



गेल (इंडिया) लिमिटेड

(भारत सरकार का उपक्रम - महारत्न कंपनी)

GAIL (India) Limited

(A Government of India Undertaking - A Maharatna Company)

Draft Letter of offer

गेल भवन,
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एनडी/गेल/सेक्ट/ 2021

जनवरी 25, 2021

लिस्टिंग विभाग नेशनल स्टॉक एक्सचेंज ऑफ इंडिया लिमिटेड 'एक्सचेंज प्लाजा', सी -1, ब्लॉक जी, बांद्रा कुर्ला कॉम्प्लेक्स, बांद्रा (पूर्व), मुंबई - 400 051 स्क्रिप कोड - गेल	प्रबंधक निगमित संबंध विभाग, बीएसई लिमिटेड, रोटुंडा बिल्डिंग, पी जे टावर्स, दलाल स्ट्रीट, फोर्ट, मुंबई - 400 001 स्क्रिप कोड- 532155
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प्रिय महोदय/महोदया,

विषय: यथा संशोधित, सेबी (प्रतिभूतियों का प्रतिक्रय) विनियमन, 2018 के विनियम 8(i) के प्रावधानों के अनुसार गेल (इंडिया) लिमिटेड ("कंपनी") के प्रस्तावित 6,97,56,641 तक के पूर्ण प्रदत्त प्रति रु.10/- ("ईक्विटी शेयर") के अंकित मूल्य के शेयरों का रु.150/- प्रति ईक्विटी शेयर की दर से प्रतिक्रय के प्रस्ताव का मसौदा पत्र प्रस्तुत करना

कंपनी अधिनियम, 2013 के अनुसार यथा संशोधित, भारतीय प्रतिभूति और विनियम बोर्ड (प्रतिभूति का प्रतिक्रय), विनियमन, 2018, ("प्रतिक्रय विनियम") और अन्य लागू कानून, यदि हैं, के अनुसार कंपनी प्रतिक्रय आरंभ कर रही है।

इस संबंध में, प्रतिक्रय प्रस्ताव ("पत्र का मसौदा") से संबंधित प्रस्ताव के मसौदा पत्र दिनांक जनवरी 25, 2021 की सॉफ्ट प्रति (पीडीएफ रूप में), अनुबंध 1 के रूप में, आपकी जानकारी और रिकॉर्ड के लिए संलग्न है।

यहाँ इस्तेमाल किए जाने वाले सभी शब्द और विशेष रूप से परिभाषित नहीं किए जाने का अर्थ वही होगा जो प्रस्ताव पत्र के तहत ऐसे शब्दों में दिया गया है।

धन्यवाद,

भवदीय,

कृते गेल (इंडिया) लिमिटेड

(ए.के. झा)

कंपनी सचिव एवं अनुपालन अधिकारी

संलग्नक: उपरोक्तानुसार

प्रति:

इयूश बैंक एजी, फिलाल मुंबई
टीएसएस और ग्लोबल इक्विटी सर्विसेज
द कैपिटल, 14 वीं मंजिल
सी -70, जी ब्लॉक, बांद्रा कुर्ला कॉम्प्लेक्स
मुंबई -400051

ध्यानाकर्षण - सुश्री अपर्णा सालुंके

DRAFT LETTER OF OFFER**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

This Letter of Offer is being sent to you, being an Eligible Shareholder of GAIL (India) Limited (the "Company") as on the Record Date in accordance with the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended. If you require any clarifications about the action to be taken, you may consult your stockbroker or investment consultant or the Manager to the Buyback Offer i.e. IDBI Capital Markets & Securities Limited or the Registrar to the Buyback Offer i.e. MCS Share Transfer Agent Limited. Please refer to the section on „Definitions of Key Terms“ for the definition of the capitalized terms used herein.

**GAIL (INDIA) LIMITED**

(A Government of India Undertaking-A Maharatna Company)

Registered Office: 16, Bhikaiji Cama Place, R. K. Puram, New Delhi-110066

CIN: L40200DL1984GOI018976

Contact Person: A. K. Jha, Company Secretary & Compliance Officer

Tel.: 011-26170740, Fax: 011-26170740 | E-mail: shareholders@gail.co.in | Website: www.gailonline.com

CASH OFFER FOR BUYBACK OF NOT EXCEEDING 6,97,56,641 (SIX CRORE NINETY SEVEN LAKH FIFTY SIX THOUSAND SIX HUNDRED FORTY ONE) FULLY PAID-UP EQUITY SHARES OF FACE VALUE RS. 10 EACH, REPRESENTING 1.55% OF THE TOTAL NUMBER OF EQUITY SHARES IN THE ISSUED, SUBSCRIBED AND PAID-UP EQUITY SHARE CAPITAL OF THE COMPANY, FROM ALL THE EXISTING SHAREHOLDERS/ BENEFICIAL OWNERS OF EQUITY SHARES OF THE COMPANY AS ON THE RECORD DATE I.E. THURSDAY, JANUARY 28, 2021 ON A PROPORTIONATE BASIS, THROUGH THE "TENDER OFFER" PROCESS AT A PRICE OF RS. 150/- (RUPEES ONE HUNDRED FIFTY ONLY) PER EQUITY SHARE FOR AN AGGREGATE CONSIDERATION NOT EXCEEDING RS. 1,046.35 CRORE (RUPEES ONE THOUSAND FORTY SIX CRORE THIRTY FIVE LAKH ONLY)

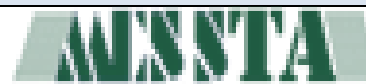
- 1) The Buyback is in accordance with the provisions of Sections 68, 69, 70 and all other applicable provisions of the Companies Act, 2013, as amended, the Companies (Share Capital and Debentures) Rules, 2014, as amended to the extent applicable and in accordance with Article 58 of the Articles of Association of the Company and in accordance with Regulation 4(iv)(a) and other applicable provisions contained in the Buyback Regulations and subject to such other approvals, permissions and sanctions as may be necessary, from time to time from statutory, regulatory or governmental authorities under applicable laws including but not limited to SEBI, the Stock Exchanges and Reserve Bank of India etc.
- 2) The Buyback Offer Size which is not exceeding Rs. 1,046.35 Crore (Rupees One Thousand Forty Six Crore Thirty Five Lakh Only) represents 2.50% & 2.26% of the aggregate of the fully paid-up Equity Share capital and free reserves as per the audited standalone and consolidated financial statements of the Company, respectively for the financial year ended March 31, 2020 (i.e. the last audited standalone and consolidated financial statements available as on the date of the Board Meeting approving the Buyback) and is within the statutory limits of 10% of the aggregate of the fully paid-up Equity Share capital and free reserves as per audited standalone and consolidated financial statements of the Company under the Board of Directors approval route as per the provisions of the Companies Act, 2013.
- 3) The Letter of Offer will be sent to the Eligible Shareholders as on the Record Date i.e. Thursday, January 28, 2021 in accordance with Buyback Regulations and such circulars and notifications as may be applicable.
- 4) The procedure for acceptance is set out in paragraph 20 (*Procedure for Tender Offer and Settlement*) on page 32, of this Draft Letter of Offer. The Tender Form is enclosed together with this Draft Letter of Offer.
- 5) For mode of payment of cash consideration to the Eligible Shareholders, please refer to paragraph 20.30 (*Method of Settlement*) on page 38 of this Draft Letter of Offer.
- 6) A copy of the Public Announcement published on Tuesday, January 19, 2021, and this Draft Letter of Offer (including Tender Form) is available on the website of the Company - www.gailonline.com and is also expected to be made available on the website of SEBI - https://www.sebi.gov.in.
- 7) Eligible Shareholders are advised to refer to paragraph 17 (*Details of Statutory Approvals*) on page 27 of this Draft Letter of Offer and paragraph 21 (*Note on Taxation*) on page 40 of this Draft Letter of Offer before tendering their Equity Shares in the Buyback.

BUYBACK OPENS ON: [●], 2021**BUYBACK CLOSES ON: [●], 2021**

(LAST DATE/TIME OF RECEIPT OF COMPLETED APPLICATION FORMS AND OTHER SPECIFIED DOCUMENTS INCLUDING PHYSICAL SHARE CERTIFICATES BY THE REGISTRAR: [●], 2021, BY [●] P.M.

MANAGER TO THE BUYBACK OFFER**REGISTRAR TO THE BUYBACK OFFER**

IDBI Capital Markets & Securities Limited
6th floor, IDBI Tower, WTC Complex, Cuffe Parade,
Mumbai 400 005
Tel No.: +91 22 2217 1700
Fax No.: +91 22 2215 1787
Contact Person: Sumit Singh
Email: gail.buyback2021@idbicapital.com
Website: www.idbicapital.com
SEBI Registration Number: INM000010866
Validity Period: Permanent
CIN: U65990MH1993GOI075578



MCS Share Transfer Agent Limited
F-65, 1st Floor, Okhla Industrial Area, Phase-1, New Delhi -
110020
Tel No: 011-41406149
Fax: 011-41709881
Contact Person: Mr. Amarjit Singh
Email: admin@mcsregistrars.com
Website: www.mcsregistrars.com
SEBI Registration Number : INR000004108
Validity Period: Permanent
CIN: U67120WB2011PLC165872

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1. SCHEDULE OF THE ACTIVITIES FOR THE BUYBACK OFFER

Activity	Date	Day
Date of Board Meeting approving the proposal of the Buyback	January 15, 2021	Friday
Date of Public Announcement for Buyback	January 18, 2021	Monday
Date of publication of the Public Announcement for the Buyback	January 19, 2021	Tuesday
Record Date for determining the Buyback Entitlement and the names of Eligible Shareholders	January 28, 2021	Thursday
Date of Opening of the Buyback Offer	[•]	[•]
Date of Closing of the Buyback Offer	[•]	[•]
Last date of receipt of the completed Tender Forms and other specified documents including physical Equity Share certificates by the Registrar	[•]	[•]
Last date of verification of Tender Forms by the Registrar	[•]	[•]
Last date of intimation regarding acceptance / non- acceptance of tendered Equity Shares by the Registrar	[•]	[•]
Last date of settlement of bids on the Stock Exchange	[•]	[•]
Last date of dispatch of share certificate(s) by RTA/ payment to shareholders/ return of unaccepted demat shares by Stock Exchange to Shareholder Broker/ Eligible Shareholders	[•]	[•]
Last date of extinguishment of Equity Shares	[•]	[•]

Note: Where last dates are mentioned for certain activities, such activities may happen on or before the respective last dates

2. DEFINITION OF KEY TERMS

This Draft Letter of Offer uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or specified otherwise, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Draft Letter of Offer, but not defined herein shall have the meaning ascribed to such terms under the Buyback Regulations, the Companies Act, 2013, the Depositories Act, and the rules and regulations made thereunder.

Term	Description
Acceptance	Acceptance of Equity Shares, tendered by Eligible Shareholders in the Buyback Offer
Acquisition Window	The facility for acquisition of Equity Shares through mechanism provided by the Designated Stock Exchange in the form of a separate window in accordance with the SEBI Circulars
Additional Shares / Additional Equity Shares	Additional Equity Shares tendered by an Eligible Shareholder over and above the Buyback Entitlement of such Equity Shareholder up to the Eligible Equity Shares
Articles/ AOA	Articles of Association of the Company, as amended.
Board Meeting	Meeting of the Board of Directors held on January 15, 2021, approving the proposal for the Buyback Offer
Board/ Board of Directors/ Director(s)	Board of Directors of the Company (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorized „Committee“ thereof)
BSE	BSE Limited
Buyback/ Buyback Offer/ Offer/ Buyback Offer Size	Buyback of not exceeding 6,97,56,641 (Six Crore Ninety Seven Lakh Fifty Six Thousand Six Hundred Forty One) Equity Shares at a price of Rs. 150/- (Rupees One Hundred Fifty Only) per Equity Share for an aggregate consideration not exceeding Rs. 1,046.35 Crore (Rupees One Thousand Forty Six Crore Thirty Five Lakh Only), on a proportionate basis, from the Eligible Shareholders, as on Record Date by way of a tender offer through the stock exchange mechanism in terms of the Buyback Regulations read with SEBI Circulars
Buyback Committee/Committee	The Buyback Committee of the Board constituted and authorized for the purposes of the Buyback by way of a resolution of the Board dated January 15, 2021.

Term	Description
Buyback Entitlement	The number of Equity Shares that an Eligible Shareholder is entitled to tender in the Buyback Offer, based on the number of Equity Shares held by such Eligible Shareholder on the Record Date and the ratio/percentage of Buyback applicable in the category to which such Eligible Shareholder belongs
Buyback Closing Date	[●], 2021
Buyback Opening Date	[●], 2021
Buyback Regulations	Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended
CBG	Compressed Bio Gas
CDSL	Central Depository Services (India) Limited
CGD	City Gas Distribution
CIN	Corporate Identity Number
Clearing Corporation / NCL	NSE Clearing Limited
CNG	Compressed Natural Gas
Company/GAIL/ "we"	GAIL (India) Limited, unless the context states otherwise
Companies Act, 1956	The Companies Act, 1956, as amended (to the extent applicable)
Companies Act, 2013	The Companies Act, 2013, as amended
Company's Broker	IDBI Capital Markets & Securities Limited
CPSE	Central Public Sector Enterprises
Demat Share(s)	Equity Share(s) of the Company in dematerialised form
Depositories	Collectively, NSDL and CDSL
Designated Stock Exchange/ Stock Exchange	The designated stock exchange for the Buyback, being, National Stock Exchange of India Limited
DIN	Director Identification Number
Draft Letter of Offer/ Offer Document/ DLoF	This draft letter of offer dated January 25, 2021 filed with SEBI through the Manager to the Buyback Offer, containing disclosures in relation to the Buyback as specified in Schedule III of the Buyback Regulations
DP	Depository Participant
DTAA	Double Taxation Avoidance Agreement
Eligible Equity Shares	Eligible Equity Shares means the lower of: (i) Total number of Equity Shares held by an Eligible Shareholder as on the Record Date; or (ii) Total number of Equity Shares tendered by an Eligible Shareholder.
Equity Shares/ Shares	Fully paid-up equity shares of face value Rs.10 each of the Company
Equity Shareholders/ Shareholders	Holders of the Equity Shares of the Company and includes beneficial owner(s) thereof
Eligible Shareholder(s)	All shareholders / beneficial owner(s) of Equity Shares of the Company as on Record Date i.e. Thursday, January 28, 2021.
Escrow Account	The escrow account titled "[●]" opened with the Escrow Agent in terms of the Escrow Agreement
Escrow Agent	[●]
Escrow Agreement	The escrow agreement dated [●] entered into between the Company, Escrow Agent and the IDBI Capital Markets & Securities Limited
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, as amended
FII(s)	Foreign Institutional Investor(s)
FPI(s)	Foreign Portfolio Investor(s)
Form / Tender Form	Form of Acceptance-cum-Acknowledgement to be filled in by the Eligible Shareholders to participate in the Buyback
Financial Year/Fiscal/FY	Period of 12 months ended March 31 of that particular year
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with the SEBI
GoI	Government of India
GSEG	Gujarat State Energy Generation Limited
HUF	Hindu Undivided Family
Income Tax Act	The Income Tax Act, 1961, as amended
JV	Joint Venture
Letter of Offer	Letter of Offer dated [●] to be filed with SEBI containing disclosures in relation to the Buyback as specified in the Buyback Regulations, including comments received from SEBI on the Draft Letter of Offer

