

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

At GAIL, Corporate Governance is about upholding the highest standards of integrity, transparency and accountability. We maximize shareholder value while safeguarding and promoting the interests of other stakeholders and maintaining a steadfast commitment to ethics and code of conduct. We believe that retaining and enhancing stakeholder trust is essential for sustained corporate growth.

In order to realize this management basic policy and increase corporate value over the mid-to long-term, the Company recognizes that enhancing corporate governance by establishing a management structure aiming at improving the soundness, transparency and efficiency of management, is an important management issue.

To realize its Vision to 'Be the leader in natural gas value-chain and beyond, with global presence, creating value for stakeholders with environmental responsibility', the Company aims at achieving sustained growth and establishing reliance as a Company that is highly evaluated by the customers, shareholders, clients and society in all aspects including products, service, technology, financial strength, and quality of employees. Our Code of Conduct, Ethics, Compliance, Sustainability Initiatives and CSR Activities help us to attain our Mission of 'Enhancing quality of life through clean energy and beyond'.

Over the years, GAIL has relentlessly strived to use best in class technology, focusing on all aspects of Natural Gas value chain while promoting highest level of safety in its operations. Foreseeing the immense potential in the Indian Gas Sector, GAIL has developed a well-conceived strategy with ambitious goals for its growth. We reaffirm our commitment along with sustainability for better value creation to all stakeholders.

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), 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, therefore, nominated/appointed by the Government of India.

The Board of Directors has a combination of Executive (Functional) and Non-Executive Directors. As on 31st March, 2020, there were 10 (ten) Directors on the Board comprising of 5 (five) Functional Directors including the Chairman & Managing Director, 5 (five) Non-Executive Directors [comprising of 2 (two) Government Nominee Directors and 3 (three) Independent Directors].

The Company is complying with the mandatory requirements of SEBI (LODR) Regulations, 2015 and the Companies Act, 2013 except the requirement pertaining to composition of Board of Directors with respect to requisite number of Independent Directors w.e.f. 19.11.2019 and Government Nominee Directors during the period 17.02.2020-24.03.2020. The Company had been taking up with the Ministry of Petroleum and Natural Gas, Government of India for appointing requisite number of Independent directors and Government Nominee Directors on the Board of Company from time to time.

Further the details of attendance, number of other Directorship and Chairmanship/ Membership of Committees of each Director are 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	Names of other listed entities where the person is a director along with the category of Directorship	Committee Membership in other Companies	Chairperson of Committees of other Companies
I. Functional Directors (Whole-time)						
Shri B. C. Tripathi Chairman and Managing Director (upto 31.07.2019)	5	N.A.	-	-	-	-
Dr. Ashutosh Kamatak Director (Projects) & Chairman and Managing Director (w.e.f. 01.08.2019 13.02.2020)	13	Yes	Public - 4 Private - 0	Mahanagar Gas Limited –Director/Non-Executive Chairman Petronet LNG Limited- Director	NIL	NIL
Shri P.K.Gupta Director (HR)	13	Yes	Public - 1 Private - 0	NIL	NIL	NIL
Shri Gajendra Singh Director (Marketing)	14	Yes	Public - 3 Private - 1	Indraprastha Gas Limited Non-Executive Chairman	NIL	1
Shri Manoj Jain Chairman and Managing Director (w.e.f. 14.02.2020) and Director (Business Development)	12	Yes	Public - 4 Private - 0	NIL	NIL	NIL
Shri Anjani Kumar Tiwari – Director (Finance) & CFO	14	Yes	Public - 4 Private - 1	NIL	NIL	2

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	Names of other listed entities where the person is a director along with the category of Directorship	Committee Membership in other Companies	Chairperson of Committees of other Companies
II. Non-Executive Directors (Government Nominee)						
Shri Ashish Chatterjee	7	No	NIL	NIL	NIL	NIL
Ms. Indrani Kaushal (upto 27.05.2019)	3	No	--	--	--	--
Shri Ashutosh Jindal (w.e.f. 27.05.2019 - 04.11.2019)	2	No	--	--	--	--
Shri Rajiv Bansal (w.e.f. 08.01.2020 - 17.02.2020)	2	N.A.	--	--	--	--
Ms. Esha Srivastava (w.e.f. 24.03.2020)	N.A.	N.A.	Public-1 Private-0	NIL	I	0
III. Non-Executive Directors (Independent)						
Shri S.K. Srivastava (upto 18.11.2019)	10	No	--	--	--	--
Shri Anupam Kulshreshtha (upto 18.11.2019)	10	Yes	--	--	--	--
Shri Sanjay Tandon (upto 18.11.2019)	7	No	--	--	--	--
Shri Dinkar Prakash Srivastava (upto 30.01.2020)	12	No	--	--	--	--
Dr. Anup K Pujari (upto 30.01.2020)	9	No	--	--	--	--
Shri Jayanto Narayan Choudhury	12	Yes	NIL	NIL	NIL	NIL
Dr. Rahul Mukherjee	11	No	NIL	NIL	NIL	NIL
Ms. Banto Devi Kataria	13	Yes	NIL	NIL	NIL	NIL

