Re-measurement of Defined Benefit Plans   | 102.60           |                                   | 171.41                            |
|         | <b>Less:</b> Issue of Bonus Shares  | 15.08            | 55,060.50                         | -                                 |
|         |   |                  |                                   | 54,305.19                         |
|         | <b>Add:</b> Adjustment Retained Earnings Group Companies on consolidation   |                  | 178.16                            | (32.62)                           |
|         | <b>Add:</b> Net gain/ (loss) on FVTOCI of equity shares (net of tax) reclassified from Gain/ (Loss) on FVTOCI of Equity Securities* |                  | -                                 | 13.48                             |
|         | <b>Less:</b> Current tax on net gain/ (loss) on FVTOCI of equity shares   |                  | -                                 | -                                 |
|         | <b>Less:</b> Appropriations from  |                  |                                   |                                   |
|         | - Transfer to/(from) Bond Redemption Reserve  | -                |                                   | 7.88                              |
|         | - Transfer to General Reserve   | -                |                                   | 1,036.40                          |
|         | - Final Dividend  | 439.66           |                                   | 1.11                              |
|         | - Dividend  | 2,630.04         | 3,069.70                          | 3,996.34                          |
|         | <b>Add:</b> Appropriations  |                  |                                   |                                   |
|         | - Transfer from Bond Redemption Reserve   |                  | -                                 | 112.66                            |
|         | <b>Total (b)</b>  |                  | <b>52,168.96</b>                  | <b>49,356.98</b>                  |
|         | <b>Total(a+b)</b>   |                  | <b>52,168.96</b>                  | <b>49,356.98</b>                  |
|         | <b>b) Other Reserves:</b>   |                  |                                   |                                   |
|         | - <b>Capital reserves</b>   |                  |                                   | -                                 |
|         | - Opening Balance   | 984.13           |                                   | 947.92                            |
|         | - Transfer during the period  | 0.11             | 984.24                            | 36.21                             |
|         |   |                  |                                   | 984.13                            |
|         | - <b>Bond Redemption Reserves</b>   |                  |                                   |                                   |
|         | Opening Balance   |                  |                                   | 104.78                            |
|         | <b>Add:</b> Appropriation from Retained Earnings  | -                |                                   | 7.88                              |
|         | <b>Less:</b> Transfer to Retained Earnings  | -                | -                                 | 112.66                            |
|         |   |                  |                                   | -                                 |
|         | - <b>Capital Redemption Reserve</b>   |                  |                                   |                                   |
|         | - Opening Balance   | 69.76            |                                   | 69.76                             |
|         | - Transfer from General Reserves during the year  | 56.98            | 126.74                            | -                                 |
|         |   |                  |                                   | 69.76                             |
|         | - <b>Foreign Currency Translation Reserve</b>   |                  |                                   |                                   |
|         | - Opening Balance   | 187.83           |                                   | 241.78                            |
|         | - FCTR during the Period  | 187.17           | 375.00                            | (53.95)                           |
|         |   |                  |                                   | 187.83                            |

| Sl. No. | Particulars   |          | As at 31 <sup>st</sup> March 2023 | As at 31 <sup>st</sup> March 2022 |
|---------|---|----------|-----------------------------------|-----------------------------------|
|         | <b>General Reserves</b>   |          |                                   |                                   |
|         | - Opening Balance   | 3,505.49 |                                   | 2,469.09                          |
|         | <b>Less:</b> Buyback of Shares (including Buyback Tax and Buyback expenses)                                 | 1,271.90 |                                   | 1,036.40                          |
|         | <b>Less:</b> Transferred to Capital Redemption Reserve  | 56.98    |                                   | -                                 |
|         | <b>Less:</b> Issue of Bonus Shares  | 2,176.61 | -                                 | -                                 |
|         |   |          |                                   | 3,505.49                          |
|         | <b>- Gain/ (Loss) on FVTOCI of Equity Securities</b>  |          |                                   |                                   |
|         | - Opening Balance   | 4,562.04 |                                   | 2,689.85                          |
|         | - Fair Value Gain/ (Loss) for the year  | (356.60) |                                   | 1,885.67                          |
|         | <b>- Less:</b> Net gain/ (loss) on FVTOCI of equity shares (net of tax) reclassified to retained earnings * |          | 4,205.44                          | 13.48                             |
|         |   |          |                                   | 4,562.04                          |
|         | <b>- Cash Flow Hedge Reserve</b>  |          |                                   |                                   |
|         | - Opening Balance   | 1,007.66 |                                   | 341.06                            |
|         | <b>- Gain/ (Loss) on Cash Flow Hedge For the year</b>   | (515.71) | 491.95                            | 666.60                            |
|         |   |          |                                   | 1,007.66                          |
|         | <b>Sub Total (c)</b>  |          | <b>6,183.37</b>                   | <b>10,316.91</b>                  |
|         | <b>Gross Total (a+b+c)</b>  |          | <b>58,352.33</b>                  | <b>59,673.89</b>                  |

\* On account of sale of investment in M/s Addverb Technologies Private Limited and M/s Attentive AI Solutions Private Limited, fair value gain (net of tax) reclassified to retained earnings.

i) During the year, the Company has paid interim dividend of ₹ 4.00 per share (Previous year ₹ 9.00 per share)

#### Nature and Purpose of reserves

##### A Retained Earnings

The Retained Earnings represents accumulated earnings of the Company. Retained Earnings is a free reserve of the Company and is used for the purposes like issuing bonus shares, buy back of shares and other purposes (like declaring Dividend etc.) as per the approval of Board of Directors. It includes the re-measurement gain/(loss) on defined benefit plans which will not be re-classified to statement of profit and loss in subsequent periods.

##### B Bond Redemption Reserve

As per the Companies Act, 2013 a Bond Redemption Reserve is required to be created for all bonds/ debentures issued by the Company at a specified percentage. Further, MCA vide notification No. 574 (E) dated 16th August 2019, creation of Bond Redemption Reserve is not required for listed companies. However, there is no clarity in the notification whether non-creation of Bond Redemption Reserve is applicable for bonds issued before notification date. Therefore, the Company has decided to continue creation of Bond Redemption Reserve as per conservative approach. This reserve is created out of appropriation of profits over the tenure of bonds and during the current year the Company has fully repaid bonds. Accordingly, the Company has transferred back Bond redemption reserve to Retained earnings.

##### C Fair Value of Equity Instruments

This reserve represents the cumulative effect of fair value fluctuations of investments made by the company in equity instruments of other entities. The cumulative gain or loss arising on such changes are recognised through Other Comprehensive Income (OCI) and accumulated under this

reserve. This will not be re-classified to the statement of profit and loss in subsequent periods.

##### D Cash Flow Hedge Reserve

The Cash Flow Hedge Reserve represents the cumulative effective portion of gains/ (losses) arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain/ (loss) arising on such changes are recognised through Other Comprehensive Income (OCI) and accumulated under this reserve. Such gains/ (losses) will be reclassified to statement of profit and loss in the period in which the hedged item occurs/ affects the statement of profit and loss.

##### E Capital Redemption Reserve

As per the Companies Act 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. Utilization of this reserve is governed by the provisions of the Companies Act 2013.

##### F Foreign Currency Translation Reserve

This reserve represents the cumulative effect of exchange difference arising due to consolidation procedure applied on the group entities having functional currency other than INR, and held their until disposal of the foreign operation as per Ind AS 21 "The Effects of Changes in Foreign Exchange Rates".

##### G Capital reserves

Capital Reserve was created through business combinations and shall be utilised as per the provisions of the Companies Act 2013.

## Note 15 - Borrowings - Non-Current

₹ in crore

| Particulars  | As at<br>31 <sup>st</sup> March 2023 | As at<br>31 <sup>st</sup> March 2022 |
|--|--------------------------------------|--------------------------------------|
| <b>Secured Loans:</b>  |                                      |                                      |
| <b>Term Loans:</b>   |                                      |                                      |
| <b>From Oil Industry Development Board (OIDB)</b><br>(Loan drawn during FY 2019-20 & 2020-21 repayable in 8 equal annual instalments after expiry of moratorium of two years from the date of disbursement. Loan carries a fixed interest rate)<br>(First Hypothecation charge in favor of OIDB on all the movable fixed assets (Both present and future) of the Jagdishpur Haldia Bokaro Dhamra Pipeline (excluding compressor stations) purchased from the proceeds of this borrowing)             | 768.75                               | 893.75                               |
| <b>From Banks</b>  |                                      |                                      |
| <b>HDFC Bank</b><br>(Repayable in 48 equal quarterly instalments after expiry of moratorium and repayment of instalment begin from 30 <sup>th</sup> June 2021. The loan carries a floating interest rate.)<br>(Secured by way of first pari-passu hypothecation charge on movable assets and movable fixed assets, solely in relation to Dahej – Vijapur Pipeline Phase II (DVPL-II) (excluding the compressor stations at Jhabua and Vijapur))  | 1,500.00                             | 1,666.67                             |
| <b>HDFC Bank</b><br>(Repayable in 16 equal quarterly instalments after expiry of moratorium and repayment of instalment begin from 30 <sup>th</sup> June 2022. The loan carries a floating interest rate.)<br>First pari-passu hypothecation charge on all rights, title, easements, interest and benefit in all and singular, the Borrower's Plant & Machinery at Pata Petrochemical Complex including LPG plant at Pata and at Dibiyapur Compressor Station, Dist: Auraiya, Uttar Pradesh          | 1,500.00                             | 2,250.00                             |
| <b>From Bank of India</b><br>(Repayable in 16 equal quarterly instalments after expiry of moratorium and repayment of instalment begin from 30 <sup>th</sup> June 2022. The loan carries a floating interest rate.)<br>First pari-passu hypothecation charge on all rights, title, easements, interest and benefit in all and singular, the Borrower's Plant & Machinery at Pata Petrochemical Complex including LPG plant at Pata and at Dibiyapur Compressor Station, Dist: Auraiya, Uttar Pradesh | 2,493.33                             | -                                    |
| <b>Other Borrowings by Group Companies</b>   | 1,042.61                             | 637.97                               |
| <b>Unsecured Loans</b>   |                                      |                                      |
| <b>Unsecured Bonds</b><br>- Bond Series 2027<br>GAIL India Limited Bond - 2027 (Series-I). Unsecured, listed, rated, taxable, non-cumulative, redeemable, non-convertible debentures.  | 1,575.00                             | -                                    |
| <b>Term Loans From Banks/ Financial Institutions</b><br>KFW Germany (Siemens Facility)<br>(Repayable in 20 half yearly equal instalments starting from March 2014. The Loan carries a fixed rate of interest)  | -                                    | 19.67                                |
| <b>Total</b>   | <b>8,879.69</b>                      | <b>5,468.06</b>                      |

## Note 15A Borrowings - Current

₹ in crore

| Particulars   |       | As at<br>31 <sup>st</sup> March 2023 |       | As at<br>31 <sup>st</sup> March 2022 |
|---|-------|--------------------------------------|-------|--------------------------------------|
| <b>Unsecured Loans</b>                                  |       |                                      |       |                                      |
| <b>Loans Repayable on Demand</b>                        |       |                                      |       |                                      |
| <b>From Banks</b>                                       |       |                                      |       |                                      |
| Working Capital Demand Loan                             |       | 4,502.00                             |       | 400.00                               |
| <b>Term Loans</b>                                       |       |                                      |       |                                      |
| Other Short term Borrowings by Group Companies          |       | 878.06                               |       | 819.64                               |
| <b>Current maturity of long term loans:</b>             |       |                                      |       |                                      |
| <b>Secured Term Loans:</b>                              |       |                                      |       |                                      |
| - HDFC Bank   |       | 916.67                               |       | 916.67                               |
| - Oil Industry Development Board (OIDB)                 |       | 125.00                               |       | 106.25                               |
| - Bank of India   |       | 906.67                               |       | -                                    |
| <b>Unsecured Term loans:</b>                            |       |                                      |       |                                      |
| - Societe Generale                                      | -     |                                      | 28.34 |                                      |
| - Japan bank for International Cooperation(JBIC)        | -     |                                      | 32.51 |                                      |
| - KFW Germany (Siemens Facility)                        | 21.32 | 21.32                                | 38.90 | 99.75                                |
| Secured Short Term Loans by Group Company               |       | -                                    |       | -                                    |
| <b>Current maturities of group companies borrowings</b> |       | 45.49                                |       | 19.95                                |
| <b>Total</b>  |       | <b>7,395.21</b>                      |       | <b>2,362.26</b>                      |

## Note 16 - Other Financial Liabilities - Non-Current

₹ in crore

| Particulars  |  | As at<br>31 <sup>st</sup> March 2023 |  | As at<br>31 <sup>st</sup> March 2022 |
|--|--|--------------------------------------|--|--------------------------------------|
| Payables for Derivative Contracts (Hedged/ Non Hedged)     |  | 46.02                                |  | 4.70                                 |
| Deposits/Retention Money from Customers/contractors/others |  | 37.75                                |  | 37.79                                |
| Gas Pool money provisional (Refer Note no. 36(ii))         |  | 581.87                               |  | 581.87                               |
| Other Liabilities  |  | 67.16                                |  | 67.19                                |
| <b>Total</b>   |  | <b>732.80</b>                        |  | <b>691.55</b>                        |

## Note 16A - Other financial liabilities - Current

₹ in crore

| Particulars  |          | As at<br>31 <sup>st</sup> March 2023 |          | As at<br>31 <sup>st</sup> March 2022 |
|--|----------|--------------------------------------|----------|--------------------------------------|
| Payables for Derivative Contracts (Hedged/ Unhedged)       |          | 273.98                               |          | 512.18                               |
| Deposits/Retention Money from customers/contractors/others |          | 1,736.86                             |          | 1,481.05                             |
| Financial Guarantee obligations                            |          | 0.58                                 |          | 0.60                                 |
| <b>Other payables</b>                                      |          |                                      |          |                                      |
| Interest accrued but not due                               | 63.80    |                                      | 16.55    |                                      |
| Unpaid/unclaimed dividend                                  | 8.56     |                                      | 8.12     |                                      |
| Gas Pool Money   | 183.97   |                                      | 262.04   |                                      |
| Imbalance and overrun charges                              | 13.14    |                                      | 3.94     |                                      |
| Payable for capital expenditure                            | 1,125.26 |                                      | 1,466.84 |                                      |
| Adjustment in pipeline tariff                              | 32.30    |                                      | 32.30    |                                      |
| E&P expenditure payable                                    | 91.26    |                                      | 49.80    |                                      |
| Employee benefits payable                                  | 181.25   |                                      | 294.63   |                                      |
| Other payables   | 328.71   | 2,028.25                             | 214.30   | 2,348.52                             |
| <b>Total</b>   |          | <b>4,039.67</b>                      |          | <b>4,342.35</b>                      |

**Note 17 - Provisions - Non-Current**

₹ in crore

| Particulars                     | As at<br>31 <sup>st</sup> March 2023 | As at<br>31 <sup>st</sup> March 2022 |
|---------------------------------|--------------------------------------|--------------------------------------|
| Provision for employee benefits | 799.68                               | 668.02                               |
| Provision for abandonment costs | 9.45                                 | 8.06                                 |
| <b>Total</b>                    | <b>809.13</b>                        | <b>676.08</b>                        |

**Note 17A - Provisions- Current**

₹ in crore

| Particulars                        | As at<br>31 <sup>st</sup> March 2023 | As at<br>31 <sup>st</sup> March 2022 |
|------------------------------------|--------------------------------------|--------------------------------------|
| Provision for employee benefits    | 74.75                                | 65.35                                |
| Provision for probable obligations | 853.81                               | 807.85                               |
| <b>Total</b>                       | <b>928.56</b>                        | <b>873.20</b>                        |

Disclosure of movement in provision as required in Ind AS 37 is given in Note No. 48

**Note 18 - Trade Payables**

₹ in crore

| Particulars                                   | As at<br>31 <sup>st</sup> March 2023 | As at<br>31 <sup>st</sup> March 2022 |
|---|--------------------------------------|--------------------------------------|
| Trade Payables to Micro and Small Enterprises | 344.29                               | 303.91                               |
| Trade Payables to related parties             | 1,539.51                             | 1,299.87                             |
| Trade Payables to others                      | 5,259.75                             | 3,757.48                             |
| <b>Total</b>                                  | <b>7,143.55</b>                      | <b>5,361.26</b>                      |

\*Disclosure with respect to Micro, Small and Medium Enterprises Development Act, 2006 is given in Note No. 52

**Note 19 - Other non financial liabilities -Non-Current**

₹ in crore

| Particulars   | As at<br>31 <sup>st</sup> March 2023 | As at<br>31 <sup>st</sup> March 2022 |
|---|--------------------------------------|--------------------------------------|
| Government Grant<br>(Including Capital subsidy on JHBD pipeline project (Refer Note No. 53 )) | 4,542.19                             | 4,676.63                             |
| <b>Total</b>  | <b>4,542.19</b>                      | <b>4,676.63</b>                      |

**Note 19A - Other non financial liabilities -Current**

₹ in crore

| Particulars   | As at<br>31 <sup>st</sup> March 2023 | As at<br>31 <sup>st</sup> March 2022 |
|---|--------------------------------------|--------------------------------------|
| Statutory payables  | 956.89                               | 1,005.46                             |
| Other liabilities   | 88.77                                | 87.63                                |
| Government Grant<br>(Including Capital subsidy on JHBD pipeline project (Refer Note No. 53 )) | 123.53                               | 89.95                                |
| <b>Total</b>  | <b>1,169.19</b>                      | <b>1,183.04</b>                      |

## Note 20 - Deferred taxation

### Income Taxes

The Major components of Income tax expenses for the year ended are:-

#### A. Statement of Profit and Loss:

₹ in crore

| (I)  | Profit or Loss section  | As at 31 <sup>st</sup><br>March 2023 | As at 31 <sup>st</sup><br>March 2022 |
|------|---|--------------------------------------|--------------------------------------|
|      | <b>Current Income Tax:</b>  |                                      |                                      |
|      | Current Income Tax Charge   | 1,355.89                             | 3,333.25                             |
|      | Adjustment in respect of current income tax of previous Year            | (52.01)                              | (77.24)                              |
|      | <b>Deferred Tax:</b>  |                                      |                                      |
|      | Relating to origination and reversal of temporary differences           | 356.61                               | (96.12)                              |
|      | <b>Income tax expenses reported in the statement of profit or loss</b>  | <b>1,660.49</b>                      | <b>3,159.89</b>                      |
| (II) | OCI Section   |                                      |                                      |
|      | <b>Deferred tax related to items recognized in OCI during the year:</b> |                                      |                                      |
|      | <b>For OCI to be reclassified to P&amp;L</b>                            |                                      |                                      |
|      | Net movement on cash flow hedges Profit (+)/ Loss(-)                    | 173.45                               | (224.20)                             |
|      | <b>For OCI not to be reclassified to P&amp;L</b>                        |                                      |                                      |
|      | Net loss (Gain) on remeasurement of defined benefit plans               | (11.79)                              | 8.96                                 |
|      | Net (loss)/gain on FVTOCI equity Securities                             | 1.25                                 | (1.32)                               |
|      | <b>Income tax Charged to OCI</b>  | <b>162.91</b>                        | <b>(216.56)</b>                      |

\*Note:- Finance Act 2018 has amended section 112A / 10 (38) of the Income tax Act 1961 to introduce tax on income from long term capital gains on securities. The Parent company has not recognised deferred tax asset (net) of ₹ 161.02 crore (PY: ₹ 125.55 crore) on unrealized loss arising due to revaluation of FVTOCI -equity securities as there is no reasonable certainty of future taxable income under this head.

#### B. Balance Sheet (₹ in crore)

| Sl. No. | Particulars   | As at 31 <sup>st</sup><br>March 2023 | As at 31 <sup>st</sup><br>March 2022 |
|---------|---|--------------------------------------|--------------------------------------|
|         | <b>Deferred tax liabilities</b>                                 |                                      |                                      |
|         | Net Deferred Tax Liability due to taxable temporary Differences | 4,395.09                             | 4,199.17                             |
|         | <b>Total</b>  | <b>4,395.09</b>                      | <b>4,199.17</b>                      |

## Note 21 - Revenue from Operations

(₹ in crore)

| Sl. No. | Particulars                            | As at 31 <sup>st</sup><br>March 2023 | As at 31 <sup>st</sup><br>March 2022 |
|---------|--|--------------------------------------|--------------------------------------|
|         | <b>a) Sale of Products</b>             |                                      |                                      |
|         | Gas                                    | 1,22,110.27                          | 69,908.82                            |
|         | Polymers                               | 4,846.22                             | 8,476.24                             |
|         | LPG                                    | 4,297.62                             | 3,927.56                             |
|         | Propane/Pentane/SBPS/Naphtha           | 646.58                               | 722.61                               |
|         | Crude Oil                              | 109.96                               | 107.32                               |
|         | City Gas                               | 11,084.81                            | 7,054.35                             |
|         | Power                                  | 44.11                                | 42.59                                |
|         | <b>b) Sale of Service</b>              |                                      |                                      |
|         | LPG / Natural Gas Transmission         | 2,375.96                             | 2,385.04                             |
|         | <b>c) Income from Telecom services</b> | 15.77                                | 11.51                                |
|         | <b>Total</b>                           | <b>1,45,531.30</b>                   | <b>92,636.04</b>                     |
|         | Add: Other Operating Income            | 343.73                               | 237.78                               |
|         | <b>Total</b>                           | <b>1,45,875.03</b>                   | <b>92,873.82</b>                     |

**Note 22 - Other Income**

(₹ in crore)

| Sl. No. | Particulars  |        | Year Ended<br>31 <sup>st</sup> March 2023 | Year Ended<br>31 <sup>st</sup> March 2022 |
|---------|--|--------|---|---|
|         | <b>Interest on :</b>   |        |   |   |
|         | - Deposits with Banks  | 57.63  |   | 70.07                                     |
|         | - Income Tax / Vat Refund  | 5.69   |   | 20.35                                     |
|         | - Delayed payment from customers   | 219.67 |   | 126.94                                    |
|         | - Loan to Joint Ventures, and Associates etc.  | -      |   | 2.68                                      |
|         | - Loan to Employees  | 28.46  |   | 27.05                                     |
|         | - Others   | 16.68  |   | 12.55                                     |
|         | <b>Less :</b> Transferred to Expenditure during construction period (refer note no - 28) | 3.59   | 324.54                                    | 1.24                                      |
|         | Dividend from Investments  |        | 433.38                                    | 285.18                                    |
|         | Gain on Sale of Investments (Mutual Funds)   |        | 6.81                                      | 18.90                                     |
|         | Amortization of Government Grant   |        | 103.47                                    | 71.46                                     |
|         | Net Gain on Foreign Currency Transaction and Translation                                 |        | 295.70                                    | 405.45                                    |
|         | Excess Provision Written Back  |        | 115.44                                    | 82.88                                     |
|         | Amortization of Financial Guarantee  |        | 0.03                                      | 0.14                                      |
|         | Miscellaneous Income   | 52.68  |   | 50.91                                     |
|         | <b>Less :</b> Transferred to Expenditure during construction period (refer note no - 28) | 3.58   | 49.10                                     | 1.07                                      |
|         | <b>Total</b>   |        | <b>1,328.47</b>                           | <b>1,172.25</b>                           |

**Note 23 - (Increase) / Decrease in Inventories of Stock in Trade Finished Goods, Work in Progress**

(₹ in crore)

| Sl. No. | Particulars   |  | Year Ended<br>31 <sup>st</sup> March 2023 | Year Ended<br>31 <sup>st</sup> March 2022 |
|---------|---|--|---|---|
|         | <b>Inventories at the end of the period</b>                               |  |   |   |
|         | Work-in-Progress  |  | 17.45                                     | 6.98                                      |
|         | Finished Goods  |  | 891.47                                    | 309.69                                    |
|         | Stock in Trade  |  | 3,333.75                                  | 1,868.29                                  |
|         | <b>Total</b>  |  | <b>4,242.67</b>                           | <b>2,184.96</b>                           |
|         | <b>Inventories at the beginning of the period</b>                         |  |   |   |
|         | Work-in-Progress  |  | 6.98                                      | 13.51                                     |
|         | Finished Goods  |  | 309.69                                    | 319.62                                    |
|         | Stock in Trade  |  | 1,872.19                                  | 1,366.37                                  |
|         | <b>Total</b>  |  | <b>2,188.86</b>                           | <b>1,699.50</b>                           |
|         | <b>Less:-</b> Boil off surplus of LNG In Tank                             |  | (60.88)                                   | (222.68)                                  |
|         | <b>Changes in Inventories of Stock in trade, Finished Goods &amp; WIP</b> |  | <b>(1,992.93)</b>                         | <b>(262.78)</b>                           |

**Note 24 - Employee benefits expense**

(₹ in crore)

| Sl. No. | Particulars  |          | Year Ended<br>31 <sup>st</sup> March 2023 | Year Ended<br>31 <sup>st</sup> March 2022 |
|---------|--|----------|---|---|
|         | Salaries, Wages and Allowances   | 1,645.06 |   | 1,609.76                                  |
|         | Contribution to Provident and Other Funds  | 306.57   |   | 269.20                                    |
|         | Staff Welfare Expenses   | 233.58   | 2,185.21                                  | 217.65                                    |
|         | <b>Less :</b>  |          |   |   |
|         | - Employees Benefit Expenses transferred to Capital Work-in-Progress (Ref Note No. 28) | 192.79   |   | 199.51                                    |
|         | - Reimbursements for employees on deputation   | 90.03    | 282.82                                    | 81.55                                     |
|         | <b>Total</b>   |          | <b>1,902.39</b>                           | <b>1,815.55</b>                           |

## Note 25 - Finance Cost

(₹ in crore)

| Sl. No. | Particulars  |          | Year Ended<br>31 <sup>st</sup> March 2023 |          | Year Ended<br>31 <sup>st</sup> March 2022 |
|---------|--|----------|---|----------|---|
|         | Interest on:   |          |   |          |   |
|         | - Term Loans   | 544.91   |   | 300.21   |   |
|         | - Bonds  | 32.31    |   | 37.29    |   |
|         | - Lease Liabilities  | 82.61    |   | 34.52    |   |
|         | - Others   | 149.55   |   | 22.59    |   |
|         | - Interest and Finance Charges transferred to Capital Work-in-Progress (Ref Note No. 28) | (442.17) | 367.21                                    | (195.36) | 199.25                                    |
|         | (Gain)/Loss on changes in fair value of Derivatives                                      |          | (4.38)                                    |          | (10.79)                                   |
|         | Net (Gain) / loss on foreign currency transactions on Borrowings                         |          | 3.75                                      |          | 14.02                                     |
|         | <b>Total</b>   |          | <b>366.58</b>                             |          | <b>202.48</b>                             |

## Note 26 - Depreciation and Amortization Expenses

(₹ in crore)

| Sl. No. | Particulars  |  | Year Ended<br>31 <sup>st</sup> March 2023 |  | Year Ended<br>31 <sup>st</sup> March 2022 |
|---------|--|--|---|--|---|
|         | Depreciation and Amortization Expenses   |  | 2,827.22                                  |  | 2,432.89                                  |
|         | Impairment Loss ( Refer Note No. 2-3)  |  | (94.42)                                   |  | (1.70)                                    |
|         | <b>Less</b> : Depreciation and Amortization Expenses transferred to Capital Work-in-Progress (Ref Note No. 28) |  | 31.23                                     |  | 11.02                                     |
|         | <b>Total</b>   |  | <b>2,701.57</b>                           |  | <b>2,420.17</b>                           |

## Note 27 - Other Expenses

(₹ in crore)

| Sl. No. | Particulars  |          | Year Ended<br>31 <sup>st</sup> March 2023 |          | Year Ended<br>31 <sup>st</sup> March 2022 |
|---------|--|----------|---|----------|---|
|         | Gas Pool Expenses  |          | 0.29                                      |          | 1.03                                      |
|         | Stores and Spares consumed   |          | 479.47                                    |          | 528.01                                    |
|         | Power, Fuel and Water Charges  |          |   |          |   |
|         | Power Charges  | 460.17   |   | 514.64   |   |
|         | Gas used as Fuel   | 3,634.11 |   | 1,772.61 |   |
|         | Water Charges  | 23.69    | 4,117.97                                  | 20.70    | 2,307.95                                  |
|         | Rent   |          | 38.18                                     |          | 45.81                                     |
|         | Repairs and Maintenance  |          |   |          |   |
|         | Plant and Machinery  | 561.44   |   | 452.76   |   |
|         | Buildings  | 66.89    |   | 47.84    |   |
|         | Others   | 105.19   | 733.52                                    | 86.82    | 587.42                                    |
|         | Insurance  |          | 141.96                                    |          | 149.05                                    |
|         | Rates and Taxes  |          | 37.59                                     |          | 37.12                                     |
|         | Miscellaneous Expenditure :  |          |   |          |   |
|         | - Travelling Expenses  |          | 103.54                                    |          | 48.09                                     |
|         | - Advertisement and Publicity  |          | 38.99                                     |          | 32.22                                     |
|         | - Vehicle Hire and Running Expenses                                  |          | 89.12                                     |          | 68.87                                     |
|         | - Survey Expenses  |          | 7.51                                      |          | 9.74                                      |
|         | - Dry Well Expenses written off                                      |          | -   |          | 0.87                                      |
|         | - Oil & Gas Producing Expenses                                       |          | 66.79                                     |          | 58.05                                     |
|         | - Royalty on Crude Oil (including share of Govt in Profit Petroleum) |          | 456.92                                    |          | 332.37                                    |
|         | - Consultancy Charges  |          | 59.74                                     |          | 47.91                                     |
|         | - Donation   |          | 0.09                                      |          | 1.00                                      |



| Sl. No. | Particulars  |      | Year Ended<br>31 <sup>st</sup> March 2023 |      | Year Ended<br>31 <sup>st</sup> March 2022 |
|---------|--|------|---|------|---|
|         | - Research and Development Expenses  |      | 12.39                                     |      | 11.73                                     |
|         | - Provision for Impairment Loss CWIP/ Investments  |      | 49.97                                     |      | 0.46                                      |
|         | - Loss on sale / written off of assets (net)   |      | 21.33                                     |      | 12.08                                     |
|         | - Bad Debts/Claims/Advances/Stores written off   |      | 1.12                                      |      | 0.23                                      |
|         | - Provision for Doubtful Debts, Advances, Claims, Deposits and obsolescence of Stores and Capital Items            |      | 136.75                                    |      | 91.27                                     |
|         | - Provision for Probable Obligations / Contingencies   |      | 50.85                                     |      | 61.79                                     |
|         | - Selling & Distribution Expenses  |      | 59.38                                     |      | 90.16                                     |
|         | - Commission on Sales  |      | 41.74                                     |      | 48.05                                     |
|         | - Security Expenses  |      | 252.59                                    |      | 224.88                                    |
|         | - Corporate Social Responsibility Expenses   |      | 105.34                                    |      | 206.85                                    |
|         | - MTM loss (Gain) on Commodity Derivative (Net)  |      | (114.93)                                  |      | 241.36                                    |
|         | - Other Expenses   |      | 490.14                                    |      | 473.08                                    |
|         | <b>Payment to Auditors</b>   |      |   |      |   |
|         | Audit Fees   | 1.28 |   | 1.18 |   |
|         | Tax Audit fees   | 0.14 |   | 0.12 |   |
|         | Other Services (for issuing certificates, etc.)  | 0.50 |   | 0.46 |   |
|         | Travelling & Out of Pocket Expenses  | 0.48 | 2.40                                      | 0.37 | 2.13                                      |
|         | <b>Less : Incidental Expenditure during construction transferred to Capital Work-in-Progress (Ref Note No. 28)</b> |      | 34.17                                     |      | 24.08                                     |
|         | <b>Total</b>   |      | <b>7,446.58</b>                           |      | <b>5,695.50</b>                           |