Term	Description
LNG	Liquified Natural Gas
LPG	Liquified Petroleum Gas
LTCG	Long-term Capital Gains
Ltd.	Limited
Manager / Manager to the Buyback Offer / IDBI Capital	IDBI Capital Markets & Securities Limited
MMSCMD	Million Metric Standard Cubic Meter per Day
MMTPA	Million Metric Tonnes per annum
MoP&NG	Ministry of Petroleum and Natural Gas
MW	Megawatt
Non-Resident Shareholders	Includes Non-Resident persons and bodies corporate, Non-Resident Indians (NRI), FII(s), FPI(s) and erstwhile OCBs
NRE	Non Resident External
NRI	Non Resident Indian
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	Overseas Corporate Bodies
Offer Period / Tendering Period	Period of 10 Working Days from the date of opening of the Buyback Offer till its closure (both days inclusive)
Offer Price / Buyback Offer Price/ Buyback Price	Price at which Equity Shares will be bought back from the Eligible Shareholders i.e. Rs. 150/- (Rupees One Hundred Fifty Only) per Equity Share, payable in cash
PAN	Permanent Account Number
Physical Shares	Equity Share(s) of the Company in physical form
Promoter/ Promoter Group	The President of India acting through Ministry of Petroleum and Natural Gas, Government of India
Public Announcement / PA	The public announcement, made in accordance with the Buyback Regulations, dated January 18, 2021, published on January 19, 2021, in all editions of the Business Standard (English and Hindi National daily) (Hindi being the regional language of Delhi wherein the registered office of the Company is located)
PV	Photovoltaic
Ratio of Buyback	The ratio of the Buyback: (i) in case of Small Shareholders, [●] Equity Shares for every [●] Equity Shares held by such Small Shareholder on the Record Date; and (ii) for Eligible Shareholders other than Small Shareholders, [●] Equity Shares for every [●] Equity Shares held by such Eligible Shareholder on the Record Date
RBI	Reserve Bank of India
Record Date	The date for the purpose of determining the entitlement and the names of the Equity Shareholders, to whom the Letter of Offer and Tender Form will be sent and who are eligible to participate in the Buyback Offer in accordance with Buyback Regulations. This date shall be Thursday, January 28, 2021
Registrar to the Buyback Offer/ Registrar	MCS Share Transfer Agent Limited
RGPPPL	Ratnagiri Gas and Power Private limited
SATAT	Sustainable Alternative Towards Affordable Transportation
SEBI	Securities and Exchange Board of India
SEBI Circulars	Tendering of Equity Shares by Shareholders and settlement of the same, through the stock exchange mechanism as specified by SEBI in the circular bearing number CIR/ CFD/POLICYCELL/1/2015 dated April 13, 2015 and circular no. CFD/DCR2/CIR/P/2016/131 dated December 09, 2016, including statutory modification thereof.
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
Shareholder Broker	A stock broker (who is a member of the BSE and/or NSE) of an Eligible Shareholder, through whom the Eligible Shareholder wants to participate in the Buyback
Small Shareholder	An Eligible Shareholder, who holds Equity Shares of market value not more than two lakh rupees, on the basis of closing price on the recognized stock exchange registering the highest trading volume, as on Record Date <i>i.e.</i>

Term	Description
	Thursday, January 28, 2021
STCG	Short-term Capital Gains
Stock Exchanges	BSE and NSE, being the stock exchanges where the Equity Shares of the Company are listed
Tender Form	Form of Acceptance-cum-Acknowledgement
Tender Offer	Method of Buyback as defined in Regulation 2(i)(q) of the Buyback Regulations
TRS	Transaction Registration Slip
U.S.	United States
Working Day	Working day shall have the meaning ascribed to it under the Buyback Regulations

3. DISCLAIMER CLAUSE

As required, a copy of this Draft Letter of Offer has been submitted to Securities and Exchange Board of India (**SEBI**). It is to be distinctly understood that submission of this Draft Letter of Offer to SEBI should not, in any way be deemed or construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of the Company to meet the Buyback commitments or for the correctness of the statements made or opinions expressed in this Draft Letter of Offer. The Manager to the Buyback Offer, IDBI Capital Markets & Securities Limited has certified that the disclosures made in this Draft Letter of Offer are generally adequate and are in conformity with the provisions of the Companies Act, 2013 and the Buyback Regulations. This requirement is to facilitate Eligible Shareholders to take an informed decision for tendering their Equity Shares in the Buyback.

It should also be clearly understood that while the Company is primarily responsible for the correctness, adequacy and disclosure of all relevant information in this Draft Letter of Offer, the Manager to the Buyback Offer is expected to exercise due diligence to ensure that the Company discharges its duty adequately in this behalf and towards this purpose. The Manager to the Buyback Offer, IDBI Capital Markets & Securities Limited has furnished to SEBI a due diligence certificate dated January 25, 2021 in accordance with Buyback Regulations which reads as follows:

“We have examined various documents and materials contained in the annexure to the Letter of Offer, as part of the due-diligence carried out by us in connection with the finalization of the Public Announcement dated January 18, 2021 and the Letter of Offer. On the basis of such examination and the discussions with the Company, we hereby state that:

- *The Public Announcement and the Letter of Offer are in conformity with the documents, materials and papers relevant to the Buyback offer.*
- *All the legal requirements connected with the said Buyback offer including Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, have been duly complied with.*
- *The disclosures in the Public Announcement and the Letter of Offer are, to the best of our knowledge, true, fair and adequate in all material respects for the Eligible Shareholders of the Company to make a well informed decision in respect of the captioned Buyback Offer.*
- *Funds used for Buyback shall be as per the provisions of the Companies Act, 2013, as amended.”*

The filing of the offer document with SEBI, does not, however, absolve the Company from any liabilities under the provisions of the Companies Act, 2013 or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the proposed Buyback.

The Promoter/ Board of Directors declare and confirm that no information/ material likely to have a bearing on the decision of Eligible Shareholders has been suppressed/ withheld and/ or incorporated in the manner that would amount to mis-statement/ misrepresentation and in the event of it transpiring at any point of time that any information/ material has been suppressed/ withheld and/ or amounts to a mis-statement/ misrepresentation, the Promoter/ Board of Directors and the Company shall be liable for penalty in terms of the provisions of the Companies Act, 2013, Buyback Regulations and other applicable laws and regulations.

The Promoter/ Board of Directors also declare and confirm that funds borrowed from the banks and financial institutions will not be used for the Buyback.

Disclaimer for U.S. Persons:

The Buyback is being made for securities of an Indian company and is subject to the laws of India. The Letter of Offer is subject to tender offer laws and regulations in India that are different from those in the United States and has been prepared in accordance with Indian law, format and style, which differs from customary U.S. format and style.

The Buyback is being treated in the United States as one to which the "Tier I" exemption mentioned in Rule 13(e)-4(h)(8) under the U.S. Securities Exchange Act of 1934, as amended, is applicable. Tier I exemption provides broad relief from US regulation where no more than 10% of a company's shares are beneficially held by US holders. The level of US beneficial ownership have been measured as of the 30th day before commencement of the offer. Given that this is a cash only offer (i.e. no offer or sale of securities by the Company), the US Securities Act of 1933 is not applicable to this offer (including the QIB requirement under Rule 144A) and the offer is being made to US shareholders holding shares on the record date i.e. Thursday, January 28, 2021 in reliance on the "Tier I" tender offer exemption under the US Securities Exchange Act of 1934.

Disclaimer for Persons in other foreign countries:

This Draft Letter of Offer has been prepared for the purposes of compliance with the SEBI Buyback Regulations. Accordingly, the information disclosed herein may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws and regulations of any jurisdiction outside of India. The Company and the Manager to the Buyback are under no obligation to update the information contained herein at any time after the date of this Draft Letter of Offer.

This Draft Letter of Offer does not in any way constitute an offer to sell, or an invitation to sell, any securities in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation would subject the Company or the Manager to the Offer to any new or additional requirements or registrations. The Letter of Offer shall be dispatched to all Shareholders whose names appear on the register of members of the Company, as of the Record Date. However, receipt of the Letter of Offer by any Shareholders in a jurisdiction in which it would be illegal to make this Offer, or where making this Offer would require any action to be taken (including, but not restricted to, registration of the Letter of Offer under any local securities laws), shall not be treated by such Shareholders as an offer being made to them. Potential users of the information contained in this Draft Letter of Offer are requested to inform themselves about and to observe any applicable legal requirement or restrictions. Any Eligible Shareholder who tenders his, her or its Equity Shares in the Buyback shall be deemed to have declared, represented, warranted and agreed that he, she or it is authorized under the provisions of any applicable local laws, rules, regulations and statutes to participate in the Buyback.

Forward Looking Statement:

This Draft Letter of Offer contains certain forward-looking statements. These forward-looking statements generally can be identified by words or phrases such as „aim“, „anticipate“, „believe“, „expect“, „estimate“, „intend“, „objective“, „plan“, „project“, „will“, „will continue“, „will pursue“ or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to, inter alia, regulatory changes pertaining to the industries in India in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industries in which we operate.

Currency and Unit of Presentation

In this Draft Letter of Offer, references to “Rs.” and “Rupees” are to Indian Rupees i.e. the legal currency of India. Further, all data related to financials are given in Rs., unless otherwise stated.

4. TEXT OF THE RESOLUTION PASSED AT THE BOARD MEETING

The Buyback through Tender Offer was considered and approved by the Board of Directors of the Company at their meeting held on Friday, January 15, 2021. The extracts of the minutes of the Board Meeting are as follows:

“RESOLVED THAT pursuant to the provisions of Section 68, 69, 70 and all other applicable provisions, if any, of the Companies Act, 2013, the Companies (Share Capital and Debentures) Rules, 2014, and other relevant rules made thereunder, each as amended from time to time (the **“Companies Act”**), and in accordance with Article 58 of the Articles of Association of the Company, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the **“Listing Regulations”**) and in compliance with the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 as amended (the **“Buyback Regulations”**), and any statutory modification(s) or re-enactment thereof, for the time being in force and, subject to such other approvals, permissions, sanctions and exemptions of Securities and Exchange Board of India (**“SEBI”**), Ministry of Corporate Affairs/ Registrar of Companies, Delhi & Haryana (the **“ROC”**) and/ or other authorities, institutions or bodies (the **“Appropriate Authorities”**), as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the board of directors of the Company (the **“Board of Directors”/ “Board”** which expression shall include any committee constituted by the Board to exercise its powers, including the powers conferred by this resolution), the Board hereby approves the buyback of not exceeding **6,97,56,641 (Six Crores Ninety Seven Lakhs Fifty Six Thousand Six Hundred Forty one)** fully paid-up equity shares of face value of Rs. 10/- each (**“Equity Share”**) (representing 1.55 % of the total number of fully paid-up Equity Shares in the paid-up share capital of the Company) at a price of **Rs. 150 (Rupees One Hundred Fifty only)** per Equity Share (the **“Buy Back Offer Price”**) payable in cash for an aggregate consideration not exceeding **Rs. 1,046.35 crores (Rupees One Thousand Forty Six crores Thirty Five Lakhs only)** (the **“Buyback Offer Size”**) (excluding transaction costs viz. brokerage, advisor's fees, intermediaries fees, public announcement publication fees, filing fees, turnover charges, applicable taxes inter alia including Buyback taxes, securities transaction tax, goods and services tax, stamp duty and other incidental and related expenses) being **2.50 % & 2.26 %** of the aggregate of the fully paid-up Equity Share capital and free reserves as per the audited standalone and consolidated financial statements of the Company, respectively, for the financial year ended March 31, 2020 (the last audited standalone and consolidated financial statements available as on the date of Board meeting recommending the proposal of the Buyback) and is within the statutory limits of 10% (Ten Percent) of the aggregate of the fully paid-up Equity Share capital and free reserves under the Board of Directors approval route as per the provisions of the Companies Act and Buyback Regulations from the equity shareholders of the Company (including persons who become the shareholders, by canceling Global Depository receipts (**“GDR”**) held by them and receiving the underlying Equity Shares), as on the record date, on a proportionate basis, through the Tender Offer route as prescribed under the Buyback Regulations (hereinafter referred to as the **“Buyback”**).”

“RESOLVED FURTHER THAT the Buyback Size does not include any expenses incurred or to be incurred for the Buyback like filing fees payable to the Securities and Exchange Board of India, advisors fees, public announcement publication expenses, printing and dispatch expenses and other incidental and related expenses

“RESOLVED FURTHER THAT the Company, to the extent legally permissible, implement the Buyback using the “Mechanism for acquisition of shares through Stock Exchange” notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with circular CFD/DCR2/CIR/P/2016/131 dated December 09, 2016, or such other circulars or notifications, as may be applicable including subsequent amendments or statutory modifications thereof and the Company shall approach the Stock Exchange(s), as may be required, for facilitating the same.”

“RESOLVED FURTHER THAT such Buyback shall be made out of the Company’s free reserves and / or such other sources, and on such terms and conditions as the Board or a duly constituted committee thereof may decide from time to time, as may be permitted by law through “Tender Offer” route and as required by the Buyback Regulations and the Companies Act, the Company may buyback Equity Shares from all the existing members holding Equity Shares of the Company on a proportionate basis, provided 15% (fifteen percent) of the number of Equity Shares which the Company proposes to Buyback or number of Equity Shares entitled as per the shareholding of small shareholders as on the record date, whichever is higher, shall be reserved for the small shareholders, as prescribed under the Buyback Regulations.”