Notes:

- 35th Annual General Meeting (AGM) of the Company was held on 20.08.2019.
- Based on disclosures received from the concerned Director(s):
 - Directors inter-se are not related to each other and also to other Key Managerial Personnel. Independent Directors have 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) Committees or Chairman of more than 5 (Five) Committees across all the public companies in which he/she is a Director. Membership/Chairmanship is reckoned considering Audit Committee and Stakeholders Relationship Committee only.
 - 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 ended 31st March, 2020.
- Brief resume of directors appointed/ reappointed at the forthcoming AGM is given in the Notice of AGM.
- 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 needed 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 at other locations to participate in Board/Committee meetings as per Secretarial Standards.
- All Independent directors on the Board of the Company during the FY 2019-20 were registered on the Independent Director's Databank on the website of Indian Institute of Corporate Affairs (IICA).

iii. Meeting Details

During the Financial Year 2019-2020, 14 (Fourteen) meetings of the Board were held - 12th April, 13th May, 17-18th May, 27th May, 12th June, 12th July, 9th August, 12th September, 8th November, 13th November, 20th December in the year 2019 & 16th January, 10th February and 03rd March in the year 2020.

iv. Independent Directors Meeting

A separate meeting of Independent Directors during the year 2019-20 was held on 10th February, 2020 without the attendance of non-independent directors and members of management as per 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://gailonline.com/pdf/InvestorsZone/Familiarization-Programme.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. 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 of the members and in Board meeting for information. Action Taken Report requiring action taken to be reported back to the Committee(s) is also put up to the Committee on regular basis.

Presently, there are 12 Committees of the Board including four statutory Committees viz. Audit Committee, Corporate Social Responsibility Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee. Details of statutory Committees of the Board are detailed below and information about other Committees of the Board is forming part of Annual Report separately.

A. AUDIT COMMITTEE

i. Terms of Reference

The terms of reference of the Audit Committee is 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.

ii. Composition

As on 31st March, 2020, the Audit Committee comprised Shri Jayanto Narayan Choudhury as the Chairman, Dr. Rahul Mukherjee, Smt. Banto Devi Kataria and Shri Gajendra Singh as the members. All members of the Committee have requisite experience in financial and management matters.

Director (Finance), Director (HR) 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 attend the Committee meetings in which quarterly financial result / financial statements are 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 Financial Year 2019-2020, 14 (Fourteen) meetings of Audit Committee were held: 10th April, 8th May, 27th May, 12th June, 28th June, 9th July, 9th August, 12th September, 30th October, 8th November and 5th December in 2019 & 16th January, 10th February and 03rd March in 2020. The attendance of the Members at the meetings was as under:

S. No.	Members	No. of Meetings	
		Held during the tenure	Attended
1.	Shri Anupam Kulshreshtha (Chairman upto 18.11.2019)	10	10
2.	Shri S.K. Srivastava (upto 18.11.2019)	10	10
3.	Shri Sanjay Tandon (upto 18.11.2019)	10	10
4.	Shri Jayanto Narayan Choudhary (Chairman w.e.f. 21.11.2019)	4	4
5.	Shri Dinkar Prakash Srivastava (21.11.2019 – 30.01.2020)	2	2
6.	Dr. Rahul Mukherjee (w.e.f. 21.11.2019)	4	2
7.	Smt. Banto Devi Kataria (w.e.f. 03.02.2020)	2	2
8.	Shri Gajendra Singh	14	12

iv. Risk Management

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 Directors' Report. All the Functional Directors excluding CMD, Head of Treasury and Chief Risk Officer (Risk Department, HOD) are the members of Risk Management Committee. Director (Marketing) is the Chairperson of Risk Management Committee.

v. 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. Central Vigilance Commission is authorized to inquire into the complaints from 'Whistle Blowers' and take requisite action.

The policy allows direct access to the Chairperson of the Audit Committee in exceptional cases. Further, while enquiry of any complaint, under the whistle blower 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.

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://gailonline.com/pdf/others/Drfat_Policy2012.pdf

The link of the Whistle blower policy can be accessed at the following link- https://gailonline.com/pdf/others/Circular_Whistle%20Blower%20Policy_12.02.2019-english.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 only, if there is any complaint received under the said policies.

During the FY 2019-20, One (01) complaint was received under Whistle Blower Policy. The verification report has been submitted to the "Competent Authority" by the "Investigators" nominated by "Screening Committee" for verification of the facts.

