



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, इंडिया
GAIL BHAWAN,
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ND/GAIL/SECTT/2022

19.05.2022

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
Symbol: - GAIL

2. Listing Compliance

BSE Limited
Floor 1, Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400001

Scrip Code: - 532155

Sub.: Secretarial Compliance Report for the FY ended 31.03.2022

Dear Sir/Madam,

This is with reference to **SEBI Circular No. CIR/CFD/CMD1/27/2019** dated **08.02.2019**

Please find enclosed herewith Secretarial Compliance Report for the FY ended 31st March, 2022 issued by M/s Agarwal S. & Associates, Practicing Company Secretaries, New Delhi.

This is in compliance of Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The above is for your information and records.

Thanking you,
Yours faithfully,

(A.K. Jha)
Company Secretary

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



**SECRETARIAL COMPLIANCE REPORT OF
GAIL (India) Limited
FOR THE YEAR ENDED 31st MARCH, 2022**

We, Agarwal S. & Associates, Company Secretaries, have examined:

- (a) all the documents and records made available to us and explanation provided by **GAIL (India) Limited** ("the listed entity" or "GAIL"),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended 31st March, 2022 ("Review Period") in respect of compliance with the provisions of:

- (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2021;
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

- (g) Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations, 2013;
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations,2015;
- (i) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.
- (j) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

and circulars/ guidelines issued thereunder;

and based on the above examination, we hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

| Sr. No | Compliance Requirement (Regulations/ circulars / guidelines including specific clause) | Deviations | Observations/ Remarks of the Practicing Company Secretary |
|--------|---|--|--|
| 1.* | Regulation 17 (1) (a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015- The Listed entity shall have an optimum combination of executive and non-executive directors with at least one-woman director and not less than fifty percent of the board of directors shall comprise of non-executive directors. | The number of non-executive Directors on the Board is less than fifty percent of the total strength during the period from 01.04.2021 to 21.11.2021. There was no Woman Independent director during the period from 06.08.2021 to 17.11.2021. | As the Company is a Listed entity, accordingly, the number of non-executive Directors shall not be less than fifty percent of the total strength, during the period from 01.04.2021 to 21.11.2021. As the Company is Listed entity, there was no Woman Independent director during the period from 06.08.2021 to 17.11.2021 |
| 2.* | Regulation 17 (1) (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, where the listed entity does not have a regular non-executive chairperson, at least half of the Board of Directors shall comprise of Independent Directors. | The number of Independent Directors on the Board is less than fifty percent of the total strength during the period from 01.04.2021 to 21.11.2021. | The Board of Directors of the Company is headed by an Executive Chairman. Accordingly, the number of Independent Directors should have been at least 50% of the total strength of Board Members during the period from 01.04.2021 to 21.11.2021. |
| 3.* | Regulation 17 (10) of the Securities and Exchange | The performance evaluation of | The entire Board of Directors shall carry out the performance |

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| | Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the performance evaluation of independent directors shall be done by the entire Board of Directors. | Independent Directors has not been carried out by the entire Board of Directors. | evaluation of Independent Directors. |
| 4* | Regulation 18, 19, 20 and 21 of the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015. | <p>The composition of Audit Committee was not complying with the statutory requirements during the period from 01.04.2021 till 02.12.2021 and the composition of Nomination & Remuneration Committee was not complying with the statutory requirements for the period from 01.04.2021 till 02.12.2021</p> <p>The composition of Stakeholders Relationship Committee was not complying with the statutory requirements for the period from 06.08.2021 till 02.12.2021.</p> <p>The composition of Risk Management Committee was not complying with the statutory requirements for the period from 06.08.2021 till 02.12.2021.</p> | <p>Due to absence of requisite number of independent directors in the Company, the composition of Audit Committee <i>was not complying with the statutory requirements</i> during the period from 01.04.2021 to 02.12.2021 and the composition of Nomination & Remuneration Committee <i>were not complying with the statutory requirements</i> for the period 01.04.2021 till 02.12.2021.</p> <p>The Composition of Stakeholders Relationship Committee were not complying with the statutory requirements for the period from 06.08.2021 till 02.12.2021.</p> <p>The Composition of Risk Management Committee were not complying with the statutory requirements for the period from 06.08.2021 till 02.12.2021.</p> |

*As informed by the Management, GAIL is a Government Company and appointment/nomination of all Directors on the Board of the Company is done by Government of India (GOI). GAIL has taken up with MoP&NG, GOI from time to time for appointment of requisite number of non-executive Directors. Further, the terms & conditions of appointment as well as tenure of all Directors are also decided by GOI and there is a well laid down procedure for performance evaluation of Directors by the Administrative Ministry.