“RESOLVED FURTHER THAT confirmation is hereby made by the Board of Directors that:

- a) all Equity Shares of the Company are fully paid up;

- b) the Company shall not issue and allot any shares or other specified securities including by way of bonus, till the date of closure of this Buyback;
- c) the Company shall not raise further capital for a period of one year from the closure of the Buyback offer, except in discharge of its subsisting obligations;
- d) There are no defaults subsisting in the repayment of deposits, interest payment thereon, redemption of debentures or interest payment thereon or redemption of preference shares or payment of dividend due to any shareholder, or repayment of any term loans or interest payable thereon to any financial institution or banking Company;
- e) Company shall not use borrowed funds from Banks and Financial Institutions for paying the consideration to the equity shareholders who have tendered their Equity Shares in the Buyback;
- f) Company shall not directly or indirectly purchase its Equity Shares:
 - through any subsidiary company including its own subsidiary companies, if any or
 - through any investment company or group of investment companies;
- g) Company shall not Buyback the locked-in Equity Shares or other specified securities, if any and non-transferable Equity Shares or other specified securities, if any, till the pendency of the lock-in or till the Equity Shares or other specified securities become transferable;
- h) the ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the paid-up capital and free reserves after the Buyback, based on standalone and consolidated financial statements of the Company, as prescribed under the Companies Act, 2013 and rules made thereunder and Buyback Regulations;
- i) the consideration for the Buyback shall be paid only by way of cash;
- j) the aggregate amount of the Buyback i.e. **Rs 1,046.35 crores (Rupees One thousand Forty Six Crores and Thirty Five Lakhs only)** i.e. **2.50% & 2.26%** of the total paid-up Equity Share capital and free reserves of the Company is as per the latest audited standalone and consolidated financial statements of the Company, respectively for the financial year ended March 31, 2020 (the last audited standalone and consolidated financial statements available as on the date of Board meeting recommending the proposal of the Buyback) and that the maximum number of Equity Shares proposed to be purchased under the Buyback i.e. **6,97,56,641 (Six Crores Ninety Seven Lakhs Fifty Six Thousand Six Hundred Forty one)** Equity Shares does not exceed 25% of the total number of Equity Shares of the paid-up Equity Share Capital of the Company;
- k) the Buyback shall not result in delisting of the Equity Shares from the Stock Exchanges;
- l) the Company has been in compliance with Sections 92, 123, 127 and 129 of the Companies Act, 2013; and
- m) there is no pendency of any scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Companies Act, 2013, as on date.”

“**RESOLVED FURTHER THAT** as required by Clause (x) of Schedule I under Regulation 5 of the Buyback Regulations, the Board hereby confirms that the Board of Directors has made a full enquiry into the affairs and prospects of the Company and that based on such inquiry, the Board of Directors has formed an opinion that:

- a) immediately following the date of this Board meeting, there will be no grounds on which the Company could be found unable to pay its debts;
- b) as regards the Company’s prospects for the year immediately following the date of this Board meeting, and having regard to the Board’s intention with respect to the management of Company’s business during that year and to the amount and character of the financial resources which will in the Board’s view be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of this Board meeting; and
- c) in forming an opinion as aforesaid, the Board has taken into account the liabilities, as if the Company was being wound up under the provisions of the Companies Act, 1956 or Companies Act, 2013 or Insolvency and Bankruptcy Code 2016, as the case may be, including prospective and contingent liabilities.”

“**RESOLVED FURTHER THAT** the draft of the Declaration of Solvency prepared in the prescribed form and supporting affidavit, placed before the meeting be and is hereby approved and Chairman & Managing Director and Director (Finance), be and are hereby authorized to finalise and sign the same, for and on behalf of the Board, and Company Secretary to file the same with the ROC and the SEBI.

“**RESOLVED FURTHER THAT** the Buyback from shareholders who are persons resident outside India including the Foreign Institutional Investors/Foreign Portfolio Investors, Overseas Corporate Bodies, if any, shall be subject to such approvals, if, and to the extent necessary or required including approvals from Reserve Bank of India under Foreign Exchange Management Act, 1999 as amended and the rules and regulations framed there under, if any.”

“RESOLVED FURTHER THAT no information / material likely to have a bearing on the decision of the investors has been suppressed/ withheld and/ or incorporated in the manner that would amount to mis-statement/ misrepresentation and in the event of it transpiring at any point of time that any information/ material has been suppressed/ withheld and/ or amounts to mis-statement/ misrepresentation, the Board and the Company shall be liable for penalty in terms of the provisions of the Companies Act and Buyback Regulations.”

“RESOLVED FURTHER THAT approval of the Board be and is hereby accorded for constitution of a Committee comprising of **Director (Finance) as Chairman** and **Director (Marketing) as Member (“Buyback Committee”)** to do all such acts (except those intermediaries which are engaged by the Merchant Banker), deeds, matters and things as it may, in its absolute discretion deem necessary, expedient, usual or proper, as the Buyback Committee may consider to be in the best interests of the shareholders, including but not limited to :

- a) appoint any intermediaries/agencies/persons as may be required for the purposes of the Buyback and decide, settle and vary the remuneration for all such intermediaries/agencies/ persons, including by the payment of commission, brokerage, fee, charges etc.;
- b) to enter into escrow arrangements as may be required in terms of the Buyback Regulations;
- c) approving the terms of Buyback like the entitlement ratio, the schedule of activities for Buyback including finalizing the date of opening and closing of Buyback, the timeframe for completion of the Buyback, acceptances of shares tendered by the shareholders in the Buyback;
- d) opening, operation and closure of all necessary accounts including bank accounts, escrow bank account, special escrow bank account, depository accounts (including escrow account), trading account with the Merchant Banker / Broker / Manager to the Buyback, for the purpose of payment and authorizing persons to operate the said accounts;
- e) making all applications to the Appropriate Authority for their requisite approvals including approvals as may be required from the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and the rules and regulations framed there under, if any;
- f) approving and signing of the Buyback public announcement, draft letter of offer/ letter of offer;
- g) deciding the designated Stock Exchange;
- h) approving extinguishment of dematerialized shares and physical destruction of share certificates as required under applicable law;
- i) sign, execute and deliver such other documents, deeds and writings and to do all such acts, matters and things as it may, in its absolute discretion deem necessary, expedient or proper, to be in the best interest of the shareholders for the implementation of the Buyback, and to initiate all necessary actions for preparation and issue of various documents and such other undertakings, agreements, papers, documents and correspondence as may be necessary for the implementation of the Buyback to the SEBI, RBI, ROC, Stock Exchanges, depositories and/or other Appropriate Authorities;
- j) obtaining all necessary certificates and reports from statutory auditors and other third parties as required under applicable law.
- k) to give such directions as may be necessary or desirable and to settle any questions or difficulties whatsoever that may arise in relation to the Buyback;
- l) to delegate all or any of the authorities conferred on them to any Director(s)/ Officer(s)/ Authorized Signatory(ies)/ Representative(ies) of the Company;
- m) to deal with Stock Exchanges (including their clearing corporations), and to sign, execute, and deliver such documents as may be necessary or desirable in connection with implementing the Buyback using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, including any further amendments thereof; and
- n) to do all such acts as it may, in its absolute discretion deem necessary, expedient or proper for the implementation of the Buyback.

The Committee will cease to exist after completion of Buyback issue.

The Company Secretary shall act as the Secretary to the Buyback Committee.”

“RESOLVED FURTHER THAT approval of the Board be and is hereby accorded for fixing January 28, 2021 as the Record Date for ascertaining the eligibility of the Shareholders to participate in the Buyback of Equity Shares of the Company as well as payment of Interim Dividend FY 2020-21.”

“RESOLVED FURTHER THAT the Chairman & Managing Director be and is hereby authorised to fix „Record Date“ from time to time in future, for the purpose of payment of dividend, including interim dividend and distribution of any other corporate benefits viz. Bonus issue, Buyback of shares etc.”

“**RESOLVED FURTHER THAT** in terms of Regulation 24(iii) of the Buyback Regulations, Company Secretary be and is hereby appointed as the Compliance Officer for the Buyback.”

“**RESOLVED FURTHER THAT** nothing contained herein shall confer any right on any shareholder to offer and/ or any obligation on the Company or the Board or the Buyback Committee to Buyback any shares and / or impair any power of the Company or the Board or the Buyback Committee to terminate any process in relation to such Buyback, if so permissible by Law.”

“**RESOLVED FURTHER THAT** the Company shall maintain a register of shares bought back wherein details of Equity Shares bought back, consideration paid for the Equity Shares bought back, date of cancellation of Equity Shares and date of extinguishing and physically destroying of Equity Shares and such other particulars as may be prescribed, shall be entered and that the Company Secretary of the Company be and is hereby authorised to authenticate the entries made in the said register.”

“**RESOLVED FURTHER THAT** Chairman and Managing Director be and is hereby authorised to nominate any officer of the Company for negotiating, signing and executing necessary documents, undertaking, documents, letters, offers, agreements etc. for an on behalf of the Company.”

“**RESOLVED FURTHER THAT** Director (Finance) and the Company Secretary, be and are hereby severally authorized to file necessary e-forms with the Ministry of Corporate Affairs / Registrar of Companies, Delhi & Haryana and any other statutory authority and to do all such acts, deeds and things as may be necessary to give effect to the above resolutions.”

5. DETAILS OF PUBLIC ANNOUNCEMENT

In accordance with the provisions of Regulation 7(i) of the Buyback Regulations, the Company has made a Public Announcement dated January 18, 2021 in relation to the Buyback, which was published on January 19, 2021 in the following newspapers. The Public Announcement was issued within two Working Days from the date of the passing of the resolution in the meeting of Board of Director for the Buyback *i.e.*, January 15, 2021.

Publication	Language	Editions
Business Standard	English	All
Business Standard	Hindi	All

A copy of the Public Announcement is available on the SEBI website at www.sebi.gov.in, the website of the Company *i.e.* www.gailonline.com and on the Stock Exchanges *i.e.* www.bseindia.com and www.nseindia.com.

6. DETAILS OF THE BUYBACK

The Board of Directors of GAIL (India) Limited on January 15, 2021 passed a resolution to Buyback Equity Shares of the Company not exceeding 6,97,56,641 (Six Crore Ninety Seven Lakh Fifty Six Thousand Six Hundred Forty One) fully paid-up Equity Shares of face value Rs. 10/- each from all the existing shareholders / beneficial owners of Equity Shares of the Company as on Record Date, on a proportionate basis, through the “Tender Offer” process, at a price of Rs. 150/- (Rupees One Hundred Fifty Only) per Equity Share payable in cash, for an aggregate consideration not exceeding of Rs. 1,046.35/- (Rupees One Thousand Forty Six Crore Thirty Five Lakh Only).

The holders of Global Depository Receipts (“GDRs”) of the Company may participate in the Buyback by withdrawing his or her GDRs from the depository facility, and acquiring underlying Equity Shares upon such withdrawal such that they are recorded as a shareholder of the Company as on the Record Date and then tendering those Equity Shares back to the Company via their respective stock brokers. There can be no assurance that all the Equity Shares tendered by a GDR investor in the Buyback will be accepted. GDR investors are advised to consult their legal advisors for advice prior to participating in the Buyback, including advice related to any related regulatory approvals and tax issues.

The Buyback is in accordance with the provisions of Section 68, 69, 70 and all other applicable provisions, if any, of the Companies Act 2013, as amended, the Companies (Share Capital and Debentures) Rules, 2014, as amended, and other relevant rules made thereunder, each as amended from time to time (the “Companies Act”), and in accordance with Article 58 of the Articles of Association of the Company, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the “Listing Regulations”).

The Buyback is subject to the provisions of the Buyback Regulations and such other approvals, permissions as may be required from time to time from the Stock Exchanges where the Equity Shares of the Company

are listed and from any other statutory and/or regulatory authority, as may be required and which may be agreed to by the Board and/or any committee thereof. The Buyback would be undertaken in accordance with SEBI circular bearing number CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 and circular no. CFD/DCR2/CIR/P/2016/131 dated December 09, 2016 (the “SEBI Circulars”), which prescribes mechanism for acquisition of shares through stock exchange.

The Buyback Offer Size represents 2.50% and 2.26% of the aggregate of the fully paid-up Equity Share capital and free reserves as per the audited standalone and consolidated financial statements of the Company, respectively, for the financial year ended March 31, 2020 (the last audited standalone and consolidated financial statements available as on the date of the Board Meeting approving the Buyback) and is within the statutory limits of 10% of the aggregate of the fully paid-up Equity Share capital and free reserves as per audited financial statements of the Company under the Board of Directors approval route as per the provisions of the Companies Act, 2013. The maximum number of Equity Shares proposed to be bought back represents 1.55% of the total number of Equity Shares in the issued, subscribed and paid-up Equity Share capital of the Company.

The maximum amount required by the Company for the said Buyback will not exceed Rs. 1,046.35/- (Rupees One Thousand Forty Six Crore Thirty Five Lakh Only) and is within the permitted limits.

The funds for the Buyback will be met out of internally generated cash resources of the Company. The Company shall transfer from its free reserves a sum equal to the nominal value of the Equity Shares bought back through the Buyback to the Capital Redemption Reserve Account and the details of such transfer shall be disclosed in its subsequent audited balance sheet. The Company confirms that as required under Section 68(2) (d) of the Companies Act, 2013 and Regulation 4(ii) of Buyback Regulations, the ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the paid-up capital and free reserves after the Buyback.

The Buyback shall be on a proportionate basis from all the Equity Shareholders of the Company through the “Tender Offer” process, as prescribed under Regulation 4(iv)(a) of the Buyback Regulations. Additionally, the Buyback shall be, subject to applicable laws, facilitated by tendering of Equity Shares by such Shareholders and settlement of the same, through the stock exchange mechanism as specified in SEBI Circulars.

The Buyback Offer Size does not include any other expenses incurred or to be incurred for the Buyback like SEBI filing fees, Stock Exchanges fees, advisors fees, Public Announcement publication expenses, printing & dispatch expenses, applicable taxes and other incidental & related expenses.

The aggregate shareholding of the Promoter of the Company as on the date of publication of Public Announcement (i.e. January 19, 2021) is as follows:

S. No.	Name of shareholder	No. of Equity Shares held	No. of Equity Shares held in dematerialized form	Percentage of issued Equity Share capital
1.	President of India acting through Ministry of Petroleum and Natural Gas, Government of India*	2,33,44,49,987	2,33,44,49,987	51.76%
Total		2,33,44,49,987	2,33,44,49,987	51.76%

**(Out of Total Shareholding of Government of India, 2,122 shares related to Offer for Sale- 2004 and Bonus shares thereon are pending for credit due to non-availability of shareholders correct details).*

No shares or other specified securities in the Company were either purchased or sold by the Promoter during a period of six months preceding the date of the Board Meeting at which the Buyback was approved.

In terms of the Buyback Regulations, under the Tender Offer route, the promoter and promoter group of the Company have an option to participate in the Buyback. In this regard, the President of India acting through Ministry of Petroleum and Natural Gas, Government of India, vide their letter dated January 18, 2021 intends to participate in the Buyback and tender up to such extent that the minimum shareholding of the Promoter post Buyback remains at least 51.00% of the post Buyback Equity Share capital of the Company in compliance with the Buyback Regulations.

Post Buyback, the non-promoter shareholding of the Company shall not fall below minimum level required as per SEBI Listing Regulations.

The Company, in compliance with regulation 4(v) of the Buyback Regulations, is not undertaking this Buyback so as to delist its Equity Shares or other specified securities from the stock exchanges.