B. STAKEHOLDERS RELATIONSHIP COMMITTEE

i. Terms of Reference

The terms of reference of the Committee is 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 31st March, 2020, the Stakeholders Relationship Committee comprised of Dr. Rahul Mukherjee as the Chairman, Smt. Banto Devi Kataria and Dr. Ashutosh Kamatak as the member(s). The Company Secretary acts as the Secretary of the Committee.

iii. Meeting & Other Details

During the Financial Year 2019-20, a meeting of the Committee was held on 23rd March, 2020. The attendance of the Members at the meeting was as under:

S. No.	Members	No. of Meetings	
		Held during the tenure	Attended
1.	Shri Dinkar Prakash Srivastava (Chairman upto 30.01.2020)	0	0
2.	Dr. Rahul Mukherjee (Chairperson w.e.f. 03.02.2020)	1	1
3.	Shri Anup K. Pujari (w.e.f. 21.11.2019 upto 30.01.2020)	0	0
4.	Smt. Banto Devi Kataria (w.e.f. 03.02.2020)	1	1
5.	Dr. Ashutosh Kamatak	1	0
6.	Shri P.K. Gupta (upto 03.02.2020)	0	0

Letters of shareholders received through SEBI/ Stock Exchanges/ Ministry of Corporate Affairs (MCA) / Depositories/ other statutory authorities are considered as 'Complaints'. The day to day requests received from the shareholders are taken up by MCS Share Transfer Agent Limited, Registrar & Transfer Agent (R&TA) directly and are not included in the complaints. Status of the Complaints received and redressed during the respective quarters is being placed before the Audit Committee and the Board.

During the year 2019-20, 13 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. and all the 13 complaints were resolved.

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 and shareholders@gail.co.in. Further, there is a separate dedicated section on the Company's website www.gailonline.com captioned 'Investor Zone' 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

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. However, Independent Directors are being paid sitting fee of ₹ 40,000/- and ₹ 30,000/- for attending each meeting of the Board and Committee respectively in addition to expenses incidental thereto.

i. Terms of Reference

The terms of reference of this Committee is 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.
- 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; 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

The Directors of the Company are appointed/nominated by the Government of India, therefore, the performance evaluation is also to be done by Government of India being 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 and similar exemption under the Listing Regulations is awaited.

iii. Composition

As on 31st March 2020, the Nomination and Remuneration Committee of the Company comprised of Dr. Rahul Mukherjee as the Chairman, Shri Jayanto Narayan Choudhury and Smt. Banto Devi Kataria 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 Financial Year 2019-20, a meeting of Nomination and Remuneration Committee was held on 04th September, 2019. The attendance of the Members at the meeting was as under:

S. No.	Members	No. of Meetings	
		Held during the tenure	Attended
1.	Dr. Rahul Mukherjee	1	1
2.	Shri Dinkar Prakash Srivastava (upto 30.01.2020)	1	0
3.	Shri Jayanto Narayan Choudhary	1	1
4.	Smt. Banto Devi Kataria (w.e.f 03.02.2020)	0	0

v. Remuneration of Directors

The details of remuneration paid to Whole-time Directors of the Company for the Financial Year 2019-20 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 B.C. Tripathi Chairman and Managing Director (upto – 31.07.2019)	63.97	2.80	5.46	34.80	107.03
2.	Dr. Ashutosh Kamatak Director (Projects) & CMD (w.e.f. 01.08.2019 upto 13.02.2020)	61.47	8.68	0.86	32.88	103.89
3.	Shri P.K. Gupta Director(HR)	51.29	8.43	0.79	31.94	92.45
4.	Shri Gajendra Singh Director (Marketing)	49.61	8.39	5.18	31.77	94.94
5.	Shri Manoj Jain CMD (w.e.f. 14.02.2020) and Director (Business Development)	43.08	7.95	10.72	29.42	91.17
6.	Shri A.K. Tiwari Director (Finance) & CFO	53.76	7.78	0.91	25.00	87.45

* Includes self-lease amount paid during the period.

The payment made to Functional Directors did not include provision for leave, gratuity and post-retirement benefits as per Ind AS-19 since, the same were not ascertained for individual employees (Refer note no. 44 to the accounts in Annual Report). 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, whichever is earlier. 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 three year 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 has issued 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 is available on the Company's website at page <http://www.gailonline.com/IZ-IndependentDirector.html>

During the Financial Year 2019-20, the details of sitting fees paid to the Independent Directors, excluding Goods and Service Tax paid 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 Sanjay Tandon (upto 18.11.2019)	7	15	7.3
2.	Shri S.K. Srivastava (upto 18.11.2019)	10	16	8.8
3.	Shri Anupam Kulshreshtha (upto 18.11.2019)	10	15	8.5
4.	Dr. Anup K. Pujari (upto 30.01.2020)	9	7	5.3
5.	Shri Dinkar Prakash Srivastava (upto 30.01.2020)	12	11	8.1
6.	Shri Jayanto Narayan Choudhury	12	10	7.8
7.	Dr. Rahul Mukherjee	11	6	6.2
8.	Smt Banto Devi Kataria	13	14	9.4

vi. Equity Shares held by the Director(s) as on 31.03.2020

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:

S. No.	Name of the Director(s)	No. of Shares held (as on 31 st March, 2020)
1.	Shri P.K. Gupta	1,066
2.	Shri A.K. Tiwari	586
3.	Shri Manoj Jain	1296

D. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE**i. Terms of Reference**

The terms of reference of CSR Committee is 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 31st March, 2020 the CSR Committee of the Company comprised of Shri Manoj Jain as the Chairman, Shri P.K. Gupta, Shri Jayanto Narayan Choudhury and Smt. Banto Devi Kataria as the member(s).