### Note 28 - Expenditure during Construction Period

(₹ in crore)

| Sl. No. | Particulars                               |        | Year Ended<br>31 <sup>st</sup> March 2023 |        | Year Ended<br>31 <sup>st</sup> March 2022 |
|---------|---|--------|---|--------|---|
|         | Employees Remuneration and Benefits       |        |   |        |   |
|         | Salaries, Wages and Allowances            | 176.60 |   | 180.88 |   |
|         | Contribution to Provident and Other Funds | 8.93   |   | 9.17   |   |
|         | Welfare Expenses                          | 7.26   | 192.79                                    | 9.46   | 199.51                                    |
|         | Interest and Finance Charges              |        | 442.17                                    |        | 195.36                                    |
|         | Depreciation                              |        | 31.23                                     |        | 11.02                                     |
|         | Power, Fuel and Water Charges             |        |   |        |   |
|         | Power Charges                             | 3.41   |   | 1.28   |   |
|         | Insurance                                 |        | 0.01                                      |        | 0.02                                      |
|         | Rent                                      |        | 1.81                                      |        | 0.50                                      |
|         | Repairs and Maintenance                   |        |   |        |   |
|         | Plant and Machinery                       | 3.83   |   | 2.63   |   |
|         | Others                                    | 0.32   | 4.26                                      | 1.19   | 3.83                                      |
|         | Rates and Taxes                           |        | 0.08                                      |        | 0.05                                      |
|         | <b>Miscellaneous Expenditure :</b>        |        |   |        |   |
|         | - Travelling Expenses                     | 9.27   |   | 7.21   |   |
|         | - Advertisement and Publicity             | 0.37   |   | 0.10   |   |
|         | - Vehicle Hire and Running Expenses       | 2.08   |   | 0.34   |   |
|         | - Consultancy Charges                     | 0.71   |   | 1.64   |   |
|         | - Other Expenses                          | 12.17  | 24.60                                     | 9.11   | 18.40                                     |
|         | <b>Less :</b>                             |        |   |        |   |
|         | - Interest Income                         | 3.59   |   | 1.24   |   |
|         | - Misc. Income                            | 3.58   | 7.17                                      | 1.07   | 2.31                                      |
|         | <b>Net Expenditure</b>                    |        | <b>693.19</b>                             |        | <b>427.66</b>                             |

| Sl. No. | Particulars  | Year Ended 31 <sup>st</sup> March 2023 | Year Ended 31 <sup>st</sup> March 2022 |
|---------|--|--|--|
|         | <b>Less :Transferred to Capital Work-in-progress</b> |  |  |
|         | a) Employees Benefits Expenses                       | 192.79                                 | 199.51                                 |
|         | b) Interest & finance Charges                        | 442.17                                 | 195.36                                 |
|         | c) Depreciation                                      | 31.23                                  | 11.02                                  |
|         | d) Other Expenses                                    | 34.17                                  | 24.08                                  |
|         | <b>Less:</b>   |  |  |
|         | e) Other Income                                      | 7.17                                   | 2.31                                   |
|         | <b>Sub Total</b>                                     | <b>693.19</b>                          | <b>427.66</b>                          |
|         | <b>Total</b>   | <b>-</b>                               | <b>-</b>                               |

## Notes Accompanying Consolidated Financial Statement for the year ended 31<sup>st</sup> March, 2022

**29.** The Consolidated Financial Statements represent consolidation of accounts of the Company, its subsidiaries, joint venture companies and associates as detailed below with summarized financial information of Partly owned Subsidiaries, Joint Ventures and Associates along with other disclosure requirements under Ind - AS 112: -

### A) Group Information

| Sr. No. | Name of Companies                            | Country of Incorporation | Principal Activity       | Relation      | Proportion of ownership as on 31 <sup>st</sup> March 2023 | Proportion of ownership as on 31 <sup>st</sup> March 2022 |
|---------|--|--------------------------|--------------------------|---------------|---|---|
| 1       | GAIL Gas Limited(Refer*1)                    | India                    | City Gas                 | Subsidiary    | 100.00%   | 100.00%   |
| 2       | GAIL Global (USA) Inc. (Refer*2)             | USA                      | E&P                      | Subsidiary    | 100.00%   | 100.00%   |
| 3       | GAIL Global Singapore Pte. Ltd.              | Singapore                | LNG Trading              | Subsidiary    | 100.00%   | 100.00%   |
| 4       | Tripura Natural Gas Limited                  | India                    | City Gas                 | Subsidiary    | 48.98%  | 48.98%  |
| 5       | Bengal Gas Company Limited                   | India                    | City Gas                 | Subsidiary    | 88.13%  | 77.20%  |
| 6       | Konkan LNG Limited                           | India                    | LNG terminal             | Subsidiary    | 93.50%  | 90.83%  |
| 7       | Aavantika Gas Limited                        | India                    | City Gas                 | Joint Venture | 49.99%  | 49.99%  |
| 8       | Bhagyanagar Gas Limited                      | India                    | City Gas                 | Joint Venture | 48.73%  | 48.73%  |
| 9       | Maharashtra Natural Gas Limited              | India                    | City Gas                 | Joint Venture | 22.50%  | 22.50%  |
| 10      | Central UP Gas Ltd.                          | India                    | City Gas                 | Joint Venture | 25.00%  | 25.00%  |
| 11      | Green Gas Ltd.                               | India                    | City Gas                 | Joint Venture | 49.98%  | 49.98%  |
| 12      | Indradhanush Gas Grid Ltd                    | India                    | Gas Transmission         | Joint Venture | 20.00%  | 20.00%  |
| 13      | Talcher Fertilizers Limited                  | India                    | Fertilizers              | Joint Venture | 33.33%  | 33.33%  |
| 14      | Vadodara Gas Limited (Refer*3)               | India                    | City Gas                 | Joint Venture | 50.00%  | 50.00%  |
| 15      | TAPI Pipeline Company Ltd                    | Isle of Man              | Gas Pipeline             | Joint Venture | 5.00%   | 5.00%   |
| 16      | Mahanagar Gas Limited                        | India                    | City Gas                 | Associate     | 32.50%  | 32.50%  |
| 17      | Indraprastha Gas Limited                     | India                    | City Gas                 | Associate     | 22.50%  | 22.50%  |
| 18      | Petronet LNG Ltd.                            | India                    | LNG Terminal             | Associate     | 12.50%  | 12.50%  |
| 19      | Brahmaputra Crackers and Polymers Ltd.       | India                    | Petrochemical            | Associate     | 70.00%  | 70.00%  |
| 20      | ONGC Petro Additions Ltd. (Refer*4)          | India                    | Petrochemical            | Associate     | 49.21%  | 49.21%  |
| 21      | Ramagundam Fertilizers and Chemicals Limited | India                    | Fertilizers              | Associate     | 14.72%  | 14.72%  |
| 22      | Fayoum Gas Company                           | Egypt                    | City Gas                 | Associate     | 19.00%  | 19.00%  |
| 23      | China Gas Holdings Ltd.                      | Bermuda                  | City Gas                 | Associate     | 2.76%   | 2.71%   |
| 24      | ONGC Tripura Power Company Ltd(Refer*5)      | India                    | Power                    | Associate     | 26.00%  | 26.00%  |
| 25      | LLC Bharat Energy Office                     | Russia                   | LNG Trading              | Associate     | 20.00%  | 20.00%  |
| 26      | LNG Japonica Shipping Corporation Ltd.       | Cyprus                   | Chartering of LNG Vessel | Associate     | 26.00%  | Nil   |

\*1: Consolidated financial statement of GAIL GAS Ltd includes its 50%, 17.07%, 50%, 50% , 50% & 26% interest in joint venture companies, i.e., Andhra Pradesh Gas Distribution Corporation Ltd, Vadodara Gas Ltd, Rajasthan State Gas Ltd, Haridwar Natural Gas Pvt. Ltd., Goa Natural Gas Pvt. Ltd and Purba Bharati Gas Pvt. Ltd. respectively engaged in the business of City Gas Distribution.

\*2: Consolidated financial statement of GAIL Global (USA) Inc. includes its 100% subsidiary, Gail Global (USA) LNG LLC having primary business of LNG trading.

\*3: GAIL is holding 32.93% equity of VGL and 17.07% is held through GAIL Gas Ltd.

\*4: Holding 7.56% on a fully diluted basis.

\*5: Consolidated financial statement of ONGC Tripura Power Company Limited includes its 26% interest in Joint Venture Company i.e. North East Transmission Company Limited.

**B)** The accounts of all Group Companies, its joint ventures and associates are drawn up to the same reporting date as the parent entity (i.e. Financial Year ended 31<sup>st</sup> March, 2023), except Fayoum Gas Company (for whom the accounts are drawn up as at 31<sup>st</sup> December, 2022, due to local reporting requirements in respective countries) and for China Gas Holding Limited having its reporting period ending 31<sup>st</sup> March 2023 but due to local legal requirements could not provide the financials till the time of consolidation, hence management provided the financial information up to 31<sup>st</sup> December, 2022 and same have been used in consolidation. No adjustments (except dividend and intra group transaction) have been done for the period subsequent to that date, since there are no significant material transactions, as informed by respective company's management.

- C) The unaudited Financial statements and relevant notes to accounts available up to 11<sup>th</sup> May, 2023 has been taken in to account in preparing consolidated financial statements in respect of Joint ventures/associates namely Bhagyanagar Gas Limited, Central UP Gas Limited, Green Gas Limited, Talcher Fertilizers Limited, Vadodara Gas Limited, TAPI Pipeline Company Limited, Mahanagar Gas Limited, Indraprastha Gas Limited, Brahmaputra Crackers and Polymers Ltd., ONGC Petro Additions Limited, Ramagundam Fertilizers and Chemicals Limited, China Gas Holdings Limited, LLC Bharat Energy Office and LNG Japonica Shipping Corporation Limited.
- D) Information about Partially owned Subsidiaries having material non-controlling interest is given at **Annexure-A**
- E) Summarized financial information of joint ventures and associates is given in **Annexure-B**.
- F) The Group has unrecognized share of losses in respect of ONGC Petro additions Ltd amounting to ₹ 2,578.88 crore as at 31<sup>st</sup> March 2023 as per its Unaudited financial statements. It has not been recognized in consolidated financial statements, as Group's share of losses exceeds Group's interest in the Associate.
- G) Significant Judgement and assumptions made in consolidation:-
- The Group holds 48.98% equity shares of Tripura Natural Gas Company Limited (TNGCL), but based on a control assessment carried out under Ind AS 110 'Consolidated Financial Statements', TNGCL is considered to be a subsidiary of the Company because the Company has a sufficiently dominant voting interest to direct the relevant activities of TNGCL.
  - In Brahmaputra Cracker and Polymer Limited (BCPL), the Group holds 70% of equity shares in the Company but based on a control assessment carried out under Ind AS 110 'Consolidated Financial Statements', BCPL is considered to be an associate because the Company does not have absolute power over managing the relevant activities of BCPL, but have a significant influence in the decision making for relevant activities.
  - The Group holds 88.13% equity shares of Bengal Gas Company Limited (BGCL). Further based on a control assessment carried out under Ind AS 110 'Consolidated Financial Statements', BGCL is considered to be a subsidiary of the Company because the Company has a sufficiently dominant voting interest to direct the relevant activities of BGCL.
  - In China Gas Holdings Limited Group holds 2.76% equity shares but assessed as an associate as per IND AS 28 "Investments in Associates and Joint Ventures" as group have representation on the board of directors of the company.

### 30) Contingent Liabilities and Commitments :-

#### I. Contingent Liabilities:

##### a) Claims against the Company not acknowledged as debts:

- Legal cases for claim of ₹ 2,188.27 crore (Previous Year: ₹ 2,270.77 crore) by Suppliers / Contractors etc. on account of Liquidated Damages / Price Reduction Schedule, Natural Gas Price Differential etc. and by Customers for Natural Gas Transmission Charges etc.
- Income Tax Demands & Appeals of ₹ 0.40 crore (Previous year ₹ 0.40 crore) is pending and disclosed as Contingent Liability as on 31<sup>st</sup> March 2023.
- Disputed Indirect Tax demands are as under:

(₹ in crore)

| Sl. No. | Particulars                  | As at 31 <sup>st</sup> March 2023 | As at 31 <sup>st</sup> March 2022** |
|---------|------------------------------|-----------------------------------|-------------------------------------|
| 1       | Custom Duty#                 | 1,560.81                          | 596.03                              |
| 2       | Excise Duty*                 | 3,731.94                          | 3,594.31                            |
| 3       | Sales Tax / VAT <sup>^</sup> | 868.77                            | 71.32                               |
| 4       | Entry Tax                    | 0.80                              | 0.75                                |
| 5       | Service Tax                  | 7.31                              | 7.08                                |
| 6       | GST                          | 0.85                              | 0.85                                |
|         | <b>Total</b>                 | <b>6,170.48</b>                   | <b>4,270.34</b>                     |

# It includes the demand confirmed by customs authorities ₹ 934.01 crore (up to 31<sup>st</sup> March 2023) including penalty and interest, on account of Special Additional Duty (SAD) and Custom Duty on differential quantity, while finalising provisionally assessed Bill of Entries in respect of import of LNG by Company during Sept'2017 to Mar'2022 at Dabhol Port, Ratnagiri. Considering the merits of the case, the Company is in process of filing an appeal before the Commissioner (Appeals) Pune. Further, based on the exemption notification no. 51/2017 dated 30.06.2017, clarification provided by Central Board of Indirect Taxes and Customs (CBIC) and practice being followed at other Customs Port i.e. Dahej & Hazira. The Company is confident of a favorable outcome in the matter.

\* It includes demand of differential Central Excise Duty confirmed by CESTAT, Delhi ₹ 2,889 crore (up to 31<sup>st</sup> March 2023 is ₹ 3,391 crore) including interest and penalty in the matter pertaining to classification of 'Naphtha' manufactured by the Company. The Company has filed an appeal before the Hon'ble Supreme Court against the order, which was admitted and a stay has been granted by the Hon'ble Supreme Court on compliance of the conditions of depositing a sum of ₹ 20 Crore and furnishing security to the extent of ₹ 132 Crore. Further, the Company has obtained opinion from legal experts and according to them; the Company has a good case on merits as well as on limitation. The matter is pending before the Court.

<sup>^</sup> Maharashtra VAT Authority during the VAT Assessment for the FY 2018-19 in respect of GAIL, Mumbai, has confirmed the demand of ₹ 696 crore including penalty and interest by denying benefit of exemption notification issued by Govt. of Maharashtra on supply of NG to power generating company and VAT set-off against purchase of NG. Considering the merits of the case, GAIL has filed a rectification application before the Assessing Authority and based on favourable legal opinion obtained on the matter, the Company is confident of a favourable outcome.

\*\* The Company has reviewed its Contingent Liability in respect of Show Cause Notices (SCNs) pending adjudication and the same has not been treated as obligation accordingly the previous year figures have been restated as under:

(₹ in crore)

| Particulars   | Balance As on 31.03.2022 | Amount reduced for SCNs | Revised Balance as on 31.03.2022 |
|---------------|--------------------------|-------------------------|----------------------------------|
| Custom Duty   | 596.03                   | 0.00                    | 596.03                           |
| Excise Duty   | 3625.41                  | 31.10                   | 3594.31                          |
| Sales Tax/VAT | 71.32                    | 0.00                    | 71.32                            |
| Entry Tax     | 0.75                     | 0.00                    | 0.75                             |
| Service Tax   | 165.82                   | 158.74                  | 7.08                             |
| GST           | 881.82                   | 880.97                  | 0.85                             |
| <b>Total</b>  | <b>5341.15</b>           | <b>1070.81</b>          | <b>4270.34</b>                   |

(iv) Miscellaneous claims of ₹ 14.01 crore (Previous Year: ₹ 47.02 crore) includes mainly arbitration cases filed by vendors for delayed payments and losses incurred by them etc.

(v) Some of the customers have submitted counter claims amounting to ₹ Nil (Previous Year: ₹ 12,184 crore) against Ship or Pay charges / Consequential Losses for not supplying Gas.

(vi) Share in Contingent Liabilities of Group Companies based on their audited / unaudited financial statement are as follows:-

(₹ in crore)

| Sl. No. | Particulars    | 2022-23  | 2021-22  |
|---------|----------------|----------|----------|
| a)      | Subsidiaries   | 1,564.68 | 1,835.99 |
| b)      | Joint Ventures | 34.55    | 232.57   |
| c)      | Associates     | 3,156.98 | 2,932.80 |

### (b) Corporate Guarantees for Raising Loans

The Company has issued Corporate Guarantees for ₹ 4,583.74 crore (Previous Year: ₹ 4,361.27 crore) on behalf of related parties for raising loan(s). The amount of loan(s) outstanding as on 31<sup>st</sup> March 2023 against these Corporate Guarantees are ₹ 1,523.30 crore (Previous Year: ₹ 1,166.27 crore).

## II. Commitments:-

### (a) Capital Commitments

Estimated amount of contracts (Inclusive of Taxes & Net of Advances) remaining to be executed on Capital account as on 31<sup>st</sup> March 2023 is ₹ 12,381.09 crore (Previous Year: ₹ 6,891.28 crore).

(b) Company's share in estimated amount of contracts remaining to be executed on capital account and not provided for based on audited/unaudited financial statement of Group Companies:-

(₹ in crore)

| Sl. No. | Particulars    | 2022-23  | 2021-22  |
|---------|----------------|----------|----------|
| a)      | Subsidiaries   | 2,920.69 | 3,214.30 |
| b)      | Joint Ventures | 3,936.66 | 3,969.04 |
| c)      | Associates     | 916.74   | 1,040.22 |

### (c) Lease commitments:

The company has various lease contracts that have not yet commenced as at March 31<sup>st</sup> 2023. The future lease payments for these non-cancellable lease contracts are as follows:

(₹ in crore)

| Particulars                                 | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|---------------------------|---------------------------|
| Within one year                             | 111.71                    | -                         |
| After one year but not more than five years | 1,481.31                  | -                         |
| More than five years                        | 345.42                    | -                         |
| <b>Total</b>                                | <b>1,938.45</b>           | <b>-</b>                  |

### (d) Other commitments:-

- The Company has commitment of ₹ 4,357.27 crore (Previous Year: ₹ 4,559.88 crore) towards further investment and disbursement of loan in the Subsidiaries, Joint Ventures, Associates and Other Companies.
- Commitments made by the Parent Company towards share of the minimum work program committed under various Production Sharing Contracts/ Revenue Sharing Contract in respect of E&P Joint Ventures is ₹ 114.93 crore (Previous Year ₹ 63.59 crore).
- The Company has been authorized by the Ministry of Petroleum & Natural Gas (MoPNG), Government of India for implementation of City Gas Distribution (CGD) Projects in six Geographical Areas (GAs) along with the Jagdishpur-Haldia-

Bokaro-Dhamra Pipeline (JHBDPL). The details of Minimum Work Programme (MWP) (Achievement vs. Targets) towards the same is as under:

| Cities       | Completion Date - Revised Target Date | MWP Targets (Five Years)            |  |  |  |
|--------------|---------------------------------------|-------------------------------------|--|--|--|
|              |                                       | PNGRB - MWP Total (P/L in inch km.) | Cumulative Achieved up to 31 <sup>st</sup> March 2023 (PL in inch km.) | Infrastructure for PNG Connection (in Nos) | Cumulative Achieved up to 31 <sup>st</sup> March 2023 (in Nos) |
|              |                                       | Target                              | Actual   | Target                                     | Actual   |
| Varanasi     | 31 <sup>st</sup> March 2025           | 1,899                               | 1,925  | 40,211                                     | 60,604   |
| Bhubaneswar  |                                       | 1,513                               | 998  | 26,900                                     | 45,199   |
| Cuttack      |                                       | 1,416                               | 586  | 28,959                                     | 20,915   |
| Patna        |                                       | 2,445                               | 1,812  | 50,154                                     | 58,671   |
| Ranchi       |                                       | 1,800                               | 1,270  | 29,962                                     | 45,227   |
| Jamshedpur   |                                       | 1,282                               | 551  | 24,278                                     | 32,053   |
| <b>Total</b> |                                       |                                     | <b>10,355</b>  | <b>7,142</b>                               | <b>2,00,464</b>  |

### 31) Claims by the Company not acknowledged as Income/ Liability:-

- In respect of certain customers towards Ship or Pay charges, matter being sub-judice / under dispute, the Company has been issuing claim letters, aggregate amount of which as on 31<sup>st</sup> March 2023 is ₹ 1,747.05 crore (Previous Year: ₹ 1,758.25 crore). Income in respect of the same shall be recognized as and when the matter is finally decided.
- Pending court cases in respect of certain customers for recovery towards invoices raised by the Company for use of APM gas for non-specified purposes by fertilizer companies pursuant to guidelines of Ministry of Petroleum & Natural Gas (MoPNG), the Company has issued claim letters amounting to ₹ 1,704.56 crore (Previous Year: ₹ 1,704.56 crore) on the basis of information provided by Fertilizer Industry Coordination Committee (FICC). The proceeds, if received, will be transferred to the Gas Pool.
- During the current financial year one of the Company's Long term LNG Supplier disrupted LNG supplies due to geopolitical situation. The Company has been making multiple efforts on various levels to remedy the situation. The Company is also pursuing its contractually available legal recourse for Specific Performance by the LNG Supplier of its contractual obligations. Accordingly, the impact on the Company shall be assessed post outcome of the said legal recourse.

### 32) Pricing and Tariff:-

- With effect from 1<sup>st</sup> April 2002, Liquefied Petroleum Gas (LPG) prices have been de-regulated and decided on the basis of import parity prices fixed by the Oil Marketing Companies. However, the pricing mechanism is provisional and is yet to be finalized by the Ministry of Petroleum and Natural Gas (MoPNG). Impact on pricing, if any, will be recognized as and when the matter is finalized.
- Natural Gas Pipeline Tariff and Petroleum Products Pipeline Transportation Tariff are subject to various Regulations issued by Petroleum and Natural Gas Regulatory Board (PNGRB) from time to time. Impact on profits, if any, is being recognized consistently as and when the pipeline tariff is revised by orders of PNGRB.
- The Company has filed appeal(s) before Appellate Tribunal (APTEL), against various moderations done by PNGRB in respect of Final Tariff Order(s) issued by PNGRB for Dadri-Bawana-Nangal Natural Gas Pipeline (DBNPL), Chhainsa-Jhajjar-Hissar Natural Gas Pipeline (CJHPL), Cauvery Basin, Kochi-Koottanad-Bengaluru-Mangaluru Pipeline (KKBMP), Krishna Godavari Basin (KG Basin) and Dabhol-Bangalore Pipeline (DBPL) Networks. The same are pending for final adjudication.

- iv. During the financial year 2015-16, the Company has filed a Writ Petition before Hon'ble Delhi High Court challenging the jurisdiction of PNGRB to fix transmission tariff for natural gas marketed to consumers. Hon'ble High Court has dismissed the aforesaid Writ Petition vide its Order dated 11<sup>th</sup> April 2017. In this regard, the Company has filed a Review Petition before the Hon'ble Delhi High Court on 12<sup>th</sup> May 2017 which has been admitted by the Hon'ble Court and is pending for final adjudication.
- v. PNGRB vide Gazette Notification No. F. No. PNGRB RB/COM/3-PPPL Tariff (1)/2012 Vol-IV (P-1018) dated 14<sup>th</sup> December 2021, has extended the existing LPG Pipeline tariff determination regulations till 30<sup>th</sup> September 2023.

**33)** On 19<sup>th</sup> February 2014, PNGRB notified the Amended Affiliate Code of Conduct Regulations by insertion of Regulation 5A mandating that an entity engaged in both marketing and transportation of natural gas shall create a separate legal entity on or before 31<sup>st</sup> March 2017 so that the activity of transportation of natural gas is carried on by such separate legal entity and the right of first use shall, however, be available to the affiliate of such separate legal entity. The Company has challenged the said PNGRB Regulation before Hon'ble Delhi High Court by way of a Writ Petition and the same is pending for final adjudication.

Pursuant to the notification of PNGRB (Determination of Natural Gas Pipeline Tariff) Amendment Regulations, 2022 dated 17.11.2022, and the subsequent submission of GAIL, PNGRB, vide Tariff Orders dated 22.03.2023 and 24.03.2023, has determined Integrated Tariff (levelized and zonal apportionment) for GAIL's Integrated Natural Gas Pipeline (comprising Integrated HVJ, DUPL-DPPL, DBPL, DBNPL, CJHPL, JHBDPL, South Gujarat sub-network, Trombay and Uran-Thal-Usar sub-networks) with effect from 1<sup>st</sup> April, 2023.

**34)** Pursuant to the notification of PNGRB (Determination of Natural Gas Pipeline Tariff) Second Amendment Regulations, 2020 dated 23.11.2020 and the amendments in the PNGRB (Determination of Natural Gas Pipeline Tariff) Regulations, 2008, PNGRB, vide Tariff Order dated 29<sup>th</sup> March, 2023, has determined the 'Unified Tariff' for the National Gas Grid System (NGGS), which has come into force with effect from 1<sup>st</sup> April, 2023. The NGGS comprises of twelve (12) inter-connected natural gas pipelines of nine (09) entities. Under the same, customers/shippers across the country and located on the NGGS shall be paying the same applicable zonal unified tariff for movement of gas from the Unified Entry Point up to the Unified Exit Point on the NGGS. However, Revenue Entitlement of GAIL would be as per its Approved Zonal Integrated Tariff and KG-Basin Tariff which are part of the NGGS.

### 35) Land & Building

- i. Title deeds pending for execution in the name of the Company as on 31<sup>st</sup> March 2023 are as under:

| Sl. No. | Particular line in the Balance Sheet | Description of item of Property            | Gross Carrying Value (₹ in crore) | Title deeds held in name of (owner/ owners' name)                             | Whether title deed holder is a promoter*, director or relative # of promoters/director or employee of promoter/director | Property held since which date | Reason for not being held in name of Company* (* also indicate if in dispute) |
|---------|--------------------------------------|--|-----------------------------------|---|---|--------------------------------|---|
| 1       | PPE                                  | Land SV-6 – Khajod                         | 2.53                              | Diamond Research Mercantile City Limited                                      | No  | 15.07.2007                     | Matter pending with Surat Municipal Corporation                               |
| 2       | PPE                                  | Land IP-2 Additional Silvassa              | 0.06                              | Gram Panchayat Dapcheri   | No  | 30.09.2007                     | Matter pending at Mumbai, High Court  |
| 3       | PPE                                  | Land SV-13 – Dapcheri                      | 0.00                              | LAO D & NH Silvassa Govt Land   | No  | 17.06.2009                     | Matter pending with Revenue Authorities, District Collector Palghar           |
| 4       | PPE                                  | Land at Mora HLPL Pipeline (DUPL)          | 6.82                              | Govt. of Gujarat  | No  | 03.07.2022                     | The matter is being pursued with Collector, Surat through SLAO.               |
| 5       | PPE                                  | Land - CJPL Kanhai Village to Hero Honda   | 1.22                              | Land belongs to Haryana Sehkari Vikas Parishad                                | No  | 13.03.2011                     | The matter is being pursued with Haryana Vikas Pradhikaran.                   |
| 6       | PPE                                  | Land - SV Station.-2, Pradhanpur           | 0.08                              | Sh. Ram Khelawan & Ors (Plot no: 448) and Sh. Ram Sevak & Ors (Plot no: 446)\ | No  | 16.09.2015                     | Pending with Office of DM, Raebareli  |
| 7       | PPE                                  | Land- SV Station - 3, Narayanpur           | 0.12                              | Multiple Farmers  | No  | 16.09.2015                     | Pending with SLAO for initiating acquisition process.                         |
| 8       | PPE                                  | Land - SV Station, - 4 Mahiyamau Dibiyapur | 0.40                              | Multiple Farmers  | No  | 16.09.2015                     | Pending with SLAO for initiating acquisition process                          |
| 9       | PPE                                  | Land SV-2 Lakhbaval, Jamnagar, Gujarat     | 4.56                              | Govt. Land  | No  | 24.11.1999                     | Matter pending with Government of Gujarat                                     |
| 10      | PPE                                  | Land 4.57 Hectare GIDC, Vaghodia           | 0.25                              | Gujarat Industrial Development Corporation (GIDC)                             | No  | 28.06.1991                     | Matter pending with Government of Gujarat                                     |

| Sl. No. | Particular line in the Balance Sheet | Description of item of Property   | Gross Carrying Value (₹ in crore) | Title deeds held in name of (owner/ owners' name)       | Whether title deed holder is a promoter*, director or relative # of promoters/director or employee of promoter/director | Property held since which date | Reason for not being held in name of Company* (* also indicate if in dispute)                    |
|---------|--------------------------------------|---|-----------------------------------|---|---|--------------------------------|--|
| 11      | PPE                                  | Land IP-01-3, (Part-3) Survey No.37/21B, Pur Village, Sangameshwar Tehsil, Ratnagiri Dist                                     | 0.03                              | Multiple Farmers  | No  | 12.06.2012                     | Multiple Farmers - Agency Hired for taking-up with Land Owner                                    |
| 12      | PPE                                  | Land IP-01-4, (Part-4) Survey No.14/14, Pur Village, Sangameshwar Tehsil, Ratnagiri Dist.                                     | 0.03                              | Multiple Farmers  | No  | 12.06.2012                     | Multiple Farmers - Agency Hired for taking-up with Land Owner                                    |
| 13      | PPE                                  | Land IP-01-5, (Part-5) Survey No.37/28A1, Pur Village, Sangameshwar Tehsil, Ratnagiri Dist.                                   | 0.01                              | Multiple Farmers  | No  | 12.06.2021                     | Multiple Farmers - Agency Hired for taking-up with Land Owner                                    |
| 14      | PPE                                  | Land -SV-05G, at Survey No.391/1 of Marcaim Village, Ponda Taluka, Communidada of Marcaim, Goa                                | 0.61                              | Govt. of Goa  | No  | 30.05.2011                     | Matter pending with Government of Goa  |
| 15      | PPE                                  | Land IP-I Kolhapur-DBPL-I IP-I Village-Pur 8/11 (20 Guntha)37/15  | 0.15                              | Multiple Farmers  | No  | 12.06.2012                     | Multiple Farmers - Agency Hired for taking-up with Land Owner                                    |
| 16      | PPE                                  | Land IP-I Kolhapur-DBPL-I IP-I Village-Pur 9/11 (42 Guntha)37/16  | 0.32                              | Multiple Farmers  | No  | 12.06.2012                     | Multiple Farmers - Agency Hired for taking-up with Land Owner                                    |
| 17      | PPE                                  | Land IP-I Kolhapur-DBPL-I IP-I Village-Pur 10/11 (9 Guntha)37/19  | 0.07                              | Multiple Farmers  | No  | 12.06.2012                     | Multiple Farmers - Agency Hired for taking-up with Land Owner                                    |
| 18      | PPE                                  | Land IP-I Kolhapur-DBPL-I IP-I Village-Pur 11/11 (10 Guntha)37/2  | 0.07                              | Multiple Farmers  | No  | 12.06.2012                     | Multiple Farmers - Agency Hired for taking-up with Land Owner                                    |
| 19      | Others                               | Lease Hold Land Madurgudda Windmill Farm- MG1- MG17   | 4.59                              | Forest Land   | No  | 31.03.2012                     | Proposal for sub-lease of Forest land in favour of GAIL is pending with Government of Karnataka. |
| 20      | Others                               | CNG Station at Kharkiya Ghat  | 4.48                              | Nagar Nigam, Varanasi                                   | No  | 12.10.2021                     | The Lease Agreement at draft stage with Nagar Nigam office .                                     |
| 21      | Others                               | Lease -P 25 Malanpur Industrial Area Malanpur   | 0.12                              | Govt Land   | No  | 30.11.2005                     | Lease deed pending with Madhya Pradesh Industrial Development Corporation (MPIDC)                |
| 22      | Others                               | Burdha Tehsil Barad, Shivpuri   | 0.14                              | Govt Land   | No  | 10.08.2022                     | Lease is pending due to delay in finalization in lease deed at the end of Tehsildar, Bairad.     |
| 23      | Others                               | Lease Hold Land - KIADB 10 Yr DBPL-I - IP-3 Gokak, Belgaum  | 0.18                              | Karnataka Industrial Areas Development Board (KIADB)    | No  | 02.11.2011                     | Pending with Sub Registrar Belgaum   |
| 24      | Others                               | Lease SV, Vill Singhwasa, Tehsil & Disst Guna, Madhya Pradesh,  | -                                 | Government Land   | No  | 14.12.1995                     | Matter pending with the State Government ,   |
| 25      | Others                               | Lease Hold Land Survey No. 99,100, Eloor Village, Paravur Taluk & Survey No. 205/37, Vadavucode-Puthencruz, Ernakulam, Kerala | 4.79                              | The Fertilisers And Chemicals Travancore Limited (FACT) | No  | 08.03.2011                     | Matter being persuaded with FACT   |
| 26      | Others                               | Lease Hold Land -30.00 Hectares-(90 Years)  | 1.33                              | Forest department                                       | No  | 30.10.1999                     | Matter pending with the State Government ,   |
| 27      | Others                               | Lease Hold Land - Khano   | 0.61                              | Govt Land   | No  | 10.06.2011                     | Matter pending with Government of Goa  |
|         |                                      | <b>TOTAL</b>  | <b>33.57</b>                      |   |   |                                |  |

- ii. In the year 1990, Gujarat Industrial Development Corporation (GIDC) allotted Leasehold Land measuring 70.87 Hectares to the Company for 99 years for setting up of LPG Recovery in Vaghodia, Gujarat. The Lease Deed executed is for approx. 66.30 Hectares of Land, whereas the Government of Gujarat has not yet transferred the balance to GIDC.

Company is pursuing the matter with GIDC and Government of Gujarat for regularization of the balance land. Company has maintained that no further amount is payable in the absence of demand from GIDC. The Company is of the opinion that since the amount for allotted land has already been paid and there is no additional demand from GIDC, no liability / contingent liability exists on the Company.