7. AUTHORITY FOR THE BUYBACK

The Buyback is in accordance with the provisions of Article 58 of the Articles of Association of the Company, Section 68, 69, 70 and all other applicable provisions if any, of the Companies Act, 2013 as amended, the Companies (Share Capital and Debenture) Rules, 2014 and the provisions contained in the Buyback Regulations.

The Buyback is subject to approvals as may be necessary, from time to time from statutory authorities including but not limited to SEBI, BSE and NSE.

The Board of Directors at their meeting on January 15, 2021 passed a resolution approving Buyback of Equity Shares of the Company.

8. NECESSITY OF THE BUYBACK

The Buyback would help in optimization of the capital structure and improving return on equity, by reduction in the equity base, thereby leading to long term increase in shareholders' value.

Further, the Buyback, which is being implemented through the Tender Offer route as prescribed under the Buyback Regulations, would involve allocation of higher of number of shares as per their entitlement or 15% of the number of shares to be bought back, reserved for the small shareholders. The Company believes that this reservation of 15% for small shareholders would benefit a large number of public shareholders, who would get classified as "small shareholder".

9. MANAGEMENT DISCUSSION AND ANALYSIS OF THE LIKELY IMPACT OF BUYBACK ON THE COMPANY

9.1 We believe the Buyback is not likely to cause any material impact on the profitability/ earnings of the Company except a reduction in the amount available for investment, which the Company could have otherwise deployed towards generating investment income. Assuming there is full response to the Buyback to the extent of 100%, the funds deployed by the Company towards the Buyback would be Rs. 1,046.35 Crore (Rupees One Thousand Forty Six Crore Thirty Five Lakh Only) excluding the transaction costs viz. brokerage, advisor's fees, intermediaries fees, public announcement publication fees, filing fees, turnover charges, applicable taxes inter alia buyback taxes, securities transaction tax, goods and services tax, stamp duty and other incidental and related expenses. This shall impact the investment income earned by the Company, on account of reduced amount of funds available for investments.

9.2 We believe the Buyback will not in any manner impair the ability of the Company to pursue growth opportunities or meet its cash requirements for business operations. The Buyback is expected to contribute to the overall enhancement of shareholder value and result in an increase in the return on equity of the Company.

9.3 In terms of the Buyback Regulations, under the Tender Offer route, the promoter and promoter group of the Company have an option to participate in the Buyback. In this regard, the President of India acting through Ministry of Petroleum and Natural Gas, Government of India, vide their letter dated January 18, 2021 intends to participate in the Buyback and tender up to such extent that the minimum shareholding of the Promoter post Buyback remains at least 51.00% of the post Buyback Equity Share capital of the Company in compliance with the Buyback Regulations. The Buyback of Equity Shares will not result in a change in control or otherwise affect the existing management structure of the Company.

9.4 Since the entire shareholding of the Promoter is in the demat mode, the details of the acquisition/ sale of entire Equity Shares that the Promoter has acquired/sold till date as per the information provided by the Promoter, are set-out below:

Calendar Year of Transaction	No. of Equity Shares	Acquisition/ Sale Consideration (Rs. in crores)	Nature of Transaction/Consideration
1984	11	0.0011	Acquisition
1985	6,000	0.6	Acquisition
	3,989	0.3989	Acquisition
	83,300	8.33	Acquisition

Calendar Year of Transaction	No. of Equity Shares	Acquisition/ Sale Consideration (Rs. in crores)	Nature of Transaction/Consideration
	416,700	41.67	Acquisition
1986	500,000	50	Acquisition
	800,000	80	Acquisition
	1,023,500	102.35	Acquisition
	934,400	93.44	Acquisition
1987	2,340,000	234	Acquisition
	1,600,000	160	Acquisition
	695,300	69.53	Acquisition
1988	50,000	5	Acquisition
1995	845,320,000	845.32	Stock split was approved at the Extra-Ordinary General Meeting of the Company held on June 12, 1995, resulting in each Equity Shares of Rs.1000/- being sub-divided into 100 Equity Shares of Rs. 10
	28,529,025	192.09	Disinvestment through private placement in the domestic market
1999	30,609,600	183.65	Disinvestment through private placement in the domestic market
	81,679,098	490.07	Sale of shares to Indian Oil Corporation Limited and to the Oil and Natural Gas Commission Limited
	135,000,000	945.00	Disinvestments through GDR Mechanism
2004	84,565,160	1629.43	Disinvestment through offer for sale
2008	242,468,558	NIL	Bonus Issue
2014	15,672,024	533.14	Disinvestment through ETF
2015	37,819	NIL	Disinvestment through CPSE ETF as Bonus Units
2017	15,315,380	659.17	Disinvestment through CPSE ETF as Bonus Units
	232,126,817	NIL	Bonus Issue
	7,855,657	285.15	Disinvestment through CPSE ETF as Bonus Units
	14,240,519	620.53	Disinvestment through Bharat ETF-22
2018	302,137,031	NIL	Bonus Issue
	11,675,668	387.34	Disinvestment through Bharat ETF-22
2019	19,843,410	586.80	Disinvestment through Bharat ETF-22
	1,177,029,046	NIL	Bonus Issue
	19,610,227	251.07	Disinvestment through Bharat ETF-22

9.5 Assuming that the Promoter *i.e.* The President of India acting through Ministry of Petroleum and Natural Gas, Government of India, tenders their Equity Shares in the Buyback (in accordance with the declaration provided by them) and if

- All the public Shareholders participate upto their entitlement (full acceptance), then the aggregate shareholding of the Promoter, post Buyback will increase from [●]% (i.e. as on Record Date) to [●]% and the aggregate shareholding of the public in the Company shall decrease from [●]% to [●]% of the post Buyback Equity Share capital of the Company; or
- None of the public shareholders participate, then the aggregate shareholding of the Promoter, post Buyback will decrease from [●]% (i.e. as on Record Date) to [●]% and the aggregate shareholding of the public in the Company shall increase from [●]% (i.e. as on Record Date) to [●]% of the post Buyback Equity Share capital of the Company. However, Promoter vide their letter dated January 18, 2021 intends to participate in the Buyback and tender up to such extent that the minimum

shareholding of the Promoter post Buyback remains at least 51.00% of the post Buyback Equity Share capital of the Company in compliance with the Buyback Regulations.

- 9.6 Consequent to the Buyback and based on the number of Equity Shares bought back from the Non-Resident Shareholders, FIIs, FPIs, Indian financial institutions, banks, mutual funds and the public including other bodies corporate, the shareholding pattern of the Company would undergo a change. The FIIs/ FPIs are advised to ensure that their investment in the Company continue to be within the limit prescribed under applicable laws, post completion of the Buyback.
- 9.7 The debt-equity ratio post Buyback will be compliant with the permissible limit of 2:1 prescribed by Section 68 of the Companies Act and Regulation 4(ii) of the Buyback Regulations, even if the response to the Buyback is to the extent of 100% (full acceptance).
- 9.8 In compliance with regulation 24(i)(b) of the Buyback Regulations the Company shall not issue any Equity Shares or other securities (including by way of bonus) till the date of closure of the Buyback.
- 9.9 The Company shall not raise further capital for a period of one year from the closure of Buyback Offer except in discharge of its subsisting obligations.
- 9.10 Salient financial parameters consequent to the Buyback based on the audited standalone and consolidated financial statements as on March 31, 2020 of the Company are as under:

Parameters	Standalone		Consolidated	
	Pre-Buyback	Post- Buyback*	Pre-Buyback	Post-Buyback*
Net worth (Rs. in Crores)	41,853.99	40,807.64	46,250.65	45,094.38
Return on Net worth (%)	15.82	16.22	20.37	20.89
Earnings Per Share (of Rs.10 each)	14.68	14.91	20.89	21.25
Book Value per Share (Rs.)	92.80	91.90	102.55	101.72
P/E as per the latest audited financial results	5.21	5.13	3.66	3.60
Total Debt/ Equity Ratio	0.13	0.14	0.14	0.15

*(Assuming full acceptance of Equity Shares in the Buyback Offer in the ratio of Buyback)

Note:

- 1.a) Net worth (for standalone) = Equity Share Capital + Other Equity – Other Comprehensive Income (OCI) – Bond Redemption Reserve
- 1.b) Net worth (consolidated) = Equity Share Capital + Other Equity – Other Comprehensive Income (OCI) – Bond – Redemption Reserve – Capital Reserve – Foreign Currency Translation Reserve (FCTR)
2. Debt or Total Debt = Long Term Borrowings + Short Term Borrowings + Current Maturities of Long Term Borrowings.

The key ratios have been computed as below:

Key ratios Basis

Earnings per Share - Basic (Rs.)	Net Profit attributable to equity shareholders / Weighted average number of Shares outstanding during the year
Book value per Share (Rs.)	Net Worth / No. of Equity Shares Subscribed
Return on Net Worth excluding revaluation reserves (%)	Net Profit After Tax / Net Worth excluding revaluation reserves
Debt-Equity Ratio	Total Debt / Net Worth
P/E ratio	Closing price on NSE as on 31 st March 2020 (i.e. Rs.76.55) / Earnings per share

10. BASIS OF CALCULATING BUYBACK PRICE

- 10.1 The Buyback Offer Price of Rs. 150/- (Rupees One Hundred Fifty Only) per Equity Share has been arrived at after considering various factors such as the average closing prices of the Equity Shares on the Stock Exchanges where the Equity Shares of the Company are listed, the net-worth of the Company and the impact of the Buyback on the key financial ratios of the Company. The Buyback Offer Price of Rs. 150/- (Rupees One Hundred Fifty Only) per Equity Share represents (i) a premium of 44.65% on BSE and 41.14% on NSE over the volume weighted average price of the Equity Shares on BSE and NSE, respectively for 26 weeks preceding the Board Meeting date; (ii) a premium of 10.13% on BSE and 10.28% on NSE over the volume weighted average price of the Equity Shares on BSE and NSE,

respectively for 2 weeks preceding the Board Meeting date; (iii) a premium of 10.54% on BSE and 10.54% on NSE over the closing price of the Equity Shares on BSE & NSE, respectively as on the date of intimation to BSE & NSE for the Board Meeting to consider the proposal of the Buyback.

- 10.2 For financial ratios and trends in the market price of the Equity Shares, please refer to paragraph 15 and 16 of this Draft Letter of Offer.
- 10.3 The closing market price of the Equity Shares as on the date of intimation to the BSE and NSE for the Board Meeting for considering the Buyback i.e. January 11, 2021, was Rs. 135.70 per Equity Share and Rs. 135.70 per Equity Share, respectively.

11. SOURCES OF FUNDS FOR THE BUYBACK

- 11.1 Assuming full acceptance, the funds that would be employed by the Company for the purpose of the Buyback of 6,97,56,641 (Six Crore Ninety Seven Lakh Fifty Six Thousand Six Hundred Forty One) Equity Shares at a price of Rs. 150/- (Rupees One Hundred Fifty Only) per Equity Share would be Rs. 1,046.35 Crore/- (Rupees One Thousand Forty Six Crore Thirty Five Lakh Only), excluding the transaction costs viz. brokerage, advisor's fees, intermediaries fees, public announcement publication fees, filing fees, turnover charges, applicable taxes *inter alia* buyback taxes, securities transaction tax, goods and services tax, stamp duty and other incidental and related expense.
- 11.2 The Buyback shall be made out of the free reserves of the Company as at March 31, 2020 (i.e. the last audited standalone and consolidated financial statements available as on the date of Board Meeting recommending the proposal of the Buyback). The Company shall transfer from its free reserves a sum equal to the nominal value of the Equity Shares bought back through the Buyback to the Capital Redemption Reserve Account and the details of such transfer shall be disclosed in its subsequent audited balance sheet.
- 11.3 The funds for the Buyback will be met out of internally generated cash resources of the Company. The Company does not intend to raise additional debt for the explicit purposes of the Buyback. Accordingly, borrowed funds will not be used for the Buyback. However, if required, the Company may borrow funds in the ordinary course of its business.
- 11.4 This Buyback is not likely to cause any material impact on the earnings of the Company, except for the cost of financing the Buyback, being a reduction in the treasury income that the Company could have otherwise earned on the funds deployed.

12. DETAILS OF THE ESCROW ACCOUNT AND THE AMOUNT TO BE DEPOSITED THEREIN

- 12.1 In accordance with Regulation 9(xi) of the Buyback Regulations, an Escrow Agreement will be entered into amongst the Company, the Manager to the Buyback and the Escrow Agent on [●].
- 12.2 In accordance with the Buyback Regulations, the Company proposed to open an Escrow Account in the name and style "[●]" bearing account number [●] with the Escrow Agent, namely, [●] having its registered office situated at [●]. The Company will deposit Rs. [●] in the Escrow Account, in terms of the Buyback Regulations. The Manager to the Buyback will be empowered to operate the Escrow Account in accordance with the Buyback Regulations.
- 12.3 M/s ASA & Associate LLP, Chartered Accountants (Firm Reg. No. 009571N/N500006) 81/1, Third Floor, Adchini Aurobindo Marg, New Delhi – 110017 Partner: Parveen Kumar (Membership No. 088810), Tel.: 011 41009999 and A.R. Co., Chartered Accountants (Firm Reg. No. 002744C), A-403, Gayatri Apartment, Airlines Group Housing Society, Plot No 27, Sector 10, Dwarka, New Delhi – 110075, Partner: Pawan K Goel (Membership No. 072209), Tel.: 9810195084 have certified, vide their certificate dated January 15, 2021 that the Company has adequate financial resources for fulfilling all obligations under the Buyback Offer.
- 12.4 Based on the above certificate, the Manager to the Buyback Offer has satisfied itself about the ability of the Company to implement the Buyback Offer in accordance with the Buyback Regulations.

13. CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

13.1 The present capital structure of the Company, is as follows:

Particulars	Aggregate value at face value (Rs in Crore)
Authorised share capital	
500,00,00,000 Equity Shares of Rs.10 each	5,000.00
Issued, subscribed and paid up share capital before the Buyback	
4,51,01,41,866 Equity Shares of Rs.10 each, fully paid up	4,510.14
Issued, subscribed and paid up share capital after the Buyback	
4,44,03,85,225 Equity Shares of Rs.10 each, fully paid up	4,440.39

**Assuming full acceptance of Equity Shares in the Buyback Offer in the Ratio of Buyback*

13.2 The Company has not undertaken any Buyback in the last 3 years from the date of this Draft Letter of Offer.

13.3 As on the date of this Draft Letter of Offer, there are no outstanding preference shares, partly paid-up Equity Shares or outstanding convertible instruments or calls in arrears.