iii. Meeting & Other Details

During the Financial Year 2019-20, 4 (Four) meetings of CSR Committee were held on 7th May, 9th August, 30th October, 13th December in 2019. The attendance of the Members at the meetings was as follows:

S. No.	Members	No. of Meetings	
		Held during the tenure	Attended
1.	Shri B. C. Tripathi Chairman (upto 31.07.2019)	1	1
2.	Dr. Ashutosh Kamatak - Chairman (w.e.f. 01.08.2019 - 13.02.2020)	3	2
3.	Shri Manoj Jain- Chairman (w.e.f. 14.02.2020)	0	0
4.	Shri Anupam Kulshreshtha (upto 18.11.2019)	3	3
5.	Shri Sanjay Tandon (upto 18.11.2019)	3	3
6.	Shri Jayanto Narayan Choudhary (w.e.f. 21.11.2019)	1	1
7.	Smt. Banto Devi Kataria (w.e.f. 03.02.2020)	0	0
8.	Shri P.K. Gupta	4	4

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 two percent of 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.

4. GENERAL BODY MEETINGS

i. Location and Time – Last Three AGMs

The location, time and details of special resolutions passed during the last three AGMs are as follows:

Financial Year	2016-17	2017-18	2018-19
AGM	33 rd	34 th	35 th
Date & Time	12.09.2017 at 10:30 am	11.09.2018 at 10:30 am	20.08.2019 at 10:30 am
Venue	Manekshaw Centre, Parade Road, Delhi Cantonment, New Delhi-110010	Manekshaw Centre, Parade Road, Delhi Cantonment, New Delhi-110010	Manekshaw Centre, Parade Road, Delhi Cantonment, New Delhi-110010
Special Resolution passed	<p>(1) Increase in the authorized share capital to ₹ 5,000 crores (Rupees Five Thousand Crore) divided into 500 crore (Five Hundred Crore) shares of ₹10/- each.</p> <p>(2) To amend the Articles to induct the enabling provision to carry out consolidation and re-issuance of debt securities, subject to the approval of Board of Directors, pursuant to SEBI Circular No. : CIR/IMD/DF-1/67/2017, dated 30 June, 2017.</p> <p>(3) Borrowing of INR Debt through secured/ unsecured, redeemable, taxable Non-convertible Bond(s) upto ₹ 2500/- crore till the conclusion of next AGM, in one or more tranches on private placement basis.</p>	<p>(1) Amendment of Object Clause of Memorandum of Association of the Company.</p> <p>(2) Borrowing of INR Debt through secured/ unsecured, redeemable, taxable Non-convertible Bond(s)/ Offshore INR Bonds upto ₹ 1,500 crore till the conclusion of next AGM, in one or more tranches on private placement basis.</p>	<p>(1) Amendment of the Articles of Association of the Company.</p> <p>(2) Re-Appointment of Shri Anupam Kulshreshtha (DIN- 07352288), Independent Director of the Company.</p> <p>(3) Re-Appointment of Shri Sanjay Tandon (DIN- 00484699), Independent Director of the Company.</p> <p>(4) Re-Appointment of Shri S.K. Srivastava (DIN- 02163658), Independent Director of the Company.</p>
Details	<p>(1) Approval of shareholders of the Company was sought for amendment in Articles of Association of the Company for:</p> <p>(i) Increase in the authorized share capital to ₹ 5,000 crores (Rupees Five Thousand Crore) divided into 500 crore (Five Hundred Crore) shares of ₹10/- each.</p> <p>(ii) Sought to authorize the Board of Directors including its Committee from time to time issue, consolidate, re-issue etc. the debt securities of the Company including structured / market linked in such manner and upon such terms and conditions as may be think fit.</p> <p>(2) Approval of shareholders of the Company was sought to authorize the Board of Directors to make offer(s) or invitation(s) for raising funds through Secured, Taxable, Redeemable, Non-convertible INR Bonds in the nature of Non-convertible debenture upto ₹ 2,500 crore.</p>	<p>1) Approval of shareholders of the Company was sought for Amendment of Object Clause of Memorandum of Association of the Company.</p> <p>(2) Approval of shareholders of the Company was sought to authorize the Board of Directors to make offer(s) or invitation(s) for raising funds through Secured/ Unsecured, Redeemable, Taxable Non-convertible Bond(s)/ Offshore INR Bonds in the nature of Non-convertible debenture upto ₹ 1,500 crore.</p>	<p>(1) Approval of shareholders of the Company was sought for Amendment in the Articles of Association of the company for adopting a new set of Articles as several regulations of the old Articles of Association required alteration or deletions as they were based on the provisions of the Companies Act, 1956.</p> <p>(2) Shri Anupam Kulshreshtha was re-appointed as an Independent Director by the President of India vide letter no. -31033/5/2018-CA/FTS-26192 dated 20.11.2018 for a period of one year from the date of completion of his existing tenure i.e. 19.11.2018.</p> <p>(3) Shri Sanjay Tandon was re-appointed as an Independent Director by the President of India vide letter no. - 31033/5/2018-CA/FTS-26192 dated 20.11.2018 for a period of one year from the date of completion of his existing tenure i.e. 19.11.2018.</p> <p>(4) Shri S.K. Srivastava was re-appointed as an Independent Director by the President of India vide letter no. - 31033/5/2018-CA/FTS-26192 dated 20.11.2018 for a period of one year from the date of completion of his existing tenure i.e. 19.11.2018.</p>