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar, as it appears from our examination of those records.
- (c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

| Sr. No | Action taken by | Details of violation | Details of action taken E.g. fines, warning letter, debarment, etc. | Observations/ remarks of the Practicing Company Secretary, if any. |
|--------|---------------------------------------|---|--|---|
| A.** | National Stock Exchange Limited (NSE) | Regulation 17 (1), 17(2A), 18(1), 19(1)/19(2), 20 and 21 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Financial Year March 31, 2022. | NSE vide its e-mail/ letter dated: <ul style="list-style-type: none"> ❖ May 17, 2021 has imposed a fine of Rs. 9,55,800/- for quarter ended 31st March, 2021. ❖ August 20, 2021 has imposed a fine of Rs. 9,66,420/- for quarter ended 30th June, 2021. ❖ November 22, 2021 has imposed a fine of Rs. 9,88,840/- for quarter ended 30th September, 2021. ❖ February 21, 2022 has imposed a fine of Rs. 7,55,200/- for quarter ended 31st December, 2021. | The Company has submitted quarter wise responses vide their letters dated 18.05.2021, 24.08.2021, 25.11.2021, 25.02.2022 respectively and has requested to waive off the penalty, since the appointment of Directors on the Board of GAIL is done by the Government of India. |
| B.** | BSE Limited (BSE) | Regulation 17 (1), 17(2A), 18(1) and 19(1)/19(2), 20(2)/(2A) and 21(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) | BSE vide its e-mail/ letter dated: <ul style="list-style-type: none"> ❖ May 17, 2021 has imposed a fine of Rs. 9,55,800/- for quarter ended 31st March, 2021. ❖ August 20, 2021 has imposed a fine of Rs. 9,66,420/- for quarter | The Company has submitted quarter wise responses vide their letters dated 18.05.2021, 24.08.2021, 25.11.2021, 25.02.2022 respectively and has requested to waive off the penalty, since the appointment of Directors on the Board of GAIL is done by the |

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| | | Regulations, 2015 for the Financial Year 2020-2021. | ended 30 th June, 2021. ❖ November 22, 2021 has imposed a fine of Rs. 9,88,840/- for quarter ended 30 th September, 2021. ❖ February 21, 2022 has imposed a fine of Rs. 7,55,200/- for quarter ended 31 st December, 2021. | Government of India. |
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** GAIL has communicated to NSE and BSE that GAIL (India) Limited is a 'Government Company' as defined u/s 2(45) of the Companies Act, 2013 (as 51.45% of the paid-up equity share capital of the Company is held by the President of India) under the administrative control of the Ministry of Petroleum and Natural Gas (MoP&NG), Government of India. All the Directors on the Board of GAIL (including Independent Directors) are nominated/ appointed by the Government of India. As such, appointments are outside the purview/ control of the GAIL's management. MoP&NG vide Letter No. CA-31033/2/2021-PNG (39069) dated 08.11.2021 nominated six Non-Official Independent Directors on GAIL's Board and they have been appointed by GAIL's Board in its 432nd Board Meeting held on 16.11.2021. After the appointment of six Non-Official Independent Directors on GAIL's Board, GAIL is fully complying with all the requirements as stipulated under Regulation 17(1), 17(2A), 18(1), 19(1)/(2), (20) and (21) of SEBI LODR Regulations, 2015. Accordingly, Company has already requested to NSE and BSE to waive-off the penalties as per the Standard Operating Procedure issued by them due to the reasons mentioned above. The matter was also informed to MoP&NG as per the advice of NSE and BSE from time to time and was also put to GAIL's Board from time to time. The Company is following-up with BSE/NSE for waiver of penalty.

(d) The listed entity has taken the following actions to comply with the observations made in previous report:

| Sr. No | Observations of the Practicing Company Secretary in the previous report | Observations made in the previous Secretarial Compliance Report for the year ended 31.03.2021 | Actions taken by the listed entity, if any | Comments of the Practicing Company Secretary on the actions taken by the listed entity |
|--------|--|--|--|--|
| i. | Regulation 17 (1) (a) of the SEBI (LODR) Regulations, 2015- Listed entity shall have an optimum combination of executive and | As the Company is a Listed entity, Accordingly the number of non-executive Directors shall not be less than fifty percent of the total | GAIL (India) Limited is a 'Government Company' as defined u/s 2(45) of the Companies Act, 2013 (as 51.45% of the paid-up equity share capital of the Company is held by the President of India) under the administrative | As informed by the Management, appointment/nomination of all Directors on the Board of the Company is done by the Government of India (GOI) and Company has taken up with MoP&NG, GOI from |