13.4 The shareholding pattern of the Company pre-Buyback, as on Record Date i.e. Thursday, January 28, 2021, as well as the post Buyback (assuming full acceptance of the Buyback) shareholding, is as shown below:

Particulars	Pre Buyback		Post Buyback*	
	No. of Equity Shares	% of the existing Equity Share Capital	No. of Equity Shares	% of the post Buyback Equity Share Capital
Promoter	[●]	[●]	[●]	[●]
Foreign Investors (including Non Resident Indians, FIIs, FPIs and Foreign Mutual Funds)	[●]	[●]	[●]	[●]
Financial Institutions/ Banks/ Mutual Funds promoted by Banks/ Institutions	[●]	[●]		
Other (public, public bodies corporate etc.)	[●]	[●]		
Total	[●]	[●]	[●]	[●]

**Assuming full acceptance of Equity Shares in the Buyback Offer in the Ratio of Buyback*

13.5 Assuming the Promoter i.e. The President of India acting through Ministry of Petroleum and Natural Gas, Government of India, tenders their Equity Shares in the Buyback (in accordance with the declaration provided by them), the aggregate shareholding of the Promoter, post Buyback will increase to [●]% of the post Buyback Equity share capital of the Company, if all the public Shareholders participate upto their entitlement (full acceptance) and will reduce to [●]% of the post Buyback Equity Share capital of the Company if none of the public shareholders participate in the Buyback Offer. However, Promoter vide their letter dated January 18, 2021 intends to participate in the Buyback and tender up to such extent that the minimum shareholding of the Promoter post Buyback remains at least 51.00% of the post Buyback Equity share capital of the Company in compliance with the Buyback Regulations.

13.6 No shares in the Company were either purchased or sold by the Promoter during the period of six months preceding the date of the Board Meeting at which the Buyback was approved.

Subsequent to the date of Board Meeting, till the date of this Draft Letter of Offer, the Promoter of the Company has not entered into any transactions in relation to the Equity Shares of the Company.

13.7 No Equity Shares have been purchased/ sold/ transferred by the Promoter of the Company during the period of twelve months preceding the date of publication of the Public Announcement (i.e. January 19, 2021).

13.8 There is no pendency of any other scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Companies Act, as on date.

- 13.9 The Company shall not issue any Equity Shares including by way of bonus, from the date of publication of the Public Announcement till the date of closure of this Buyback.

14. BRIEF INFORMATION ABOUT THE COMPANY

14.1 GAIL (India) Limited (“GAIL”), a Maharatna Company, was incorporated on August 16, 1984 as a Central Public Sector Enterprise under the name Gas Authority of India Limited under Ministry of Petroleum & Natural Gas, Govt. of India with mission of “Accelerating and optimizing the effective and economic use of Natural Gas and its fractions for the benefit of the national economy”. GAIL has its presence along entire natural gas value chain comprising of gas transmission & marketing, LPG transmission, gas processing, petrochemical, LNG imports, Exploration & Production and city gas distribution. GAIL has also diversified into renewable energy business.

14.2 Address of Registered office of the company is:
16, Bhikaiji Cama Place, R K Puram, New Delhi - 110066.

14.3 The shares of the Company were listed on NSE and BSE on April 2, 1997 and May 15, 1997, respectively.

14.4 **Overview of the business of the Company: Business Segments**

GAIL owns and operates appx 12,900 Km length of pan-India natural gas pipeline network with a capacity to carry around 206 Million Metric Standard Cubic Meter per day (MMSCMD) of natural gas. GAIL supplies gas to major consumers such as power and fertiliser industries as well as refinery, petrochemical plants, steel plants, city gas / CNG and small industries. In addition, GAIL owns and operates 2,038 Kms length of LPG pipeline with the capacity to transport 3.8 Million Metric Tonnes per annum (MMTPA) of LPG.

GAIL has 5 gas processing plants with the capacity to produce 1.4 MMTPA of LPG and value added products such as Propane, Pentane and Naphtha. Besides, GAIL owns and operates a gas based petrochemical complex at Pata in Uttar Pradesh with a capacity to produce 810,000 tonnes per annum of polymers. GAIL through its subsidiary, Brahmaputra Cracker and Polymer Limited, owns and operates a petrochemical complex at Lepetkata in Dibrugarh, Assam with polymer capacity of 280,000 Metric Tonnes per annum. Further, GAIL is also a co-promoter in ONGC Petro-additions Limited (OPaL) which operates petrochemical complex of 1.4 million tonnes per annum polymer capacity at Dahej in Gujarat.

GAIL has a strong experience and expertise in Liquefied Natural Gas (LNG) business. GAIL is one of the promoters of Petronet LNG Limited, which owns and operates 17.5 MMTPA capacity LNG regas terminal located at Dahej, Gujarat and 5 MMTPA LNG regas capacity in Kochi, Kerala. Besides, GAIL’s subsidiary Konkan LNG Ltd. owns and operates 5 MMTPA LNG regas terminal at Dabhol, Maharashtra. GAIL has secured long term (20 years) LNG contracts with Sabine Pass Liquefaction LLC, USA, a unit of Cheniere Energy Partners for import of 3.5 MMTPA of LNG from USA and with Dominion Energy Cove Point, USA for import of 2.3 MMTPA of LNG. GAIL has also signed a 20 year LNG Sale & Purchase Agreement with Gazprom Marketing and Trading, Singapore for import of 2.5 MMTPA LNG. Further, GAIL’s wholly owned subsidiary company in Singapore - GAIL Global (Singapore) Pte. Ltd. is actively involved in LNG trading business.

GAIL has 25.51% stake in its JV company of Ratnagiri Gas and Power Private limited (RGPPPL) involved in operating of 1967.08 MW gas based combined cycle Power Block. GAIL is also having equity participation in Gujarat State Energy Generation Limited (GSEG), which operates a 506 MW gas based combined cycle power plant located in Hazira, Gujarat.

GAIL has a strong focus in city gas distribution (CGD) business and has implemented CGD projects in major Indian cities including New Delhi and Mumbai to supply gas to domestic and transport sector. The company has also floated a wholly owned subsidiary, GAIL Gas Limited, for implementation of CGD projects. GAIL, including group companies is currently authorized to operate in 61 Geographical Areas throughout India including metro cities of Delhi, Mumbai, Hyderabad, Bengaluru, Kolkata, etc. These CGD networks together cater to around 66% of total 62.05 lakh domestic PNG connections in the country. Out of the total 2,207 CNG stations in the country, GAIL’s group operates 1,385 CNG stations representing 63% share. In FY 19-20, GAIL registered record addition of 9.52 lakh household PNG connections and 311 CNG stations. Further, GAIL has equity participation in two city gas companies in Egypt and one city gas company in China.

GAIL has participating interest in 9 E&P blocks in India apart from 2 blocks in Myanmar and 1 shale gas asset in USA. Investment in shale gas asset in USA was made through GAIL's wholly owned subsidiary company - GAIL Global (USA) Inc.

GAIL is actively working towards diversifying the business portfolio to include renewable energy. GAIL has a total installed capacity of 130.26 MW of alternative energy; out of which 118 MW are wind energy projects and 12.26 MW are solar energy projects. Out of the 12.26 MW, 5.76 MW of capacity is roof-top captive solar power plant at Pata, which is the country's second largest industrial PV roof top solar plant and also 1st roof top solar plant in Hydrocarbon Industry in India. GAIL is planning to expand its renewable portfolio in coming years.

In addition, GAIL is exploring various business opportunities in the Production and Marketing of Compressed Bio Gas (CBG) from organic waste. GAIL is an integral part of the MoP&NG's initiative – SATAT (Sustainable Alternative Towards Affordable Transportation) and accordingly has invited Expression of Interest from various CBG Producers for providing Marketing tie up of CBG at the Retail Outlets of your Company and its JVs.

14.5 Details of changes in share capital of the Company since incorporation are as follows:

Date of Allotment	Number of Equity Shares	Cumulative number of Equity Shares	Face Value (Rs)	Issue Price (Rs)	Consideration (Rs. Per Equity share)	Equity Share Capital (Rs)	Cumulative Paid-up Capital (Rs)
August 16, 1984	11	11	1,000	1,000	1,000	11,000	11,000
February 23, 1985	6,000	6,011	1,000	1,000	1,000	60,00,000	60,11,000
April 20, 1985	3,989	10,000	1,000	1,000	1,000	39,89,000	1,00,00,000
July 18, 1985	83,300	93,300	1,000	1,000	1,000	8,33,00,000	9,33,00,000
November 28, 1985	4,16,700	5,10,000	1,000	1,000	1,000	41,67,00,000	51,00,00,000
February 3, 1986	5,00,000	10,10,000	1,000	1,000	1,000	50,00,00,000	1,01,00,00,000
February 7, 1986	8,00,000	18,10,000	1,000	1,000	1,000	80,00,00,000	1,81,00,00,000
August 2, 1986	10,23,500	28,33,500	1,000	1,000	1,000	1,02,35,00,000	2,83,35,00,000
August 2, 1986	9,34,400	37,67,900	1,000	1,000	1,000	93,44,00,000	3,76,79,00,000
March 9, 1987	23,40,000	61,07,900	1,000	1,000	1,000	2,34,00,00,000	6,10,79,00,000
June 22, 1987	16,00,000	77,07,900	1,000	1,000	1,000	1,60,00,00,000	7,70,79,00,000
August 19, 1987	6,95,300	84,03,200	1,000	1,000	1,000	69,53,00,000	8,40,32,00,000
September 1, 1988	50,000	84,53,200	1,000	1,000	1,000	5,00,00,000	8,45,32,00,000
Sub-Total	84,53,200						
June 12, 1995*	845,320,000	84,53,20,000	10	10	10		8,45,32,00,000
January 14, 1997	3,31,600	84,56,51,600	10	18	18	33,16,000	8,45,65,16,000
October 20, 2008	42,28,25,800	1,26,84,77,400	10	Bonus	NIL	4,22,82,58,000	12,68,47,74,000
March 15, 2017	42,28,25,800	1,69,13,03,200	10	Bonus	NIL	4,22,82,58,000	16,91,30,32,000
March 31, 2018	56,37,67,733	2,25,50,70,933	10	Bonus	NIL	5,63,76,77,330	22,55,07,09,330
July 12, 2019	2,25,50,70,933	4,51,01,41,866	10	Bonus	NIL	22,55,07,09,330	45,10,14,18,660

* Stock split was approved at the Extra-Ordinary General Meeting of the Company held on June 12, 1995, resulting in each Equity Shares of Rs.1000/- was sub-divided into 100 Equity Shares of Rs. 10/- each

14.6 The Board of Directors of the Company as on the date of publication of Public Announcement (i.e. January 19, 2021) was as under:

S. No.	Name, Qualification, Occupation, Age and DIN	Designation	Director on the Board since:	Other Directorships
1.	Name: Shri Manoj Jain Qualification: B.Tech (Mechanical) , MBA (Operations Management) Occupation: Service DIN: 07556033 Age: 58 years	CMD & Director (Projects)*	05.06.2018	<ul style="list-style-type: none"> • GAIL Global (USA) Inc. • GAIL Global (USA) LNG LLC • Brahmaputra Cracker & Polymer Limited • GAIL Gas Limited • Petronet LNG Limited • Mahanagar Gas Limited
2.	Name: Shri P.K. Gupta Qualification: B.Tech (Mechanical) Occupation: Service DIN: 01237706 Age: 59 years	Director (HR)	01.02.2017	
3.	Name: Shri A K Tiwari Qualification: Cost and Management Accountant Occupation: Service DIN: 07654612 Age: 59 years	Director (Finance) & CFO	01.12.2018	<ul style="list-style-type: none"> • Green Gas Limited • GAIL Gas Limited • GAIL Global (USA) Inc. • GAIL Global (USA) LNG LLC • Bhagyanagar Gas Limited
4.	Name: Shri E S Ranganathan Qualification: Instrumentation and control Engineer, MBA (Marketing) Occupation: Service DIN: 07417640 Age: 57 years	Director (Marketing)	01.07.2020	<ul style="list-style-type: none"> • GAIL Global (Singapore) Pte. Limited • GAIL Gas Limited • Bengal Gas Company Limited • Konkan LNG Limited
5.	Name: Shri M V Iyer Qualification: Electrical Engineer Occupation: Service DIN: 08198178 Age: 57	Director (Business Development)	25.11.2020	China Gas Holdings Limited
6.	Name: Shri Ashish Chatterjee Qualification: IAS, IIT Graduate Occupation: Service DIN: 07688473 Age: 47 years	Government Nominee	18.12.2016	-
7.	Name: Smt. Usha Suresh Qualification: IES, Post Graduate in Economics, Diploma in	Government Nominee	10.12.2020	-

S. No.	Name, Qualification, Occupation, Age and DIN	Designation	Director on the Board since:	Other Directorships
	Management Occupation: Service DIN: 03433552 Age: 58			
8.	Name: Smt. Banto Devi Kataria Qualification: LLB, MA (Public Administration) Occupation: Service DIN: 08194036 Age: 56 years	Independent Director	06.08.2018	-

* *Shri Manoj Jain was appointed as Director (BD) w.e.f. 05.06.2018 till 13.02.2020. He is also holding the additional charge of Director (Projects).*

14.7 The details of changes in the Board of Directors during the last 3 years from the date of the publication of the Public Announcement (i.e. January 19, 2021) are as under:

S. No.	Name of the Director	Appointment/ Cessation	Date of Appointment/ Change/ Cessation	Reason
1	Smt. Usha Suresh	Appointment	10.12.2020	Continuing
2	Smt. Esha Srivastava	Cessation	10.12.2020	Withdrawal of Nomination (Govt. Nominee Director)
3	Shri M V Iyer	Appointment	25.11.2020	Continuing
4	Dr. Rahul Mukherjee	Cessation	07.09.2020	Completion of Tenure of three years
5	Shri Jayanto Narayan Choudhury	Cessation	07.09.2020	Completion of Tenure of three years
6	Shri E S Ranganathan	Appointment	01.07.2020	Continuing
7	Shri Gajendra Singh	Cessation	30.06.2020	Completion of Tenure (superannuation)
8	Dr. Ashutosh Karnatak	Cessation	21.05.2020	Resignation
9	Smt. Esha Srivastava	Appointment	24.03.2020	Nomination received from MOPNG
10	Shri Rajiv Bansal	Cessation	17.02.2020	Relieved from his duties from MOPNG/ Change of Ministry
11	Dr. Anup K Pujari	Cessation	30.01.2020	Completion of tenure of three years
12	Shri Dinkar Prakash Srivastava	Cessation	30.01.2020	Completion of tenure of three years
13	Shri Rajiv Bansal	Appointment	08.01.2020	Nomination received from MOPNG
14	Shri Ashish Chatterjee	Re-appointment	19.12.2019	Extension of tenure by MOPNG and Continuing
15	Shri Sanjay Tandon	Cessation	18.11.2019	Completion of tenure of four years including re-appointment
16	Shri Anupam Kulshreshtha	Cessation	18.11.2019	Completion of tenure of four years including re-appointment
17	Shri S.K. Srivastava	Cessation	18.11.2019	Completion of tenure of four years including re-

S. No.	Name of the Director	Appointment/ Cessation	Date of Appointment/ Change/ Cessation	Reason
				appointment
18	Shri Ashutosh Jindal	Cessation	04.11.2019	Relieved from his duties from MOPNG/ Change of Ministry
19	Shri B.C. Tripathi	Cessation	31.07.2019	Completion of tenure. Shri B.C. Tripathi was appointed as Director (Marketing) w.e.f. 06.07.2007 till 31.07.2009. He was appointed as CMD w.e.f. 01.08.2009 for period of five years. Tenure Extension for Five years w.e.f. 01.08.2014.
20	Shri Ashutosh Jindal	Appointment	27.05.2019	Nomination received from MOPNG
21	Ms. Indrani Kaushal	Cessation	27.05.2019	Nomination withdrawn by the MOPNG
22	Shri A. K. Tiwari	Appointment	01.12.2018	Continuing
23	Shri Subir Purkayastha	Cessation	30.11.2018	Completion of tenure (superannuation)
24	Shri Sanjay Tandon	Re-appointment	19.11.2018	Re-appointment for period of one year by the MOPNG
25	Shri Anupam Kulshreshtha	Re-appointment	19.11.2018	Re-appointment for period of one year by the MOPNG
26	Shri S.K. Srivastava	Re-appointment	19.11.2018	Re-appointment for period of one year by the MOPNG
27	Smt. Banto Devi Kataria	Appointment	06.08.2018	Continuing
28	Shri Manoj Jain	Appointment	05.06.2018	Continuing
29	Shri P K Gupta	Appointment	01.02.2017	Continuing

14.8 The Buyback will not result in any benefit to the Directors of the Company/ Promoter and person in control of the Company/ group companies except to the extent of their intention to participate in the Buyback and actual participation in the Buyback and the change in their shareholding as per the response received in the Buyback, as a result of the extinguishment of Equity Shares which will lead to reduction in the Equity Share Capital post Buyback.