No Extraordinary General Meeting of the Members was held during the Financial Year 2019-20.

ii. Postal Ballot

Pursuant to Regulation 42(2) & (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company had fixed Wednesday, 10th July, 2019 as the record date for the purpose of ascertaining the eligibility of shareholders for Issuance of bonus shares in the ratio of 1:1 i.e., one new bonus equity share of ₹10/- each for every one existing equity share of ₹10/- each held subject to the approval of shareholders which was obtained through postal ballot process. The results of Postal Ballot/E-voting were announced on Tuesday, 2nd July, 2019.

During the FY 2019-20, the company had issued a total of 2,25,50,70,933 equity bonus shares.

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 results of the Company are announced within stipulated period. The results are published in the leading newspaper(s) like The Economic Times, Business Standard etc. Further, these were also hosted on the website of the Company at <http://gailonline.com/IZ-QuarterlyCompliances.html>.
- **NEAPS (NSE Electronic Application Processing System) and BSE Corporate Compliance & Listing Centre :** NSE and BSE have developed web based applications for corporates. Periodical compliances like financial results, shareholding pattern etc. are filed electronically on NEAPS and BSE Listing Centre.
- **News Release, Presentation, etc.:** The Company annually organizes Investors' Meet to communicate with institutional investors and analysts etc. Official news/press releases and presentations 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 contains dedicated section 'Investor Zone' having updated relevant information for shareholders.
- **Annual Report:** Annual Report containing inter-alia, Audited Standalone Financial Statements, Audited Consolidated Financial Statements, Directors' Report, Management Discussion and Analysis,

Auditors' Report, Corporate Governance Report is circulated to the members and others entitled thereto. Copies of Annual Report is also laid in Parliament. The same is also uploaded on the website of the Company which can be accessed at the following link- <http://gailonline.com/IZ-AnnualReports.html>

- **Chairman's Speech/Communique:** at the AGM is distributed to all the members present. Same is also 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 – (reaching 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 exclusive email-IDs:** The Company has designated the following email-ID exclusively for investor servicing: shareholders@gail.co.in.

6. GENERAL SHAREHOLDER INFORMATION

- **Forthcoming Annual General Meeting (AGM): Date, Time and Venue:**

36th Annual General Meeting of the Company is scheduled for **Tuesday, the 22nd day of September, 2020 at 11.30 a.m. through Video Conference/ Other Audio Video Means.**

- **Dividend details:**

During the Financial Year 2019-20, the Board of Directors approved the payment of dividend, for which the Record Date/ Book Closure and dividend payment dates were fixed, as per the following details:

S. No.	Dividend Declared	Date of approval of dividend	Dividend	Record Date / Book Closure	Dividend Payment Date
I.	Interim Dividend	Board-10.02.2020	64% (Rs. 6.40/- per share)	18.02.2020	20.02.2020

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 ₹ 19.80 lacs and ₹ 16.13 lacs in the IEPF for unclaimed/unpaid final dividend for FY 2011-12 and interim dividend for FY 2012-13 respectively. Till date ₹ 3.63 crores has 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 has not been paid or claimed for seven consecutive years more are to be transferred to IEPF Authority Account. In this regard, during the year 2019-2020, 75,465 shares have been transferred to IEPF Authority account. Till date 1,25,942 shares have been transferred to IEPF Authority account.

The subsequent due dates of transfer of unpaid/ unclaimed dividend and shares to IEPF Authority Account for the imminent financial years are as under:

FY	Type of Dividend	Dividend (%)	Last date for claiming Unpaid Dividend	Due date for transfer to IEPF
2012-13	FINAL	56	24.10.2020	24.11.2020
2013-14	INTERIM	45	05.03.2021	05.04.2021

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/ for issuance of demand draft(s) upon completion of necessary formalities in this behalf 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 <http://gailonline.com/IZ-InvestorsZone.html> and <http://gailonline.com/IZ-InvestorInformation.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 Zone'.

• Market Price Data (FY 2019-20)