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| | non-executive directors with at least one-woman director and not less than fifty percent of the board of directors shall comprise of non-executive directors. | strength during the period from 08.09.2020 to 31.03.2021. | control of the Ministry of Petroleum and Natural Gas, Government of India. All the Directors on the Board of GAIL (including Independent Directors) are nominated/ appointed by the Government of India. | time to time for appointment of requisite number of non-executive Directors. |
| ii. | Regulation 17 (1) (b) of the SEBI (LODR) Regulations, 2015, where the listed entity does not have a regular non-executive chairperson, at least half of the Board of Directors shall comprise of Independent Directors. | The Board of Directors of the Company is headed by an Executive Chairman. Accordingly, the number of Independent Directors should have been at least 50% of the total strength of Board Members during the period from 01.04.2020 to 31.03.2021. | <p>It may also be noted that GAIL being a Government Company, appointment of Directors is outside the purview/ control of the GAIL's management. Besides, the company has also been sending requests to the Ministry of Petroleum and Natural Gas, Government of India, the appointing authority from time to time for appointing requisite number of executive and Independent Directors on the Board of GAIL (India) Limited, so as to ensure compliance with corporate governance norms enunciated under SEBI (LODR) Regulations, 2015 as well as the Companies Act, 2013.</p> <p>MoPNG vide Letter No. CA-31033/2/2021-PNG (39069) dated 08.11.2021 nominated six Non-Official Independent Directors on GAIL's Board and they have been appointed by GAIL's Board in its 432nd Board Meeting held on 16.11.2021. After the appointment of six Non-Official Independent Directors on GAIL's</p> | |

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|------|--|--|---|--|
| | | | Board, GAIL is fully complying with all the requirements as stipulated under Regulation 17(1), 17(2A), 18(1), 19(1)/ (2), (20) and (21) of SEBI LODR Regulations, 2015 have also been duly complied. | |
| iii. | Regulation 17 (10) of the SEBI (LODR) Regulations, 2015, the performance evaluation of independent directors shall be done by the entire Board of Directors. | The entire Board of Directors shall carry out the performance evaluation of Independent Directors. | GAIL is a CPSE and appointment/nomination of all the Directors including Independent Directors is being done by the President of India, through the MoP&NG, Government of India. Therefore, performance evaluation of individual Directors including Independent Directors is to be undertaken by the Government of India being the appointing authority. | As informed by the Management, Government of India (GOI) being the appointing authority for all Directors carries out the performance evaluation of the Directors as per their procedures. Therefore there is a well laid down procedure for evaluation of Directors by the Administrative Ministry. |
| iv. | Regulation 18, 19 and 20 of the SEBI (LODR) Regulations, 2015. | Due to absence of requisite number of independent directors in the Company, the composition of Audit Committee, Stakeholders Relationship Committee, and Nomination & Remuneration Committee were not complying with the statutory requirements during the period from 08.09.2020 to 31.03.2021. Further, Nomination | As stated at point (i) above | As stated at point (i) above |

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| | | Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board, all remuneration, in whatever form, payable to senior management. | | |
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- (e) As informed by the management, appointment of the listed entity's statutory auditor has been done by the office of the Comptroller and Auditor General Auditor General of India (C&AG). Appointment letter also contains terms of appointment to the statutory auditors. Since, terms of appointment were fixed by the C&AG, compliance by listed entity with 6(A) and 6(B) of SEBI circular number CIR/CFD/CMD1/114/2019 dated October 18, 2019 is not applicable. Accordingly, we can't certify said compliance.

For **Agarwal S. & Associates,**
Company Secretaries,
ICSI Unique Code: P2003DE049100
Peer Review Cert. No.: 626/2019

GARIMA
GROVER

Digitally signed by GARIMA GROVER
DN: cn=Garima Grover, o=AGS, ou=AGS, email=garima.grover@ags.com, c=IN
Date: 2022.05.18 09:57:18 +0530

CS Garima Grover
Partner

ACS No. : 27100

C.P No. : 23626

Date: 18.05.2022

Place: New Delhi

UDIN: A027100D000339599

Our report of even date is to be read along with this letter.

1. 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.
2. 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, we followed provide a reasonable basis for expression of our opinion.
3. 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, if any.
4. Wherever required, we have obtained the Management representation/reports/certificates of technical subject experts about the compliance of laws, rules and regulations, happening of events, etc. and relied upon.
5. 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.
6. The Secretarial Compliance Report is to be read along with Secretarial Audit Report of the corresponding period.
7. The Secretarial Compliance 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.: 626/2019

**GARIMA
GROVER**
Digitally signed by GARIMA GROVER
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S, ou=Delhi, cn=Personal,
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718@delhi.icsi.org
Date: 2022.05.18 09:50:52 +05'30'

CS Garima Grover
Partner
ACS No.: 27100
CP No.: 23626

Place: New Delhi
Date: 18.05.2022