14.9 None of the directors of the Company hold any Equity Shares as on the date of publication of the Public Announcement (i.e. January 19, 2021), except as follows:

Name of the Director	No. of Share
Shri Manoj Jain	1,296
Shri P. K. Gupta	1,066
Shri A.K. Tiwari	586
Shri E S Ranganathan	842
Shri M V Iyer	544

The proposed Buyback of Equity Shares will be completed within twelve months from the date of the Board Resolution approving the Buyback Offer.

15. FINANCIAL INFORMATION ABOUT THE COMPANY

- a) The salient financial information of the Company extracted from the audited standalone financial statement for last three years being March 31, 2020, March 31, 2019 and March 31, 2018 and unaudited limited reviewed financial results for six months period ended September 30, 2020 are given below:

(Rs. in Crores)

Key Financials	For 6 Months Period ended September 30, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
	(Limited Review)	(Audited)	(Audited)	(Audited)
Revenue from Operations	25,731.92	71,876.35	75,127.76	53,825.49
Other Income	965.26	1,416.84	1,544.81	987.00
Total Income	26,697.18	73,293.19	76,671.57	54,812.49
Total Expenses (excluding interest & depreciation)	23,771.14	63,506.97	65,571.66	46,191.56
Interest	76.93	108.50	138.54	275.11
Depreciation	942.58	1,835.99	1,550.22	1,415.14
Exceptional Items: Expense / (Income)	-	(101.63)	326.33	(27.69)
Profit Before Tax after Exceptional Items	1,906.53	7,943.36	9,084.82	6,958.37
Provisions for Tax (including Deferred Tax)	411.35	1,322.73	3,059.15	2,339.96
Profit/ (Loss) After Tax	1,495.18	6,620.63	6,025.67	4,618.41
Paid-up Equity Share Capital	4,510.14	4,510.14	2,255.07	2,255.07
Reserve & Surplus, excluding revaluation reserves & Misc. expenditures to the extent not written off	38,922.15	37,343.85	36,946.99	32,986.43
Net worth, excluding revaluation reserves & Misc. expenditures to the extent not written off	43,432.29	41,853.99	39,202.06	35,241.50
Total Debt, excluding working capital loans	3,828.63	3,757.10	1,001.05	2,080.46

Financial Ratios are as under:

Particulars	For 6 Months Period ended September 30, 2020 (Limited Review)*	For the year ended March 31, 2020 (Audited)	For the year ended March 31, 2019 (Audited)	For the year ended March 31, 2018 (Audited)
Earnings per Share (Rs.)	3.32	14.68	26.72	20.48
Debt/ Equity Ratio	0.12	0.13	0.03	0.06
Book Value (Rs. per Share)	96.30	92.80	173.84	156.28
Return on Net worth (%)	3.44	15.82	15.37	13.11
Total Debt/ Net worth (%)	12.24	13.28	2.55	5.90

* Not Annualized

Notes:

1. Net worth = Equity Capital + Other Equity – Other Comprehensive Income (OCI) – Bond Redemption Reserve.
2. Debt or Total Debt = Long Term Borrowings + Short Term Borrowings + Current Maturities of Long Term Borrowings.

Key Ratios basis:

Earnings per Share- Basic (Rs)	Net profit attributable to the equity shareholders / Weighted average number of Shares outstanding during the year
Book Value per Share (Rs.)	Net Worth / No. of Equity Shares Subscribed
Return on Net Worth excluding revaluation reserves (%)	Net Profit After Tax/ Net Worth excluding revaluation reserves
Debt- Equity Ratio	Total Debt/ Net Worth

- b) Salient financial parameters consequent to the Buyback based on the latest audited standalone financial statements for the financial year ended 31 March 2020 are as under:

Parameters	Pre-Buyback	Post- Buyback*
Net worth (Rs. in Crores)	41,853.99	40,807.64
Return on Net worth (%)	15.82	16.22
Earnings Per Share (of Rs.10/- each)	14.68	14.91
Book Value per Share (Rs.)	92.80	91.90
P/E as per the latest audited financial results	5.21	5.13
Total Debt/ Equity Ratio	0.13	0.14

*(Assuming full acceptance of Equity Shares in the Buyback Offer in the ratio of Buyback)

Notes:

1. Net worth = Equity Share Capital + Other Equity – Other Comprehensive Income (OCI) – Bond Redemption Reserve.
2. Debt or Total Debt = Long Term Borrowings + Short Term Borrowings + Current Maturities of Long Term Borrowings.

The key ratios have been computed as below:

Key Ratios Basis:

Earnings per Share – Basic (Rs.)	Net Profit attributable to equity shareholders / Weighted average number of Shares outstanding during the year
Book value per Share (Rs.)	Net Worth / No. of Equity Shares Subscribed
Return on Net Worth excluding revaluation reserves (%)	Net Profit After Tax / Net Worth excluding revaluation reserves
Debt-Equity Ratio	Total Debt / Net Worth
P/E ratio	Closing price on NSE as on 31 st March 2020 (i.e. Rs.76.55) / Earnings per share

- c) The salient financial information of the Company extracted from the audited consolidated financial statement for last three years being 31 March 2020, 31 March 2019 and 31 March 2018 and unaudited limited reviewed consolidated financial results for six months ended 30 September 2020 are given below:

(Rs.in Crores)

Key Financials	For 6 Months Period ended September 30, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
	(Limited Review)	(Audited)	(Audited)	(Audited)
Revenue from Operations	25,990.48	72,567.70	76,234.17	54,694.31
Other Income	453.44	1,546.43	1,214.27	812.72
Total Income	26,443.92	74,114.13	77,448.44	55,507.03
Total Expenses (excluding interest & depreciation)	23,873.67	63,542.69	66,566.61	46,915.29
Interest	84.22	308.94	159.20	294.91
Depreciation	1,066.98	2,080.16	1,666.64	1,526.89
Exceptional Items: Expense / (Income)	-	-	-	-
Share of Profit / (Loss) in JV's/Associates for the year	741.69	2,246.60	775.20	153.25
Profit Before Tax	2,160.74	10,428.94	9,831.19	6,923.19
Provisions for Tax (including Deferred Tax)	449.61	914.30	3,278.42	2,122.85
Minority PAT Share	(54.98)	92.59	7.03	5.98
Profit/(Loss) discontinuing operation	-	-	-	4.71
Profit/ (Loss) After Tax	1,766.11	9,422.05	6,545.74	4,799.07
Paid-up Equity Share Capital	4,510.14	4,510.14	2,255.07	2,255.07
Reserve & Surplus, excluding revaluation reserves & Misc. expenditures to the extent not written off	43,457.14	41,740.51	38,795.91	34,266.48

Net worth, excluding revaluation reserves & Misc. expenditures to the extent not written off	47,967.28	46,250.65	41,050.98	36,521.55
Total Debt, excluding working capital loans	4,012.56	4,088.72	1,179.89	2,241.23

Financial Ratios are as under:

Particulars	For 6 Months Period ended September 30, 2020 (Limited Review)*	For the year ended March 31, 2020 (Audited)	For the year ended March 31, 2019 (Audited)	For the year ended March 31, 2018 (Audited)
Earnings per Share (Rs.)	3.92	20.89	29.03	21.28
Debt/ Equity Ratio	0.13	0.14	0.05	0.09
Book Value (Rs. per Share)	106.35	102.55	182.04	161.95
Return on Net worth (%)	3.68	20.37	15.95	13.14
Total Debt/ Net worth (%)	12.75	14.38	5.41	8.81

*Not Annualized

Notes:

1. Net worth = Equity Capital + Other Equity – Other Comprehensive Income (OCI) – Bond Redemption Reserve – Capital Reserve – Foreign Currency Translation Reserve (FCTR).
2. Debt or Total Debt = Long Term Borrowings + Short Term Borrowings + Current Maturities of Long Term Borrowings.

Key Ratios basis:

Earnings per Share- Basic (Rs.)	Net profit attributable to the equity shareholders / Weighted average number of Shares outstanding during the year
Book Value per Share (Rs.)	Net Worth / No. of Equity Shares Subscribed
Return on Net worth excluding revaluation reserves (%)	Net Profit After Tax/ Net Worth excluding revaluation reserves
Debt- Equity Ratio	Total Debt/ Net Worth

- d) Salient financial parameters consequent to the Buyback based on the latest audited consolidated financial statements for the financial year ended March 31, 2020 are as under:

Parameters	Pre-Buyback	Post- Buyback*
Net worth (Rs. in Crores)	46,250.65	45,094.38
Return on Net worth (%)	20.37	20.89
Earnings Per Share (of Rs.10/- each)	20.89	21.25
Book Value per Share (Rs.)	102.55	101.72
P/E as per the latest audited financial results	3.66	3.60
Total Debt/ Equity Ratio	0.14	0.15

*(Assuming full acceptance of Equity Shares in the Buyback Offer in the ratio of Buyback)

Notes:

1. Net worth = Equity Share Capital + Other Equity – Other Comprehensive Income (OCI) – Bond Redemption Reserve – Capital Reserve – Foreign Currency Translation Reserve (FCTR).
2. Debt or Total Debt = Long Term Borrowing + Short Term Borrowings + Current Maturities of Long Term Borrowings.

The key ratios have been computed as below:

Key Ratios Basis

Earnings per Share – Basic (Rs.)	Net Profit attributable to equity shareholders / Weighted average number of Shares outstanding during the year
Book value per Share (Rs.)	Net Worth / No of Equity Shares Subscribed
Return on Net Worth excluding revaluation reserves (%)	Net Profit After Tax / Net Worth excluding revaluation reserves

Debt-Equity Ratio	Total Debt / Net Worth
P/E ratio	Closing price on NSE as on 31 st March 2020 (i.e. Rs. 76.55) / Earnings per share

16. STOCK MARKET DATA

16.1 The Company's Equity Shares are listed on BSE and NSE. The maximum volume of trading in the Equity Shares of the Company is recorded on NSE. The high, low and average market prices in preceding three financial years (April to March period) and the monthly high, low and average market prices for the six months preceding the date of publication of the Public Announcement (i.e. January 19, 2021) from July 2020 to December 2020 and the corresponding volumes on the BSE and NSE is as follows:

For NSE:

Period	High* (Rs.)	Date of High	Number of Shares traded on that date	Low* (Rs.)	Date of Low	Number of shares traded on that date	Average Price* (Rs.)	Total volume of traded in the period (Shares)
PRECEDING 3 YEARS								
FY 2018	519.50	28-Dec-17	1,00,99,016	309.10	27-Mar-18	68,12,861	425.76	84,95,40,992
FY 2019	399.40	16-Aug-18	1,51,45,786	295.25	5-Oct-18	2,10,45,602	348.22	1,14,56,46,378
FY 2020 (April 1, 2019 to July 8, 2019)	365.40	3-Jun-19	53,44,436	297.40	8-Jul-19	80,16,114	333.19	32,18,76,510
FY 2020 (July 9, 2019** to March 31, 2020)	152.20	9-Jul-19	71,04,004	65.00	13-Mar-20	2,91,68,003	122.06	2,16,49,85,000
PRECEDING 6 MONTHS								
July 2020	107.50	9-Jul-20	2,95,16,897	94.45	16-Jul-20	9268233	100.79	27,65,91,099
August 2020	103.20	24-Aug-20	88,60,183	92.85	4-Aug-20	1,53,40,137	97.77	28,99,58,811
September 2020	99.10	4-Sep-20	1,37,74,665	81.95	24-Sep-20	1,44,63,264	90.92	30,04,81,495
October 2020	89.80	5-Oct-20	1,37,96,331	81.20	14-Oct-20	1,25,16,630	85.40	25,78,42,953
November 2020	106.70	27-Nov-20	3,97,26,156	83.05	4-Nov-20	99,53,718	93.05	1,80,22,949
December 2020	128.80	11-Dec-20	5,27,97,382	103.10	1-Dec-20	8,56,84,453	121.20	67,02,97,724

N.A.: Not Available

Source: www.nseindia.com

*High and Low price for the period are based on intra day prices and Average Price is based on average of closing price.