- iii. Details of Land & Buildings used for CSR activities and accounted as CSR expenses and not included under Property, Plant & Equipment (PPE) are as under:-

(₹ in crore)

| Sl. No. | Description  | As at 31 <sup>st</sup> March 2023 | As at 31 <sup>st</sup> March 2022 |
|---------|--|-----------------------------------|-----------------------------------|
| 1       | Freehold Land (3.28 acre) in Uttar Pradesh   | 0.31                              | 0.31                              |
| 2       | Building constructed on Freehold Land mentioned at Sl. No. 1 (Completion Date: 27 <sup>th</sup> January, 2017)   | 4.44                              | 4.44                              |
| 3       | Leasehold Land (2 hectares) in Madhya Pradesh  | 0.80                              | 0.80                              |
| 4       | Building constructed on Leasehold Land mentioned at Sl. No. 3 (Completion Date: 13 <sup>th</sup> February, 2015) | 6.51                              | 6.51                              |

- iv. The Company has entered into a perpetual land lease agreement with Delhi Development Authority (DDA) for its Corporate Office. The rent is payable half-yearly, which is under revision w.e.f. 1<sup>st</sup> January 2018. DDA has not informed revised Lease Rent. Accordingly, the Company has deposited rent till 14<sup>th</sup> July 2023 as per pre-revised lease agreement. The Company has also applied for conversion of title deed of the said land from Leasehold to Freehold for which confirmation from DDA is awaited.
- v. For laying Natural Gas pipelines, Company acquires Right of Use (ROU) of Land for which advance is generally paid to Special Land Acquisition Officer (SLAO). The said Advance is being operated by the SLAO through a separate Bank account. However, in some cases, for KYC purposes, PAN number of the Company has been used. These Bank Accounts are solely under the control of the SLAO. Accordingly, these accounts are shown under deposits.

### 36) Earmarked Balances

- i. Liabilities in respect of the following Short-Term Deposits in Banks are kept as Earmarked Balances:

(₹ in crore)

| Particulars   | Earmarked Balance in short term deposit in banks (Refer Note 11A)* |                                   |
|---|--|-----------------------------------|
|   | As on 31 <sup>st</sup> March 2023                                  | As on 31 <sup>st</sup> March 2022 |
| Liability on account of Gas Pool Account (kept as custodian as per the directions of MoPNG) | 91.42  | 87.05                             |
| Earmarked balance of Group Companies  | 72.18  | 66.88                             |

\* The earmarked balance, which includes interest accrued on short-term deposit in banks, do not belong to the Company and has not been accounted for as income.

- ii. Gas Pool Money (Provisional) shown under "Other Financial Liabilities – Non-Current" amounting to ₹ 581.87 crore (Previous Year: ₹ 581.87 crore) with a corresponding debit thereof under Trade Receivable will be invested / paid as and when the said amount is received from the customers.

37) i) The Company is acting as a Pool Operator in terms of the decision of Government of India for pooling of natural gas for Urea Plants. The scheme envisages uniform cost of gas for urea production by settlement of difference in weighted average price of gas of each plant to the weighted average price for the industry. As on reporting date, the dues payable to Urea plants is Nil (Previous Year: ₹ 82.79 crore).

- ii. The Company is acting as Pool Operator in terms of the decision of the Government of India for capacity utilization of the notified gas-based power plants. The Scheme, which was applicable till 31<sup>st</sup> March 2017, envisaged support to the power plants from the Power Sector Development Fund (PSDF) of the Government of India. The gas supplies were on provisional / estimated price basis, which were to be reconciled based on actual cost. Accordingly, current liabilities include a sum of ₹ 87.63 crore (Previous Year ₹ 87.63 crore) on this account, as on 31<sup>st</sup> March 2023 which is payable to the above said power plants and / or to the Government of India.

### 38) Ind AS 115 - Revenue from Contracts with Customers

Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.



## Disaggregation of Revenue as required under Ind AS 115:-

For the Year ended 31<sup>st</sup> March, 2023

(₹ in crore)

| Sr. No.  | Revenue                              | Natural Gas Transmission | LPG Transmission | Natural Gas Trading/Marketing | Petro-chemical  | LPG and Other Liquid Hydrocarbon | City Gas         | Other Segment*  | Un-allocable | 31 <sup>st</sup> March 2023 |
|----------|--------------------------------------|--------------------------|------------------|-------------------------------|-----------------|----------------------------------|------------------|-----------------|--------------|-----------------------------|
| <b>1</b> | <b>Revenue</b>                       |                          |                  |                               |                 |                                  |                  |                 |              |                             |
|          | Revenue from Operations              | 6,168.28                 | 715.96           | 1,16,652.21                   | 4,916.12        | 4,946.82                         | 11,279.11        | 1,194.82        | 1.71         | 1,45,875.03                 |
|          | Add: Inter Segment Revenue           | 492.79                   | 5.66             | 42,415.70                     | 1.14            | 623.15                           | 7.58             | 18.74           | 0.01         | 43,564.77                   |
|          | <b>Total Revenue</b>                 | <b>6,661.07</b>          | <b>721.62</b>    | <b>1,59,067.91</b>            | <b>4,917.26</b> | <b>5,569.97</b>                  | <b>11,286.69</b> | <b>1,213.56</b> | <b>1.72</b>  | <b>1,89,439.80</b>          |
| <b>2</b> | <b>Primary geographical markets</b>  |                          |                  |                               |                 |                                  |                  |                 |              |                             |
|          | International Sales                  | -                        | -                | 15,100.81                     | -               | -                                | -                | 24.77           | -            | 15,125.58                   |
|          | Domestic Sales                       | 6,661.07                 | 721.62           | 1,43,967.10                   | 4,917.26        | 5,569.97                         | 11,286.69        | 1,188.79        | 1.72         | 1,74,314.22                 |
|          | <b>Total Revenue</b>                 | <b>6,661.07</b>          | <b>721.62</b>    | <b>1,59,067.91</b>            | <b>4,917.26</b> | <b>5,569.97</b>                  | <b>11,286.69</b> | <b>1,213.56</b> | <b>1.72</b>  | <b>1,89,439.80</b>          |
| <b>3</b> | <b>Timing of revenue recognition</b> |                          |                  |                               |                 |                                  |                  |                 |              |                             |
|          | At the Point                         | -                        | -                | 15,100.81                     | 4,917.26        | 5,569.97                         | -                | 24.77           | -            | 15,125.58                   |
|          | Over the time                        | 6,661.07                 | 721.62           | 1,43,967.10                   | -               | -                                | 11,286.69        | 1,188.79        | 1.72         | 1,74,314.22                 |
|          | <b>Total Revenue</b>                 | <b>6,661.07</b>          | <b>721.62</b>    | <b>1,59,067.91</b>            | <b>4,917.26</b> | <b>5,569.97</b>                  | <b>11,286.69</b> | <b>1,213.56</b> | <b>1.72</b>  | <b>1,89,439.80</b>          |

For the Year ended 31<sup>st</sup> March, 2022

(₹ in crore)

| Sr. No.  | Revenue                              | Natural Gas Transmission | LPG Transmission | Natural Gas Trading/Marketing | Petro-chemical  | LPG and Other Liquid Hydrocarbon | City Gas        | Other Segment* | Un-allocable | 31 <sup>st</sup> March 2022 |
|----------|--------------------------------------|--------------------------|------------------|-------------------------------|-----------------|----------------------------------|-----------------|----------------|--------------|-----------------------------|
| <b>1</b> | <b>Revenue</b>                       |                          |                  |                               |                 |                                  |                 |                |              |                             |
|          | Revenue from Operations              | 5,794.75                 | 661.98           | 65,097.19                     | 8,547.05        | 4,652.84                         | 7,218.73        | 896.42         | 4.86         | 92,873.82                   |
|          | Add: Inter Segment Revenue           | 597.73                   | 6.61             | 24,835.76                     | 1.47            | 212.32                           | 2.99            | 18.34          | (0.01)       | 25,675.21                   |
|          | <b>Total Revenue</b>                 | <b>6,392.48</b>          | <b>668.59</b>    | <b>89,932.95</b>              | <b>8,548.52</b> | <b>4,865.16</b>                  | <b>7,221.72</b> | <b>914.76</b>  | <b>4.85</b>  | <b>1,18,549.03</b>          |
| <b>2</b> | <b>Primary geographical markets</b>  |                          |                  |                               |                 |                                  |                 |                |              |                             |
|          | International Sales                  | -                        | -                | 8,860.86                      | 110.38          | -                                | -               | 18.68          | -            | 8,989.92                    |
|          | Domestic Sales                       | 6,392.48                 | 668.59           | 81,072.09                     | 8,438.14        | 4,865.16                         | 7,121.72        | 896.08         | 4.85         | 1,09,559.11                 |
|          | <b>Total Revenue</b>                 | <b>6,392.48</b>          | <b>668.59</b>    | <b>89,932.95</b>              | <b>8,548.52</b> | <b>4,865.16</b>                  | <b>7,221.72</b> | <b>914.76</b>  | <b>4.85</b>  | <b>1,18,549.03</b>          |
| <b>3</b> | <b>Timing of revenue recognition</b> |                          |                  |                               |                 |                                  |                 |                |              |                             |
|          | At the Point                         | -                        | -                | 8,860.86                      | 8,548.52        | 4,865.16                         | -               | 18.68          | -            | 8,989.92                    |
|          | Over the time                        | 6,392.48                 | 668.59           | 81,072.09                     | -               | -                                | 7,221.72        | 896.08         | 4.85         | 1,09,559.11                 |
|          | <b>Total Revenue</b>                 | <b>6,392.48</b>          | <b>668.59</b>    | <b>89,932.95</b>              | <b>8,548.52</b> | <b>4,865.16</b>                  | <b>7,221.72</b> | <b>914.76</b>  | <b>4.85</b>  | <b>1,18,549.03</b>          |

**Note:** No single customer represents 10% or more of the Company's total revenue during the year ended 31<sup>st</sup> March 2023 & 31<sup>st</sup> March 2022.

## Trade Receivables and Contract Balances

The following table provides the information about receivables and contract liabilities from contracts with customer

(₹ in crore)

| Particulars                     | As on 31 <sup>st</sup> March 2023 | As on 31 <sup>st</sup> March 2022 |
|---------------------------------|-----------------------------------|-----------------------------------|
| Trade Receivables (Non-Current) | 1,047.98                          | 1,055.54                          |
| Trade Receivables (Current)     | 10,679.61                         | 7,446.53                          |
| Contract Assets                 |                                   |                                   |
| Unbilled Receivables            | 2.15                              | 0.63                              |
| Contract Liabilities            |                                   |                                   |
| - Advance from Customers        | 1,097.40                          | 1,034.94                          |

Trade receivables are non-interest bearing and are generally on credit terms ranging from 0 to 30 days. Contract Assets represents gas supplied to Domestic and Commercial Customers in City Gas Distribution business for which invoicing will be done at a future date.

Contract liabilities are the advances paid by the customers against which supply of products is to happen after the reporting date.

(₹ in crore)

| Changes in Contract Liabilities  | As at 31 <sup>st</sup> March 2023 | As at 31 <sup>st</sup> March 2022 |
|--|-----------------------------------|-----------------------------------|
| Balance at the beginning of the year   | 1,034.94                          | 842.64                            |
| <b>Less:</b> Revenue recognized that was included in Advances balance at the beginning of the year             | 585.24                            | 1,762.93                          |
| <b>Add:</b> Increase due to invoicing during the year, excluding amounts recognised as revenue during the year | 647.70                            | 1,570.63                          |
| Balance at the end of the year   | 1,097.40                          | 1,034.94                          |

Management expects that 56% of the transaction price allocated to unsatisfied contract as on 31<sup>st</sup> March 2023 for ₹ 611.27 crore will be recognized as revenue during FY 2023-24. The balance 44% amounting to ₹ 486.13 crore will be realized from 2024-25 onwards.

**39) Disclosure as per Ind AS 23 on 'Borrowing Costs':**

Borrowing costs capitalized in assets including amount allocated towards Capital Work in Progress during the year was ₹ 442.17 Crore (Previous Year: ₹ 195.36 crore).

**40)** In compliance of Ind AS 108 on "Operating Segment", the Company has adopted following Business segments as its reportable segments: -

- (i) Transmission services
  - a) Natural Gas
  - b) LPG
- (ii) Natural Gas Trading
- (iii) Petrochemicals
- (iv) LPG and other Liquid Hydrocarbons
- (v) City Gas Distribution

(vi) Other Segment (includes GAILTEL, E&P and Power Generation)

There are no geographical segments in the Company.

The required information is given as per **Annexure-C**

**41)** In compliance of Ind - AS 24 on "Related party Disclosures", the name of related parties, nature of relationship and details of transaction entered therewith are given in **Annexure-D**.

**42)** A Memorandum of Understanding (MoU) is entered between the Parent Company and the Government of India, setting various performance parameters for the Parent Company. One of the parameters is capital expenditure (Capex) incurred on Property, Plant and Equipment, Intangible assets, change in Capital work in progress, Capital Advance etc. In this regard, the Capex incurred by the Parent Company, its Subsidiaries and its proportionate share of similar Capex by its Joint Ventures and Associates during the financial year 2022-23 is given below:

| S.No.    | Name of the Company/ Subsidiary                  | GAIL's Share (%) as on 31.03.2023 | CAPEX of FY 2022-23 | Proportionate CAPEX for FY 2022-23 |
|----------|--|-----------------------------------|---------------------|------------------------------------|
| <b>A</b> | <b>GAIL (India) Limited</b>                      |                                   | 8,033.95            | 8,033.95                           |
| <b>B</b> | <b>Subsidiaries</b>                              |                                   |                     |                                    |
| 1        | GAIL Gas Ltd                                     | 100.00                            | 631.00              | 631.00                             |
| 2        | Konkan LNG Limited                               | 93.50                             | 264.87              | 264.87                             |
| 3        | Bengal Gas Company Limited                       | 88.13                             | 364.80              | 364.80                             |
| 4        | Tripura Natural Gas Company Limited              | 48.98                             | 38.61               | 38.61                              |
| <b>C</b> | <b>JVs &amp; Associates</b>                      |                                   |                     |                                    |
| 1        | Brahmaputra Cracker and Polymer Ltd.             | 70.00                             | 153.51              | 107.46                             |
| 2        | Aavantika Gas Limited                            | 49.99                             | 84.45               | 42.22                              |
| 3        | Bhagyanagar Gas Limited                          | 48.73                             | 33.14               | 16.15                              |
| 4        | Central U.P. Gas Limited                         | 25.00                             | 74.22               | 18.56                              |
| 5        | Green Gas Limited                                | 49.97                             | 245.65              | 122.75                             |
| 6        | Indradhanush Gas Grid Ltd                        | 20.00                             | 2,320.57            | 464.11                             |
| 7        | Maharashtra Natural Gas Limited                  | 22.50                             | 532.25              | 119.76                             |
| 8        | Talcher Fertilizers Limited                      | 33.33                             | 754.29              | 251.40                             |
| 9        | Vadodara Gas Limited                             | 32.93                             | 52.27               | 17.21                              |
| 10       | Indraprastha Gas Limited                         | 22.50                             | 1,174.16            | 264.19                             |
| 11       | Mahanagar Gas Limited                            | 32.50                             | 710.39              | 230.88                             |
| 12       | Petronet LNG Ltd                                 | 12.50                             | 960.34              | 120.04                             |
| 13       | ONGC Petro Additions Ltd                         | 49.21                             | 727.78              | 358.14                             |
| 14       | ONGC Tripura Power Company Ltd.                  | 26.00                             | 42.03               | 10.93                              |
| 15       | Ramagundam Fertilizers and Chemicals Company Ltd | 14.30                             | 35.78               | 5.12                               |
|          | <b>TOTAL CAPEX</b>                               |                                   |                     | <b>11,482.15</b>                   |

**43)** In compliance to Ind AS - 33 on "Earning per Share" Basic and Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year. Diluted EPS are calculated by dividing the profit for the year attributable to the equity holders of the parent by weighted average number of Equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

| Particulars  | 2022-23  | 2021-22  |
|--|----------|----------|
| Net Profit after tax from continuing operation - (₹ crore) | 5,616.00 | 12256.07 |

| Particulars   | 2022-23        | 2021-22        |
|---|----------------|----------------|
| Net Profit /(Loss) after tax from discontinued operation - (₹ crore)                    | -              | -              |
| Weighted average numbers of equity shares used as denominator                           | 6,59,40,68,777 | 6,66,05,77,838 |
| Face value of each equity share   | 10             | 10             |
| Earnings per share from continuing operation (Basic and Diluted) - (₹)                  | 8.52           | 18.40          |
| Earnings per share from Discontinued operation (Basic and Diluted) - (₹)                | -              | -              |
| Earnings per share from continuing and Discontinued operation (Basic and Diluted) - (₹) | 8.52           | 18.40          |

44) Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiaries/ Associates / Joint Ventures is given as per **Annexure-E**.

45) In respect of Subsidiary and Joint Ventures/Associate Companies, the following salient notes to accounts are disclosed.

### I) GAIL Gas Limited

- a) The company is carrying on construction activities for capital projects in 11 GAs awarded by the PNGRB in 9<sup>th</sup>, 10<sup>th</sup> and 11<sup>th</sup> CGD bidding round to meet the Minimum Work Program (MWP) targets as per grant of authorization. Keeping in view non-availability of pipeline connectivity from the gas source as well as slow down progress due to COVID-19 pandemic in past, PNGRB deferred the period of meeting the MWP targets under Regulation 11 and 12 of the PNGRB regulations, 2008. There is a shortfall in achievement of MWP targets as per grant of authorization in its 5 GAs out of the total 11 GAs. In this regard the Company have not received any notices from PNGRB till date. Therefore, penalty for not meeting of MWP targets aggregating to ₹ 4.72 Crores as on 31<sup>st</sup> March, 2023, (Previous year: ₹ 7.92 Crore) has been disclosed as Contingent Liability. Management is hopeful that the PNGRB Board will not levy any penalty due to non-availability of pipeline connectivity in these GAs.
- b) As on 31.03.2023, the company has an equity investment of ₹ 98.57 Crores (Previous Year: ₹ 94.52 Crores) and investment in Preference shares of ₹ 100 Crores (Previous Year: ₹ 100 Crores) in Andhra Pradesh Gas Distribution Corporation Ltd. (APGDCL), a Joint Venture (JV) company, including advance pending allotment of ₹ NIL (Previous Year: ₹ 26.15 Crores) as per joint venture agreement. The Board of Directors of the company had given in principle approval to transfer shares held by the company in APGDCL (including shares held, subscription made against equity call, CCCPS and any further investment in APGDCL till final approval of the Board of GAIL(India) Limited is received) to the holding company GAIL(India) Limited and initiate necessary action in this regard subject to the consent of Govt. of Andhra Pradesh entities (i.e other joint venture partners of the JV company) and GAIL (India) Limited. The consent is yet to be received.

### II) GAIL Global (USA) Inc.

- a) During December 2022, the Company entered into a Credit Facility Agreement with a bank for borrowings of up to \$70,000,000 (the "New Line of Credit"). The outstanding balance on the New Line of Credit at March 31, 2023 was \$64,500,000 and it matures on December 15, 2023. Borrowings under the New Line of Credit accrue interest at the one-month SOFR (4.87% at March 31, 2023) plus 1.00% and is payable monthly. The New Line of Credit is guaranteed by the Parent for an annual fee of 0.43% payable quarterly in arrears, calculated based on the outstanding principal plus overdue interest.

The following table comprises the outstanding lines of credit balance at March 31, 2023 and 2022:

(in USD \$)

| Particulars                    | 2023        | 2022        |
|--------------------------------|-------------|-------------|
| Line of Credit                 | 64,500,000  | 67,000,000  |
| Working Capital Line of Credit | 42,947,145  | 41,821,565  |
| Lines of Credit                | 107,447,145 | 108,821,565 |

### III) Mahanagar Gas Limited

- a) GAIL (India) Limited (GAIL) raised demand in April 2014 for transportation tariff with respect to ONGC's Uran Trombay Natural Gas Pipeline (UTNGPL) pursuant to demand on them by Oil and Natural Gas Corporation Limited (ONGC), based on

the Petroleum and Natural Gas Regulatory Board (PNGRB) order dated 30.12.2013, determining tariff for ONGC's UTNGPL as a common carrier. The total demand raised by GAIL for the period from November 2008 till July 2021 was ₹ 331.80 Crore. The Company disputed the demand with GAIL based on contractual provisions and since the transportation charges are to be paid by a third-party user for utilisation of UTNGPL to ONGC as common carrier and not for transportation of its own gas by ONGC.

The Company filed an appeal with the PNGRB in February 2015, the same was dismissed in October 2015. The Company filed a writ petition, in November 2015, with the Hon'ble High Court of Delhi. The Court advised the Company to file an appeal with Appellate Tribunal for Electricity (APTEL) being Appellate Authority of the PNGRB in November 2016. The matter was heard by APTEL and remanded back to the PNGRB on technical grounds in September 2019. PNGRB in March 2020, had passed an Order which directed the Company and GAIL to pay the disputed transportation tariff to ONGC. The Company filed an Appeal before APTEL against the PNGRB order in April 2020. The matter was heard by APTEL in October 2020. APTEL remanded back the case in July 2021 to PNGRB for proper adjudication. The matter was heard by PNGRB in April 2022 and an order was passed in September 2022 directing the Company to pay the disputed transportation tariff for the period 2014 to 2021 as per the transportation tariff fixed by PNGRB for UTNGPL. The Company had filed a writ before the Hon'ble High Court of Delhi challenging the PNGRB's September 2022 order. The Hon'ble High Court of Delhi vide its order dated 13.12.2022 has stayed the recovery against the PNGRB order and has directed the Company to deposit a sum of ₹ 50 Crore with GAIL by 15.02.2023, which was deposited with GAIL on 14<sup>th</sup> February 2023. The Hon'ble court of Delhi has listed the next hearing on May 16, 2023. Based on the legal opinions obtained, the Company believes that it has a strong case and does not expect any outflow of resources. Hence, no provision has been recognised.

- b) The revision of Trade Discount with the Oil Marketing Companies (OMCs) is pending from earlier years. In November 2021, The Ministry of Petroleum & Natural Gas (MoP&NG) issued guidelines pertaining to revised Trade Discounts and subsequently citing MoP&NG guideline, OMCs have raised their demand to the Company. However, the demand raised by OMCs is not as per the guidelines issued by the MoP&NG and hence the Company has contested the demand raised by OMCs. Further the Company has raised the matter to the MoP&NG vide its letter dated 30<sup>th</sup> December 2021, requesting their intervention and advised the OMCs to adhere to the guidance provided by the MoP&NG. Pending settlement, the liability is provided to the extent considered appropriate by the Company.

### IV) ONGC Petro additions Limited

- a) The Company has set up a Petrochemical Complex in Special Economic Zone (SEZ), situated at Dahej, Gujarat. In view of changes in market dynamics over the years, the demand for petrochemical products has increased in domestic market. Therefore, Company is selling its majority of products in Domestic Tariff Area (DTA), However, Basic Custom Duty is applicable on the sale of products from SEZ to DTA which is directly impacting the margin of the company. Therefore, Board of directors has accorded approval to make an application for voluntary exit from SEZ.

Development Commissioner, Dahej SEZ has conveyed in-principal approval for exit from SEZ subject to de-notification of the area; payment of all applicable duties and taxes which may be finalised on the basis of the date of final exit and compliance of all the provisions of SEZ Act and other Rules. These activities / approvals

are in process. The unit is still under the SEZ and the proposal for approval of final exit will be considered subject to approval of de-notification from Ministry of Commerce and Industries, New Delhi.

SEZ exit is expected to bring significant improvement in the future margins along with one time cost. The above estimates are provisional and includes disputed demand pending before court and authorities. Actual outflow on account of SEZ exit and its quantum is contingent upon the terms and conditions on which various approvals may be granted. Since various NOC, approvals and duty assessment for SEZ exit are under consideration with the competent authorities and application for SEZ exit is voluntary. In nature, management believes that a final decision on exit can only be taken based on the terms and conditions mentioned in these approvals. Therefore, company has not recognised the estimated one time liability as well as estimated future benefits in the books of accounts.

- b) The Company has incurred a net loss after tax for the year ended March 31, 2023 of ₹ 4,155.5 Crore (year ended March 31, 2022 ₹ 534.7 Crores) and cumulative loss up to March 31, 2023 reached to ₹ 13,000.30 Crores There is negative working capital as at March 31, 2023 of ₹ 7,075 Crores (March 31, 2022 ₹ 8,486.7 Crores). Based on scheduled repayment, ₹ 2,217.2 Crores is due for repayment within 12 months from the date of these financial statements.

**Assessment:** Management have assessed the above operational conditions and indicators and have come to the conclusion that no material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern based on cash flow forecasts and the plan management has put in place.

**Mitigation Plan:** Company is constantly reviewing its operations to improve margins. It has taken following measures which will improve profitability:-

- 1) Increase in efficiency and production ramp up post Major turnaround activity.
- 2) Ongoing efforts for optimization of Product mix and to improve the net back.
- 3) Exit from SEZ area will improve the net back from Domestic sales.
- 4) Expected reduction in feed and gas prices.

**Conclusion:** Based on plans, management has concluded on ability of the company to continue as going concern and financial statements have been prepared on that basis.

## V) Brahmaputra Cracker and Polymer Ltd.

- a) **Capital Subsidy:** Based on the approval of the Government of India for setting up AGCP, being implemented by BCPL in state of Assam, against Capital Subsidy of ₹ 5239.45 Cr., the Company has received Capital Subsidy of ₹ 5221.33 Cr. till 31.03.2023. No Capital subsidy was released during the FY 2022-23. The interest earned on Capital Subsidy has been considered part of capital subsidy and adjusted from capital subsidy receivable. The balance amount of capitals subsidy receivable stands at ₹ 18.12 Cr and based on request of BCPL, the Administrative Ministry has included the same in BE 2023-24. Capital Subsidy received from Government of India has been considered as deferred income in terms of Ind-AS 20 and is recognized as income in the Statement of Profit and Loss over the useful life of the petrochemical complex. Accordingly in the current financial year an amount of ₹ 211.65 Cr. has been transferred (Previous year ₹ 211.65 Cr.) to the Statement of Profit & Loss as other income and the balance in Capital Subsidy account has been carried forward as "Government Grants" classified under "Non-Financial Liability".

## b) Revenue Grants.

### i) Feed Stock Subsidy:

The feedstock subsidy was approved by CCEA for a period of 15 years of plant operation for maintaining minimum post tax project IRR of 10% of the Assam Gas Cracker Project (AGCP) implemented by BCPL. As per the methodology, an amount of ₹ 563.00 Cr. (previous year ₹ 131.00 Cr) as feedstock subsidy has been accounted for during FY 2022-23 under 'Other Operating In-come' on accrual basis. Till date BCPL have received an amount of ₹ 2873.92 crore from Ministry of Petroleum and Natural Gas as feedstock subsidy including subsidy against claim for 2021-22.

### ii) North East Industrial & Investment Promotion Policy (NEIIPP) Subsidy

The Company is registered under NEIIP (North-East Industrial & Investment promotion Policy) and eligible for various subsidy schemes. Accordingly, the Company has accounted the following eligible subsidies under various schemes on accrual basis.

(₹ in crore)

| Description        | Opening Claim Receivable | Accounted During Current Year | Received During Current Year | Expensed Out / Written off During The Year | Closing Claim Receivable |
|--------------------|--------------------------|-------------------------------|------------------------------|--|--------------------------|
| Freight Subsidy    | 101.43                   | -                             | -                            | -  | 101.43                   |
| Insurance Subsidy  | 50.15                    | 25.82                         | (18.85)                      | -  | 57.12                    |
| <b>Grand Total</b> | <b>151.58</b>            | <b>25.82</b>                  | <b>(18.85)</b>               | <b>-</b>                                   | <b>158.55</b>            |

The current financial year claim towards subsidy amounting to ₹ 25.82 Cr. has been adjusted with respective expenditure (Previous FY ₹ 24.55 Cr). Further out of the above total claim receivable, an amount to ₹ 25.82 Cr is pending for submission.

### iii) Scheme of Budgetary Support (SBS):

Vide notification no 20/2007-CE dated 25.04.2007 as amended from time to time, eligible units in NER was availing excise duty refund. BCPL was eligible under the scheme till transition to GST. In order to enable eligible industries in NER to continue under special benefit scheme, Department of Industrial Policy and Promotion (DIPP) vide notification dated 05th October, 2017 read with Circular No. 1060/9/2017-CX dated 27<sup>th</sup> November, 2017 issued by Central Board of Excise and Customs, extended the benefit to all eligible units in NER. Under the scheme, BCPL is entitled for budgetary support on supply of primary finished goods. Accordingly, BCPL has submitted a claim of ₹ 56.91 Cr. (Previous FY ₹ 72.18 Cr.) towards GST Refund under the budgetary support scheme and the same has been recognised as "Other Operating Income".

## VI) Green Gas Limited

- a) The Company had awarded 3 contracts for remaining work of laying steel pipelines at Agra to contractor M/s Taurant Projects Limited. Contractor even after receiving almost all the payments through running bills had subsequently raised a claim of ₹ 531.85 Lakhs towards miscellaneous charges related to the said project through Arbitration.

Wherein further the company had launched a counter claim of INR 1030.82 Lakhs on the contractor for delay in project and loss of profit to the company.

Arbitration Claims lodged by M/s Taurant Projects Limited as well as in all three counter claims filed by M/s Green Gas Limited, final award has been passed by the learned sole arbitrator on 18.05.2018.

M/s TPL has filed appeals against all three awards before the Commercial Court Lucknow duly registered as Misc. Case No. 15, 16 and 17 of 2018 wherein our objection is already filed. The appeal filed by the M/s Taurant Projects Limited was registered as Miscellaneous Case and it is yet to be admitted by the Court as an Appeal.

#### VII) Bhagyanagar Gas Ltd.

- a) The company is required to complete minimum residential connections for piped gas under the terms of contract awarded by PNGRB. Failing to complete the minimum number of connections would make the Company liable for penal consequences, against which the company has submitted bank guarantees to PNGRB. The company has received notices for delays in minimum installations. The charges for not completing minimum number of connections cannot be measured at this stage and also the Company has represented the matter to the concerned authorities as the delay is on account of various factors most of them being beyond the control of the company.
- b) In respect of City Gas Distribution activities in Kakinada, PNGRB in May, 2013, invoked the PBG and claimed ₹ 1,33,54,500/- for non-achievement of milestones as set out in the authorization. Challenging this, Writ Petition was filed immediately in the High Court of Andhra Pradesh, which has granted stay. The matter is sub judice.
- c) BGL has suo moto filed writ petitions in November 2015 before the Hon'ble High Court of A.P. and Telangana against PNGRB to stay any invocation of PBGs amounting to ₹ 10,00,00,000 and ₹ 4,00,00,000 issued to them for the GAs of Hyderabad and Vijayawada, respectively, on the grounds of force majeure conditions for non-performance. Interim stay has been granted and the matter is sub judice.
- d) BGL has entered into agreements with APSRTC (Valid for the successor TSRTC) for supply of CNG of varying quantities to their buses operating out of Vidhyadharapuram, Governorpet-II and Ibrahimpatnam depots in Vijayawada as also to Medhcal, Hakimpet and Cantonment depots operating in Hyderabad.

#### VIII) Fayoum Gas Company

- a) There is a case filed against the company by a customer related to a claim for damages resulting from the delay in the execution and supply of natural gas for his project. It was rejected before the Court of first instance, and the judgment was appealed No. 127 of the year 57 BC, in which the judgement was passed in support of the judgment of the first degree by rejecting the original lawsuit filed by the Fayoum Sugar Company. Likewise, the subsidiary lawsuit filed by the Company was rejected, and the cassation appeal was made under No. 9704 of 91 BC, and it is still in the Court of Cassation, and the case is likely to win based on the opinion of the company's legal advisor.

#### IX) Konkan LNG Ltd.

- a) **Payment of cross subsidy charges and additional surcharge to MSEDCL:** Company has signed Memorandum of Understanding (MOU) in FY 19-20 with RGPPL, for the purchase of electrical power for LNG Terminal. As per the said MOU, in addition to the agreed electricity tariff, company shall pay any cross subsidy, other statutory charges and taxes as applicable from time to time in case of demand by the concerned authorities/ Government. In case these charges are levied to RGPPL, by the concerned authorities/Government, then company shall reimburse these charges to RGPPL. The charges were not quantifiable by the company unless

any formal demand is raised by concerned authorities/ Government in this respect.

RGPPL Vide letter dated 22.07.2021 informed that the extension of PPA is not finalised with railways and requested to make arrangement for independent power supply at our end. KLL vide letter dated 22.07.2021 applied for power supply connection from MSEDCL. MSEDCL for the first time has raised demand for Cross subsidy charges (CSS) and Additional surcharge (ASC) on KLL vide letter dated 24.03.2022.

The payment of charges against CSS and ACS (for the period 26.03.2018 to 28.02.2022) paid on 31.03.2022 to MSEDCL as per demand letter no SR/RC/Tech/HTC-New/1439 dated. 30.03.2022 for issuance of sanctioned load to KLL. Further CSS and ACS charges for the month of March 2022 has been paid in FY 2022-23.