MONTHS	BSE			NSE			MARKET CAPITALISATION (₹ IN CRORES)			MARKET INDEX
	HIGH (in ₹)	LOW (in ₹)	VOLUME (No. of Shares)	HIGH (in ₹)	LOW (in ₹)	VOLUME (No. of Shares)	BSE	NSE	SENSEX	NIFTY
April	364.5	332.05	1646101	364.85	355.95	4601141	80201.6	80269.25	39487.45	11856.15
May	363	326.65	3355677	363.1	361	4580735	81464.44	81408.06	40124.96	12041.15
June	365	303	9386328	365.4	311.95	3912327	70335.66	70346.94	40312.07	12103.05
July	314.65	128.4	6518298	314.75	128.85	6548162	58068.08	58113.18	40032.41	11981.75
August	133.55	119.65	5462910	133.6	129.8	12497894	58473.99	58541.64	37807.55	11181.45
September	148.1	123.6	9387013	148.75	134.5	6929153	60661.41	60661.41	39441.12	11694.85
October	139.6	122.4	5475446	139.6	137.35	19882917	61969.35	61946.8	40392.22	11945
November	139.7	119.6	7572302	139.75	126.05	9439278	56805.24	56850.34	41163.79	12158.8
December	127.95	110.55	6549659	127.85	121.05	13508891	54595.27	54595.27	41809.96	12293.9
January	133.3	119.4	7157554	133.35	120.45	15391445	54324.66	54324.66	42273.87	12430.5
February	132.5	102.05	7160221	132.5	104.4	26486046	47153.53	47085.88	41709.3	12246.7
March	111.05	65.7	16209893	111.25	76.55	25805161	34480.03	34525.14	39083.17	11433

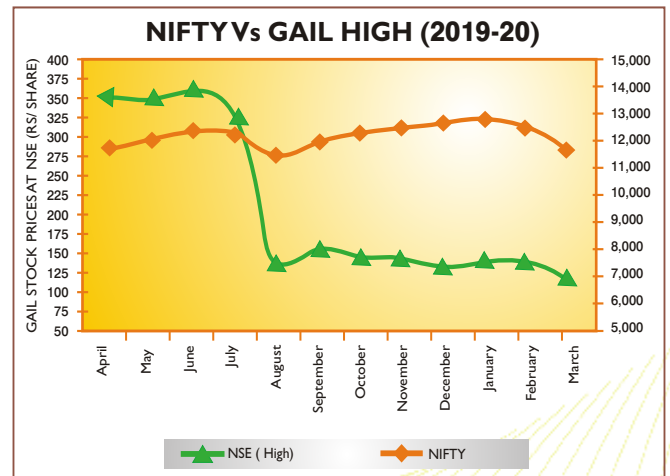
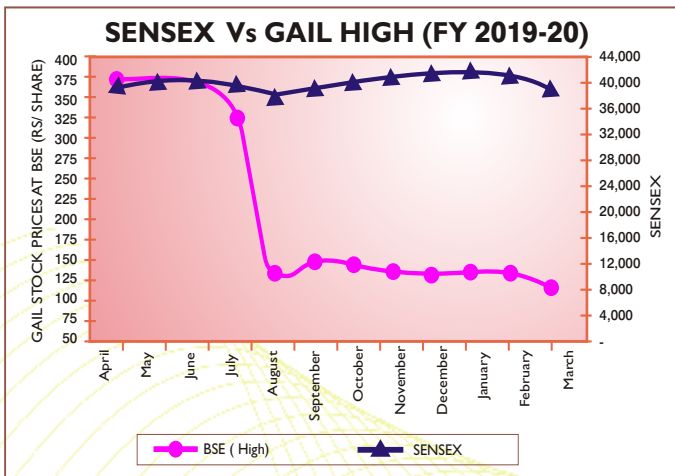
• Listing of Securities on Stock Exchanges

Stock Exchange & Address	Security Code	Type of Security
BSE Limited (BSE) Floor 1, Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400001	532155	Equity Shares
National Stock Exchange of India Limited (NSE) Exchange Plaza, 5 th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400051	GAIL-EQ	Equity Shares
London Stock Exchange 10, Paternoster Square, London EC4M 7LS	GAID LIGAILYUS	GDR(s)

Further, the Non-Convertible Redeemable Bonds – Bond Series – I, 2015 (8.30%) of the Company are listed at the Wholesale Debt Market (WDM) segment of NSE. IDBI Trusteeship Services Limited, Asian Building, Ground Floor 17, R Kamani Marg, Mumbai – 400001 (Tel No.: 022-40807000) is the Bond Trustee for the above-mentioned Bond Series.

The Annual listing fees for the listed equity shares and Bonds of the Company, pertaining to the Financial Year 2019-20 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 2019-20.

During Financial Year 2019-20, the securities of the Company were not



• Share Transfer System

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.

In order to expedite the process of share transfer and in line with regulation 40 (2) of the SEBI (LODR) Regulations, 2015, the Company has delegated the power of share transfer to a Share Transfer Committee which considers the requests for transfer/transmission of shares, re-materialization etc. All the transfer/ remat/ transmission request(s) are attended by R&TA after complying with the KYC norms. Shares received in physical form are transferred within the stipulated period from the date of lodgement subject to documents being valid and complete in all the respects.