** Ex-date of Bonus Issue of (1:1) on July 9, 2019

For BSE:

Period	High* (Rs.)	Date of High	Number of Shares traded on that date	Low* (Rs.)	Date of Low	Number of shares traded on that date	Average Price* (Rs.)	Total volume of traded in the period (Shares)
PRECEDING 3 YEARS								
FY 2018	518.00	28-Dec-17	1,62,720	311.30	27-Mar-18	2,20,972	425.54	7,05,76,812
FY 2019	398.80	16-Aug-18	10,85,097	296.00	5-Oct-18	7,32,088	348.16	5,71,75,478
FY 2020 (April 1, 2019 to July 8, 2019)	365.00	3-Jun-19	1,08,539	297.50	8-Jul-19	2,92,382	333.17	1,65,89,674
FY 2020 (July 9, 2019** to March 31, 2020)	154.70	9-Jul-19	3,33,051	65.70	19-Mar-20	6,48,139	122.04	6,92,91,728
PRECEDING 6 MONTHS								
July 2020	107.45	9-Jul-20	17,79,524	94.45	16-Jul-20	3,31,898	100.79	1,40,70,352

Period	High* (Rs.)	Date of High	Number of Shares traded on that date	Low* (Rs.)	Date of Low	Number of shares traded on that date	Average Price* (Rs.)	Total volume of traded in the period (Shares)
August 2020	103.20	21-Aug-20	3,52,129	92.85	4-Aug-20	8,78,670	97.79	1,74,28,054
September 2020	99.00	4-Sep-20	13,84,038	82.30	24-Sep-20	8,06,143	90.92	2,75,13,741
October 2020	89.50	23-Oct-20	10,15,970	81.25	14-Oct-20	8,74,265	85.38	1,95,46,484
November 2020	106.60	27-Nov-20	15,85,252	83.10	4-Nov-20	3,33,004	93.03	2,14,49,653
December 2020	128.75	11-Dec-20	28,02,536	103.30	1-Dec-20	26,31,312	121.18	3,30,61,620

N.A.: Not Available

Source: www.bseindia.com

* High and Low price for the period are based on intra day prices and Average Price is based on average of closing price.

** Ex-date of Bonus Issue of (1:1) on July 9, 2019

16.2 The closing market price of the Equity Shares of the Company:

- As on January 14, 2021 i.e. the trading day before January 15, 2021 being the date of Board Meeting approving the Buyback was Rs.144.00 per Equity Share on BSE and Rs.144.00 per Equity Share on NSE.
- As on January 15, 2021, i.e. the date of Board Meeting approving the Buyback was Rs. 138.50 per Equity share on BSE and Rs. 138.50 per Equity share on NSE.
- As on January 18, 2021, i.e. the day immediately after January 15, 2021, being the date of Board Meeting approving the Buyback was Rs.137.75 per Equity Share on BSE and Rs.137.90 per Equity Share on NSE.
- As on January 19, 2021, i.e., the date of publication of Public Announcement was issued was Rs.139.75 per Equity Share on BSE and Rs.139.65 per Equity Share on NSE.

17. DETAILS OF STATUTORY APPROVALS

- The Buyback Offer is subject to approval, if any required, under the provisions of the Companies Act, 2013, FEMA, the Buyback Regulations and/or such other applicable rules and regulations in force for the time being.
- Non-Resident Shareholders (excluding OCBs) permitted under the automatic process prescribed under applicable FEMA and the rules and regulations framed thereunder read with the consolidated Foreign Direct Investment policy issued by the Government of India, are not required to obtain approvals from RBI, subject to the adherence to pricing guidelines, documentation and reporting requirements for such transfers as specified by RBI.
- By agreeing to participate in the Buyback, the NRE and NRI shareholders give the Company the authority to make, sign, execute, deliver, acknowledge and perform all applications to file regulatory reportings, if required, including FC-TRS form, if necessary and undertake to provide assistance to the Company for such regulatory reporting, if required by the Company
- Erstwhile OCB are required to obtain specific prior approval from RBI for tendering Equity Shares in the Buyback Offer. The Company shall not accept Equity Shares from OCB Shareholders in respect of whom such RBI approval is required and copies of such approvals are not submitted.
- As on date, there are no other statutory or regulatory approvals required to implement the Buyback Offer, other than that indicated above. If any statutory or regulatory approval becomes applicable subsequently, the Buyback Offer will be subject to such statutory or regulatory approval(s). In the event of any delay in receipt of any statutory / regulatory approvals, changes to the proposed timetable of the Buyback Offer, if any, shall be intimated to the Stock Exchanges.
- The Buyback has been approved by the Board of Directors in their meeting held on January 15, 2021.

18. DETAILS OF REGISTRAR TO THE BUYBACK OFFER

Eligible shareholders who wish to tender their Equity Shares in the Buyback are required to send the Tender Form, TRS, Physical Share certificate (for physical Shareholders only) and other documents by superscribing the envelope as “**GAIL (India) Limited Buyback 2021**” to the Registrar to the Buyback

Offer either by registered post/courier or hand delivery at their below office, so that the same are received latest by [●], by 5.00 pm:



MCS Share Transfer Agent Limited

F-65, 1st Floor, Okhla Industrial Area, Phase-1, New Delhi - 110020

Tel No: 011-41406149 **Fax:** 011-41709881

Contact Person: Mr. Amarjit Singh

Email: admin@mcsregistrars.com

Website: www. mcsregistrars.com

SEBI Registration Number: INR000004108

Validity Period: Permanent

CIN: U67120WB2011PLC165872

TENDER FORM, TRS AND OTHER RELEVANT DOCUMENTS SHOULD NOT BE SENT TO THE COMPANY OR TO THE MANAGER TO THE BUYBACK OFFER.

ELIGIBLE SHAREHOLDERS ARE ADVISED TO ENSURE THAT THE TENDER FORM, TRS AND OTHER RELEVANT DOCUMENTS ARE COMPLETE IN ALL RESPECTS; OTHERWISE THE SAME ARE LIABLE TO BE REJECTED.

19. PROCESS AND METHODOLOGY FOR THE BUYBACK

19.1 The Company proposes to Buyback not exceeding 6,97,56,641 (Six Crore Ninety Seven Lakh Fifty Six Thousand Six Hundred Forty One) Equity Shares from the Eligible Shareholders of the Company, on a proportionate basis, through the Tender Offer process at a price of Rs 150/- (Rupees One Hundred Fifty Only) per Equity Share, payable in cash for an aggregate consideration not exceeding Rs. 1,046.35 Crore (Rupees One Thousand Forty Six Crore Thirty Five Lakh Only) excluding transaction costs viz. brokerage, applicable taxes such as securities transaction tax, service tax, stamp duty, etc. The maximum number of Equity Shares proposed to be bought back represents 1.55% of the total number of Equity Shares in the paid-up share capital of the Company. The Buyback is in accordance with the provisions of Section 68, 69, 70 and all other applicable provisions, if any, of the Companies Act 2013 and rules made thereunder, in accordance with Article 58 of the Articles of Association of the Company and the Buyback Regulations and subject to such other approvals, permissions and sanctions as may be necessary, from time to time from statutory authorities including but not limited to SEBI, Stock Exchanges, RBI etc. The Buyback Offer Size represents 2.50% and 2.26% of the aggregate of the fully paid-up Equity Share capital and free reserves as per the audited standalone and consolidated financial statements of the Company, respectively for the financial year ended March 31, 2020 (the last audited standalone and consolidated financial statements available as on the date of the Board Meeting approving the Buyback).

The Company expresses no opinion as to whether Eligible Shareholders should participate in the Buyback and, accordingly, Eligible Shareholders are advised to consult their own advisors to consider participation in the Buyback.

19.2 The aggregate shareholding of the Promoter as on Record Date i.e. Thursday, January 28, 2021 is Equity Shares, which represents [●] % of the existing Equity Share capital of the Company. In terms of the Buyback Regulations, under the Tender Offer process, the promoter and the promoter group of the company has the option to participate in the Buyback. In this regard, the President of India acting through Ministry of Petroleum and Natural Gas, Government of India, vide their letter dated January 18, 2021 intends to participate in the Buyback and tender up to such extent that the minimum shareholding of the Promoter post Buyback remains at least 51.00% of the post Buyback Equity Share capital of the Company in compliance with the Buyback Regulations.

19.3 Assuming that the above stated Promoter i.e. The President of India acting through Ministry of Petroleum and Natural Gas, Government of India, tenders their Equity Shares in the Buyback (in accordance with the declaration provided by them), the aggregate shareholding of the Promoter, post Buyback will increase to [●]% of the post Buyback Equity Share capital of the Company, if all the public Shareholders participate upto their entitlement (full acceptance) and will reduce to [●]% of the post Buyback Equity Share capital of the Company if none of the public shareholders participate in the Buyback Offer. However, Promoter vide their letter dated January 18, 2021 intends to participate in the Buyback and tender up to such extent that the minimum shareholding of the Promoter post Buyback remains at least 51.00% of the post Buyback Equity Share capital of the Company in compliance with the Buyback Regulations.

19.4 Record Date, Ratio of the Buyback and entitlement of each Shareholder

- a) The Board of Directors of the Company in its meeting held on January 15, 2021 announced Thursday, January 28, 2021 as the Record Date for the purpose of determining the Buyback Entitlement and the names of the Shareholders, who are eligible to participate in the Buyback Offer.
- b) The Equity Shares proposed to be bought back by the Company shall be divided in two categories:
- Reserved category for Small Shareholders (“**Reserved Category**”); and
 - General category for all Eligible Shareholders other than Small Shareholders (“**General Category**”)
- c) As defined in the Buyback Regulations, a “**Small Shareholder**” is a shareholder who holds Equity Shares having market value, on the basis of closing price on the stock exchange in which the highest trading volume as on Record Date, of not more than Rs.2,00,000 (Rupees Two Lakh only). As on the Record Date, the volume of Shares traded on NSE was [●] shares and on BSE was [●] Shares. Accordingly, [●] being the exchange with highest turnover, the closing price was Rs. [●] and hence all Shareholders holding not more than [●] Equity Shares as on the Record Date are classified as „Small Shareholders“ for the purpose of the Buyback Offer.
- d) Based on the above definition, there are [●] Small Shareholders with aggregate shareholding of [●] Shares, as on Record Date, which constitutes [●]% of the outstanding paid up equity share capital of the Company and [●]% of the number of [●] Equity Shares which are proposed to be bought back as part of this Buyback Offer.
- e) In compliance with Regulation 6 of the Buyback Regulations, the reservation for the Small Shareholders, will be [●] Equity Shares which is higher of:
- i. Fifteen percent of the number of Equity Shares which the Company proposes to Buyback i.e. 15% of [●] Equity Shares which works out to [●] Equity Shares; or
 - ii. The number of Equity Shares entitled as per their shareholding as on Record Date [i.e. ([●]/ [●]) x [●]] which works out to [●] Equity Shares.

All the outstanding Equity Shares have been used for computing the entitlement of Small Shareholders since the Promoter i.e. (the President of India, acting through the Ministry of Petroleum and Natural Gas, Government of India) also intends to offer Equity Shares held by them in the Buyback.

- f) Based on the above and in accordance with Regulation 6 of the Buyback Regulations, [●] Equity Shares will be reserved for Small Shareholders. Accordingly, General Category shall consist of [●] Equity Shares.
- g) Based on the above entitlements, the Ratio of Buyback for both categories is decided as below:

Category	Ratio of Buyback
Reserved Category	[●] Equity Shares out of every [●] fully paid-up Equity Shares held on the Record Date
General Category	[●] Equity Shares out of every [●] fully paid-up Equity Shares held on the Record Date

(The above Ratio of Buyback is approximate and providing indicative Buyback Entitlement. Any computation of entitled Equity Shares using the above Ratio of Buyback may provide a slightly different number due to rounding off. The actual Buyback Entitlement for Reserved Category for Small Shareholders is [●]% and General Category for all other Eligible Shareholders is [●].%)

19.5 Fractional Entitlements

If the Buyback Entitlement, after applying the above mentioned ratios to the Equity Shares held on Record Date, is not a round number (i.e. not in the multiple of 1 (one) Equity Share) then the fractional entitlement shall be ignored for computation of Buyback Entitlement to tender Equity Shares in the Buyback Offer, for both categories of Eligible Shareholders.

On account of ignoring the fractional entitlement, those Small Shareholders who hold [●] or less Equity Shares as on Record Date will be dispatched a Tender Form with zero entitlement. Such Small Shareholders are entitled to tender Additional Equity Shares as part of the Buyback Offer and will be

given preference in the Acceptance of one Equity Share, if such Small Shareholders have tendered for Additional Equity Shares. The Company shall make best efforts subject to Buyback Regulations in accepting Equity Shares tendered by such Eligible Shareholder to the extent possible and permissible.

19.6 Basis of Acceptance of Equity Shares validly tendered in the Reserved Category

Subject to the provisions contained in this Draft Letter of Offer, the Company will accept the Shares tendered in the Buyback Offer by the Small Shareholders in the Reserved Category in the following order of priority:

- a) Full acceptance (i.e. 100%) of Shares from Small Shareholders in the Reserved Category who have validly tendered their Shares, to the extent of their Buyback Entitlement, or the number of Shares tendered by them, whichever is less.
- b) Post the acceptance as described in paragraph 19.6 (a) above, in case, there are any Shares left to be bought back from Small Shareholders in the Reserved Category, the Small Shareholders who were entitled to tender zero Shares (on account of ignoring the fractional entitlement), and have tendered Additional Shares, shall be given preference and one Equity Share each from the Additional Shares tendered by these Small Shareholders shall be bought back in the Reserved Category.
- c) Post the acceptance as described in paragraph 19.6 (a) and (b) above, in case, there are any validly tendered unaccepted Shares in the Reserved Category (“**Reserved Category Additional Shares**”) and Shares left to be bought back in Reserved Category, the Reserved Category Additional Shares shall be accepted in a proportionate manner and the acceptances shall be made in accordance with the Buyback Regulations, i.e. valid acceptances per Shareholder shall be equal to the Reserved Category Additional Shares tendered by the Shareholder divided by the total Reserved Category Additional Shares and multiplied by the total number of Shares remaining to be bought back in Reserved Category. For the purpose of this calculation, the Reserved Category Additional Shares taken into account for such Small Shareholders, from whom one Equity Share has been accepted in accordance with paragraph 19.6 (b) above, shall be reduced by one.
- d) Adjustment for fractional results in case of proportionate acceptance, as described in paragraph 19.6 (c) above, will be made as follows:
 - For any Small Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
 - For any Small Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is less than 0.50, then the fraction shall be ignored.

19.7 Basis of Acceptance of Equity Shares validly tendered in the General Category

Subject to the provisions contained in this Draft Letter of Offer, the Company will accept the Shares tendered in the Buyback Offer by Eligible Shareholders (other than Small Shareholders) in the General Category in the following order of priority:

- a) Full Acceptance (i.e.100%) of Shares from Eligible Shareholders in the General Category who have validly tendered their Shares, to the extent of their Buyback Entitlement, or the number of Shares tendered by them, whichever is less.
- b) Post the acceptance as described in paragraph 19.7 (a) above, in case, there are any validly tendered unaccepted Shares in the General Category (“**General Category Additional Shares**”) and Shares left to be bought back in General Category, the General Category Additional Shares shall be accepted in a proportionate manner and the acceptances shall be made in accordance with the Buyback Regulations, i.e. valid acceptances per Eligible Shareholder shall be equal to the General Category Additional Shares validly tendered by the Eligible Shareholders divided by the total General Category Additional Shares and multiplied by the total number of Shares remaining to be bought back in General Category.
- c) Adjustment for fractional results in case of proportionate acceptance, as described in paragraph 19.7 (b) above, will be made as follows:
 - For any Eligible Shareholder, if the number of Additional Shares to be accepted, calculated on a

proportionate basis is not in the multiple of 1 (one) and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.