- b) Payment towards Sub division of Land to MIDC : RGPPL had filed an application with Maharashtra Industrial Development Corporation (MIDC) for the sub-division of plot in favour of the company, in view of demerger as per NCLAT order dated 28.02.2018. In response to the said application following demands are raised by MIDC vide their letter dated 29.10.2020 to RGPPL.
  - i) ₹ 0.80 Crs towards differential premium for sub division of land from RGPPL to the company.
  - ii) ₹ 9.09 Crs towards differential premium for previous transfer of plot from Dabhol Power Company (DPC) to RGPPL.
  - iii) Annual Lease rent from 2013 to 2020 @ ₹ 7/- .

RGPPL has contested for the demand as per Sl. No. (ii) vide their letter dated 21.12.2020.

KLL vide its letter dated 11.05.2021 requested MIDC to consider the demand at Sl. No. (i) in line with the decision of RGPPL letter dated 21.12.2020 and also requested to raise the justified demand directly to the company for the charges applicable for land transfer from RGPPL.

KLL received a demand from MIDC vide letter no MIDC/ROR/ DBL/ A-1/B-02315/2022 dated 24.03.2022 for the charges as per sl. no. (i) and proportionate for Sl. no. (ii) to the company. Accordingly amount of ₹ 3,49,64,208/- was paid and received land subdivision order on 28.03.2022. It was one of the prerequisite of getting power connection from MSEDCL. As on 05.09.2022, a legally vetted 'Deed of Assignment' has been shared with RGPPL for signing by both KLL and RGPPL. As per the request of RGPPL, joint verification of boundaries is also completed and Deed shall be signed soon.

#### 46) Accounting Standards - Impairment of Assets – Ind AS-36:-

In compliance of 'Ind AS-36, Impairment of Assets' and 'Ind AS 109, Financial Instruments', the Company carried out assessments of impairment in respect of assets of E&P, GAIL Tel, and Right of Use (RoU) for Pipelines as on 31<sup>st</sup> March 2023:

- I. The Company reversed impairment loss of ₹ 4.26 crore against earlier provisions (Previous Year reversal of impairment loss ₹ 0.83 crore) in respect of assets of GAIL Tel.
- II. The Company accounted impairment loss of ₹ 0.72 crore (Previous Year reversal of impairment loss ₹ 0.87 crore) in respect of Plant and Machinery
- III. The Company conducted impairment study of RoUs for Pipelines in compliance to the provisions of Ind AS 36. There is no impairment loss found in respect of RoUs.

IV. Konkani LNG Ltd has reversed an impairment loss in respect of Plant and equipment amounting to ₹ 122.30 Crores (Previous Year ₹ 55 Crores).

47) In compliance of Ind AS 109 on Impairment of Financial Assets/ Expected Credit Loss (ECL) on Financial Guarantees, the Company has carried out an assessment in respect of its following investments/ Financial Guarantees as on 31<sup>st</sup> March 2023:

i. During the year, based on fair valuation of investment in Tapi Pipeline Company Limited, the Company has made a provision for impairment of ₹ 49.14 crore (Previous Year: ₹ Nil) in Consolidated Financial Statements. The Carrying Value of Company's investment in Tapi Pipeline Company Limited as on 31<sup>st</sup> March 2023 is ₹ nil (Previous Year: ₹ 49.32 crore).

48) In compliance of Ind AS 37 on "Provisions, Contingent liabilities and Contingent Assets", the required information on Provision for Probable Obligations is as under:-

(₹ in crore)

| Provisions                      | Opening Balance | Addition during the year (Incl. OCI) | Reversal/ adjusted during the year (Incl. OCI) | Closing Balance |
|---------------------------------|-----------------|--------------------------------------|--|-----------------|
| Indirect Tax                    | 313.09          | 17.26                                | -  | 330.35          |
| Employee Benefit                | 708.88          | 173.86                               | 37.22  | 845.52          |
| Liability for Abandonment Costs | 1.41            | 0.53                                 | -  | 1.94            |
| Legal & Arbitration Cases       | 486.89          | 37.84                                | 9.89   | 514.84          |
| <b>Total</b>                    | <b>1,510.27</b> | <b>229.49</b>                        | <b>47.11</b>                                   | <b>1,692.65</b> |

#### 49) Unhedged Foreign Currency exposure

(₹ in crore)

| Particulars   | Currencies | 31 <sup>st</sup> March 2023 | 31 <sup>st</sup> March 2022 |
|---|------------|-----------------------------|-----------------------------|
| Borrowings, including interest accrued but not due*     | USD        | -                           | 0.03                        |
| Trade Payables / Deposits and Retention Amount          | USD        | 3534.19                     | 3,410.50                    |
|   | EURO       | 36.05                       | 0.52                        |
|   | Others     | 2.37                        | 1.48                        |
| Trade / Other Receivables and Bank Balances             | USD        | 586.06                      | 839.68                      |
|   | EURO       | 71.25                       | -                           |
|   | Others     | 3.31                        | 0.35                        |
| Unexecuted amount of contracts remaining to be executed | USD        | 410.00                      | 166.69                      |
|   | EURO       | 1019.90                     | 42.67                       |
|   | Others     | 127.32                      | 84.46                       |
| Loan Receivable from SEAGP                              | USD        | -                           | 36.52                       |
| Capital Contribution Receivable from SEAGP              | USD        | 96.53                       | 109.09                      |

\*excludes amount which is naturally hedged against foreign currency inflows.

50) Details of Loans, Investments, Guarantee and Security given by the Company covered u/s 186 (4) of the Companies Act 2013.

a. Investments made and Loans given are disclosed under the respective notes No 5 and 7.

b. (i) Corporate Guarantees given by the Company on the behalf of its Subsidiaries/ JVs/ Associates in respect of loans are as under:

(₹ in crore)

| Sl. No. | Name of the Company                  | As at 31 <sup>st</sup> March 2023 | As at 31 <sup>st</sup> March 2022 |
|---------|--------------------------------------|-----------------------------------|-----------------------------------|
| 1       | GAIL Gas Limited                     | 1,500.00                          | 1,500.00                          |
| 2       | Brahmaputra Cracker and Polymer Ltd. | 0                                 | 652.34                            |

(₹ in crore)

| Sl. No. | Name of the Company            | As at 31 <sup>st</sup> March 2023 | As at 31 <sup>st</sup> March 2022 |
|---------|--------------------------------|-----------------------------------|-----------------------------------|
| 3       | GAIL Global Singapore Pte Ltd. | 1,241.10                          | 1,142.55                          |
| 4       | GAIL Global (USA) Inc.         | 579.18                            | 533.19                            |
| 5       | GAIL Global (USA) LNG LLC      | 744.66                            | 533.19                            |
| 6       | Intradhanush Gas Grid Limited  | 518.80                            | 0.00                              |
|         | <b>Total</b>                   | <b>4,583.74</b>                   | <b>4,361.27</b>                   |

(ii) Corporate Guarantees given by the Company on behalf of its Subsidiaries in respect of non-fund based facilities are as under:

(₹ in crore)

| Sl. No. | Name of the Company                   | As at 31 <sup>st</sup> March 2023 | As at 31 <sup>st</sup> March 2022 |
|---------|---------------------------------------|-----------------------------------|-----------------------------------|
| 1       | GAIL Gas Limited                      | 2,832.00                          | 5,951.99                          |
| 2       | GAIL Global Singapore Pte Ltd.        | 1,654.80                          | 571.28                            |
| 3       | GAIL Global (USA) LNG LLC             | 8,142.52                          | 6,970.03                          |
| 4       | LNG Japonica Shipping Corporation Ltd | 419.24                            | 0.00                              |
|         | <b>Total</b>                          | <b>13,048.56</b>                  | <b>13,493.30</b>                  |

c. There is no security provided by the company.

51) Interest free advance has been given to M/s. Petronet LNG Ltd. (PLL) for booking of regasification capacity to the tune of ₹ 561.80 crore during FY 2014-15 & FY 2015-16 in two equal tranches. The said advance is to be adjusted within 15 years against regasification invoices of PLL. Out of above advance, PLL has adjusted ₹ 38.20 crore during the year (Previous Year: ₹ 38.20 crore). Balance amount of ₹ 324.63 crore (Previous Year: ₹ 362.83 crore) has been accounted as advance in Note No 12 and 12A.

52) In some cases, the Company has received intimation from Micro and Small Enterprises regarding their status under "The Micro, Small and Medium Enterprises Development Act, 2006". As per practice, the payment to all suppliers has been made within 7-10 days of receipt of valid invoice.

(₹ in crore)

| Particulars   | FY 2022-23 | FY 2021-22 |
|---|------------|------------|
| Amount due and Payable at the year end                        |            |            |
| - Principal*  | 344.29     | 303.91     |
| - Interest on above Principal                                 | -          | -          |
| Payments made during the year after the due date              |            |            |
| - Principal   | -          | -          |
| - Interest  | -          | -          |
| Interest due and payable for principals already paid          | -          | -          |
| <b>Total Interest accrued and remained unpaid at year end</b> | <b>-</b>   | <b>-</b>   |

\*Includes Liabilities and Provisions etc.

53) Cabinet Committee on Economic Affairs (CCEA), Government of India in its meeting held on 21<sup>st</sup> September 2016 approved 40% capital grant of estimated capital cost of ₹ 12,940 crore i.e. ₹ 5,176 crore to the Company for execution of Jagdishpur Haldia Bokaro Dhamra Pipeline Project (JHBDPL). The Company has received ₹ 4,926.29 crore (Previous year ₹ 4,926.29 crore) towards Capital Grant till 31<sup>st</sup> March 2023. During the year, the Company has amortised the capital grant amounting ₹ 100.67 crore (Previous Year: ₹ 68.80 crore) based on the useful life of the asset capitalized.

## 54) Financial Risk management

The company is exposed to a number of financial risks arising from natural business exposures as well as its use of financial instruments including market risks relating to commodity prices, foreign currency exchange and interest rates, credit risk, and liquidity.

### a) Market Risk

Market risk is a risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of four types of risks i.e. interest rate risk, foreign currency risk, equity price risk and commodity price risk. Financial instruments affected by market risk includes Loans, Borrowings, Deposits and Derivative Instruments.

#### (i) Interest rate risk

Interest rate risk is a risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the long-term domestic rupee term loans with floating interest rates. The Company manages its interest rate risk according to its Board approved Foreign Currency and Interest Rate Risk Management Policy. Market interest rate risk is mitigated by hedging through appropriate derivatives products such as interest rate swaps & full currency swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

#### Interest rate sensitivity

With all other variables held constant, the following table demonstrates the sensitivity to a reasonably possible change in interest rates on floating rate portion of forex loans and borrowings outstanding as on 31<sup>st</sup> March 2023, after considering the impact of swap contracts.

#### For GAIL

| Particulars                              | 31 <sup>st</sup> March 2023 |        | 31 <sup>st</sup> March 2022 |        | Others |
|--|-----------------------------|--------|-----------------------------|--------|--------|
|  | US Dollar (LIBOR)*          | Others | US Dollar (LIBOR)*          | Others |        |
| Increase/decrease (in Basis Points)      | +10                         | -10    | +10                         | -10    | Nil    |
| Effect on Profit Before Tax (₹ in crore) | -                           | -      | -0.01                       | 0.01   | Nil    |

\*LIBOR- London Interbank Offer Rate

With all other variables held constant, the following table demonstrates the sensitivity to a reasonably possible change in interest rates on floating rate portion of INR loans and borrowings outstanding as on 31<sup>st</sup> March 2023, after considering the impact of swap contracts.

| Particulars                              | 31 <sup>st</sup> March 2023    |        | 31 <sup>st</sup> March 2022    |        | Others |
|--|--------------------------------|--------|--------------------------------|--------|--------|
|  | Interest Rate (RBI REPO Rate)* | Others | Interest Rate (RBI REPO Rate)* | Others |        |
| Increase/decrease (in Basis Points)      | +10                            | -10    | +10                            | -10    | Nil    |
| Effect on Profit Before Tax (₹ in crore) | -7.32                          | +7.32  | -4.83                          | +4.83  | Nil    |

With all other variables held constant, the following table demonstrates the sensitivity to a reasonably possible change in interest rates on Corporate Linked Term Deposit Scheme (CLTD) outstanding as on 31<sup>st</sup> March 2023, which are linked with Mumbai Interbank Offer Rate (MIBOR):-

| Particulars                              | 31 <sup>st</sup> March 2023 |        | 31 <sup>st</sup> March 2022 |        | Others |
|--|-----------------------------|--------|-----------------------------|--------|--------|
|  | INR (MIBOR)                 | Others | INR (MIBOR)                 | Others |        |
| Increase/decrease in (MIBOR) by 100 bps  | +100                        | -100   | +100                        | -100   | Nil    |
| Effect on Profit Before Tax (₹ in crore) | +0.77                       | -0.77  | 4.70                        | -4.70  | Nil    |

#### For KLL

| Particulars                              | 31 <sup>st</sup> March 2023 |        | 31 <sup>st</sup> March 2022 |        | Others |
|--|-----------------------------|--------|-----------------------------|--------|--------|
|  | INR                         | Others | INR                         | Others |        |
| Increase/decrease in bps                 | +10                         | -10    | +10                         | -10    | Nil    |
| Effect on Profit Before Tax (₹ in crore) | 4.00                        | -4.00  | 3.94                        | -3.94  | Nil    |

#### (ii) Foreign Currency Risk

Foreign currency risk is a risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company transacts business in local currency and foreign currency, primarily US Dollars. Company has obtained foreign currency loans and has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk. As per its Board approved policy, Company may mitigate its foreign currency risk through plain vanilla derivative products such as foreign exchange option contracts, swap contracts and forward contracts for hedging such risks. These foreign exchange contracts, carried at fair value, may have varying maturities depending upon the underlying contract requirement and risk management strategy of the Company.

#### Foreign Currency Sensitivity

The following table demonstrates the sensitivity in the USD, EURO, and other currencies to the functional currency of Company, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including foreign currency derivatives.

#### For GAIL

| Particulars                              | 31 <sup>st</sup> March 2023 |                | 31 <sup>st</sup> March 2022 |                | Other Currency |
|--|-----------------------------|----------------|-----------------------------|----------------|----------------|
|  | USD                         | Other Currency | USD                         | Other Currency |                |
| Increase/decrease in Exchange Rate (%)   | 1%                          | -1%            | 1%                          | -1%            | 1%             |
| Effect on Profit Before Tax (₹ in crore) | -32.62                      | +32.62         | -11.11                      | +11.11         | -25.92         |

#### For GGSPL

| Particulars                              | 31 <sup>st</sup> March 2023 |        | 31 <sup>st</sup> March 2022 |        | SGD  |
|--|-----------------------------|--------|-----------------------------|--------|------|
|  | EGP                         | SGD    | EGP                         | SGD    |      |
| Increase/decrease in Exchange Rate (%)   | 68%                         | (68%)  | 1%                          | (1%)   | 9%   |
| Effect on profit before Tax (₹ in crore) | 0.67                        | (0.67) | 0.01                        | (0.01) | 0.00 |

**(iii) Commodity Price Risk**

Company imports LNG for marketing and for its internal consumption on an on-going basis and is not exposed to the price risk to the extent it has contracted with customers in India and overseas on back to back basis. However, the company is exposed to the price risk on the volume which is not contracted on back to back basis. As most of the LNG purchase and sales contracts are based on natural gas or crude based index, such price risk arises out of the volatility in these indices. In order to mitigate this index linked price risk, Company has been taking appropriate derivative products in line with the Board approved 'Natural Gas Price Risk Management Policy'.

**(iv) Equity Price Risk**

The Company's listed and non-listed equity investments are susceptible to market price risk arising from uncertainties about future values of these investments. The Company manages the equity price risk through review of investments on a regular basis. The Company's Board of Directors reviews and approves all the equity investment decisions of the Company.

At the reporting date, the exposure to unlisted equity investments at fair value was ₹ 280.76 crore (Previous Year ₹ 233.42 crore).

At the reporting date, the exposure to listed equity investments at fair value was ₹ 4,662.74 crore (Previous Year ₹ 5,058.89 crore). A variation of (+/-) 10% in share price of equity investments listed on the stock exchange could have an impact of approximately (+/-) ₹ 466.27 crore (Previous Year ₹ 505.89 crore) on the OCI and equity investments of the Company. These changes would not have an effect on profit or loss.

**b) Liquidity Risk**

Liquidity risk is the risk that suitable sources of funding for Company's business activities may not be available. The Company's objective is to maintain optimum level of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It also maintains adequate sources to finance its short term and long-term fund requirements such as overdraft facility and long term borrowing through domestic and international market.

**Liquidity Risk - Maturity Profile as on 31<sup>st</sup> March 2023**

For GAIL

(₹ in crore)

| Particulars                               | On demand       | Less than 3 months | 3 to 12 months  | >1 to 5 years   | > 5 years       | Total            |
|---|-----------------|--------------------|-----------------|-----------------|-----------------|------------------|
| Borrowings (Non-current)                  | -               | -                  | -               | 6,735.00        | 1,102.08        | 7,837.08         |
| Borrowings (Current)                      | 4,502.00        | 12.50              | 1,957.16        | -               | -               | 6,471.66         |
| Trade Payables                            | -               | 7,299.25           | -               | -               | -               | 7,299.25         |
| Other Financial Liabilities (Current)     | -               | 3,687.74           | -               | -               | -               | 3,687.74         |
| Other Financial Liabilities (Non-Current) | -               | -                  | -               | 732.80          | -               | 732.80           |
| <b>Total</b>                              | <b>4,502.00</b> | <b>10,999.49</b>   | <b>1,957.16</b> | <b>7,467.80</b> | <b>1,102.08</b> | <b>26,028.53</b> |

**Liquidity Risk - Maturity Profile as on 31<sup>st</sup> March, 2022**

(₹ in crore)

| Particulars                               | On demand     | Less than 3 months | 3 to 12 months  | >1 to 5 years   | > 5 years       | Total            |
|---|---------------|--------------------|-----------------|-----------------|-----------------|------------------|
| Borrowings (Non-current)                  | -             | -                  | -               | 3,436.34        | 1,393.75        | 4,830.09         |
| Borrowings (Current)                      | 400.00        | 28.34              | 1,094.33        | -               | -               | 1,522.67         |
| Trade Payables                            | -             | 5,465.97           | -               | -               | -               | 5,465.97         |
| Other Financial Liabilities (Current)     | -             | 3,926.31           | -               | -               | -               | 3,926.31         |
| Other Financial Liabilities (Non-Current) | -             | -                  | -               | 691.54          | -               | 691.54           |
| <b>Total</b>                              | <b>400.00</b> | <b>9,420.62</b>    | <b>1,094.33</b> | <b>4,127.88</b> | <b>1,393.75</b> | <b>16,436.58</b> |

For GAIL Gas

(₹ in crore)

| As at 31 <sup>st</sup> March 2023     | On demand | Less than 3 months | 3-12 months | 1-5 years | More than 5 years | Total  |
|---------------------------------------|-----------|--------------------|-------------|-----------|-------------------|--------|
| Interest-bearing loans and borrowings | -         | -                  | 45.50       | 805.37    | 81.24             | 932.11 |
| Trade and other payables              | -         | 711.98             | -           | -         | -                 | 711.98 |
| Other financial liabilities           | 181.04    | 197.88             | 87.72       | -         | -                 | 466.64 |
| Lease Liabilities*                    | -         | 9.09               | 22.58       | 33.23     | 31.44             | 96.34  |

(₹ in crore)

| As at 31 <sup>st</sup> March 2022     | On demand | Less than 3 months | 3-12 months | 1-5 years | More than 5 years | Total  |
|---------------------------------------|-----------|--------------------|-------------|-----------|-------------------|--------|
| Interest-bearing loans and borrowings | -         | -                  | 19.95       | 287.44    | 347.78            | 655.16 |
| Trade and other payables              | -         | 617.35             | -           | -         | -                 | 617.35 |
| Other financial liabilities           | 137.74    | 244.10             | 116.47      | -         | -                 | 498.31 |
| Lease Liabilities*                    | -         | 8.68               | 6.28        | 23.79     | 31.96             | 70.72  |

\*As per provisions of Ind AS 107, the contractual amounts disclosed in the maturity analyses as required by paragraph 39(a) and (b) are the contractual undiscounted cash flows i.e. gross finance lease obligations (before deducting finance charges). Such undiscounted cash flows differ from the amount included in the balance sheet because the amount in balance sheet is based on discounted cash flows.



**For GGSPL****Liquidity risk - Maturity profile**

(₹ in crore)

| Particulars                                     | Less than 1 Year | Between 1 and 5 years | Total         |
|---|------------------|-----------------------|---------------|
| <b>For FY 2022-23</b>                           |                  |                       |               |
| Trade and other payable                         | 368.31           | -                     | 368.31        |
| Lease Liabilities                               | 1.31             | 0.35                  | 1.66          |
| Borrowings                                      | -                | -                     | -             |
| <b>Total undiscounted financial liabilities</b> | <b>369.62</b>    | <b>0.35</b>           | <b>369.97</b> |
| <b>For FY 2021-22</b>                           |                  |                       |               |
| Trade and other payable                         | 2.56             | -                     | 2.56          |
| Lease Liabilities                               | 0.30             | 0.22                  | 0.52          |
| Borrowings                                      | -                | -                     | -             |
| <b>Total undiscounted financial liabilities</b> | <b>2.86</b>      | <b>0.22</b>           | <b>3.08</b>   |

**For TNGCL**

(₹ in crore)

| As at 31 <sup>st</sup> March 2023                       | On demand    | Less than 3 months | 3 to 12 months | 1 to 5 years | > 5 years | Total        |
|---|--------------|--------------------|----------------|--------------|-----------|--------------|
| Interest-bearing loans and borrowings-Interest Payable  | -            | -                  | -              | -            | -         | -            |
| Interest-bearing loans and borrowings-Principal Payable | -            | -                  | -              | -            | -         | -            |
| Trade and other payables                                | -            | 7.43               | -              | -            | -         | 7.43         |
| Expenses Payable  | -            | 4.01               | -              | -            | -         | 4.01         |
| Liability For Capital Expenditure                       | -            | 0.90               | -              | -            | -         | 0.90         |
| Security Deposit (From Major Industrial Consumers)      | 0.56         | -                  | -              | -            | -         | 0.56         |
| Security Deposit Collected from the Consumers           | 16.79        | -                  | -              | -            | -         | 16.79        |
| Security Deposit Collected from Contractors             | -            | -                  | 7.10           | -            | -         | 7.10         |
| Earnest Money Deposit (EMD)                             | -            | -                  | 0.14           | -            | -         | 0.14         |
| Security Deposit/Retention Money(Suppliers)             | -            | -                  | 1.69           | -            | -         | 1.69         |
| <b>Total</b>  | <b>17.35</b> | <b>12.33</b>       | <b>8.93</b>    | -            | -         | <b>29.67</b> |

(₹ in crore)

| As at 31 <sup>st</sup> March 2022                       | On demand    | Less than 3 months | 3 to 12 months | 1 to 5 years | > 5 years | Total        |
|---|--------------|--------------------|----------------|--------------|-----------|--------------|
| Interest-bearing loans and borrowings-Interest Payable  | -            | -                  | -              | -            | -         | -            |
| Interest-bearing loans and borrowings-Principal Payable | -            | -                  | -              | -            | -         | -            |
| Trade and other payables                                | -            | 2.76               | -              | -            | -         | 2.76         |
| Expenses Payable  | -            | 9.87               | -              | -            | -         | 9.87         |
| Liability For Capital Expenditure                       | -            | 0.21               | -              | -            | -         | 0.21         |
| Security Deposit (From Major Industrial Consumers)      | 0.41         | -                  | -              | -            | -         | 0.41         |
| Security Deposit Collected from the Consumers           | 14.89        | -                  | -              | -            | -         | 14.89        |
| Security Deposit Collected from Contractors             | -            | 0.38               | 7.84           | -            | -         | 8.22         |
| Earnest Money Deposit (EMD)                             | -            | -                  | 0.30           | -            | -         | 0.30         |
| Security Deposit/Retention Money (Suppliers)            | -            | 0.19               | 2.21           | -            | -         | 2.40         |
| <b>Total</b>  | <b>15.30</b> | <b>13.42</b>       | <b>10.34</b>   | -            | -         | <b>39.07</b> |

**c) Credit risk – in respect of Holding Company**

Credit risk is a risk that a customer or ship party to a financial instrument may fail to perform or pay the due amounts causing financial loss to the Company. It is considered as a part of the risk-reward balance of doing business and is considered on entering into any business contract to the extent to which the arrangement exposes the Company to credit risk. It may arise from Cash and Cash Equivalents, Derivative Financial Instruments, deposits with financial institutions and mainly from credit exposures to customers relating to outstanding receivables. Credit exposure also exists in relation to guarantees issued by the Company. Each segment is responsible for its own credit risk management and reporting.

The Company has issued Corporate Guarantees on behalf of its group companies, refer note no. 50 (b) for details.

**Trade Receivables**

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date on an individual basis for major clients.

## Trade Receivables Ageing Schedule

i) Non-Current Trade Receivables ageing schedule as on 31<sup>st</sup> March, 2023

(₹ in crore)

| Sl. No. | Particulars                                      | Outstanding for following periods from due date of payment |                 |               |               |                   | Total           |
|---------|--|--|-----------------|---------------|---------------|-------------------|-----------------|
|         |  | Less than 6 Months   | 6 Months-1 Year | 1-2 Years     | 2-3 Years     | More than 3 years |                 |
| (i)     | Undisputed Trade Receivable- Considered Good     | -  | -               | 2.72          | 0.48          | 0.49              | 3.69            |
| (ii)    | Undisputed Trade Receivable- Considered doubtful | -  | -               | 0.37          | 0.23          | 0.65              | 1.25            |
| (iii)   | Disputed Trade Receivable- Considered good       | 2.47   | -               | 94.06         | 45.84         | 901.92            | 1,044.29        |
| (iv)    | Disputed Trade Receivable- Considered doubtful   | 1.26   | 7.63            | 4.61          | 3.40          | 598.89            | 615.79          |
|         | <b>Sub-Total</b>                                 | <b>3.73</b>  | <b>7.63</b>     | <b>101.76</b> | <b>49.95</b>  | <b>1,501.95</b>   | <b>1,665.02</b> |
|         | <b>Less: Provision for Expected Credit Loss</b>  | <b>(1.26)</b>  | <b>(7.63)</b>   | <b>(4.98)</b> | <b>(3.63)</b> | <b>(599.54)</b>   | <b>(617.04)</b> |
|         | <b>Total</b>                                     | <b>2.47</b>  | <b>-</b>        | <b>96.78</b>  | <b>46.32</b>  | <b>902.41</b>     | <b>1,047.98</b> |

Non-Current Trade Receivables ageing schedule as on 31<sup>st</sup> March 2022

(₹ in crore)

| Sl. No. | Particulars                                      | Outstanding for following periods from due date of payment |                 |                |               |                   | Total           |
|---------|--|--|-----------------|----------------|---------------|-------------------|-----------------|
|         |  | Less than 6 Months   | 6 Months-1 Year | 1-2 Years      | 2-3 Years     | More than 3 years |                 |
| (i)     | Undisputed Trade Receivable- Considered Good     | -  | -               | 3.38           | 1.87          | 0.68              | 5.93            |
| (ii)    | Undisputed Trade Receivable- Considered doubtful | -  | -               | 0.46           | 0.37          | 1.71              | 2.54            |
| (iii)   | Disputed Trade Receivable- Considered good       | 0.37   | 20.40           | 29.38          | 115.73        | 883.73            | 1,049.61        |
| (iv)    | Disputed Trade Receivable- Considered doubtful   | 7.84   | 2.40            | 48.26          | 1.15          | 552.29            | 611.94          |
|         | <b>Sub-Total</b>                                 | <b>8.21</b>  | <b>22.80</b>    | <b>81.48</b>   | <b>119.12</b> | <b>1,438.41</b>   | <b>1,670.02</b> |
|         | <b>Less: Provision for Expected Credit Loss</b>  | <b>(7.84)</b>  | <b>(2.40)</b>   | <b>(48.72)</b> | <b>(1.52)</b> | <b>(554.00)</b>   | <b>(614.48)</b> |
|         | <b>Total</b>                                     | <b>0.37</b>  | <b>20.40</b>    | <b>32.76</b>   | <b>117.60</b> | <b>884.41</b>     | <b>1,055.54</b> |

ii) Current Trade Receivables ageing schedule as on 31<sup>st</sup> March 2023

(₹ in crore)

| Sl. No. | Particulars                                      | Outstanding for following periods from due date of payment |                 |               |               |                   | Total            |
|---------|--|--|-----------------|---------------|---------------|-------------------|------------------|
|         |  | Less than 6 Months   | 6 Months-1 Year | 1-2 Years     | 2-3 Years     | More than 3 years |                  |
| (i)     | Undisputed Trade Receivable- Considered Good     | 10,639.24  | 87.45           | 0.24          | 24.88         | 38.03             | 10,789.84        |
| (ii)    | Undisputed Trade Receivable- Considered doubtful | 0.05   | 0.25            | -             | -             | -                 | 0.30             |
| (iii)   | Disputed Trade Receivable- Considered good       | -  | -               | -             | -             | -                 | -                |
| (iv)    | Disputed Trade Receivable- Considered doubtful   | -  | -               | -             | -             | -                 | -                |
|         | <b>Sub-Total</b>                                 | <b>10,639.29</b>   | <b>87.70</b>    | <b>0.24</b>   | <b>24.88</b>  | <b>38.03</b>      | <b>10,790.14</b> |
|         | <b>Less: Provision for Expected Credit Loss</b>  | <b>(106.67)</b>  | <b>(3.03)</b>   | <b>(0.17)</b> | <b>(0.26)</b> | <b>(0.39)</b>     | <b>(110.53)</b>  |
|         | <b>Total</b>                                     | <b>10,532.62</b>   | <b>84.67</b>    | <b>0.07</b>   | <b>24.62</b>  | <b>37.64</b>      | <b>10,679.61</b> |

Statement of Current Trade Receivables ageing schedule as on 31<sup>st</sup> March 2022

(₹ in crore)

| Sl. No. | Particulars                                      | Outstanding for following periods from due date of payment |                 |               |              |                   | Total           |
|---------|--|--|-----------------|---------------|--------------|-------------------|-----------------|
|         |  | Less than 6 Months   | 6 Months-1 Year | 1-2 Years     | 2-3 Years    | More than 3 years |                 |
| (i)     | Undisputed Trade Receivable- Considered Good     | 7,496.65   | 3.80            | 0.03          | 13.87        | 30.24             | 7,544.59        |
| (ii)    | Undisputed Trade Receivable- Considered doubtful | -  | 1.01            | -             | -            | -                 | 1.01            |
| (iii)   | Disputed Trade Receivable- Considered good       | 0.02   | -               | -             | -            | -                 | 0.02            |
| (iv)    | Disputed Trade Receivable- Considered doubtful   | -  | -               | 0.29          | -            | -                 | 0.29            |
|         | <b>Sub-Total</b>                                 | <b>7,496.67</b>  | <b>4.81</b>     | <b>0.32</b>   | <b>13.87</b> | <b>30.24</b>      | <b>7,545.91</b> |
|         | <b>Less: Provision for Expected Credit Loss</b>  | <b>(96.33)</b>   | <b>(1.01)</b>   | <b>(0.29)</b> | <b>-</b>     | <b>(1.76)</b>     | <b>(99.39)</b>  |
|         | <b>Total</b>                                     | <b>7,400.34</b>  | <b>3.80</b>     | <b>0.03</b>   | <b>13.87</b> | <b>28.48</b>      | <b>7,446.53</b> |

**Expected Credit Loss**

The following table summarizes the changes in the allowances for doubtful accounts for trade receivables: -

(₹ in crore)

| Particulars  | As at 31 <sup>st</sup> March 2023 | As at 31 <sup>st</sup> March 2022 |
|--|-----------------------------------|-----------------------------------|
| Start of the year  | 712.57                            | 658.07                            |
| Provision for Impairment/ (Reversal)                     |                                   |                                   |
| Receivables written off during the year as uncollectible | 12.69                             | 51.68                             |
| Unused amounts reversed                                  |                                   |                                   |
| Other Provisions   | -                                 | 2.82                              |
| <b>End of year</b>                                       | <b>725.26</b>                     | <b>712.57</b>                     |

**Financial Instruments and Cash Deposits**

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with approved limits of its empaneled bank, for the purpose of investment of surplus funds and foreign exchange transactions. Foreign exchange transaction and investments of surplus funds are made only with empaneled Banks and Liquid & Overnight Mutual Funds. Credit limits of all Banks are reviewed by the Management on regular basis.

**d) Capital Management**

Capital includes issued capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders, or issue new shares. No changes were made in the objectives, policies or processes during the reporting year.

**55) Accounting Classifications and Fair Value Measurements**

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

**Level 1:** quoted (unadjusted) prices in active markets for identical assets or liabilities.

**Level 2:** other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

**Level 3:** technique which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

As at 31<sup>st</sup> March 2023, the Company held the following financial instruments carried at fair value on the statement of financial position.