SEBI has recently amended relevant provisions of LODR Regulations, 2015 to disallow the listed companies from accepting request for transfer of securities which are held in physical form, with effect from April 1, 2019. The shareholders, who continue to hold shares and other types of securities of the Company in physical form will not be able to lodge the shares with Company / its RTA for further transfer. Shareholders are required to convert them to demat form compulsorily before transfer. Only the requests for transmission and transposition of securities in physical form will be accepted by the Company / RTAs. For more details please visit Investor Zone section at www.gailonline.com

• Distribution of Shareholding

The distribution of shareholding of the Company as on 31st March, 2020 is detailed below:

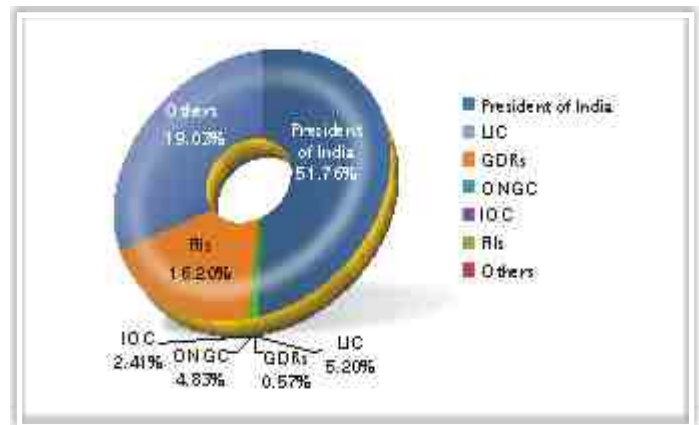
No. of shares held	No. of Shares	% to Total	No. of Shareholders	% to Total
1	6152	0.00	6152	1.77
2-10	233971	0.01	38760	11.18
11-50	2179266	0.05	69609	20.09
51-100	5404253	0.12	64564	18.63
101-200	9095024	0.20	55971	16.15
201-750	30535574	0.68	76013	21.94
751-5000	47932403	1.06	31691	9.15
5001-10000	12171837	0.27	1752	0.51
10001-15000	5452047	0.12	450	0.13
15001 and above	4397131339	97.49	1553	0.45
TOTAL	4510141866	100.00	346515	100.00

• Top 10 Shareholders as on 31st March, 2020

S.No.	Name of Shareholder(s)	Share(s)	%
1.	PRESIDENT OF INDIA	2334392299*	51.76
2.	LIFE INSURANCE CORPORATION OF INDIA	234398878	5.20
3.	OIL AND NATURAL GAS CORPORATION LIMITED	217810924	4.83
4.	INDIAN OIL CORPORATION LIMITED	108905460	2.41
5.	HDFC TRUSTEE COMPANY LIMITED - HDFC BALANCED ADVANTAGE FUND	53713718	1.19
6.	ICICI PRUDENTIAL VALUE DISCOVERY FUND	37322874	0.83
7.	GOVERNMENT PENSION FUND GLOBAL	33088749	0.73
8.	HDFC TRUSTEE COMPANY LIMITED-HDFC EQUITY FUND	33029353	0.73
9.	SBI-ETF NIFTY 50	27313140	0.61
10.	DEUTSCHE BANK TRUST COMPANY AMERICAS	25617744	0.57

*Out of the total shareholding of The President of India, 2122 shares related to offer for sale-2004 & Bonus shares thereon are pending for credit due to non-availability of shareholders correct details.

• Shareholding Profile as on 31. 03. 2020



• Dematerialization of Shares and Liquidity

As on 31st March, 2020, the Company had 3,46,515 shareholders, out of which 3,45,909 shareholders were holding equity shares in demat mode and 606 shareholders were holding equity shares in physical mode. The demat ISIN at NSDL/CDSL 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 the total number of shares in physical form 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 Natural Gas Price Risk Management Policy to manage the price risk on the import of natural gas procured for customers and internal consumption of Gas. The company has undertaken various hedge transactions during the Financial Year 2019-20 to mitigate the price risk arising from the volatility of various indices linked to the purchase and sales of imported LNG.

Further, the Company has 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 Foreign currency loan taken during the Financial Year 2019-20.

Disclosure regarding risk management activities in GAIL during the Financial Year 2019-20 including their commodity hedging position is given under the following Annexure :

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: 14,268.60 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	₹14,268.60 crore	306.58 TBTU	NIL	NIL	31.22%	NIL	31.22%

Note

1) Exposure does not include the quantity sold on back to back basis.

2) Exposure pertains to financial year 2019-20.

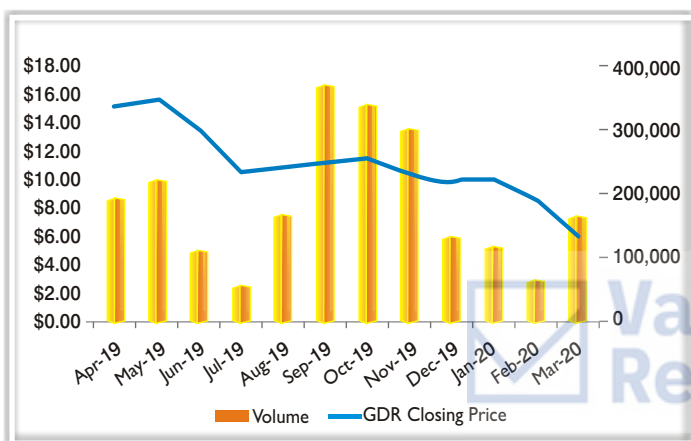
c) Commodity risks faced by the listed entity during the year and how they have been managed

The Company has an approved Natural Gas Price Risk Management Policy to manage the price risk on the import of natural gas procured for customers and internal consumption of Gas. The company has undertaken various hedge transactions during the Financial Year 2019-20 to mitigate the price risk arising from the volatility of various indices linked to the purchase and sales of imported LNG.