**For GAIL**

(₹ in crore)

| Particulars  | Carrying Amount             | Fair value |         |          |
|--|-----------------------------|------------|---------|----------|
|  | 31 <sup>st</sup> March 2023 | Level 1    | Level 2 | Level 3  |
| <b>Financial assets at amortised cost:</b>                             |                             |            |         |          |
| <b>Non-current</b>   |                             |            |         |          |
| Loans  | 3,317.06                    | -          | -       | 3,317.06 |
| <b>Current</b>   |                             |            |         |          |
| Loans  | 67.72                       | -          | -       | 67.72    |
| <b>Financial assets at fair value through profit and loss account:</b> |                             |            |         |          |
| <b>Non-current</b>   |                             |            |         |          |
| Derivative Instruments – Borrowing                                     | -                           | -          | -       | -        |
| Derivative Instrument – Borrowing INR/USD Swap                         | 45.72                       | -          | -       | 45.72    |
| Embedded Derivative Instruments  | 0.52                        | -          | 0.52    | -        |
| Derivative instruments – Commodity                                     | -                           | -          | -       | -        |
| Derivative Instruments – Contracts                                     | -                           | -          | -       | -        |
| Investments  | -                           | -          | -       | -        |
| <b>Current</b>   |                             |            |         |          |
| Derivative Instruments – Borrowing                                     | -                           | -          | -       | -        |
| Derivative Instrument – Borrowing INR/USD Swap                         | 7.48                        | -          | -       | 7.48     |

(₹ in crore)

| Particulars  | Carrying Amount             | Fair value |         |          |
|--|-----------------------------|------------|---------|----------|
|  | 31 <sup>st</sup> March 2023 | Level 1    | Level 2 | Level 3  |
| Embedded Derivative Instruments  | 0.52                        | -          | 0.52    | -        |
| Derivative instruments – Commodity   | -                           | -          | -       | -        |
| Derivative Instruments – Contracts   | -                           | -          | -       | -        |
| Investments  | -                           | -          | -       | -        |
| <b>Financial assets at fair value through other comprehensive income:</b>      |                             |            |         |          |
| <b>Non-Current</b>   |                             |            |         |          |
| Derivative Instruments – Borrowing   | -                           | -          | -       | -        |
| Derivative Instruments – Commodity   | 455.50                      | -          | 455.50  | -        |
| Investments  | 4943.51                     | 4,662.74   | -       | 280.77   |
| <b>Current</b>   |                             |            |         |          |
| Derivative Instruments – Borrowing   | -                           | -          | -       | -        |
| Derivative Instruments – Commodity   | 467.61                      | -          | 467.61  | -        |
| Financial liabilities at amortised cost:                                       | -                           | -          | -       | -        |
| <b>Non-current</b>   |                             |            |         |          |
| Interest-bearing loans and borrowings:   | -                           | -          | -       | -        |
| Fixed  | 2,343.75                    | -          | -       | 2,306.55 |
| Floating   | 5,493.33                    | -          | -       | 5,493.33 |
| <b>Current</b>   |                             |            |         |          |
| Interest-bearing loans and borrowings:   | -                           | -          | -       | -        |
| Fixed  | 146.32                      | -          | -       | 147.20   |
| Floating   | 1823.33                     | -          | -       | 1823.33  |
| <b>Financial liabilities at fair value through Profit and loss account:</b>    |                             |            |         |          |
| <b>Non-current</b>   |                             |            |         |          |
| Derivative Instruments – Borrowing   | -                           | -          | -       | -        |
| Derivative Instrument – Borrowing INR/USD Swap                                 | -                           | -          | -       | -        |
| Derivative Instruments – Commodity   | -                           | -          | -       | -        |
| Derivative Instruments – Contracts   | -                           | -          | -       | -        |
| <b>Current</b>   |                             |            |         |          |
| Derivative Instruments – Borrowing   | -                           | -          | -       | -        |
| Derivative Instrument – Borrowing INR/USD Swap                                 | -                           | -          | -       | -        |
| Derivative Instruments – Commodity   | -                           | -          | -       | -        |
| Derivative Instruments – Contracts   | -                           | -          | -       | -        |
| <b>Financial liabilities at fair value through Other Comprehensive Income:</b> |                             |            |         |          |
| <b>Non-Current</b>   |                             |            |         |          |
| Derivative Instruments – Borrowing   | -                           | -          | -       | -        |
| Derivative Instruments – Commodity   | -                           | -          | -       | -        |
| <b>Current</b>   |                             |            |         |          |
| Derivative Instruments – Borrowing   | -                           | -          | -       | -        |
| Derivative Instruments – Commodity   | 265.68                      | -          | 265.68  | -        |

**Note:**

1. The carrying cost of Interest-bearing loans & borrowings is approximately equal to their Fair Market Value
2. The carrying amount of trade receivables, cash and cash equivalents, other bank balance, other receivables, trade payables, interest accrued and due, other payables and other financial liabilities are considered to be same as their fair value due to their short term nature.
3. With respect to loans, the fair value was calculated based on cash flows discounted using the current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

As at 31<sup>st</sup> March 2022, the Company held the following financial instruments carried at fair value on the statement of financial position:

(₹ in crore)

| Particulars   | Carrying Amount             | Fair value |          |          |
|---|-----------------------------|------------|----------|----------|
|   | 31 <sup>st</sup> March 2022 | Level 1    | Level 2  | Level 3  |
| <b>Financial assets at amortised cost:</b>                                  |                             |            |          |          |
| <b>Non-current</b>  |                             |            |          |          |
| Loans   | 3,129.72                    | -          | -        | 3,129.72 |
| <b>Current</b>  |                             |            |          |          |
| Loans   | 99.11                       | -          | -        | 99.11    |
| <b>Financial assets at fair value through profit and loss account:</b>      |                             |            |          |          |
| <b>Non-current</b>  |                             |            |          |          |
| Derivative Instruments – Borrowing  | 3.25                        | -          | 3.25     | -        |
| Derivative Instrument – Borrowing INR/USD Swap                              | -                           | -          | -        | -        |
| Derivative instruments – Commodity  | -                           | -          | -        | -        |
| Derivative Instruments – Contracts  | -                           | -          | -        | -        |
| Investments   | -                           | -          | -        | -        |
| <b>Current</b>  |                             |            |          |          |
| Derivative Instruments – Borrowing  | 6.5                         | -          | 6.5      | -        |
| Derivative instruments – Commodity (Pending)                                | -                           | -          | -        | -        |
| Derivative Instruments – Contracts  | -                           | -          | -        | -        |
| Investments   | -                           | -          | -        | -        |
| <b>Financial assets at fair value through other comprehensive income:</b>   |                             |            |          |          |
| <b>Non-Current</b>  |                             |            |          |          |
| Derivative Instruments – Borrowing  | -                           | -          | -        | -        |
| Derivative Instruments – Commodity  | 1,014.10                    | -          | 1,014.10 | -        |
| Embedded Derivative Instruments   | 0.76                        | -          | 0.76     | -        |
| Investments   | 5,292.31                    | 5058.89    | -        | 233.42   |
| <b>Current</b>  |                             |            |          |          |
| Derivative Instruments – Borrowing  | 0.08                        | -          | 0.08     | -        |
| Derivative Instruments – Commodity  | 842.82                      | -          | 842.82   | -        |
| Financial liabilities at amortised cost:                                    | -                           | -          | -        | -        |
| <b>Non-current</b>  |                             |            |          |          |
| Interest-bearing loans and borrowings:                                      |                             |            |          |          |
| Fixed   | 913.42                      | -          | -        | 922.97   |
| Floating  | 3,916.67                    | -          | -        | 3,916.67 |
| <b>Current</b>  |                             |            |          |          |
| Interest-bearing loans and borrowings:                                      |                             |            |          |          |
| Fixed   | 177.66                      | -          | -        | 180.53   |
| Floating  | 945.01                      | -          | -        | 945.01   |
| <b>Financial liabilities at fair value through Profit and loss account:</b> |                             |            |          |          |
| <b>Non-current</b>  |                             |            |          |          |
| Derivative Instruments – Borrowing  | -                           | -          | -        | -        |
| Derivative Instrument – Borrowing INR/USD Swap                              | 4.7                         | -          | 4.7      | -        |
| Derivative Instruments – Commodity  | -                           | -          | -        | -        |
| Derivative Instruments – Contracts  | -                           | -          | -        | -        |
| <b>Current</b>  |                             |            |          |          |
| Derivative Instruments – Borrowing  | 1                           | -          | 1        | -        |
| Derivative Instrument – Borrowing INR/USD Swap                              | 0.58                        | -          | 0.58     | -        |
| Derivative Instruments – Commodity  | -                           | -          | -        | -        |
| Derivative Instruments – Contracts  | -                           | -          | -        | -        |

(₹ in crore)

| Particulars   | Carrying Amount             | Fair value |         |         |
|---|-----------------------------|------------|---------|---------|
|   | 31 <sup>st</sup> March 2022 | Level 1    | Level 2 | Level 3 |
| Financial liabilities at fair value through Other Comprehensive Income: |                             |            |         |         |
| <b>Non-Current</b>  |                             |            |         |         |
| Derivative Instruments – Borrowing                                      | -                           | -          | -       | -       |
| Derivative Instruments – Commodity                                      | -                           | -          | -       | -       |
| <b>Current</b>  |                             |            |         |         |
| Derivative Instruments – Borrowing                                      | 0.07                        | -          | 0.07    | -       |
| Derivative Instruments – Commodity                                      | 510.37                      | -          | 510.37  | -       |

**Note:**

- The carrying cost of Interest-bearing loans & borrowings is approximately equal to their Fair Market Value
- The carrying amount of trade receivables, cash and cash equivalents, other bank balance, others receivables, trade payables, interest accrued and due, other payables and other financial liabilities are considered to be same as their fair value due to their short term nature.
- With respect to loans, the fair value was calculated based on cash flows discounted using the current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale

**Description for significant unobservable inputs to valuation:**

The following table shows the valuation techniques and inputs used for financial instruments:

| Particulars | As at 31 <sup>st</sup> March 2023                             | As at 31 <sup>st</sup> March 2022 |
|-------------|---|-----------------------------------|
| Investments | Discounted Cash flow method using risk adjusted discount rate |                                   |

The following table shows a reconciliation of opening balances to the closing balances for Level 3 fair values:

(₹ in crore)

| Particulars  | FY 2022-23    | FY 2021-22    |
|--|---------------|---------------|
| <b>Balance as at the beginning of the year</b>                 | <b>233.42</b> | <b>255.47</b> |
| Add: Additional investment during the year                     | 9.05          | 14.66         |
| Add: Fair Value gain recognized in Other Comprehensive Income  | 38.97         | 2.16          |
| Less: Fair Value loss recognized in Other Comprehensive Income | 0.67          | 26.22         |
| Less: Sale of Investments during the year                      | 0             | 12.65         |
| <b>Balance as at the end of the year</b>                       | <b>280.77</b> | <b>233.42</b> |

**For TNGCL**

As at **31<sup>st</sup> March, 2023**, the Company held the following financial instruments carried at fair value on the statement of financial position:

(₹ in crore)

| Particulars                                | Carrying Amount             | Fair value                   | Fair value |         |         |
|--|-----------------------------|------------------------------|------------|---------|---------|
|  | 31 <sup>st</sup> March 2023 | 31 <sup>st</sup> March, 2023 | Level 1    | Level 2 | Level 3 |
| <b>Financial assets at amortised cost:</b> |                             |                              |            |         |         |
| <b>Non-current</b>                         |                             |                              |            |         |         |
| Loans and receivables                      | -                           | -                            | -          | -       | -       |
| Other Financial assets                     |                             |                              |            |         |         |
| <b>Current</b>                             |                             |                              |            |         |         |
| Trade receivables                          | 17.205                      | 17.205                       | -          | -       | -       |
| Cash and cash equivalents                  | 23.827                      | 23.827                       | -          | -       | -       |
| Other bank balances                        | 69.121                      | 69.121                       | -          | -       | -       |

(₹ in crore)

| Particulars   | Carrying Amount             | Fair value                   | Fair value |         |         |
|---|-----------------------------|------------------------------|------------|---------|---------|
|   | 31 <sup>st</sup> March 2023 | 31 <sup>st</sup> March, 2023 | Level 1    | Level 2 | Level 3 |
| Loans   | 0.2425                      | 0.2425                       | -          | -       | -       |
| Other Financial Assets                                    | -                           | -                            | -          | -       | -       |
| <b>Total</b>  | <b>110.4</b>                | <b>110.4</b>                 | -          | -       | -       |
| <b>Financial liabilities at amortised cost:</b>           |                             |                              |            |         |         |
| <b>Non-current</b>  |                             |                              |            |         |         |
| Borrowings  | -                           | -                            | -          | -       | -       |
| Other Financial Liabilities                               | -                           | -                            | -          | -       | -       |
| <b>Current</b>  |                             |                              |            |         |         |
| Trade Payables  | -                           | -                            | -          | -       | -       |
| (i) total outstanding dues of micro and small enterprises | 2.26                        | 2.26                         | -          | -       | -       |
| (ii) total outstanding dues other than (i) above          | 9.13                        | 9.13                         | -          | -       | -       |
| Other Financial Liabilities                               | 27.17                       | 27.17                        | -          | -       | -       |
| <b>Total</b>  | <b>38.56</b>                | <b>38.56</b>                 | -          | -       | -       |

The carrying amounts of trade receivables, cash and cash equivalents, other bank balances, loans, bank deposits, trade payables and other financial liabilities are considered to be same as their fair values, due to their short term nature.

As at 31<sup>st</sup> March 2022, the Company held the following financial instruments carried at fair value on the statement of financial position:

(₹ in crore)

| Particulars   | Carrying Amount             | Fair value                   | Fair value |         |         |
|---|-----------------------------|------------------------------|------------|---------|---------|
|   | 31 <sup>st</sup> March 2022 | 31 <sup>st</sup> March, 2022 | Level 1    | Level 2 | Level 3 |
| <b>Financial assets at amortised cost:</b>                |                             |                              |            |         |         |
| <b>Non-current</b>  |                             |                              |            |         |         |
| Loans and receivables                                     | 0.11                        | 0.11                         | -          | -       | -       |
| Other Financial assets                                    | -                           | -                            | -          | -       | -       |
| <b>Current</b>  |                             |                              |            |         |         |
| Trade receivables   | 11.44                       | 11.44                        | -          | -       | -       |
| Cash and cash equivalents                                 | 35.84                       | 35.84                        | -          | -       | -       |
| Other bank balances                                       | 61.85                       | 61.85                        | -          | -       | -       |
| Loans   | 1.65                        | 1.65                         | -          | -       | -       |
| Other Financial Assets                                    | -                           | -                            | -          | -       | -       |
| <b>Total</b>  | <b>110.89</b>               | <b>110.89</b>                | -          | -       | -       |
| <b>Financial liabilities at amortised cost:</b>           |                             |                              |            |         |         |
| <b>Non-current</b>  |                             |                              |            |         |         |
| Borrowings  | -                           | -                            | -          | -       | -       |
| Other Financial Liabilities                               | -                           | -                            | -          | -       | -       |
| <b>Current</b>  |                             |                              |            |         |         |
| Trade Payables  | -                           | -                            | -          | -       | -       |
| (i) total outstanding dues of micro and small enterprises | 3.33                        | 3.33                         | -          | -       | -       |
| (ii) total outstanding dues other than (i) above          | 9.30                        | 9.30                         | -          | -       | -       |
| Other Financial Liabilities                               | 26.53                       | 26.53                        | -          | -       | -       |
| <b>Total</b>  | <b>39.17</b>                | <b>39.17</b>                 | -          | -       | -       |

The carrying amounts of trade receivables, cash and cash equivalents, other bank balances, loans, bank deposits, trade payables and other financial liabilities are considered to be same as their fair values, due to their short term nature.

**For GAIL Gas**

The Company held the following financial instruments carried at fair value on the statement of financial position:

As as **31<sup>st</sup> March 2023**

(₹ in crore)

| Financial assets                               | Carrying Amount | Fair value |         |         |
|--|-----------------|------------|---------|---------|
|  |                 | Level 1    | Level 2 | Level 3 |
| <b>Financial Assets at amortised cost:</b>     |                 |            |         |         |
| Loans  | 11.25           | -          | -       | -       |
| Trade Receivables                              | 955.03          | -          | -       | -       |
| Cash and Cash Equivalents                      | 7.32            | -          | -       | -       |
| Balances Other than Cash & Cash Equivalent     | 50.77           | -          | -       | -       |
| Other Financial Assets                         | 83.51           | -          | -       | -       |
| At Fair value through profit and loss          | -               | -          | -       | -       |
| At Fair value through OCI                      | -               | -          | -       | -       |
| <b>Total Financial Assets</b>                  | <b>1107.87</b>  | -          | -       | -       |
| <b>Financial Liabilities at amortized cost</b> |                 |            |         |         |
| Borrowings                                     | 932.11          | -          | -       | -       |
| Trade Payables                                 | 711.98          | -          | -       | -       |
| Other Financial Liabilities                    | 496.80          | -          | -       | -       |
| At Fair value through profit and loss          | -               | -          | -       | -       |
| <b>Total Financial Liabilities</b>             | <b>2140.89</b>  | -          | -       | -       |

As as **31<sup>st</sup> March 2022**

(₹ in crore)

| Financial assets                               | Carrying Amount | Fair value |         |         |
|--|-----------------|------------|---------|---------|
|  |                 | Level 1    | Level 2 | Level 3 |
| <b>Financial Assets at amortised cost:</b>     |                 |            |         |         |
| Loans  | 17.00           | -          | -       | -       |
| Trade Receivables                              | 649.53          | -          | -       | -       |
| Cash and Cash Equivalents                      | 34.45           | -          | -       | -       |
| Balances Other than Cash & Cash Equivalent     | 0.85            | -          | -       | -       |
| Other Financial Assets                         | 84.80           | -          | -       | -       |
| At Fair value through profit and loss          | -               | -          | -       | -       |
| At Fair value through OCI                      | -               | -          | -       | -       |
| <b>Total Financial Assets</b>                  | <b>786.63</b>   | -          | -       | -       |
| <b>Financial Liabilities at amortized cost</b> |                 |            |         |         |
| Borrowings                                     | 655.16          | -          | -       | -       |
| Trade Payables                                 | 617.35          | -          | -       | -       |
| Other Financial Liabilities                    | 518.26          | -          | -       | -       |
| At Fair value through profit and loss          | -               | -          | -       | -       |
| <b>Total Financial Liabilities</b>             | <b>1790.77</b>  | -          | -       | -       |



For Konkan LNG Ltd.

As at 31<sup>st</sup> March, 2023

(₹ in crore)

| Financial assets                               | Carrying amount<br>31.03.2023 | Fair value |          |                 |
|--|-------------------------------|------------|----------|-----------------|
|  |                               | Level 1    | Level 2  | Level 3         |
| <b>Financial Assets at fair value:</b>         |                               |            |          |                 |
| Loan to employees                              | 0.12                          | -          | -        | 0.12            |
| Interest accrued on loan to employees          | 0.03                          | -          | -        | 0.03            |
| Security deposits                              | 1.38                          | -          | -        | 1.38            |
| <b>Total</b>                                   | <b>1.53</b>                   | <b>-</b>   | <b>-</b> | <b>1.47</b>     |
| <b>Financial Liabilities at fair value:</b>    |                               |            |          |                 |
| Borrowings                                     | 3,813.07                      | -          | -        | 3,813.07        |
| Interest accrued on borrowings – Related Party | 251.84                        | -          | -        | 251.84          |
| Other Current Financial Liabilities            | 71.37                         | -          | -        | 71.37           |
| <b>Total</b>                                   | <b>4,136.28</b>               | <b>-</b>   | <b>-</b> | <b>4,136.28</b> |

There have been no transfers between Level 1 and Level 2 during the year ended as at 31<sup>st</sup> March 2023.

As at 31<sup>st</sup> March, 2022

(₹ in crore)

| Financial assets                               | Carrying amount<br>31.03.2022 | Fair value |          |                 |
|--|-------------------------------|------------|----------|-----------------|
|  |                               | Level 1    | Level 2  | Level 3         |
| <b>Financial Assets at fair value:</b>         |                               |            |          |                 |
| Loan to employees                              | 0.02                          | -          | -        | 0.02            |
| Interest accrued on loan to employees          | 0.02                          | -          | -        | 0.02            |
| Security deposits                              | 1.46                          | -          | -        | 1.46            |
| <b>Total</b>                                   | <b>1.51</b>                   | <b>-</b>   | <b>-</b> | <b>1.51</b>     |
| <b>Financial Liabilities at fair value:</b>    |                               |            |          |                 |
| Borrowings                                     | 3,813.07                      | -          | -        | 3,813.07        |
| Interest accrued on borrowings – Related Party | 166.42                        | -          | -        | 166.42          |
| Other Current Financial Liabilities            | 5.42                          | -          | -        | 5.42            |
| <b>Total</b>                                   | <b>3,984.92</b>               | <b>-</b>   | <b>-</b> | <b>3,984.92</b> |

There have been no transfers between Level 1 and Level 2 during the year ended as at 31<sup>st</sup> March 2022.

## 56) Hedging Activities and Derivatives

### Derivatives not designated as hedging instruments

The Company uses forward currency contracts, interest rate swaps, cross currency interest rate swaps, commodity swap contracts to hedge its foreign currency risks, interest rate risks and commodity price risks. Derivative contracts not designated by management as hedging instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value on each reporting date. Such contracts are entered into for periods consistent with exposure of the underlying transactions.

### Derivatives designated as hedging instruments:

#### Cash Flow Hedges

The Company enters into hedging instruments in accordance with policies as approved by the Board of Directors with written principles which is consistent with the risk management strategy of the Company. Company has decided to apply hedge accounting for certain derivative contracts that meets the qualifying criteria of hedging relationship entered into post 1<sup>st</sup> October, 2017.

#### Foreign Currency Risk

Foreign exchange forward contracts are designated as hedging instruments in cash flow hedges of firm commitment of capital purchases in USD and existing borrowings e.g. USD / Japanese Yen etc.

#### Commodity Price Risk

The Company purchases and sells natural gas / liquefied petroleum gas on an ongoing basis as its operating activities. The significant volatility in natural gas / liquefied petroleum gas prices over the years has led to Company's decision to enter into hedging instruments through swap transactions including basis swaps. These contracts are designated as hedging instruments in cash flow hedges of forecasted sales and purchases of natural gas / liquefied petroleum gas.

The table below shows the position of hedging instruments and hedged items (underlying) as at the balance sheet date.

Dr (+) / Cr (-) for OCI

## Details relating to hedging instrument for March 2023

(₹ in crore)

| Cash Flow Hedge  | Nominal amount / Qty of the hedging instrument    | Carrying amount of hedging instrument |              | Changes in fair value | Line item in balance sheet where hedging instrument is disclosed   |
|--|---|---------------------------------------|--------------|-----------------------|--|
|  |   | Asset                                 | Liabilities  |                       |  |
|  |   | (₹ in crore)                          | (₹ in crore) |                       |  |
| <b>Commodity Price Risk</b>  |   |                                       |              |                       |  |
| Commodity swap - Forecasted purchase & sale of natural gas / liquified petroleum gas | MMBTU 2,57,65,737<br>Barrels 68,10,990 & MT 5,000 | 923.10                                | 265.68       | (689.14)              | Other Financial Assets – Non Current & Current (Note 8 & 8A) and Other Financial Liabilities – Non Current & Current (Note 16 & 16A) |

## Details relating to Hedged items for March 2023

(₹ in crore)

|   | Change in fair value | Balance in Cash Hedge Flow Reserve |                              |               |
|---|----------------------|------------------------------------|------------------------------|---------------|
|   |                      | For continuing hedges              | For hedges no longer applied | Total balance |
| <b>Commodity Price Risk</b>   |                      |                                    |                              |               |
| Highly probable forecasted sale and purchase of natural gas/liquified petroleum gas | 689.14               | (657.42)                           | -                            | (657.42)      |

Dr (+) / Cr (-) for OCI

## Details relating to hedging instrument for March 2022

(₹ in crore)

| Cash Flow Hedge  | Nominal amount / Qty of the hedging instrument   | Carrying amount of hedging instrument |              | Changes in fair value | Line item in balance sheet where hedging instrument is disclosed   |
|--|--|---------------------------------------|--------------|-----------------------|--|
|  |  | Asset                                 | Liabilities  |                       |  |
|  |  | (₹ in crore)                          | (₹ in crore) |                       |  |
| <b>Foreign Currency Risk</b>                               |  |                                       |              |                       |  |
| Forward contracts – Borrowings                             | USD 3,716,610.36                                 | (0.27)                                | 0.43         | 0.11                  | Assets- Non Current Assets- Other Financial Assets- Current Liabilities- Non Current Liabilities- Other Financial Liabilities- Current |
| <b>Commodity Price Risk</b>                                |  |                                       |              |                       |  |
| Commodity swap – Forecasted purchase & sale of natural gas | MMBTU 1,48,26,127 & Barrels 76,07,543 & MT 7,500 | 1,856.92                              | 510.37       | 890.9                 | Other Financial Assets – Non Current & Current (Note 8 & 8A) and Other Financial Liabilities – Non Current & Current (Note 16 & 16A)   |

Dr (+) / Cr (-) for OCI

## Details relating to Hedged items for March 2022

(₹ in crore)

|   | Change in fair value | Balance in Cash Hedge Flow Reserve |                              |               |
|---|----------------------|------------------------------------|------------------------------|---------------|
|   |                      | For continuing hedges              | For hedges no longer applied | Total balance |
| <b>Foreign Currency Risk</b>                                |                      |                                    |                              |               |
| Borrowings  | 2.08                 | (0.02)                             | -                            | (0.02)        |
| Firm commitment for capital goods purchase                  | -                    | -                                  | -                            | -             |
| <b>Commodity Price Risk</b>                                 |                      |                                    |                              |               |
| Highly probable forecasted sale and purchase of natural gas | (890.90)             | (1,346.55)                         | 0                            | (1,346.55)    |

Reconciliation of cash flow hedge reserve for year ended 31<sup>st</sup> March 2023 is given in **Annexure-F**.**57) Confirmation of Assets & Liabilities:**

- Some balances of trade and other receivables, trade and other payables are subject to confirmation / reconciliation. Adjustment, if any, will be accounted for on confirmation / reconciliation of the same, which will not have a material impact.
- In the opinion of management, the value of assets, other than fixed assets and non-current investments, on realization in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.

**58) Trade Payables****a) Current Trade Payables Ageing Schedule as on 31<sup>st</sup> March 2023**

(₹ in crore)

| Sl. No. | Particulars            | Outstanding for following periods from due date of payment |             |             |                   | Total           |
|---------|------------------------|--|-------------|-------------|-------------------|-----------------|
|         |                        | Less than 1 year   | 1-2 Years   | 2-3 Years   | More than 3 years |                 |
| (i)     | MSME                   | 344.28   | 0.02        | -           | -                 | 344.30          |
| (ii)    | Others                 | 6,795.45   | 2.18        | 1.28        | 0.03              | 6,798.94        |
| (iii)   | Disputed Dues - MSME   | -  | -           | -           | -                 | -               |
| (iv)    | Disputed Dues - Others | -  | -           | 0.02        | 0.30              | 0.32            |
|         | <b>Total</b>           | <b>7,139.73</b>  | <b>2.20</b> | <b>1.30</b> | <b>0.33</b>       | <b>7,143.56</b> |

**b) Current Trade Payables Ageing Schedule as on 31<sup>st</sup> March 2022**

(₹ in crore)

| Sl. No. | Particulars            | Outstanding for following periods from due date of payment |             |             |                   | Total           |
|---------|------------------------|--|-------------|-------------|-------------------|-----------------|
|         |                        | Less than 1 year   | 1-2 Years   | 2-3 Years   | More than 3 years |                 |
| (i)     | MSME                   | 303.91   | -           | -           | -                 | 303.91          |
| (ii)    | Others                 | 5,046.23   | 4.39        | 0.28        | 3.97              | 5,054.87        |
| (iii)   | Disputed Dues - MSME   | -  | -           | -           | -                 | -               |
| (iv)    | Disputed Dues - Others | -  | 0.04        | 0.56        | 1.88              | 2.48            |
|         | <b>Total</b>           | <b>5,350.15</b>  | <b>4.43</b> | <b>0.84</b> | <b>5.85</b>       | <b>5,361.26</b> |

**c) Unbilled Trade Payables Ageing Schedule as on 31<sup>st</sup> March 2023**

(₹ in crore)

| Sl. No. | Particulars            | Outstanding for following periods from due date of payment |           |           |                   | Total |
|---------|------------------------|--|-----------|-----------|-------------------|-------|
|         |                        | Less than 1 year   | 1-2 Years | 2-3 Years | More than 3 years |       |
| (i)     | MSME                   | 4.05   | -         | -         | -                 | 4.05  |
| (ii)    | Others                 | 57.94  | -         | -         | -                 | 57.94 |
| (iii)   | Disputed Dues - MSME   | -  | -         | -         | -                 | -     |
| (iv)    | Disputed Dues - Others | -  | -         | -         | -                 | -     |

**Note:** Details of Unbilled Trade Payable is compiled without considering Elimination of intra-group dues.**d) Unbilled Trade Payables Ageing Schedule as on 31<sup>st</sup> March 2022**

(₹ in crore)

| Sl. No. | Particulars            | Outstanding for following periods from due date of payment |           |           |                   | Total  |
|---------|------------------------|--|-----------|-----------|-------------------|--------|
|         |                        | Less than 1 year   | 1-2 Years | 2-3 Years | More than 3 years |        |
| (i)     | MSME                   | 139.58   | -         | -         | -                 | 139.58 |
| (ii)    | Others                 | 208.17   | -         | -         | -                 | 208.17 |
| (iii)   | Disputed Dues - MSME   | -  | -         | -         | -                 | -      |
| (iv)    | Disputed Dues - Others | -  | -         | -         | -                 | -      |

**Note:** Details of Unbilled Trade Payable is compiled on gross basis, without considering Elimination of intra-group dues.

## 59) Disclosures as per Division II to Schedule III

## i. Capital Work in Progress (CWIP)

a. CWIP Ageing Schedule as on 31<sup>st</sup> March 2023

(₹ in crore)

| Capital Work in Progress (CWIP)     | Less than 1 year | 1-2 Years | 2-3 Years | More than 3 years | Total            |
|-------------------------------------|------------------|-----------|-----------|-------------------|------------------|
| Gross Block (Projects in Progress)  | 8,653.93         | 2879.84   | 1,862.80  | 3552.12           | 16,931.69        |
| Less: Provision and Impairment Loss | -                | -         | -         | -                 | 287.96           |
| Net Block (Projects in Progress)    | -                | -         | -         | -                 | <b>16,643.73</b> |
| Projects temporarily suspended      | -                | -         | -         | -                 | -                |

CWIP Ageing Schedule as on 31<sup>st</sup> March 2022

(₹ in crore)

| Capital Work in Progress (CWIP)     | Less than 1 year | 1-2 Years | 2-3 Years | More than 3 years | Total            |
|-------------------------------------|------------------|-----------|-----------|-------------------|------------------|
| Gross Block (Projects in Progress)  | 6,334.56         | 3,574.56  | 2,934.39  | 2,917.37          | 15,760.88        |
| Less: Provision and Impairment Loss | -                | -         | -         | -                 | 272.65           |
| Net Block (Projects in Progress)    | -                | -         | -         | -                 | <b>15,488.23</b> |
| Projects temporarily suspended      | -                | -         | -         | -                 | -                |

b. CWIP Completion Schedule for Cost Overrun Projects as on 31<sup>st</sup> March 2023

(₹ in crore)

| Capital Work in Progress (CWIP)              | To be completed in |           |           |                   |
|--|--------------------|-----------|-----------|-------------------|
|  | Less than 1 year   | 1-2 Years | 2-3 Years | More than 3 years |
| KKBMPL II                                    | 415.00             | 1,986.69  | -         | -                 |
| Haridwar-Rishikesh-Dehradun Pipeline (HRDPL) | 21.84              | -         | -         | -                 |
| Integrated JHBDPL (including BGPL)           | 936.30             | -         | -         | -                 |

CWIP completion schedule for Cost Overrun Projects as on 31<sup>st</sup> March 2022

(₹ in crore)

| Capital Work in Progress (CWIP)              | To be completed in |           |           |                   |
|--|--------------------|-----------|-----------|-------------------|
|  | Less than 1 year   | 1-2 Years | 2-3 Years | More than 3 years |
| KKBMPL II                                    | 50.00              | 600.00    | 800.00    | 879.32            |
| Sultanpur-Jhajjar-Hissar Pipeline (SJHPL)    | 84.71              | -         | -         | -                 |
| Haridwar-Rishikesh-Dehradun pipeline (HRDPL) | 99.90              | -         | -         | -                 |

c. CWIP Completion Schedule for Time Overrun Projects as on 31<sup>st</sup> March 2023

(₹ in crore)

| Capital Work in Progress (CWIP)              | To be completed in |           |           |                   |
|--|--------------------|-----------|-----------|-------------------|
|  | Less than 1 year   | 1-2 Years | 2-3 Years | More than 3 years |
| Integrated JHBDPL (Including BGPL)           | 936.30             | -         | -         | -                 |
| Dhamra-Haldia Pipeline (DHPL)                | 468.58             | -         | -         | -                 |
| Srikakulam-Angul Pipeline (SAPL)             | 1,324.04           | -         | -         | -                 |
| KKBMPL II                                    | 415.00             | 1986.69   | -         | -                 |
| Mumbai Nagpur Jharsuguda Pipeline (MNJPL)    | 1,186.00           | 2,005.60  | -         | -                 |
| Haridwar-Rishikesh-Dehradun Pipeline (HRDPL) | 21.84              | -         | -         | -                 |

**CWIP completion schedule for Time Overrun Projects as on 31<sup>st</sup> March 2022**

(₹ in crore)

| Capital Work in Progress (CWIP)              | To be completed in |           |           |                   |
|--|--------------------|-----------|-----------|-------------------|
|  | Less than 1 year   | 1-2 Years | 2-3 Years | More than 3 years |
| Integrated JHBDPL (Including BGPL)           | 1,354.71           | 986.51    | 267.67    | -                 |
| Dhamra-Haldia Pipeline (DHPL)                | 330.00             | 306.01    | -         | -                 |
| Srikakulam-Angul Pipeline (SAPL)             | 550.00             | 948.00    | 270.00    | 221.60            |
| KKBMPL II                                    | 50.00              | 600.00    | 800.00    | 879.32            |
| Sultanpur-Jhajjar-Hissar Pipeline (SJHPL)    | 84.71              | -         | -         | -                 |
| Haridwar-Rishikesh-Dehradun Pipeline (HRDPL) | 99.90              | -         | -         | -                 |

**Note:** No CWIP whose completion is overdue or has exceeded its cost compared to its original plan has been disclosed by Subsidiary Companies as on 31<sup>st</sup> March, 2023 and as on 31<sup>st</sup> March, 2022

## ii) Intangible Assets under development:

a) Intangible Assets under development Ageing Schedule as on **31<sup>st</sup> March 2023:**

(₹ in crore)

| Intangible Assets under development | Less than 1 year | 1-2 Years | 2-3 Years | More than 3 years | Total |
|-------------------------------------|------------------|-----------|-----------|-------------------|-------|
| Gross Block (Projects in Progress)  | 0.60             | 1.96      | 0.22      | -                 | 2.77  |
| Less: Provision and Impairment Loss | -                | -         | -         | -                 | -     |
| Net Block (Projects in Progress)    | -                | -         | -         | -                 | 2.77  |
| Projects temporarily suspended      | -                | -         | -         | -                 | -     |

b) Intangible Assets under development Ageing Schedule as on **31<sup>st</sup> March 2022:**

(₹ in crore)

| Capital Work in Progress (CWIP)     | Less than 1 year | 1-2 Years | 2-3 Years | More than 3 years | Total |
|-------------------------------------|------------------|-----------|-----------|-------------------|-------|
| Gross Block (Projects in Progress)  | 1.96             | 0.22      | -         | -                 | 2.17  |
| Less: Provision and Impairment Loss | -                | -         | -         | -                 | -     |
| Net Block (Projects in Progress)    | -                | -         | -         | -                 | 2.17  |
| Projects temporarily suspended      | -                | -         | -         | -                 | -     |

**60) Relationship with Struck-off Companies:**Details of Relationship with Struck-off Companies as on **31<sup>st</sup> March 2023**

| Sl. No. | Name of struck off Company         | Nature of Transactions with struck-off Company |              |              |                                   |   | Relationship with Struck-off Company if any to be disclosed |
|---------|------------------------------------|--|--------------|--------------|-----------------------------------|---|---|
|         |                                    | Investment in Securities                       | Receivables  | Payables     | Shares held by Struck-off Company | Other Outstanding Balance (To be specified) |   |
|         |                                    | (₹ in crore)                                   | (₹ in crore) | (₹ in crore) | (in Nos.)                         | (₹ in crore)                                |   |
| 1       | Premi Chemco (P) Ltd               | -  | 0.06         | -            | -                                 | -   | Customer  |
| 2       | Gulbrandsen Chemicals Pvt. Ltd.    | -  | 1.04         | -            | -                                 | -   | Customer  |
| 3       | Lure Info Solution Pvt. Ltd.       | -  | 0.01         | -            | -                                 | -   | Vendor  |
| 4       | Sansrishti Infra Designs (P) Ltd.  | -  | -            | 0.01         | -                                 | -   | Vendor  |
| 5       | A.V. Infraprojects Private Ltd.#   | -  | -            | -            | -                                 | -   | Customer  |
| 6       | Videocon Petroleum Ltd.            | -  | -            | 6.55         | -                                 | -   | Customer  |
| 7       | Arihants Securities Limited        | -  | -            | -            | 1,500                             | -   | Customer  |
| 8       | Regent Exim International Ltd.     | -  | -            | -            | 18,300                            | -   | Customer  |
| 9       | Rajdeep Automation Private Limited | -  | -            | -            | 18,000                            | -   | Vendor  |
| 10      | Astral Auto Parts Pvt. Ltd.        | -  | -            | -            | 5,019                             | -   | Shareholder   |
| 11      | Data Nova India Private Limited    | -  | -            | -            | 3,000                             | -   | Shareholder   |
| 12      | Vikram Textils Pvt. Ltd.           | -  | -            | -            | 1,062                             | -   | Shareholder   |
| 13      | Indexco Trading (P) Ltd.           | -  | -            | -            | 255                               | -   | Shareholder   |
| 14      | Kothari Intergroup Ltd.            | -  | -            | -            | 15                                | -   | Shareholder   |

#(₹ 837.00 receivable)

Details of Relationship with Struck-off Companies as on 31<sup>st</sup> March 2022

| Sl. No. | Name of struck off Company                        | Nature of Transactions with struck-off Company |              |              |                                   |   | Relationship with Struck-off Company if any to be disclosed |
|---------|---|--|--------------|--------------|-----------------------------------|---|---|
|         |   | Investment in Securities                       | Receivables  | Payables     | Shares held by Struck-off Company | Other Outstanding Balance (To be specified) |   |
|         |   | (₹ in crore)                                   | (₹ in crore) | (₹ in crore) | (in Nos.)                         | (₹ in crore)                                |   |
| 1       | Premi Chemco (P) Ltd                              | -  | 0.06         | -            | -                                 | -   | Customer  |
| 2       | Gulbrandsen Chemicals Pvt. Ltd.                   | -  | 0.45         | -            | -                                 | -   | Customer  |
| 3       | Lure Info Solution Pvt. Ltd.                      | -  | 0.01         | -            | -                                 | -   | Vendor  |
| 4       | Integra Micro Systems Pvt. Ltd.*                  | -  | -            | -            | -                                 | -   | Vendor  |
| 5       | A.V. Infraprojects Private Ltd.                   | -  | -            | 0.15         | -                                 | -   | Customer  |
| 6       | Surya Alumex (Unit of Surya Irrigation Pvt. Ltd.) | -  | -            | 0.03         | -                                 | -   | Customer  |
| 7       | Prayag Polytech Pvt. Ltd.                         | -  | -            | 0.01         | -                                 | -   | Customer  |
| 8       | Eco Pack Pvt. Ltd.                                | -  | -            | 0.02         | -                                 | -   | Customer  |
| 9       | Noble Mech. Maint. Contractor**                   | -  | -            | -            | -                                 | -   | Vendor  |
| 10      | Arihants Securities Limited                       | -  | -            | -            | 1,000                             | -   | Shareholder   |
| 11      | Unicon Fincap Private Limited                     | -  | -            | -            | 224                               | -   | Shareholder   |
| 12      | Indexco Trading (P) Ltd.                          | -  | -            | -            | 170                               | -   | Shareholder   |
| 13      | Kothari Intergroup Ltd.                           | -  | -            | -            | 10                                | -   | Shareholder   |

\* (₹ 22,364.00 receivable)

\*\* (₹ 30,690.00 payable)

As per the information received no transaction have been entered with the struck off companies by Subsidiaries and no material transactions have been entered with the struck off companies by the Associates/Joint Ventures.

#### 61) Wilful Defaulter (in respect of Holding Company):

The Company has not been declared as a wilful defaulter by any bank or financial institution or any other lender as on 31<sup>st</sup> March 2023 and 31<sup>st</sup> March 2022.

#### 62) Benami Property (in respect of Holding Company):

The Company is not holding any Benami Property as on 31<sup>st</sup> March 2023 and 31<sup>st</sup> March 2022. Further, no proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

63) The disclosures as exempted at consolidated level as per the Guidance note on Division II –Ind AS Schedule III of Companies Act, issued by Institute of Chartered Accountants of India have not been presented in Notes to Consolidated Financial Statements.

64) The Parent Company is charging depreciation on Natural Gas/ LPG Transmission pipelines considering useful life 30 years and residual value of 5%. During the year the Parent Company has sought an opinion of the EAC of ICAI on the Residual value of Natural Gas/ LPG Transmission pipelines vide letter no. GAIL/ND/F&A/CO/EAC Opinion/2022-23/1 dated 25<sup>th</sup> November 2022 for which opinion is awaited.

65) Previous year's figures have been regrouped / reclassified, wherever necessary to correspond with the current year's classification / disclosure.

#### For and on behalf of the Board of Directors

Sd/-  
**M K Agarwal**  
Company Secretary  
(ACS No. 69402)

Sd/-  
**R K Jain**  
Director (Finance)  
(DIN: 08788595)

Sd/-  
**M V Iyer**  
Director (BD) & Director (Marketing)  
(DIN: 08198178)

Sd/-  
**S K Gupta**  
Chairman & Managing Director  
(DIN: 07570165)

As per our separate report of even date

For **A.R. & Co**  
**Chartered Accountants**  
Firm No.002744C

For **Gandhi Minocha & Co**  
**Chartered Accountants**  
Firm No.000458N

Sd/-  
**Pawan K Goel**  
**(Partner)**  
Membership No. 072209

Sd/-  
**Manoj Bhardwaj**  
**(Partner)**  
Membership No. 098606

Place : **New Delhi**  
Date : **18<sup>th</sup> May 2023**

## Annexure-A

**A) Information About Partially owned Subsidiaries having material non controlling interest:-**

The following table summarises the informations relating to subsidiaries that has material Non controlling interest before any intra group elimination for the Financial year ended 31<sup>st</sup> March 2023:-  
(₹ in crore)

| Sl. No.   | Particulars   | Tripura Natural Gas Company Limited | Bengal Gas Company Limited | Konkan LNG Limited |
|-----------|---|-------------------------------------|----------------------------|--------------------|
| <b>A)</b> | <b>Proportion of equity Interest held by non controlling Interest</b> | <b>51.02%</b>                       | <b>11.87%</b>              | <b>6.50%</b>       |
| <b>B)</b> | <b>Summarised financial Information of partly owned subsidiary</b>    |                                     |                            |                    |
|           | <b>Balance Sheet</b>  |                                     |                            |                    |
|           | Non-Current Assets  | 157.38                              | 646.34                     | 3,383.68           |
|           | Current Assets (Other than cash and cash equivalent)                  | 101.69                              | 25.60                      | 1,014.71           |
|           | Cash and Cash Equivalent  | 23.83                               | 12.68                      | 7.01               |
|           | Non-Current Liabilities   | 38.49                               | 150.62                     | 3,630.99           |
|           | Current Liabilities   | 47.30                               | 55.96                      | 452.53             |
|           | Equity  | 197.11                              | 478.05                     | 321.88             |
|           | Attributable to non controlling interest                              | 100.57                              | 56.74                      | 20.93              |
|           | <b>Profit and Loss</b>  |                                     |                            |                    |
|           | Revenue   | 263.59                              | 10.99                      | 400.86             |
|           | Expenses  | 234.01                              | 26.15                      | 580.44             |
|           | Pre-tax Profit / (Loss)   | 29.58                               | (15.17)                    | (179.58)           |
|           | Income Tax expenses   | 9.33                                | (4.27)                     | 268.68             |
|           | Post-tax Profit / (Loss)  | 20.25                               | (10.89)                    | (448.26)           |
|           | Other Comprehensive Income  | 0.09                                | -                          | 0.02               |
|           | Total comprehensive profit / (loss)                                   | 20.34                               | (10.89)                    | (448.24)           |
|           | Attributable to non controlling interest                              | 10.38                               | (1.29)                     | (29.14)            |
|           | Dividend paid to Non controlling interest                             | 1.32                                | -                          | -                  |
|           | <b>Summarised Cash Flow Information</b>                               |                                     |                            |                    |
|           | Operating Activities  | 19.28                               | (85.23)                    | 85.83              |
|           | Investing Activities  | (24.67)                             | (360.03)                   | (205.38)           |
|           | Financing Activities  | (6.63)                              | 393.28                     | 126.54             |
|           | Net increase/ (decrease) in cash and cash Equivalents                 | (12.02)                             | (51.97)                    | 6.99               |

**A) Information About Partially owned Subsidiaries having material non controlling interest:-**

The following table summarises the informations relating to subsidiary that has material Non controlling interest before any intra group elimination for the Financial year ended 31<sup>st</sup> March 2022:-  
(₹ in crore)

| Sl. No.   | Particulars   | Tripura Natural Gas Company Limited | Bengal Gas Company Limited | Konkan LNG Limited |
|-----------|---|-------------------------------------|----------------------------|--------------------|
| <b>A)</b> | <b>Proportion of equity Interest held by non controlling Interest</b> | <b>51.02%</b>                       | <b>22.80%</b>              | <b>9.17%</b>       |
| <b>B)</b> | <b>Summarised financial Information of partly owned subsidiary</b>    |                                     |                            |                    |
|           | <b>Balance Sheet</b>  |                                     |                            |                    |
|           | Non-Current Assets  | 136.26                              | 288.63                     | 3,210.40           |
|           | Current Assets (Other than cash and cash equivalent)                  | 85.63                               | 16.67                      | 968.67             |
|           | Cash and Cash Equivalent  | 35.84                               | 64.66                      | 0.02               |
|           | Non-Current Liabilities   | 35.07                               | (1.67)                     | 3,364.18           |
|           | Current Liabilities   | 43.31                               | 121.32                     | 375.79             |
|           | Equity  | 179.35                              | 250.31                     | 439.12             |
|           | Attributable to non controlling interest                              | 91.50                               | 57.07                      | 40.25              |
|           | <b>Profit and Loss</b>  |                                     |                            |                    |
|           | Revenue   | 169.17                              | 1.02                       | 868.94             |
|           | Expenses  | 131.66                              | 6.80                       | 658.14             |
|           | Pre-tax Profit / (Loss)   | 37.51                               | (5.78)                     | 210.80             |
|           | Income Tax expenses   | 11.70                               | (1.96)                     | (173.90)           |
|           | Post-tax Profit / (Loss)  | 25.80                               | (3.82)                     | 384.70             |
|           | Other Comprehensive Income  | (0.09)                              | -                          | 0.01               |
|           | Total comprehensive profit / (loss)                                   | 25.71                               | (3.82)                     | 384.71             |
|           | Attributable to non controlling interest                              | 13.12                               | (0.87)                     | 35.27              |
|           | Dividend paid to Non controlling interest                             | 1.11                                | -                          | -                  |
|           | <b>Summarised Cash Flow Information</b>                               |                                     |                            |                    |
|           | Operating Activities  | 36.51                               | 94.50                      | 360.14             |
|           | Investing Activities  | (8.84)                              | (228.39)                   | (352.96)           |
|           | Financing Activities  | 0.18                                | 182.31                     | (85.75)            |
|           | Net increase/ (decrease) in cash and cash Equivalents                 | 27.85                               | 48.42                      | (78.57)            |

A) Summarised financial information of Joint Ventures as on 31<sup>st</sup> March 2023

(₹ in crore)

| Particulars  | Total            | Central UP Gas Ltd. |                 | Green Gas Ltd.  |               | Maharashtra Natural Gas Limited |                 | Aavantika Gas Limited |                | Bhayanagar Gas Limited |         | Talcher Fertilizers Limited |         | TAPI Pipeline Company Ltd |         | Vadodara Gas Limited |         | Indradhanush Gas Grid Ltd |         |
|--|------------------|---------------------|-----------------|-----------------|---------------|---------------------------------|-----------------|-----------------------|----------------|------------------------|---------|-----------------------------|---------|---------------------------|---------|----------------------|---------|---------------------------|---------|
|  |                  | Unaudited           | Audited         | Unaudited       | Audited       | Unaudited                       | Audited         | Unaudited             | Audited        | Unaudited              | Audited | Unaudited                   | Audited | Unaudited                 | Audited | Unaudited            | Audited | Unaudited                 | Audited |
| <b>Assets</b>  |                  |                     |                 |                 |               |                                 |                 |                       |                |                        |         |                             |         |                           |         |                      |         |                           |         |
| <b>Non-Current Assets</b>  | <b>13,546.59</b> | <b>582.43</b>       | <b>2,138.44</b> | <b>1,122.90</b> | <b>524.72</b> | <b>1,046.28</b>                 | <b>2,699.19</b> | <b>769.33</b>         | <b>423.31</b>  | <b>4,239.99</b>        |         |                             |         |                           |         |                      |         |                           |         |
| <b>Current Assets</b>  |                  |                     |                 |                 |               |                                 |                 |                       |                |                        |         |                             |         |                           |         |                      |         |                           |         |
| Cash and cash Equivalents  | 668.78           | 26.13               | 94.23           | 57.91           | 16.43         | 14.61                           | 141.03          | 162.95                | 0.40           | 155.09                 |         |                             |         |                           |         |                      |         |                           |         |
| Other Current Assets (Excluding cash and cash equivalents)                             | 1,312.65         | 126.17              | 211.53          | 123.65          | 93.08         | 50.96                           | 401.14          | 134.42                | 88.37          | 83.33                  |         |                             |         |                           |         |                      |         |                           |         |
| <b>Total current assets</b>  | <b>1,981.43</b>  | <b>152.30</b>       | <b>305.76</b>   | <b>181.56</b>   | <b>109.51</b> | <b>65.57</b>                    | <b>542.17</b>   | <b>297.37</b>         | <b>88.77</b>   | <b>238.42</b>          |         |                             |         |                           |         |                      |         |                           |         |
| <b>Liabilities</b>   |                  |                     |                 |                 |               |                                 |                 |                       |                |                        |         |                             |         |                           |         |                      |         |                           |         |
| <b>Non-Current Liabilities</b>   |                  |                     |                 |                 |               |                                 |                 |                       |                |                        |         |                             |         |                           |         |                      |         |                           |         |
| Non Current Financial Liabilities (Other than trade and other payables and provisions) | 1,965.73         | -                   | 425.28          | 418.97          | 49.95         | 535.00                          | 489.93          | -                     | 46.60          | -                      |         |                             |         |                           |         |                      |         |                           |         |
| Other Non Current Liabilities  | 3,066.49         | 31.48               | 181.72          | 72.96           | 52.87         | 31.05                           | -               | -                     | 22.45          | 2,673.96               |         |                             |         |                           |         |                      |         |                           |         |
| <b>Total non current liabilities</b>   | <b>5,032.22</b>  | <b>31.48</b>        | <b>607.00</b>   | <b>491.93</b>   | <b>102.82</b> | <b>566.05</b>                   | <b>489.93</b>   | <b>-</b>              | <b>69.05</b>   | <b>2,673.96</b>        |         |                             |         |                           |         |                      |         |                           |         |
| <b>Current Liabilities</b>   |                  |                     |                 |                 |               |                                 |                 |                       |                |                        |         |                             |         |                           |         |                      |         |                           |         |
| Current Financial Liabilities (Other than trade and other payables and provisions)     | 1,390.39         | 77.16               | 250.23          | 221.71          | 112.35        | 113.12                          | 323.71          | 0.16                  | 121.38         | 170.57                 |         |                             |         |                           |         |                      |         |                           |         |
| Other Current Liabilities  | 177.38           | 33.00               | 33.72           | 29.01           | 10.87         | 10.57                           | 0.18            | 30.65                 | 14.69          | 14.69                  |         |                             |         |                           |         |                      |         |                           |         |
| <b>Total Current Liabilities</b>   | <b>2,406.75</b>  | <b>110.16</b>       | <b>416.98</b>   | <b>282.05</b>   | <b>142.00</b> | <b>141.88</b>                   | <b>324.55</b>   | <b>0.16</b>           | <b>171.91</b>  | <b>817.06</b>          |         |                             |         |                           |         |                      |         |                           |         |
| Equity   | 8,085.56         | 593.08              | 1,420.22        | 530.49          | 389.41        | 403.92                          | 2,426.87        | 1,066.54              | 271.13         | 983.90                 |         |                             |         |                           |         |                      |         |                           |         |
| Percentage of Group's ownership interest   |                  | 25.00%              | 49.98%          | 49.98%          | 49.99%        | 48.73%                          | 33.33%          | 5.00%                 | 32.93%         | 20.00%                 |         |                             |         |                           |         |                      |         |                           |         |
| Interest in joint venture/associate  | 2,272.72         | 148.27              | 319.55          | 265.14          | 194.67        | 196.83                          | 808.88          | 53.33                 | 89.28          | 196.78                 |         |                             |         |                           |         |                      |         |                           |         |
| Carrying amount of interest in Joint Venture   | <b>2,272.72</b>  | <b>148.27</b>       | <b>319.55</b>   | <b>265.14</b>   | <b>194.67</b> | <b>196.83</b>                   | <b>808.88</b>   | <b>53.33</b>          | <b>89.28</b>   | <b>196.78</b>          |         |                             |         |                           |         |                      |         |                           |         |
| Revenue  | 5,813.47         | 746.91              | 2,700.19        | 879.39          | 631.92        | 436.11                          | -               | -                     | 418.95         | -                      |         |                             |         |                           |         |                      |         |                           |         |
| Interest Income  | -                | -                   | -               | -               | -             | -                               | -               | -                     | -              | -                      |         |                             |         |                           |         |                      |         |                           |         |
| Depreciation   | 224.39           | 26.71               | 93.03           | 44.09           | 21.63         | 27.66                           | 0.61            | -                     | 10.66          | -                      |         |                             |         |                           |         |                      |         |                           |         |
| Finance Cost   | 88.88            | 0.24                | 22.80           | 21.63           | 3.79          | 34.66                           | -               | -                     | 5.76           | -                      |         |                             |         |                           |         |                      |         |                           |         |
| Income tax expenses  | 195.73           | 29.22               | 144.82          | 6.48            | 13.41         | 5.77                            | -               | -                     | (3.64)         | (0.33)                 |         |                             |         |                           |         |                      |         |                           |         |
| Other Expenses (Net)   | 4,692.84         | 605.38              | 2,018.46        | 789.67          | 534.15        | 364.50                          | (33.18)         | 3.45                  | 417.43         | (7.02)                 |         |                             |         |                           |         |                      |         |                           |         |
| <b>Profit for the year</b>   | <b>611.64</b>    | <b>85.36</b>        | <b>421.09</b>   | <b>17.53</b>    | <b>58.93</b>  | <b>3.52</b>                     | <b>32.57</b>    | <b>(3.45)</b>         | <b>(11.26)</b> | <b>7.35</b>            |         |                             |         |                           |         |                      |         |                           |         |
| Other Comprehensive Income   | 0.30             | 0.10                | 0.22            | 0.01            | 0.03          | (0.06)                          | -               | -                     | -              | -                      |         |                             |         |                           |         |                      |         |                           |         |
| Group's share in joint ventures'/ associates profit for the year                       | 164.46           | 21.34               | 94.74           | 8.76            | 29.46         | 1.72                            | 10.85           | (0.17)                | (3.71)         | 1.47                   |         |                             |         |                           |         |                      |         |                           |         |
| Group's share in joint ventures'/ associates OCI for the Year                          | 0.06             | 0.02                | 0.05            | 0.01            | 0.01          | (0.03)                          | -               | -                     | -              | -                      |         |                             |         |                           |         |                      |         |                           |         |
| Consolidation adjustments  | (0.22)           | -                   | 0.18            | -               | -             | -                               | -               | -                     | (0.13)         | (0.27)                 |         |                             |         |                           |         |                      |         |                           |         |
| Group's share in joint ventures'/ associates profit recognised                         | 164.30           | 21.36               | 94.97           | 8.77            | 29.47         | 1.69                            | 10.85           | (0.17)                | (3.84)         | 1.20                   |         |                             |         |                           |         |                      |         |                           |         |
| Dividends received from Joint Ventures   | 29.30            | 4.50                | 22.50           | 2.30            | -             | -                               | -               | -                     | -              | -                      |         |                             |         |                           |         |                      |         |                           |         |



## Annexure-B

A) Summarised financial information of Joint Ventures as on 31<sup>st</sup> March 2022

(₹ in crore)

| Particulars  | Total           | Central UP Gas Ltd. |               | Green Gas Ltd.  |               | Maharashtra Natural Gas Limited |                 | Aavantika Gas Limited |               | Bhagyanagar Gas Limited |           | Talcher Fertilizers Limited |           | TAPI Pipeline Company Ltd |           | Vadodara Gas Limited |           | Indradhanush Gas Grid Ltd |           |
|--|-----------------|---------------------|---------------|-----------------|---------------|---------------------------------|-----------------|-----------------------|---------------|-------------------------|-----------|-----------------------------|-----------|---------------------------|-----------|----------------------|-----------|---------------------------|-----------|
|  |                 | Audited             | Audited       | Audited         | Unaudited     | Audited                         | Unaudited       | Audited               | Unaudited     | Audited                 | Unaudited | Audited                     | Unaudited | Audited                   | Unaudited | Audited              | Unaudited | Audited                   | Unaudited |
| <b>Assets</b>  |                 |                     |               |                 |               |                                 |                 |                       |               |                         |           |                             |           |                           |           |                      |           |                           |           |
| <b>Non-Current Assets</b>  | <b>9,538.14</b> | <b>500.91</b>       | <b>935.07</b> | <b>1,690.62</b> | <b>467.01</b> | <b>1,036.16</b>                 | <b>1,949.28</b> | <b>705.47</b>         | <b>381.71</b> | <b>1,871.91</b>         |           |                             |           |                           |           |                      |           |                           |           |
| <b>Current Assets</b>  |                 |                     |               |                 |               |                                 |                 |                       |               |                         |           |                             |           |                           |           |                      |           |                           |           |
| Cash and cash equivalents  | 1,150.15        | 5.24                | 15.56         | 75.06           | 26.17         | 14.03                           | 621.39          | 192.82                | 11.12         | 188.76                  |           |                             |           |                           |           |                      |           |                           |           |
| Other Current Assets (Excluding cash and cash equivalents)                             | 913.19          | 155.32              | 92.36         | 157.51          | 52.96         | 44.49                           | 179.02          | 90.32                 | 71.61         | 69.60                   |           |                             |           |                           |           |                      |           |                           |           |
| <b>Total current assets</b>  | <b>2,063.34</b> | <b>160.56</b>       | <b>107.92</b> | <b>232.57</b>   | <b>79.13</b>  | <b>58.52</b>                    | <b>800.41</b>   | <b>283.14</b>         | <b>82.73</b>  | <b>258.36</b>           |           |                             |           |                           |           |                      |           |                           |           |
| <b>Liabilities</b>   |                 |                     |               |                 |               |                                 |                 |                       |               |                         |           |                             |           |                           |           |                      |           |                           |           |
| <b>Non-Current Liabilities</b>   |                 |                     |               |                 |               |                                 |                 |                       |               |                         |           |                             |           |                           |           |                      |           |                           |           |
| Non Current Financial Liabilities (Other than trade and other payables and provisions) | 1,335.43        | 0.40                | 325.73        | 344.31          | 64.17         | 555.14                          | -               | -                     | 45.49         | 0.19                    |           |                             |           |                           |           |                      |           |                           |           |
| Other Non Current Liabilities  | 1,632.20        | 24.17               | 44.19         | 68.17           | 85.99         | 22.57                           | -               | -                     | 25.01         | 1,362.10                |           |                             |           |                           |           |                      |           |                           |           |
| <b>Total non current liabilities</b>   | <b>2,967.63</b> | <b>24.57</b>        | <b>369.92</b> | <b>412.48</b>   | <b>150.16</b> | <b>577.71</b>                   | <b>-</b>        | <b>-</b>              | <b>70.50</b>  | <b>1,362.29</b>         |           |                             |           |                           |           |                      |           |                           |           |
| <b>Current Liabilities</b>   |                 |                     |               |                 |               |                                 |                 |                       |               |                         |           |                             |           |                           |           |                      |           |                           |           |
| Current Financial Liabilities (Other than trade and other payables and provisions)     | 1,078.89        | 83.71               | 121.69        | 255.84          | 44.65         | 96.80                           | 351.58          | 2.29                  | 75.11         | 47.22                   |           |                             |           |                           |           |                      |           |                           |           |
| Other Current Liabilities  | 157.25          | 27.56               | 29.01         | 33.72           | 10.87         | 10.57                           | 0.18            | 30.65                 | 14.69         | -                       |           |                             |           |                           |           |                      |           |                           |           |
| <b>Total Current Liabilities</b>   | <b>1,686.69</b> | <b>111.27</b>       | <b>155.51</b> | <b>412.61</b>   | <b>65.53</b>  | <b>116.51</b>                   | <b>355.38</b>   | <b>2.29</b>           | <b>111.16</b> | <b>356.43</b>           |           |                             |           |                           |           |                      |           |                           |           |
| Equity   | 6,947.17        | 525.63              | 517.56        | 1,098.10        | 330.45        | 400.46                          | 2,394.31        | 986.32                | 282.79        | 411.55                  |           |                             |           |                           |           |                      |           |                           |           |
| Percentage of Group's ownership interest   |                 | 25.00%              | 49.98%        | 22.50%          | 49.99%        | 48.73%                          | 33.33%          | 5.00%                 | 32.93%        | 20.00%                  |           |                             |           |                           |           |                      |           |                           |           |
| Interest in joint venture/associate  | 2,020.26        | 131.41              | 258.68        | 247.07          | 165.19        | 195.14                          | 798.02          | 49.32                 | 93.12         | 82.31                   |           |                             |           |                           |           |                      |           |                           |           |
| Carrying amount of interest in Joint Venture   | <b>2,020.26</b> | <b>131.41</b>       | <b>258.68</b> | <b>247.07</b>   | <b>165.19</b> | <b>195.14</b>                   | <b>798.02</b>   | <b>49.32</b>          | <b>93.12</b>  | <b>82.31</b>            |           |                             |           |                           |           |                      |           |                           |           |
| Revenue  | 3,301.29        | 509.57              | 523.46        | 1,381.41        | 358.29        | 294.44                          | -               | -                     | 234.12        | -                       |           |                             |           |                           |           |                      |           |                           |           |
| Interest Income  | -               | -                   | -             | -               | -             | -                               | -               | -                     | -             | -                       |           |                             |           |                           |           |                      |           |                           |           |
| Depreciation   | 178.25          | 23.85               | 31.27         | 70.66           | 18.56         | 24.63                           | 0.58            | -                     | 8.70          | -                       |           |                             |           |                           |           |                      |           |                           |           |
| Finance Cost   | 53.98           | 0.37                | 1.65          | 17.64           | 2.55          | 26.74                           | -               | -                     | 5.03          | -                       |           |                             |           |                           |           |                      |           |                           |           |
| Income tax expenses  | 220.76          | 40.13               | 21.63         | 113.47          | 28.46         | 11.19                           | 0.07            | -                     | 5.31          | 0.50                    |           |                             |           |                           |           |                      |           |                           |           |
| Other Expenses (Net)   | 2,213.93        | 326.40              | 406.32        | 847.02          | 242.33        | 187.66                          | 6.34            | 1.62                  | 198.69        | (2.45)                  |           |                             |           |                           |           |                      |           |                           |           |
| <b>Profit for the year</b>   | <b>634.42</b>   | <b>118.83</b>       | <b>62.60</b>  | <b>332.62</b>   | <b>66.40</b>  | <b>44.22</b>                    | <b>(6.98)</b>   | <b>(1.62)</b>         | <b>16.40</b>  | <b>1.95</b>             |           |                             |           |                           |           |                      |           |                           |           |
| Other Comprehensive Income   | 0.20            | (0.04)              | 0.05          | 0.03            | 0.03          | 0.13                            | -               | -                     | -             | -                       |           |                             |           |                           |           |                      |           |                           |           |
| Group's share in joint venture's/ associates profit for the year                       | 193.96          | 29.71               | 31.29         | 74.84           | 33.19         | 21.55                           | (2.33)          | (0.08)                | 5.40          | 0.39                    |           |                             |           |                           |           |                      |           |                           |           |
| Group's share in joint venture's/ associates OCI for the Year                          | 0.10            | (0.01)              | 0.02          | 0.01            | 0.02          | 0.06                            | -               | -                     | -             | -                       |           |                             |           |                           |           |                      |           |                           |           |
| Consolidation adjustments  | (1.07)          | -                   | -             | -               | -             | -                               | (0.03)          | 1.07                  | (2.11)        | -                       |           |                             |           |                           |           |                      |           |                           |           |
| Group's share in joint venture's/ associates profit recognised                         | 192.99          | 29.70               | 31.31         | 74.85           | 33.21         | 21.61                           | (2.36)          | 0.99                  | 3.29          | 0.39                    |           |                             |           |                           |           |                      |           |                           |           |
| Dividends received from Joint Ventures   | 24.58           | 4.20                | 2.30          | 13.50           | 4.58          | -                               | -               | -                     | -             | -                       |           |                             |           |                           |           |                      |           |                           |           |