• Outstanding GDRs/ADRs/Warrants or Convertible Instruments

As on 31st March, 2020, a total number of 2,56,17,744 GDRs representing 15,37,06,464 (0.57%) 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:



7. DISCLOSURES

A. POLICIES

- 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 <http://gailonline.com/pdf/InvestorsZone/GAIL-Related-Party-Transaction-Policy-Amended-29.03.2019.pdf>
- 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 Code 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 interests 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 <http://gailonline.com/pdf/InvestorsZone/GAIL-Insider%20Trading%20Code%202018%2010.04.2019.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 <http://gailonline.com/pdf/InvestorsZone/GAIL-Principles-of-Fair-Disclosures.pdf>
- 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 <http://gailonline.com/pdf/InvestorsZone/GAIL%20Policy%20for%20Determination%20of%20Materiality%20and%20Disclosure%20-Amended%20as.pdf>
- As per the requirement of Regulation 43A of SEBI (LODR) Regulations, 2015, Dividend Distribution policy is in place and hosted at Company's website at <http://gailonline.com/pdf/InvestorsZone/GAIL%20Dividend%20Distribution%20Policy.pdf>

B. AFFIRMATIONS & COMPLIANCES

- For periods up to and including the Financial Year ended 31st March 2020, the Company prepared its financial statements in accordance with the Accounting Standards notified under section 133 of the

• Major Plant Locations

The following are the major plant locations of the Company:-

U.P. Petrochemical Complex, PATA LPG Recovery Plant, Vijapur

P.O. Pata – 206241

Distt. Auraiya (U.P.)

GAIL Complex

Vijapur – 473112

Distt. Guna (M.P.)

LPG Recovery Plant, Vaghodia

GIDC Industrial Estate

Vaghodia – 391760

Distt. Baroda (Gujarat)

LPG Recovery Project, Gandhar

Village Rozantankaria Tal. AMOD

Distt. Bharuch – 392140 (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

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 31st March 2020, together with the comparative period data as at and for the year ended 31st March 2019, as described in the summary of significant accounting policies.

During the Financial Year 2019-20, there have been no material significant related party transactions that may have potential conflict with the interests of the Company at large. The details of "Related Party Disclosures" have been disclosed at Note no. 44 (Annexure B) of the Financial Statement in the Annual Report.

- b. The Board of Directors of the Company has adopted the Code of Conduct for Board Member and Senior Management Personnel. A copy of the code is available on Company's website at <http://gailonline.com/pdf/InvestorsZone/Code%20of%20Conduct%20as%20on%2009.04.2019.pdf> Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the financial year ending on 31st March, 2020.
- 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 Board and Audit Committee, 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. 2019-20, no Presidential Directive was received. Further, during the last three years Presidential Directive on pay revision of Board and below Board level executives was received (in 2017-18) which has been implemented.
- 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 3.08% and 0.17% respectively of total expenses for 2019-20 as against 3.80% and 0.20% in 2018-19.
- h. All applicable Secretarial Standards on Board Meeting and General Meeting are duly complied.
- i. During the Financial Year 2019-20, no independent director resigned from his post before the expiry of his 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 2019-20.
- l. M/s Agarwal S. & Associates, PCS 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 2019-20, 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 O P Bagla & Co. LLP, Chartered Accountants, New Delhi, M/s ASA Associates LLP, Chartered Accountants, New Delhi, M/s A R & Co. Chartered Accountants, New Delhi), and all entities in the network firm/ network entity of which the statutory auditor is a part, is Rs.1.56 crores.
- o. Disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is given in Directors' Report 2019-20.

C. DISCLOSURE OF PENDING CASES/ INSTANCES OF NON-COMPLIANCE

The Company is complying with the mandatory requirements of SEBI (LODR) Regulations, 2015 and the Companies Act, 2013 except the requirement pertaining to composition of Board of Directors with respect to requisite number of Independent Directors w.e.f. 19.11.2019 and Government Nominee Directors during the period 05.11.2019 to 07.01.2020 and 17.02.2020 to 24.03.2020. The Company had been taking up with the Ministry of Petroleum and Natural Gas, Government of India for appointing requisite number of independent directors on the Board of the Company during this period. 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 2019-20.
- The Company has an in-house Internal Audit Department functionally reporting to Audit Committee & administratively reporting to CMD.
- There have been no penalties, structures paid by the Company to stock exchange(s) or SEBI or any statutory authority, on any matter related to capital markets, during the last three years;
- 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 <http://gailonline.com/pdf/InvestorsZone/GAIL%20Material%20Subsidiary%20policy%20%20Amended%20on%2009.04.2019.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) Regulation, 2015, is annexed to this Report.

Secretarial Compliance Report confirming compliance by Practicing Company Secretary of the applicable provisions of the Companies Act, 2013, SEBI (LODR) Regulations, 2015, DPE guidelines on Corporate Governance, other related rules & regulations relating to capital market and other applicable laws forms part of the Directors' Report.