## Annexure-B

A) Summarised financial information of Associates as on 31<sup>st</sup> March 2023

(₹ in crore)

| Particulars  | Total              |                    | China Gas Holdings Ltd. | Mahanager Gas Limited | Indraprastha Gas Limited | Petronet LNG Ltd. | Fayoum Gas        | ONGC Petro Additions Ltd. | Brahmaputra Crackers and Polymers Ltd. | Ramagundam Fertilizers and Chemicals Limited | ONGC Tripura Power Company Ltd. | LLC Bharat Energy Office | LNG Japonica Shipping Corp. Ltd. |
|--|--------------------|--------------------|-------------------------|-----------------------|--------------------------|-------------------|-------------------|---------------------------|--|--|---------------------------------|--------------------------|----------------------------------|
|  | Unaudited          | Audited            |                         |                       |                          |                   |                   |                           |  |  |                                 |                          |                                  |
| <b>Status of Accounts</b>  |                    |                    |                         |                       |                          |                   |                   |                           |  |  |                                 |                          |                                  |
| <b>Assets</b>  |                    |                    |                         |                       |                          |                   |                   |                           |  |  |                                 |                          |                                  |
| <b>Non-Current Assets</b>  | <b>1,70,153.29</b> | <b>1,05,340.17</b> | <b>4,026.09</b>         | <b>8,395.97</b>       | <b>10,905.52</b>         | <b>-</b>          | <b>26,770.16</b>  | <b>6,538.66</b>           | <b>5,654.51</b>                        | <b>2,519.65</b>                              | <b>2.56</b>                     | <b>1,109.13</b>          |                                  |
| <b>Current Assets</b>  |                    |                    |                         |                       |                          |                   |                   |                           |  |  |                                 |                          |                                  |
| Cash and cash Equivalents  | 14,193.13          | 13,616.42          | 117.90                  | 105.61                | 62.66                    | -                 | 3.66              | 9.65                      | 237.93                                 | 37.61  | 1.69                            | 31.68                    |                                  |
| Other Current Assets (Excluding cash and cash equivalents)                             | 58,387.01          | 34,020.37          | 1,888.32                | 4,122.28              | 11,784.31                | -                 | 2,800.92          | 2,093.45                  | 1,194.54                               | 479.89                                       | 2.93                            | 9.12                     |                                  |
| <b>Total current assets</b>  | <b>72,580.14</b>   | <b>47,636.79</b>   | <b>2,006.22</b>         | <b>4,227.89</b>       | <b>11,846.97</b>         | <b>-</b>          | <b>2,804.58</b>   | <b>2,103.10</b>           | <b>1,432.47</b>                        | <b>517.50</b>                                | <b>4.62</b>                     | <b>40.80</b>             |                                  |
| <b>Liabilities</b>   |                    |                    |                         |                       |                          |                   |                   |                           |  |  |                                 |                          |                                  |
| <b>Non-Current Liabilities</b>   |                    |                    |                         |                       |                          |                   |                   |                           |  |  |                                 |                          |                                  |
| Non Current Financial Liabilities (Other than trade and other payables and provisions) | 59,216.16          | 35,158.23          | 1.05                    | 43.05                 | -                        | -                 | 19,034.83         | 184.60                    | 3,765.62                               | 1,026.89                                     | 1.89                            | -                        |                                  |
| Other Non Current Liabilities  | 12,109.51          | 2,729.60           | 335.87                  | 416.77                | 4,587.53                 | -                 | 39.52             | 3,854.63                  | 29.68                                  | 115.50                                       | 0.41                            | 1,073.31                 |                                  |
| <b>Total non current liabilities</b>   | <b>71,325.67</b>   | <b>37,887.83</b>   | <b>336.92</b>           | <b>459.82</b>         | <b>4,587.53</b>          | <b>-</b>          | <b>19,074.35</b>  | <b>4,039.23</b>           | <b>3,795.30</b>                        | <b>1,142.39</b>                              | <b>2.30</b>                     | <b>1,073.31</b>          |                                  |
| <b>Current Liabilities</b>   |                    |                    |                         |                       |                          |                   |                   |                           |  |  |                                 |                          |                                  |
| Current Financial Liabilities (Other than trade and other payables and provisions)     | 44,865.61          | 29,801.31          | 1,198.88                | 2,790.93              | 861.00                   | -                 | 8,647.93          | 550.06                    | 740.29                                 | 274.33                                       | 0.88                            | -                        |                                  |
| Other Current Liabilities  | 18,309.98          | 10,809.19          | 362.29                  | 1,440.66              | 2,039.40                 | -                 | 1,231.66          | 857.65                    | 1,527.00                               | 41.66  | 0.47                            | 66.90                    |                                  |
| <b>Total Current Liabilities</b>   | <b>63,175.59</b>   | <b>40,610.50</b>   | <b>1,561.17</b>         | <b>4,231.59</b>       | <b>2,900.40</b>          | <b>-</b>          | <b>9,879.59</b>   | <b>1,407.71</b>           | <b>2,267.29</b>                        | <b>315.99</b>                                | <b>1.35</b>                     | <b>66.90</b>             |                                  |
| Equity   | 99,505.20          | 65,805.53          | 4,134.22                | 7,932.45              | 15,264.56                | -                 | 620.80            | 3,194.82                  | 970.51                                 | 1,578.77                                     | 3.54                            | 9.72                     |                                  |
| Percentage of Group's ownership interest   |                    | 2.76%              | 32.50%                  | 22.50%                | 12.50%                   | 19.00%            | 49.21%            | 70.00%                    | 14.72%                                 | 26.00%                                       | 20.00%                          | 26.00%                   |                                  |
| Interest in joint venture/associate  | 9,948.64           | 1,816.23           | 1,343.62                | 1,784.80              | 1,908.07                 | -                 | 305.50            | 2,236.37                  | 142.86                                 | 410.48                                       | 0.71                            | 2.53                     |                                  |
| Carrying amount of interest in Joint Venture   | 9,948.64           | 1,816.23           | 1,343.62                | 1,784.80              | 1,908.07                 | -                 | 305.50            | 2,236.37                  | 142.86                                 | 410.48                                       | 0.71                            | 2.53                     |                                  |
| Revenue  | 1,98,207.75        | 91,507.29          | 6,920.96                | 15,603.02             | 59,899.35                | -                 | 14,593.05         | 3,486.82                  | 4,565.79                               | 1,631.47                                     | -                               | 48.62                    |                                  |
| Interest Income  | -                  | -                  | -                       | -                     | -                        | -                 | -                 | -                         | -                                      | -  | -                               | -                        |                                  |
| Depreciation   | 3,829.55           | -                  | 231.14                  | 362.10                | 764.34                   | -                 | 1,605.71          | 361.83                    | 290.18                                 | 214.25                                       | -                               | -                        |                                  |
| Finance Cost   | 5,205.60           | 1,541.32           | 9.39                    | 10.59                 | 330.51                   | -                 | 2,754.80          | 4.09                      | 453.21                                 | 101.20                                       | 0.49                            | 10.25                    |                                  |
| Income tax expenses  | 3,602.73           | 1,380.85           | 265.49                  | 482.75                | 1,094.38                 | -                 | 281.49            | 56.11                     | 5.83                                   | 35.59  | 0.24                            | -                        |                                  |
| Other Expenses (Net)   | 1,72,938.18        | 82,386.71          | 5,624.89                | 13,360.34             | 54,522.32                | -                 | 14,106.54         | 2,937.38                  | -                                      | -  | -                               | -                        |                                  |
| <b>Profit for the year</b>   | <b>7,953.31</b>    | <b>6,011.18</b>    | <b>790.05</b>           | <b>1,640.86</b>       | <b>3,325.82</b>          | <b>-</b>          | <b>(4,155.49)</b> | <b>127.41</b>             | <b>8.60</b>                            | <b>205.98</b>                                | <b>(1.10)</b>                   | <b>8.92</b>              |                                  |
| Other Comprehensive Income   | 2,487.91           | 2,492.40           | (1.26)                  | 0.55                  | (4.36)                   | -                 | 1.09              | (0.73)                    | 0.19                                   | 0.03   | -                               | -                        |                                  |
| Group's share in joint venture's/associates profit for the year                        | 1,355.39           | 165.91             | 256.77                  | 369.19                | 415.73                   | 3.99              | -                 | 89.19                     | 1.27                                   | 53.56  | (0.22)                          | (0.22)                   |                                  |
| Group's share in joint venture's/associates OCI for the Year                           | 67.46              | 68.79              | (0.41)                  | 0.12                  | (0.54)                   | -                 | -                 | (0.51)                    | -                                      | 0.01   | -                               | -                        |                                  |
| Consolidation adjustments  | 374.29             | 350.44             | -                       | -                     | 30.33                    | (6.05)            | -                 | -                         | 0.03                                   | -  | (0.46)                          | (0.46)                   |                                  |
| Group's share in joint venture's/associates profit recognised                          | 1,797.14           | 585.14             | 256.36                  | 369.31                | 445.52                   | (2.06)            | -                 | 88.68                     | 1.30                                   | 53.57  | (0.68)                          | (0.68)                   |                                  |
| Dividends received from associate  | 841.49             | 83.18              | 81.86                   | 291.37                | 215.62                   | 0.22              | -                 | 148.86                    | -                                      | 20.38  | -                               | -                        |                                  |

## Annexure-B

A) Summarised financial information of Associates as on 31<sup>st</sup> March 2022

(₹ in crore)

| Particulars  | Total              |                  | China Gas Holdings Ltd. |                 | Mahanagar Gas Limited |         | Indraprastha Gas Limited |                 | Petronet LNG Ltd. |                 | Fayoum Gas    |         | ONGC Petro Additions Ltd. |         | Brahmaputra Crackers and Polymers Ltd. |         | Ramagundam Fertilizers and Chemicals Limited |         | ONGC Tripura Power Company Ltd. |         | LLC Bharat Energy Office |         |
|--|--------------------|------------------|-------------------------|-----------------|-----------------------|---------|--------------------------|-----------------|-------------------|-----------------|---------------|---------|---------------------------|---------|--|---------|--|---------|---------------------------------|---------|--------------------------|---------|
|  | Unaudited          | Audited          | Unaudited               | Audited         | Unaudited             | Audited | Unaudited                | Audited         | Unaudited         | Audited         | Unaudited     | Audited | Unaudited                 | Audited | Unaudited                              | Audited | Unaudited                                    | Audited | Unaudited                       | Audited | Unaudited                | Audited |
| <b>Assets</b>  |                    |                  |                         |                 |                       |         |                          |                 |                   |                 |               |         |                           |         |  |         |  |         |                                 |         |                          |         |
| <b>Non-Current Assets</b>  | <b>1,51,101.28</b> | <b>84,880.40</b> | <b>3,388.69</b>         | <b>7,339.52</b> | <b>12,410.71</b>      | -       | <b>27,749.59</b>         | <b>6,749.97</b> | <b>5,887.59</b>   | <b>2,694.81</b> | -             | -       | -                         | -       | -                                      | -       | -  | -       | -                               | -       | -                        | -       |
| <b>Current Assets</b>  | 9,328.10           | 7,936.25         | 82.48                   | 75.00           | 1,047.20              | -       | 0.81                     | 91.18           | 3.37              | 88.63           | 3.18          | -       | -                         | -       | -                                      | -       | -  | -       | -                               | -       | -                        | -       |
| Cash and cash Equivalents  | 52,474.29          | 33,689.13        | 1,762.64                | 3,687.69        | 7,661.17              | -       | 2,535.01                 | 1,717.74        | 940.72            | 479.82          | 0.37          | -       | -                         | -       | -                                      | -       | -  | -       | -                               | -       | -                        | -       |
| Other Current Assets (Excluding cash and cash equivalents)                             | <b>61,802.39</b>   | <b>41,625.38</b> | <b>1,845.12</b>         | <b>3,762.69</b> | <b>8,708.37</b>       | -       | <b>2,535.82</b>          | <b>1,808.92</b> | <b>944.09</b>     | <b>568.45</b>   | <b>3.55</b>   | -       | -                         | -       | -                                      | -       | -  | -       | -                               | -       | -                        | -       |
| <b>Total current assets</b>  |                    |                  |                         |                 |                       |         |                          |                 |                   |                 |               |         |                           |         |  |         |  |         |                                 |         |                          |         |
| <b>Liabilities</b>   |                    |                  |                         |                 |                       |         |                          |                 |                   |                 |               |         |                           |         |  |         |  |         |                                 |         |                          |         |
| <b>Non-Current Liabilities</b>   | 46,571.75          | 23,124.49        | 83.20                   | 83.40           | 3,133.17              | -       | 14,679.22                | 110.00          | 4,117.49          | 1,240.78        | -             | -       | -                         | -       | -                                      | -       | -  | -       | -                               | -       | -                        | -       |
| Non Current Financial Liabilities (Other than trade and other payables and provisions) | 10,568.29          | 4,018.77         | 226.66                  | 311.69          | 1,824.04              | -       | 4,037.19                 | 28.01           | 121.93            | 1,362.71        | -             | -       | -                         | -       | -                                      | -       | -  | -       | -                               | -       | -                        | -       |
| Other Non Current Liabilities  | <b>57,140.04</b>   | <b>27,143.26</b> | <b>309.86</b>           | <b>395.09</b>   | <b>4,957.21</b>       | -       | <b>14,679.22</b>         | <b>4,147.19</b> | <b>4,145.50</b>   | <b>1,362.71</b> | -             | -       | -                         | -       | -                                      | -       | -  | -       | -                               | -       | -                        | -       |
| <b>Total non current liabilities</b>   |                    |                  |                         |                 |                       |         |                          |                 |                   |                 |               |         |                           |         |  |         |  |         |                                 |         |                          |         |
| <b>Current Liabilities</b>   | 33,646.38          | 17,598.70        | 1,042.08                | 1,878.07        | 1,147.64              | -       | 9,856.77                 | 412.46          | 1,299.09          | 411.55          | 0.02          | -       | -                         | -       | -                                      | -       | -  | -       | -                               | -       | -                        | -       |
| Current Financial Liabilities (Other than trade and other payables and provisions)     | 31,947.65          | 26,477.88        | 284.55                  | 1,243.01        | 1,588.76              | -       | 1,165.70                 | 718.45          | 425.35            | 43.95           | -             | -       | -                         | -       | -                                      | -       | -  | -       | -                               | -       | -                        | -       |
| Other Current Liabilities  | <b>65,594.03</b>   | <b>44,076.58</b> | <b>1,326.63</b>         | <b>3,121.08</b> | <b>2,736.40</b>       | -       | <b>11,022.47</b>         | <b>1,130.91</b> | <b>1,724.44</b>   | <b>455.50</b>   | <b>0.02</b>   | -       | -                         | -       | -                                      | -       | -  | -       | -                               | -       | -                        | -       |
| <b>Total Current Liabilities</b>   | 83,380.89          | 48,497.24        | 3,597.32                | 7,586.04        | 3,425.47              | -       | 4,583.72                 | 3,280.79        | 961.74            | 1,445.04        | 3.53          | -       | -                         | -       | -                                      | -       | -  | -       | -                               | -       | -                        | -       |
| Equity   |                    | 2.71%            | 32.50%                  | 22.50%          | 12.50%                | 19.00%  | 49.21%                   | 70.00%          | 14.72%            | 26.00%          | 20.00%        | -       | -                         | -       | -                                      | -       | -  | -       | -                               | -       | -                        | -       |
| Percentage of Group's ownership interest   | 10,938.63          | 1,314.28         | 1,169.13                | 1,706.86        | 1,678.18              | -       | 2,255.65                 | 2,296.55        | 141.57            | 375.71          | 0.71          | -       | -                         | -       | -                                      | -       | -  | -       | -                               | -       | -                        | -       |
| Interest in joint venture/associate  | <b>10,938.63</b>   | <b>1,314.28</b>  | <b>1,169.13</b>         | <b>1,706.86</b> | <b>1,678.18</b>       | -       | <b>2,255.65</b>          | <b>2,296.55</b> | <b>141.57</b>     | <b>375.71</b>   | <b>0.71</b>   | -       | -                         | -       | -                                      | -       | -  | -       | -                               | -       | -                        | -       |
| Carrying amount of interest in Joint Venture   |                    |                  |                         |                 |                       |         |                          |                 |                   |                 |               |         |                           |         |  |         |  |         |                                 |         |                          |         |
| Revenue  | 1,56,242.24        | 79,544.77        | 3,884.90                | 8,484.73        | 43,168.57             | -       | 16,047.51                | 3,243.36        | 1,527.63          | 340.77          | -             | -       | -                         | -       | -                                      | -       | -  | -       | -                               | -       | -                        | -       |
| Interest Income  | -                  | -                | -                       | -               | -                     | -       | -                        | -               | -                 | -               | -             | -       | -                         | -       | -                                      | -       | -  | -       | -                               | -       | -                        | -       |
| Depreciation   | 3,353.56           | -                | 196.27                  | 317.06          | 768.46                | -       | 1,370.28                 | 361.89          | 287.67            | 51.93           | -             | -       | -                         | -       | -                                      | -       | -  | -       | -                               | -       | -                        | -       |
| Finance Cost   | 4,147.13           | 1,497.51         | 7.53                    | 13.21           | 317.33                | -       | 1,855.40                 | 66.77           | 363.52            | 25.86           | -             | -       | -                         | -       | -                                      | -       | -  | -       | -                               | -       | -                        | -       |
| Income tax expenses  | 3,426.92           | 1,790.72         | 209.31                  | 450.93          | 1,121.46              | -       | (130.20)                 | 242.92          | (278.16)          | 19.94           | -             | -       | -                         | -       | -                                      | -       | -  | -       | -                               | -       | -                        | -       |
| Other Expenses (Net)   | 1,32,934.21        | 68,484.88        | 2,874.84                | 6,426.98        | 37,608.97             | -       | 13,486.69                | 1,881.25        | 1,914.36          | 255.96          | 0.28          | -       | -                         | -       | -                                      | -       | -  | -       | -                               | -       | -                        | -       |
| <b>Profit for the year</b>   | <b>12,870.66</b>   | <b>7,944.72</b>  | <b>596.95</b>           | <b>1,502.27</b> | <b>3,352.35</b>       | -       | <b>(534.65)</b>          | <b>690.53</b>   | <b>(759.77)</b>   | <b>78.54</b>    | <b>(0.28)</b> | -       | -                         | -       | -                                      | -       | -  | -       | -                               | -       | -                        | -       |
| Other Comprehensive Income   | 4,234.31           | 4,231.00         | 0.13                    | 1.34            | (1.38)                | -       | 1.69                     | 1.01            | 0.40              | 0.12            | -             | -       | -                         | -       | -                                      | -       | -  | -       | -                               | -       | -                        | -       |
| Group's share in joint venture's/associates profit for the year                        | 1,561.75           | 215.30           | 194.01                  | 338.01          | 419.04                | 3.50    | -                        | 483.37          | (111.84)          | 20.42           | (0.06)        | -       | -                         | -       | -                                      | -       | -  | -       | -                               | -       | -                        | -       |
| Group's share in joint venture's/associates OCI for the Year                           | 115.57             | 114.66           | 0.04                    | 0.30            | (0.17)                | -       | -                        | 0.71            | -                 | 0.03            | -             | -       | -                         | -       | -                                      | -       | -  | -       | -                               | -       | -                        | -       |
| Consolidation adjustments  | (59.59)            | (55.21)          | -                       | 4.46            | (9.47)                | 0.66    | -                        | -               | (0.03)            | -               | -             | -       | -                         | -       | -                                      | -       | -  | -       | -                               | -       | -                        | -       |
| Group's share in joint venture's/associates profit recognised                          | 1,617.73           | 274.75           | 194.05                  | 342.77          | 409.40                | 4.16    | -                        | 484.08          | (111.87)          | 20.45           | (0.06)        | -       | -                         | -       | -                                      | -       | -  | -       | -                               | -       | -                        | -       |
| Dividends received from associate  | 562.62             | 77.89            | 75.44                   | 56.70           | 196.87                | 0.32    | -                        | 155.40          | -                 | -               | -             | -       | -                         | -       | -                                      | -       | -  | -       | -                               | -       | -                        | -       |

## Annexure-C

Information about business segments for the Financial Year Ended 31<sup>st</sup> March 2023

(₹ in crore)

| Sl. No.  | Segments                                      | Transmission Services* |                 | Natural Gas Marketing*<br>Note 1 | Petro-Chemicals   | Lpg & Liquid Hydrocarbons | City Gas<br>Note 2 | Other Segment** | Un-Allocable      | Total              | Elimination      | Consolidated Total |
|----------|---|------------------------|-----------------|----------------------------------|-------------------|---------------------------|--------------------|-----------------|-------------------|--------------------|------------------|--------------------|
|          |   | Natural Gas            | LPG             |                                  |                   |                           |                    |                 |                   |                    |                  |                    |
| <b>1</b> | <b>REVENUE#</b>                               |                        |                 |                                  |                   |                           |                    |                 |                   |                    |                  |                    |
|          | External Sales/Other Income                   | 6,168.28               | 715.96          | 1,16,652.21                      | 4,916.12          | 4,946.82                  | 11,279.11          | 1,194.82        | 1.71              | 1,45,875.03        | -                | 1,45,875.03        |
|          | Inter-segment sales                           | 492.79                 | 5.66            | 42,415.70                        | 1.14              | 623.15                    | 7.58               | 18.74           | 0.01              | 43,564.77          | 43,564.77        | -                  |
|          | <b>Total Revenue</b>                          | <b>6,661.07</b>        | <b>721.62</b>   | <b>1,59,067.91</b>               | <b>4,917.26</b>   | <b>5,569.97</b>           | <b>11,286.69</b>   | <b>1,213.56</b> | <b>1.72</b>       | <b>1,89,439.80</b> | <b>43,564.77</b> | <b>1,45,875.03</b> |
| <b>2</b> | <b>RESULTS</b>                                |                        |                 |                                  |                   |                           |                    |                 |                   |                    |                  |                    |
|          | Segment Result (Profit before Interest & Tax) | 1,919.69               | 368.69          | 3,228.59                         | (1,060.85)        | 1,228.43                  | 429.19             | 513.72          | -                 | 6,627.46           | -                | 6,627.46           |
|          | Unallocated expenses (Net)                    | -                      | -               | -                                | -                 | -                         | -                  | -               | (237.58)          | (237.58)           | -                | (237.58)           |
|          | <b>Operating Profit</b>                       | <b>1,919.69</b>        | <b>368.69</b>   | <b>3,228.59</b>                  | <b>(1,060.85)</b> | <b>1,228.43</b>           | <b>429.19</b>      | <b>513.72</b>   | <b>237.58</b>     | <b>6,865.04</b>    | <b>-</b>         | <b>6,865.04</b>    |
|          | Interest Expenses                             | -                      | -               | -                                | -                 | -                         | -                  | -               | 366.58            | 366.58             | -                | 366.58             |
|          | Interest/ Dividend Income                     | -                      | -               | -                                | -                 | -                         | -                  | -               | 757.92            | 757.92             | -                | 757.92             |
|          | Provision for Taxation                        | -                      | -               | -                                | -                 | -                         | -                  | -               | 1,660.49          | 1,660.49           | -                | 1,660.49           |
|          | <b>Profit/(Loss) from Ordinary Activities</b> | <b>1,919.69</b>        | <b>368.69</b>   | <b>3,228.59</b>                  | <b>(1,060.85)</b> | <b>1,228.43</b>           | <b>429.19</b>      | <b>513.72</b>   | <b>(1,031.57)</b> | <b>5,595.89</b>    | <b>-</b>         | <b>5,595.89</b>    |
|          | Extra Ordinary Items                          | -                      | -               | -                                | -                 | -                         | -                  | -               | -                 | -                  | -                | -                  |
|          | Discontinuing Operation                       | -                      | -               | -                                | -                 | -                         | -                  | -               | -                 | -                  | -                | -                  |
|          | <b>Net Profit/(Loss)</b>                      | <b>1,919.69</b>        | <b>368.69</b>   | <b>3,228.59</b>                  | <b>(1,060.85)</b> | <b>1,228.43</b>           | <b>429.19</b>      | <b>513.72</b>   | <b>(1,031.57)</b> | <b>5,595.89</b>    | <b>-</b>         | <b>5,595.89</b>    |
| <b>3</b> | <b>OTHER INFORMATION</b>                      |                        |                 |                                  |                   |                           |                    |                 |                   |                    |                  |                    |
|          | Segment Assets *                              | 66,251.91              | 1,029.70        | -                                | 11,176.00         | 1,492.25                  | 7,001.88           | 2,014.36        | -                 | 88,966.10          | -                | 88,966.10          |
|          | Unallocated Assets                            | -                      | -               | -                                | -                 | -                         | -                  | -               | 18,814.65         | 18,814.65          | -                | 18,814.65          |
|          | <b>Total Assets</b>                           | <b>66,251.91</b>       | <b>1,029.70</b> | <b>-</b>                         | <b>11,176.00</b>  | <b>1,492.25</b>           | <b>7,001.88</b>    | <b>2,014.36</b> | <b>18,814.65</b>  | <b>1,07,780.75</b> | <b>-</b>         | <b>1,07,780.75</b> |
|          | Segment Liabilities*                          | 17,157.44              | 115.11          | -                                | 895.08            | 169.48                    | 1,111.27           | 298.36          | -                 | 19,746.74          | -                | 19,746.74          |
|          | Unallocated Liabilities                       | -                      | -               | -                                | -                 | -                         | -                  | -               | 22,927.03         | 22,927.03          | -                | 22,927.03          |
|          | <b>Total Liabilities</b>                      | <b>17,157.44</b>       | <b>115.11</b>   | <b>-</b>                         | <b>895.08</b>     | <b>169.48</b>             | <b>1,111.27</b>    | <b>298.36</b>   | <b>22,927.03</b>  | <b>42,673.77</b>   | <b>-</b>         | <b>42,673.77</b>   |
|          | Cost to acquire fixed assets                  | 5,388.41               | 41.12           | 799.54                           | 1,276.00          | 88.03                     | 1,279.28           | 257.10          | 127.02            | 9,256.50           | -                | 9,256.50           |
|          | Depreciation                                  | 1,199.78               | 65.76           | 451.00                           | 552.83            | 97.83                     | 134.37             | 136.49          | 63.51             | 2,701.57           | -                | 2,701.57           |
|          | Non Cash expenses other than Depreciation     | 114.71                 | 1.17            | (84.52)                          | 37.68             | 6.84                      | 15.97              | 3.29            | 0.80              | 95.94              | -                | 95.94              |

**Note:**

# Segment Revenue includes Other Operating Income

\* Assets &amp; Liability of Gas Trading Business included in Gas Transmission Business

\*\* Other Segment includes GAILTel, E&amp;P &amp; Power Generation.

Notes (to the extent information available at the time of consolidation)

1. Includes Subsidiaries GAIL Global Singapore Pte. Ltd., GAIL Global (USA) Inc., and Konkan LNG Ltd.

2. Includes Subsidiaries GAIL Gas Ltd. and Tripura Natural Gas Company Ltd.

3. Includes Subsidiary GAIL Global (USA) Inc.

## Annexure-C

Information about business segments for the Financial Year Ended 31<sup>st</sup> March 2022

(₹ in crore)

| Sl. No.  | Segments                                      | Transmission Services* |                 | Natural Gas Marketing*<br>Note 1 | Petro-<br>Chemicals | Lpg &<br>Liquid<br>Hydro-<br>carbons | City Gas<br>Note 2 | Other<br>Segment** | Un-<br>Allocable  | Total              | Elimination      | Consoli-<br>dated Total |
|----------|---|------------------------|-----------------|----------------------------------|---------------------|--------------------------------------|--------------------|--------------------|-------------------|--------------------|------------------|-------------------------|
|          |   | Natural<br>Gas         | LPG             |                                  |                     |                                      |                    |                    |                   |                    |                  |                         |
| <b>1</b> | <b>REVENUE#</b>                               |                        |                 |                                  |                     |                                      |                    |                    |                   |                    |                  |                         |
|          | External Sales/Other Income                   | 5,794.75               | 661.98          | 65,097.19                        | 8,547.05            | 4,652.84                             | 7,218.73           | 896.42             | 4.86              | 92,873.82          | -                | 92,873.82               |
|          | Inter-segment sales                           | 597.73                 | 6.61            | 24,835.76                        | 1.47                | 212.32                               | 2.99               | 18.34              | (0.01)            | 25,675.21          | 25,675.21        | -                       |
|          | <b>Total Revenue</b>                          | <b>6,392.48</b>        | <b>668.59</b>   | <b>89,932.95</b>                 | <b>8,548.52</b>     | <b>4,865.16</b>                      | <b>7,221.72</b>    | <b>914.76</b>      | <b>4.85</b>       | <b>1,18,549.03</b> | <b>25,675.21</b> | <b>92,873.82</b>        |
| <b>2</b> | <b>RESULTS</b>                                |                        |                 |                                  |                     |                                      |                    |                    |                   |                    |                  |                         |
|          | Segment Result (Profit before Interest & Tax) | 3,805.75               | 335.04          | 5,420.72                         | 1,245.26            | 2,899.70                             | 470.18             | 341.50             | -                 | 14,518.15          | -                | 14,518.15               |
|          | Unallocated expenses (Net)                    | -                      | -               | -                                | -                   | -                                    | -                  | -                  | (604.26)          | (604.26)           | -                | (604.26)                |
|          | <b>Operating Profit</b>                       | <b>3,805.75</b>        | <b>335.04</b>   | <b>5,420.72</b>                  | <b>1,245.26</b>     | <b>2,899.70</b>                      | <b>470.18</b>      | <b>341.50</b>      | <b>604.26</b>     | <b>15,122.41</b>   | -                | <b>15,122.41</b>        |
|          | Interest Expenses                             | -                      | -               | -                                | -                   | -                                    | -                  | -                  | 202.48            | 202.48             | -                | 202.48                  |
|          | Interest/ Dividend Income                     | -                      | -               | -                                | -                   | -                                    | -                  | -                  | 543.59            | 543.59             | -                | 543.59                  |
|          | Provision for Taxation                        | -                      | -               | -                                | -                   | -                                    | -                  | -                  | 3,159.89          | 3,159.89           | -                | 3,159.89                |
|          | <b>Profit/(Loss) from Ordinary Activities</b> | <b>3,805.75</b>        | <b>335.04</b>   | <b>5,420.72</b>                  | <b>1,245.26</b>     | <b>2,899.70</b>                      | <b>470.18</b>      | <b>341.50</b>      | <b>(2,214.52)</b> | <b>12,303.63</b>   | -                | <b>12,303.63</b>        |
|          | Extra Ordinary Items                          | -                      | -               | -                                | -                   | -                                    | -                  | -                  | -                 | -                  | -                | -                       |
|          | Discontinuing Operation                       | -                      | -               | -                                | -                   | -                                    | -                  | -                  | -                 | -                  | -                | -                       |
|          | <b>Net Profit/(Loss)</b>                      | <b>3,805.75</b>        | <b>335.04</b>   | <b>5,420.72</b>                  | <b>1,245.26</b>     | <b>2,899.70</b>                      | <b>470.18</b>      | <b>341.50</b>      | <b>(2,214.52)</b> | <b>12,303.63</b>   | -                | <b>12,303.63</b>        |
| <b>3</b> | <b>OTHER INFORMATION</b>                      |                        |                 |                                  |                     |                                      |                    |                    |                   |                    |                  |                         |
|          | Segment Assets *                              | 57,974.35              | 1,057.86        | -                                | 9,497.48            | 1,273.17                             | 5,648.31           | 1,823.84           | -                 | 77,275.01          | -                | 77,275.01               |
|          | Unallocated Assets                            | -                      | -               | -                                | -                   | -                                    | -                  | -                  | 19,284.39         | 19,284.39          | -                | 19,284.39               |
|          | <b>Total Assets</b>                           | <b>57,974.35</b>       | <b>1,057.86</b> | <b>-</b>                         | <b>9,497.48</b>     | <b>1,273.17</b>                      | <b>5,648.31</b>    | <b>1,823.84</b>    | <b>19,284.39</b>  | <b>96,559.40</b>   | -                | <b>96,559.40</b>        |
|          | Segment Liabilities*                          | 15,320.93              | 137.02          | -                                | 636.54              | 188.03                               | 1,140.52           | 200.72             | -                 | 17,623.76          | -                | 17,623.76               |
|          | Unallocated Liabilities                       | -                      | -               | -                                | -                   | -                                    | -                  | -                  | 14,630.18         | 14,630.18          | -                | 14,630.18               |
|          | <b>Total Liabilities</b>                      | <b>15,320.93</b>       | <b>137.02</b>   | <b>-</b>                         | <b>636.54</b>       | <b>188.03</b>                        | <b>1,140.52</b>    | <b>200.72</b>      | <b>14,630.18</b>  | <b>32,253.94</b>   | -                | <b>32,253.94</b>        |
|          | Cost to acquire fixed assets                  | 4,362.72               | 33.69           | 1,072.32                         | 588.52              | 95.94                                | 1,783.61           | 338.43             | 40.31             | 8,315.54           | -                | 8,315.54                |
|          | Depreciation                                  | 1,094.86               | 62.35           | 407.03                           | 485.22              | 84.00                                | 108.80             | 111.04             | 66.87             | 2,420.17           | -                | 2,420.17                |
|          | Non Cash expenses other than Depreciation     | 32.72                  | 4.46            | 302.73                           | 14.30               | 13.58                                | 10.27              | 29.29              | 0.70              | 408.05             | -                | 408.05                  |

**Note:**

# Segment Revenue includes Other Operating Income

\* Assets &amp; Liability of Gas Trading Business included in Gas Transmission Business

\*\* other Segment includes GAILTel, E&amp;P, &amp; Power Generation.

Notes (to the extent information available at the time of consolidation)

1. Includes subsidiary GAIL Global Singapore Pte. Ltd., GAIL Global (USA) Inc.

2. Includes Subsidiaries GAIL Gas Ltd. and Tripura Natural Gas Company Ltd.

## Related Parties Disclosures

As per Ind AS 24, the disclosures of transactions with the related parties are given below:

### (I) List of Related Parties where Control exists and Relationships:

| Sl. No. | Name of the Related Party  | Relationship            |
|---------|--|-------------------------|
| 1       | GAIL Gas Limited   | Subsidiary              |
| 2       | GAIL Global (Singapore) Pte. Limited                                 |                         |
| 3       | GAIL Global (USA) Inc.   |                         |
| 4       | GAIL Global USA LNG LLC (100% subsidiary of GAIL Global (USA) Inc. ) |                         |
| 5       | Bengal Gas Company Limited   |                         |
| 6       | Konkan LNG Limited   |                         |
| 7       | Tripura Natural Gas Company Limited                                  |                         |
| 8       | Aavantika Gas Limited  | Associate/Joint Venture |
| 9       | Bhagyanagar Gas Limited  |                         |
| 10      | Brahmaputra Cracker and Polymer Limited                              |                         |
| 11      | Central UP Gas Limited   |                         |
| 12      | China Gas Holdings Limited   |                         |
| 13      | Fayoum Gas Company   |                         |
| 14      | Green Gas Limited  |                         |
| 15      | Indradhanush Gas Grid Limited  |                         |
| 16      | Indraprastha Gas Limited   |                         |
| 17      | Mahanagar Gas Limited  |                         |
| 18      | Maharashtra Natural Gas Limited                                      |                         |
| 19      | ONGC Petro additions Limited   |                         |
| 20      | Petronet LNG Limited   |                         |
| 21      | Ramagundam Fertilizers and Chemicals Limited                         |                         |
| 22      | Talcher Fertilizers Limited  |                         |
| 23      | TAPI Pipeline Company Limited  |                         |
| 24      | Vadodara Gas Limited   |                         |
| 25      | LLC Bharat Energy Office   |                         |
| 26      | ONGC Tripura Power Company Limited                                   |                         |
| 27      | LNG Japonica Shipping Corporation Limited                            |                         |

| Sl. No. | Name of the Related Party  | Relationship                               |
|---------|--|--|
| 28      | Andhra Pradesh Gas Distribution Corporation Limited*   | Joint Venture of GAIL Gas Ltd (Subsidiary) |
| 29      | Goa Natural Gas Private Limited*   |  |
| 30      | Haridwar Natural Gas Private Limited*  |  |
| 32      | Purba Bharati Gas Private Limited*   |  |
| 33      | Rajasthan State Gas Limited*   |  |
| 34      | Shri Sandeep Kumar Gupta, Chairman and Managing Director (From:- 3 <sup>rd</sup> .Oct-2022)  | Key Managerial Personnel                   |
| 35      | Shri Manoj Jain, Chairman and Managing Director (upto 31 <sup>st</sup> August 2022), Additional Charge of Director (HR) (upto 21 <sup>st</sup> August 2022)  |  |
| 36      | Shri M. V. Iyer, Director (Business Development) (Additional charge of Director (Marketing) w.e.f. 18 <sup>th</sup> Jan 2022 and till date and Additional charge of CMD w.e.f. 01 <sup>st</sup> Sept 2022 till 02.10.2022) |  |
| 37      | Shri Rakesh Kumar Jain, Director (Finance)   |  |
| 38      | Shri Deepak Gupta, Director (Project)  |  |
| 39      | Shri Ayush Gupta, Director (Human Resources) (w.e.f 22 <sup>nd</sup> Aug 2022)   |  |
| 40      | Dr. Navneet Mohan Kothari (Independent Director)   |  |
| 41      | Shri Akhilesh Jain (Independent Director)  |  |
| 42      | Shri Sanjay Kashyap (Independent Director)   |  |
| 43      | Shri Nandhagopal Narayanasamy (Independent Director)   |  |
| 44      | Smt. Kangabam Inaocha Devi (Independent Director)  |  |
| 45      | Shri Sher Singh (Independent Director)   |  |
| 46      | Prof. Dr. Ravikant Kolhe (Independent Director)  |  |
| 47      | Shri Anil Kumar Jha (Company Secretary) (Upto 26 <sup>th</sup> Aug 2022)   |  |
| 48      | Shri Mahesh Kumar Agarwal (Company Secretary ) (w.e.f 27 <sup>th</sup> Aug 2022)   |  |
| 49      | GAIL Employees Superannuation Benefit Fund   | Employee Benefit Trust                     |
| 50      | GAIL (India) Ltd. Employees Provident Fund Trust   |  |
| 51      | GAIL (India) Ltd. Employees Death-cum- Superannuation Gratuity Scheme  |  |
| 52      | GAIL Post Retirement Medical Scheme Trust  |  |
| 53      | GAIL Charitable & Education Trust  |  |

**(II) Transactions during the period with Subsidiary Companies**

(₹ in crore)

| Sl. No. | Nature of transaction                       | For the Year ended 31 <sup>st</sup> March, 2023 | For the Year ended 31 <sup>st</sup> March, 2022 |
|---------|---|---|---|
| 1       | Advances/SD Received Net                    | (4.06 )   | 1.90  |
| 2       | Claim Reco./Advance Paid Net                | (0.01)  | -   |
| 3       | Dividend                                    | 161.26  | 2.93  |
| 4       | Financial Guarantee Obligation (Inc.) /Exp. | 5.20  | 164.22  |
| 5       | Inter Corporate Loans                       | 100.29  | 83.98   |
| 6       | Interest Income                             | 389.60  | 367.35  |
| 7       | Investment                                  | 958.75  | 345.41  |
| 8       | Other Expenses/ Reimbursements              | 0.33  | 5.69  |
| 9       | Other Income / Reimbursements               | 163.91  | 147.66  |
| 10      | Purchases of Goods / Services               | 18,504.09                                       | 8,857.44  |
| 11      | Re-gasification Service                     | 392.19  | -   |
| 12      | Sales/ Operating Income                     | 14,607.76                                       | 9,583.72  |

**(III) Outstanding balances with Subsidiary Companies**

(₹ in crore)

| Sl. No. | Nature of transaction                       | For the Year ended 31 <sup>st</sup> March, 2023 | For the Year ended 31 <sup>st</sup> March, 2022 |
|---------|---|---|---|
| 1       | Advances/SD Received Net                    | 10.34   | 14.40   |
| 2       | Claim Reco./Advance Paid Net                | -   | 0.01  |
| 3       | Financial Guarantee Obligation (Inc.) /Exp. | 242.84  | 186.88  |
| 4       | Hooking Up Charges                          | 32.79   | 34.45   |
| 5       | Inter Corporate Loans                       | 2,795.59  | 2,695.30  |
| 6       | Interest Income                             | 251.84  | 166.42  |
| 7       | Investment                                  | 3,427.71  | 2,468.96  |
| 8       | Other Expenses/ Reimbursements              | 2.79  | -   |
| 9       | Other Income / Reimbursements               | 30.89   | 55.79   |
| 10      | Preference Shares                           | 252.00  | 252.00  |
| 11      | Purchases of Goods / Services               | 1,106.30  | 791.82  |
| 12      | Regasification Service                      | 31.72   | 51.85   |
| 13      | Sales/ Operating Income                     | 661.68  | 538.54  |

**(IV) Transactions during the period with Joint Venture/Associates**

(₹ in crore)



| Sl. No. | Nature of transaction          | For the Year ended 31 <sup>st</sup> March, 2023 | For the Year ended 31 <sup>st</sup> March, 2022 |
|---------|--------------------------------|---|---|
| 1       | Advances/SD Received Net       | 45.58   | 5.88  |
| 2       | Claim Reco./Advance Paid Net   | (38.63)   | (38.11)   |
| 3       | Dividend                       | 870.81  | 587.21  |
| 4       | Investment                     | 113.27  | 637.97  |
| 5       | Other Expenses/ Reimbursements | 5.15  | 0.38  |
| 6       | Other Income / Reimbursements  | 77.32   | 36.67   |
| 7       | Purchases of Goods / Services  | 35,357.08                                       | 22,399.41                                       |
| 8       | Sales/ Operating Income        | 19,448.10                                       | 8,569.87  |

**(V) Outstanding balances with Joint Venture/Associates**

(₹ in crore)

| Sl. No. | Nature of transaction                       | For the Year ended 31 <sup>st</sup> March, 2023 | For the Year ended 31 <sup>st</sup> March, 2022 |
|---------|---|---|---|
| 1       | Advances/SD Received Net                    | 60.02   | 14.44   |
| 2       | Claim Reco./Advance Paid Net                | 324.69  | 363.32  |
| 3       | Dividend                                    | 141.75  | 1.67  |
| 4       | Financial Guarantee Obligation (Inc.) /Exp. | 0.24  | -   |
| 5       | Hooking Up Charges                          | 72.48   | 47.69   |
| 6       | Investment                                  | 4,167.00  | 4,109.11  |
| 7       | Other Expenses/ Reimbursements              | 0.19  | -   |
| 8       | Other Income / Reimbursements               | 31.54   | 16.16   |
| 9       | Purchases of Goods / Services               | 1,467.49  | 1,254.13  |
| 10      | Sales/ Operating Income                     | 2,406.68  | 1,099.46  |

**(VI) Transactions and outstanding balances with Trusts****Transactions (contributions) with trusts during the period**

(₹ in crore)

| Sl. No. | Nature of transaction   | For the Year ended 31 <sup>st</sup> March, 2023 | For the Year ended 31 <sup>st</sup> March, 2022 |
|---------|---|---|---|
| 1       | GAIL Employees Superannuation Benefit Fund                            | 67.05   | 88.20   |
| 2       | GAIL (India) Ltd. Employees Provident Fund Trust                      | 101.33  | 92.93   |
| 3       | GAIL (India) Ltd. Employees Death-cum- Superannuation Gratuity Scheme | 34.94   | 5.11  |
| 4       | GAIL Post Retirement Medical Scheme Trust                             | 17.20   | 18.78   |

**Transactions (contributions) with trusts during the period**

(₹ in crore)

| Sl. No. | Nature of transaction   | For the Year ended 31 <sup>st</sup> March, 2023 | For the Year ended 31 <sup>st</sup> March, 2022 |
|---------|---|---|---|
| 1       | GAIL Employees Superannuation Benefit Fund                            | 4.89  | 12.42   |
| 2       | GAIL (India) Ltd. Employees Provident Fund Trust                      | 13.30   | 13.73   |
| 3       | GAIL (India) Ltd. Employees Death-cum- Superannuation Gratuity Scheme | 58.82   | 35.72   |
| 4       | GAIL Post Retirement Medical Scheme Trust                             | 9.19  | 18.19   |

**(VII) Compensation of Key Management Personnel****(a) Whole-time Directors of the Company**

(₹ in crore)

| Sl. No. | Nature of transaction        | For the Year ended 31 <sup>st</sup> March, 2023 | For the Year ended 31 <sup>st</sup> March, 2022 |
|---------|------------------------------|---|---|
| 1       | Short Term Employee Benefits | 4.03  | 1.98  |
| 2       | Post Employment Benefits     | 0.50  | 0.31  |
| 3       | Other Long Term Benefits     | 1.16  | 0.49  |

(₹ in crore)

| Sl. No. | Nature of transaction          | For the Year ended 31 <sup>st</sup> March, 2023 | For the Year ended 31 <sup>st</sup> March, 2022 |
|---------|--------------------------------|---|---|
| 1       | Outstanding Loans and Advances | 1.17  | 1.06  |

**(b) Independent Directors of the Company**

(₹ in crore)

| Sl. No. | Nature of transaction | For the Year ended 31 <sup>st</sup> March, 2023 | For the Year ended 31 <sup>st</sup> March, 2022 |
|---------|-----------------------|---|---|
| 1       | Sitting Fees          | 0.51  | 0.31  |
|         | <b>Grand Total</b>    | <b>0.51</b>                                     | <b>0.31</b>                                     |

**(VIII) Government related entities where significant transactions carried out**

Apart from transactions reported above, the Company has transactions with other Government related entities, which includes but not limited to the following:

**Name of Government:** Government of India (Central and State Government)

**Nature of Transactions:**

- Sale of Products and Services
- Purchase of Products
- Purchase of Raw Materials
- Handling and Freight Charges, etc.

These transactions are conducted in the ordinary course of the Company's business on terms comparable to those with other entities that are not Government-related.

## Additional Information as Required by Schedule III of Companies Act 2013

| Sl. No.   | Name of the Entity (% of Share)                         | Proportion of ownership interest as on 31 <sup>st</sup> March 2023 | Net Asset* (i.e., Total Asset minus Total Liabilities) |                     | Share of Profit or Loss**           |                     | Share in Other Comprehensive Income (OCI) |                     | Share in Total Comprehensive Income |                     |
|-----------|---|--|--|---------------------|-------------------------------------|---------------------|---|---------------------|-------------------------------------|---------------------|
|           |   |  | As % of Consolidated Net Asset                         | Amount (₹ in crore) | As % of Consolidated Profit or Loss | Amount (₹ in crore) | As % of Consolidated OCI                  | Amount (₹ in crore) | As % of Total Comprehensive Income  | Amount (₹ in crore) |
| 1         | <b>GAIL Standalone</b>                                  |  | 85.48%   | 55,654              | 94.40%                              | 5,302               | 108.78%                                   | (837)               | 88.69%                              | 4,464               |
| 2         | <b>Subsidiaries</b>                                     |  |  |                     |                                     |                     |   |                     |                                     |                     |
| <b>A)</b> | <b>Indian</b>   |  |  |                     |                                     |                     |   |                     |                                     |                     |
| i)        | GAIL Gas Limited  | 100.00%  | 4.46%  | 2,907               | 5.04%                               | 283                 | 0.00%                                     | -                   | 5.62%                               | 283                 |
| ii)       | Tripura Natural Gas Company Limited                     | 48.98%   | 0.30%  | 197                 | 0.36%                               | 20                  | -0.01%                                    | -                   | 0.40%                               | 20                  |
| iii)      | Bengal Gas Company Limited                              | 88.13%   | 0.73%  | 478                 | -0.19%                              | (11)                | 0.00%                                     | -                   | -0.22%                              | (11)                |
| iv)       | Konkan LNG Limited                                      | 93.50%   | 0.49%  | 322                 | -7.98%                              | (448)               | 0.00%                                     | -                   | -8.91%                              | (448)               |
| <b>B)</b> | <b>Foreign</b>  |  |  |                     |                                     |                     |   |                     |                                     |                     |
| i)        | GAIL Global Singapore Pte. Ltd.                         | 100.00%  | 0.11%  | 74                  | 0.05%                               | 3                   | 0.00%                                     | -                   | 0.06%                               | 3                   |
| ii)       | GAIL Global (USA) Inc.                                  | 100.00%  | -0.13%   | (87)                | 0.08%                               | 5                   | 0.00%                                     | -                   | 0.09%                               | 5                   |
| 3         | <b>Minority Interests in All subsidiaries</b>           |  | 0.28%  | 180                 | -0.36%                              | (20)                | 0.00%                                     | -                   | -0.40%                              | (20)                |
| 4         | <b>Associates (Investment as per the Equity Method)</b> |  |  |                     |                                     |                     |   |                     |                                     |                     |
| <b>A)</b> | <b>Indian</b>   |  |  |                     |                                     |                     |   |                     |                                     |                     |
| i)        | Mahanagar Gas Limited                                   | 32.50%   | Equity Method  | Equity Method       | 4.57%                               | 257                 | 0.05%                                     | -                   | 5.09%                               | 256                 |
| ii)       | Petronet LNG Ltd.                                       | 32.50%   | Equity Method  | Equity Method       | 7.40%                               | 416                 | 0.07%                                     | (1)                 | 8.25%                               | 415                 |
| iii)      | Brahmaputra Crackers and Polymers Ltd.                  | 70.00%   | Equity Method  | Equity Method       | 1.59%                               | 89                  | 0.07%                                     | (1)                 | 1.76%                               | 89                  |
| iv)       | Indraprastha Gas Limited                                | 22.50%   | Equity Method  | Equity Method       | 6.57%                               | 369                 | -0.02%                                    | -                   | 7.34%                               | 369                 |
| v)        | ONGC Petro Additions Ltd.                               | 49.21%   | Equity Method  | Equity Method       | 0.00%                               | -                   | 0.00%                                     | -                   | 0.00%                               | -                   |
| vi)       | Ramagundam Fertilizers and Chemicals Limited            | 14.72%   | Equity Method  | Equity Method       | 0.02%                               | 1                   | 0.00%                                     | -                   | 0.03%                               | 1                   |
| vii)      | ONGC Tripura Power Company Ltd                          | 26.00%   | Equity Method  | Equity Method       | 0.95%                               | 54                  | 0.00%                                     | -                   | 1.06%                               | 54                  |
| <b>B)</b> | <b>Foreign</b>  |  |  |                     |                                     |                     |   |                     |                                     |                     |
| i)        | Fayoum Gas  | 19.00%   | Equity Method  | Equity Method       | 0.07%                               | 4                   | 0.00%                                     | -                   | 0.08%                               | 4                   |
| ii)       | China Gas Holdings Ltd.                                 | 2.76%  | Equity Method  | Equity Method       | 2.95%                               | 166                 | -8.94%                                    | 69                  | 4.66%                               | 235                 |
| iii)      | LNG Japonica Shipping Corporation Limited               | 26.00%   | Equity Method  | Equity Method       | 0.04%                               | 2                   | 0.00%                                     | -                   | 0.05%                               | 2                   |
| iv)       | LLC Bharat Energy Office                                | 20.00%   | Equity Method  | Equity Method       | 0.00%                               | -                   | 0.00%                                     | -                   | 0.00%                               | -                   |

| Sl. No.   | Name of the Entity (% of Share) | Proportion of ownership interest as on 31 <sup>st</sup> March 2023 | Net Asset* (i.e., Total Asset minus Total Liabilities) |                     | Share of Profit or Loss**           |                     | Share in Other Comprehensive Income (OCI) |                     | Share in Total Comprehensive Income |                     |
|-----------|---------------------------------|--|--|---------------------|-------------------------------------|---------------------|---|---------------------|-------------------------------------|---------------------|
|           |                                 |  | As % of Consolidated Net Asset                         | Amount (₹ in crore) | As % of Consolidated Profit or Loss | Amount (₹ in crore) | As % of Consolidated OCI                  | Amount (₹ in crore) | As % of Total Comprehensive Income  | Amount (₹ in crore) |
| <b>5</b>  | <b>Joint Ventures</b>           |  |  |                     |                                     |                     |   |                     |                                     |                     |
| <b>A)</b> | <b>Indian</b>                   |  |  |                     |                                     |                     |   |                     |                                     |                     |
| i)        | Bhagyanagar Gas Limited         | 48.73%   | Equity Method  | Equity Method       | 0.03%                               | 2                   | 0.00%                                     | -                   | 0.03%                               | 2                   |
| ii)       | Central UP Gas Ltd.             | 25.00%   | Equity Method  | Equity Method       | 0.38%                               | 21                  | 0.00%                                     | -                   | 0.42%                               | 21                  |
| iii)      | Green Gas Ltd.                  | 49.98%   | Equity Method  | Equity Method       | 0.16%                               | 9                   | 0.00%                                     | -                   | 0.17%                               | 9                   |
| iv)       | Maharashtra Natural Gas Limited | 22.50%   | Equity Method  | Equity Method       | 1.69%                               | 95                  | -0.01%                                    | -                   | 1.88%                               | 95                  |
| v)        | Aavantika Gas Limited           | 49.99%   | Equity Method  | Equity Method       | 0.52%                               | 29                  | 0.00%                                     | -                   | 0.59%                               | 29                  |
| vi)       | Talcher Fertilizers Limited     | 33.33%   | Equity Method  | Equity Method       | 0.19%                               | 11                  | 0.00%                                     | -                   | 0.22%                               | 11                  |
| vii)      | Vadodara Gas Limited            | 50.00%   | Equity Method  | Equity Method       | -0.07%                              | (4)                 | 0.00%                                     | -                   | -0.07%                              | (4)                 |
| viii)     | Indradhanush Gas Grid Ltd       | 20.00%   | Equity Method  | Equity Method       | 0.03%                               | 1                   | 0.00%                                     | -                   | 0.03%                               | 1                   |
| <b>B)</b> | <b>Foreign</b>                  |  |  |                     |                                     |                     |   |                     |                                     |                     |
| i)        | TAPI Pipeline Company Limited   | 5.00%  | Equity Method  | Equity Method       | -                                   | -                   | 0.00%                                     | -                   | 0.00%                               | -                   |

\* Net Assets in Group Companies is considered on the basis of total net assets of Subsidiaries, on gross basis without eliminating common transactions among group companies, if any.

\*\* Share of profit from Parent company is shown after incorporating consolidation related adjustments.

## Annexure - F

Reconciliation of Cash Flow Hedge Reserve for year ended 31<sup>st</sup> March 2023

| (₹ in crore)   |  |   |                   |  |                   |  |   |
|--|--|---|-------------------|--|-------------------|--|---|
|  | Opening balance as at 1 <sup>st</sup> April 2022 Gain/(Loss) (a) | Hedging Gain/(Loss) recognized in OCI during the year (b) | Income Tax on (b) | Amount reclassified to statement of Profit and Loss as hedged item has affected Profit or Loss (c) | Income Tax on (c) | Line item in Statement of Profit and Loss that includes reclassification adjustments | Closing balance as at 31 <sup>st</sup> March 2023 Gain / (Loss) |
| <b>Foreign Currency Risk</b>   |  |   |                   |  |                   |  |   |
| Forward contracts - Borrowings   | 0.01   | -   | -                 | (0.02)   | 0.01              | Finance Cost under Expenses Note 24  | -   |
| <b>Commodity price risk</b>  |  |   |                   |  |                   |  |   |
| Commodity Swap - Forecasted Purchase & Sale of Natural Gas / Liquefied Petroleum Gas | 1,007.65   | (241.68)  | 60.83             | (447.46)   | 112.62            | Revenue from Operation (Gross) Note 21 & Purchase of Stock in Trade                  | 491.95  |
| <b>Total</b>   | <b>1,007.66</b>  | <b>(241.68)</b>   | <b>60.83</b>      | <b>(447.48)</b>  | <b>112.62</b>     |  | <b>491.95</b>   |

## Annexure - F

Reconciliation of Cash Flow Hedge Reserve for year ended 31<sup>st</sup> March 2022

| (₹ in crore)   |  |   |                   |  |                   |  |   |
|--|--|---|-------------------|--|-------------------|--|---|
|  | Opening balance as at 1 <sup>st</sup> April 2021 Gain/(Loss) (a) | Hedging Gain/(Loss) recognized in OCI during the year (b) | Income Tax on (b) | Amount reclassified to statement of Profit and Loss as hedged item has affected Profit or Loss (c) | Income Tax on (c) | Line item in Statement of Profit and Loss that includes reclassification adjustments | Closing balance as at 31 <sup>st</sup> March 2022 Gain / (Loss) |
| <b>Foreign Currency Risk</b>   |  |   |                   |  |                   |  |   |
| Forward contracts - Borrowings   | 0.10   | 0.16  | (0.04)            | (0.27)   | 0.07              | Finance Cost under Expenses Note 24  | 0.01  |
| <b>Commodity price risk</b>  |  |   |                   |  |                   |  |   |
| Commodity Swap - Forecasted Purchase & Sale of Natural Gas / Liquefied Petroleum Gas | 340.96   | 1,323.98  | (333.22)          | (433.07)   | 108.99            | Revenue from Operation (Gross) Note 21 & Purchase of Stock in Trade                  | 1,007.65  |
| <b>Total</b>   | <b>341.06</b>  | <b>1,324.14</b>   | <b>-333.26</b>    | <b>-433.34</b>   | <b>109.06</b>     | -  | <b>1,007.66</b>   |

## COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF GAIL (INDIA) LIMITED FOR THE YEAR ENDED 31 MARCH 2023

The preparation of Consolidated Financial Statements of GAIL (India) Limited for the year ended 31 March 2023 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) read with section 129(4) of the Act are responsible for expressing opinion on the financial statements under section 143 read with section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide Audit Report dated 18 May 2023.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of GAIL (India) Limited for the year ended 31 March 2023 under section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of companies mentioned in Annexure-A but did not conduct supplementary audit of financial statements of companies mentioned in Annexure-B for the year ended on that date. Further, Section 139(5) and 143(6)(a) of the Act are not applicable to the companies mentioned in the Annexure-C being private entities/ entities incorporated in foreign countries under the respective laws for appointment of their Statutory Auditors and for conduct of supplementary audit. Accordingly, Comptroller & Auditor General of India has neither appointed the Statutory Auditors nor conducted the supplementary audit of these companies. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditor's report under section 143(6)(b) of the Act.

For and on behalf of the  
Comptroller & Auditor General of India

Place : New Delhi  
Dated : 20.07.23

Sd/-  
(Sanjay K. Jha)  
Director General of Audit (Energy),  
Delhi

**Annexure A**

Name of the Company/Subsidiaries/JVs/Associate Companies of which supplementary audit has been conducted by the Comptroller and Auditor General of India:

| Sl. No. | Name of the Joint Venture / Subsidiary | Type of the Company |
|---------|--|---------------------|
| 1       | Gail (India) Limited                   | Holding Company     |
| 2       | GAIL Gas Limited                       | Subsidiary          |
| 3       | Maharashtra Natural Gas Limited        | Joint venture       |
| 4       | Aavantika Gas Limited                  | Joint venture       |
| 5       | Bengal Gas Company Limited             | Subsidiary          |
| 6       | Konkan LNG Limited                     | Subsidiary          |

**Annexure B**

Name of the Subsidiaries/JVs/Associate Companies of which supplementary audit has not been conducted by the Comptroller and Auditor General of India:

| Sl. No. | Name of the Joint Venture / Subsidiary       | Type of the Company |
|---------|--|---------------------|
| 1       | Tripura Natural Gas Company Limited          | Subsidiary          |
| 2       | Green Gas Limited                            | Joint venture       |
| 3       | Central UP Gas Limited                       | Joint venture       |
| 4       | Talcher Fertilizers Limited                  | Joint venture       |
| 5       | Vadodara Gas Limited                         | Joint venture       |
| 6       | ONGC Petro Additions Limited                 | Associate           |
| 7       | Ramagundam Fertilizers and Chemicals Limited | Associate           |
| 8       | Bhagyanagar Gas Limited                      | Joint venture       |
| 9       | Indraprastha Gas Limited                     | Associate           |
| 10      | Brahmaputra Cracker & Polymer Limited        | Associate           |
| 11      | Indradhanush Gas Grid Limited                | Joint venture       |
| 12      | ONGC Tripura Power Company Ltd.              | Associate           |

**Annexure C**

List of all Subsidiaries / JVs / Associate Companies to which Sec 139(5) and 143(6)(a) of Companies Act are not applicable

**(i) Private Entities**

| Sl. No. | Name of the Joint Venture / Subsidiary | Type of the Company |
|---------|--|---------------------|
| 1       | Mahanagar Gas Limited                  | Associate           |
| 2       | Petronet LNG Limited                   | Associate           |

**(ii) Entities incorporated outside India**

| Sl. No. | Name of the Joint Venture / Subsidiary    | Type of the Company |
|---------|---|---------------------|
| 1       | GAIL Global Singapore Pte. Ltd.           | Subsidiary          |
| 2       | GAIL Global USA Inc.                      | Subsidiary          |
| 3       | Fayum Gas                                 | Associate           |
| 4       | China Gas Holding Limited                 | Associate           |
| 5       | TAPI Pipeline Company Limited             | Joint venture       |
| 6       | LLC Bharat Energy Office                  | Associate           |
| 7       | LNG Japonica Shipping Corporation Limited | Associate           |

## GLOSSARY

## Gas Industry Specific Terminologies

|        |  |
|--------|--|
| BGPL   | Barauni- Guwahati Pipeline                   |
| CBG    | Compressed Bio-gas                           |
| CBM    | Coal Bed Methane                             |
| CJPL   | Chhainsa-Jhajjar-Hissar Pipeline Network     |
| CGD    | City Gas Distribution                        |
| CNG    | Compressed Natural Gas                       |
| DBPL   | Dabhol-Bengaluru Pipeline Network            |
| DUPL   | Dahej Urvan Panvel Pipeline                  |
| DGH    | Director General Hydrocarbons                |
| DVPL   | Dahej-Vijaipur Pipeline                      |
| E&P    | Exploration and Production                   |
| ESA    | External Safety Audits                       |
| GREP   | Gas Rehabilitation & Expansion Project       |
| GPU    | Gas Processing Unit                          |
| GTI    | GAIL Training Institute                      |
| HDPI   | High Density Polyethylene                    |
| HVJ    | Hazira Vijaipur Jagdishpur                   |
| JHBDPL | Jagdishpur Haldia and Bokaro Dhamra pipeline |
| JLPL   | Jamnagar-Loni Pipeline                       |
| KKBMPL | Kochi-Kootanad-Bangalore-Mangalore Pipeline  |
| KTA    | Kilo Tonne per Annum                         |
| LLDPE  | Linear Low Density Polyethylene              |
| LHC    | Liquid Hydrocarbons                          |
| LNG    | Liquified Natural Gas                        |
| LPG    | Liquified Petroleum Gas                      |
| MDPE   | Medium Density Polyethylene                  |
| MNJPL  | Mumbai Nagpur Jharsuguda pipeline            |
| MMBTU  | Million Metric British Thermal Unit          |
| MMSCMD | Million Metric Standard Cubic Meters Per Day |
| MMT    | Million Metric Tonne                         |
| MMTPA  | Million Metric Tonne Per Annum               |
| MOP&NG | Ministry of Petroleum and Natural Gas        |
| MOU    | Memorandum of Understanding                  |
| MSCM   | Million Standard Cubic Meter                 |
| MSW    | Municipal Solid Waste                        |
| MT     | Metric Tonne                                 |
| NELP   | New Exploration & Licensing Policy           |
| O&M    | Operation and Maintenance                    |
| OLHC   | Other Liquid Hydro-Carbon                    |
| PE     | Poly-Ethylene                                |
| PLF    | Plant Load Factor                            |
| PNG    | Piped Natural Gas                            |

|             |  |
|-------------|--|
| PNGRB       | Petroleum & Natural Gas Regulatory Board |
| PPA         | Pipeline Precedent Agreement             |
| SBP Solvent | Special Boiling Point Solvent            |
| TPA         | Tonnes Per Annum                         |
| TPD         | Tonne Per Day                            |
| TSA         | Terminal Service Agreement               |
| TSO         | Transport System Operator                |
| VSPL        | Vizag-Secundarabad Pipeline              |

## General abbreviations

|       |   |
|-------|---|
| BD    | Business Development                    |
| BIS   | Business Information System             |
| CSR   | Corporate Social Responsibility         |
| CPSE  | Central Public Sector Enterprises       |
| DPE   | Department of Public Enterprises        |
| ERP   | Enterprise Resource Planning            |
| HR    | Human Resource                          |
| HSE   | Health Safety and Environment           |
| HRD   | Human Resource Development              |
| JVCs  | Joint Venture Companies                 |
| Lol   | Letter of Intent                        |
| MW    | Mega-Watt                               |
| PSU   | Public Sector Unit                      |
| QC    | Quality Circle                          |
| SCADA | Supervisor Control and Data Acquisition |
| TQM   | Total Quality Management                |

## Financial Terms

|        |  |
|--------|--|
| CAGR   | Compounded Annual Growth Rate                              |
| CAPEX  | Capital Expenditure  |
| EBIDTA | Earnings Before Interest Depreciation Tax and Amortization |
| ED     | Excise Duty  |
| EPS    | Earning Per Share  |
| GDP    | Gross Domestic Product                                     |
| NSE    | National Stock Exchange                                    |
| PAT    | Profit After Tax   |
| PBIDTA | Profit Before Interest Depreciation Tax and Amortization   |
| PBIT   | Profit Before Interest and Tax                             |
| PBT    | Profit Before Tax  |
| ROCE   | Return on Capital Employed                                 |
| ROIC   | Return on Invested Capital                                 |
| RONW   | Return on Net-Worth  |







GAIL's Chartered LNG Ship



## GAIL (India) Limited

Regd. Off.: 16, Bhikaiji Cama Place, R.K. Puram, New Delhi-110066  
Website : [www.gailonline.com](http://www.gailonline.com)