- For any Eligible Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 (one) and the fractional acceptance is less than 0.50, then the fraction shall be ignored.

19.8 Basis of Acceptance of Shares between Categories

- a) After acceptances of tenders, as mentioned in 19.6 and 19.7 above, in case, there are any Shares left to be bought back in one category (**„Partially filled Category„**), and there are additional unaccepted validly tendered Shares (**„Further Additional Shares‘**) in the second Category (**„Over Tendered Category“**), then the Further Additional Shares in the Over Tendered Category shall be accepted in a proportionate manner i.e. valid Acceptances per Shareholder shall be equal to the Further Additional Shares validly tendered by an Eligible Shareholder in the Over Tendered Category divided by the total Further Additional Shares in the Over Tendered Category and multiplied by the total Shares left to be bought back in the Partially filled Category.
- b) If the Partially Filled Category is the General Category and the Over Tendered Category is the Reserved Category, then any Small Shareholder who has tendered Additional Shares shall be eligible for priority acceptance of one Equity Shares before acceptance in paragraph 19.8(a) above out of the Shares left to be bought back in the Partially Filled Category, provided no acceptance could take place from such Shareholder in accordance with paragraph 19.6.
- c) Adjustment for fraction results in case of proportionate acceptance, as defined in paragraph 19.8(a) above:
 - For any Eligible Shareholder, if the number of Further Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
 - For any Eligible Shareholder, if the number of Further Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is less than 0.50, then the fraction shall be ignored.

19.9 For avoidance of doubt, it is clarified that the Shares accepted under the Buyback Offer from each Eligible Shareholder, in accordance with above clauses, shall be lower of the following:

- the number of Shares tendered by the respective Shareholder, and
- the number of Shares held by the respective Shareholder, as on the Record Date.

19.10 For the avoidance of doubt, it is clarified that the Equity Shares tendered by any Eligible Shareholder over and above the number of Shares held by such Eligible Shareholder as on the Record Date shall not be considered for the purpose of Acceptance in accordance with above clauses.

19.11 Clubbing of Entitlements

In order to ensure that the same Eligible Shareholder with multiple demat accounts/folios do not receive a higher entitlement under the Small Shareholder category, the Equity Shares held by such Eligible Shareholder with a common PAN shall be clubbed together for determining the category (Small Shareholder or General Category) and the Buyback entitlement. In case of joint shareholding, the Equity Shares held in cases where the sequence of the PANs of the joint shareholders is identical shall be clubbed together. In case of Eligible Shareholders holding Physical Shares, where the sequence of PANs is identical and where the PANs of all joint shareholders are not available, the Registrar to the Buyback will check the sequence of the names of the joint holders and club together the Equity Shares held in such cases where the sequence of the PANs and name of joint shareholders are identical. The shareholding of institutional investors like mutual funds, insurance companies, foreign institutional investors/foreign portfolio investors etc. with common PAN are not proposed to be clubbed together for determining their entitlement and will be considered separately, where these Equity Shares are held for different schemes/sub-accounts and have a different demat account nomenclature based on information prepared by the Registrar to the Buyback as per the shareholder records received from the Depositories. Further, the Equity Shares held under the category of “clearing members” or “corporate body margin account” or “corporate body - broker” as per the beneficial position data as on Record Date with common PAN are not proposed to be clubbed together for determining their entitlement and will be considered separately, where these Equity Shares are assumed to be held on behalf of clients.

20. PROCEDURE FOR TENDER OFFER AND SETTLEMENT

- 20.1 The Buyback is open to all Eligible Shareholders of the Company holding either Physical Shares or Demat Shares as on the Record Date as per the records made available to the Company by the Depositories/Registrar as on the Record Date. The Company proposes to implement the Buyback through the tender offer process, on a proportionate basis. The Letter of Offer and Tender Form, outlining the terms of the Buyback and additional disclosures as specified in the SEBI Buyback Regulations, will be emailed to Eligible Shareholders whose names appear on the register of members of the Company, or who are beneficial owners of Equity Shares as per the records on the Record Date.
- 20.2 The Eligible Shareholders who have registered their email IDs with the depositories/the Company, shall be dispatched the Letter of Offer through electronic means. The Eligible Shareholders who have not registered their email IDs with the depositories/the Company, shall be dispatched the Letter of Offer through physical mode by registered post/speed post/courier. In case of non-receipt of Letter of Offer and the Tender Form, please follow the procedure as mentioned in sub-paragraph 20.13 below.
- 20.3 The non-receipt of Letter of Offer by, or accidental omission to mail the Letter of Offer to any person who is eligible to receive the same to participate in the Buyback, shall not invalidate the Buyback Offer in any way.
- 20.4 The Company will not accept any Equity Shares offered for Buyback where there exists any restraint order of a Court for transfer/ disposal/ sale or where loss of share certificates has been notified to the Company or where the title to the Equity Shares is under dispute or otherwise not clear or where any other restraint subsists.
- 20.5 The Company shall comply with Regulation 24(v) of the Buyback Regulations which states that the Company shall not Buyback the locked-in Equity Shares and non-transferable Equity Shares till the pendency of the lock-in or till the Equity Shares become transferrable.
- 20.6 Eligible Shareholders' participation in Buyback will be voluntary. Shareholders can choose to participate, in part or in full, and get cash in lieu of the Shares accepted under the Buyback or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, post Buyback, without additional investment. Shareholders may also tender a part of their Buyback Entitlement. Shareholders also have the option of tendering Additional Shares (over and above their Buyback Entitlement) and participate in the shortfall created due to non-participation of some other Shareholders, if any. Acceptance of any Shares tendered in excess of the Buyback Entitlement by the Shareholder, shall be in terms of procedure outlined in paragraph 19 (*Process and Methodology for the Buyback*) of this Draft Letter of Offer.
- 20.7 The Company shall accept all the Equity Shares validly tendered for the Buyback by Eligible Shareholders, on the basis of their Buyback Entitlement as on the Record Date and also Additional Equity Shares, if any tendered by Eligible Shareholders will be accepted as per paragraphs 19.6, 19.7 and 19.8.
- 20.8 Eligible Shareholders will have to transfer the Equity Shares from the same demat account in which they were holding the Equity Shares as on the Record Date and in case of multiple demat accounts, Eligible Shareholders are required to tender the applications separately from each demat account. In case of any changes in the demat account in which the Equity Shares were held as on Record Date, such Eligible Shareholders should provide sufficient proof of the same to the Registrar, and the such tendered shares may be accepted subject to appropriate verification and validation by the Registrar.
- 20.9 As elaborated under Paragraph 19.4(b) above, the Equity Shares proposed to be bought as a part of the Buyback is divided into two categories:
- (a) Reserved Category for Small Shareholders and
 - (b) General Category for other Eligible Shareholders, and the Buyback Entitlement of an Eligible Shareholder in each category shall be calculated accordingly.
- 20.10 After accepting the Equity Shares tendered on the basis of Buyback Entitlement, Equity Shares left to be bought as a part of the Buyback, if any, in one category shall first be accepted, in proportion to the Equity Shares tendered, over and above their Buyback Entitlement, by Eligible Shareholders in that category, and thereafter, from Eligible Shareholders who have tendered over and above their Buyback Entitlement, in other category.
- 20.11 The Buyback shall be implemented by the Company using the "Mechanism for acquisition of shares

through Stock Exchange” notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015, circular no. CFD/DCR2/CIR/P/2016/131 dated December 09, 2016 following the procedure prescribed in the Companies Act, 2013 and the Buyback Regulations and as may be determined by the Board (including the Committee authorized to complete the formalities of the Buyback) and on such terms and conditions as may be permitted by law from time to time.

20.12 The maximum tender under the Buyback by any Eligible Shareholder cannot exceed the number of Equity Shares held by the Eligible Shareholder as on the Record Date.

20.13 **In case of non-receipt of Letter of Offer and Tender Form**

(i) If Eligible Shareholder(s) holding Equity shares in dematerialized form, who have been sent the Letter of Offer through electronic means wish to obtain a physical copy of the Letter of Offer, they may send a request in writing to the Company or Registrar at the address or email ID mentioned at the cover page of the Letter of Offer stating name, address, number of Equity Shares held on Record Date, client ID number, DP name / ID, beneficiary account number, and upon receipt of such request, the Company shall undertake reasonable steps to send the Letter of Offer and the Tender Form either physically by an expedited commercial courier service/ registered post or by any other permissible mode of communication (to the extent possible). An Eligible Shareholder may participate in the Offer by downloading the Letter of Offer and the Tender Form from the website of the Company at www.gailonline.com, the Stock Exchanges at www.bseindia.com and www.nseindia.com, the Registrar to the Buyback at www.mcsregistrars.com or send an application in writing on plain paper signed by all Eligible Shareholders (in case of joint holding), stating name and address of Shareholder(s), number of Equity Shares held as on the Record Date, Client ID number, DP Name/ID, beneficiary account number, number of Equity Shares tendered for the Buyback.

(ii) An Eligible Shareholder holding Equity Shares in physical form, may participate in the Buyback by downloading the Letter of Offer and Tender Form from the website of the Company at www.gailonline.com, the Stock Exchanges at www.bseindia.com and www.nseindia.com, the Registrar to the Buyback at www.mcsregistrars.com or by providing their application in writing on plain paper signed by Eligible Shareholder or all Eligible Shareholders (in case Equity Shares are in joint name) stating name, address, folio number, number of Equity Shares held, share certificate number, number of Equity Shares tendered for the Buyback and the distinctive numbers thereof, bank account details together with the original share certificate(s), copy of Eligible Shareholders PAN card(s) and executed Form SH-4 in favour of the Company. The transfer form (SH-4) can be downloaded from the Company’s website at www.gailonline.com. Eligible Shareholders must ensure that the Tender Form, along with the TRS and requisite documents (as mentioned in 20.26 below), reach the Registrar to the Buyback latest by [●] (by 5:00 p.m.). If the signature(s) of the Eligible Shareholders provided in the plain paper application differs from the specimen signature(s) recorded with the Registrar to the Buyback or the Company or are not in the same order (although attested), the Company or the Registrar to the Buyback shall have a right to reject such applications. For further process, please refer to section 20.26 below titled as “Procedure to be followed by Registered Eligible Shareholders holding Equity Shares in the Physical form” of this Draft Letter of Offer.

(iii) Please note that Eligible Shareholder(s) who intend to participate in the Buyback will be required to approach their respective Shareholder Broker (along with the complete set of documents for verification procedures) and have to ensure that their bid is entered by their respective Shareholder Broker or broker in the electronic platform to be made available by the Designated Stock Exchange before the Buyback Closing Date, otherwise the same are liable to be rejected.

20.14 The Company shall accept the Equity Shares validly tendered by the Eligible Shareholder(s) in the Buyback on the basis of their shareholding as on the Record Date and the Buyback Entitlement. Eligible Shareholder(s) who intend to participate in the Buyback using the “plain paper” option as mentioned above are advised to confirm their Buyback Entitlement from the Registrar to the Buyback, before participating in the Buyback.

20.15 For implementation of the Buyback, the Company has appointed IDBI Capital Markets & Securities Limited as the registered broker to the Company (the “**Company's Broker**”) through whom the purchases and settlements on account of the Buyback would be made by the Company. The contact details of the Company’s Broker are as follows:

IDBI Capital Markets & Securities Limited

6th Floor, IDBI Tower, WTC Complex, Cuffe Parade, Mumbai - 400005

Contact Person: Ms. Charushila Parkar

Tel No.: +91 22 2217 1700; **Fax No.:** +91 22 2215 1787;

Email: charushila.parkar@idbicapital.com; **Website:** www.idbicapital.com

SEBI Registration Number: INZ000007237

Corporate Identity Number: U65990MH1993GOI075578

- 20.16 The Company has appointed NSE to provide a separate Acquisition Window to facilitate placing of sell orders by the Eligible Shareholders who wish to tender Equity Shares in the Buyback. NSE would be the Designated Stock Exchange for this Buyback Offer. All Eligible Shareholders may place orders in the Acquisition Window, through their respective stock brokers (“**Shareholder Broker**”).
- 20.17 In the event Shareholder Broker(s) of Eligible Shareholder is not registered with NSE then that Eligible Shareholder can approach any NSE registered stock broker and can make a bid by using quick Unique Client Code (“**UCC**”) facility through that NSE registered stock broker after submitting the details as may be required by that stock broker to be in compliance with the SEBI regulations. In case Eligible Shareholder is not able to bid using quick UCC facility through any other NSE registered stock broker then the Eligible Shareholder may approach Company’s Broker to bid by using quick UCC facility.
- 20.18 The Eligible Shareholder approaching NSE registered stock broker (with whom he does not have an account) may have to submit following details:

(a) In case of Eligible Shareholder being an Individual or HUF

(i) If Eligible Shareholder is registered with KYC Registration Agency (“KRA”):

A. Forms required:

- Central Know Your Client (CKYC) form
- Know Your Client (KYC) form

B. Documents required (all documents self-attested):

- Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat Master /Latest Demat statement)

(ii) If Eligible Shareholder is not registered with KRA:

A. Forms required:

- CKYC form
- KRA form
- KYC form

B. Documents required (all documents self-attested):

- PAN card copy
- Address proof
- Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat master /Latest Demat statement)

It may be noted that other than submission of above forms and documents, in person verification may be required.

(b) In case of Eligible Shareholder other than Individual and HUF:

(i) If Eligible Shareholder is KRA registered:

A. Form required:

- KYC form

B. Documents required (all documents certified true copy):

- Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat master /Latest Demat statement)
- Latest list of directors/authorised signatories/partners/trustees
- Latest shareholding pattern
- Board resolution
- Details of ultimate beneficial owner along with PAN card and address proof
- Last 2 years financial statements

(ii) *If Eligible Shareholder is not KRA registered:*

A. Forms required:

- KRA form
- KYC form

B. Documents required (all documents certified true copy):

- PAN card copy of company/ firm/trust
- Address proof of company/ firm/trust
- Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat Master /Latest Demat statement)
- Latest list of directors/authorised signatories /partners/trustees
- PAN card copies & address proof of directors/authorised signatories/partners/trustees
- Latest shareholding pattern
- Board resolution/partnership declaration
- Details of ultimate beneficial owner along with PAN card and address proof
- Last 2 years financial statements
- MOA/Partnership deed /trust deed

Additionally, registered Equity Shareholders holding Equity Shares in Physical form must also provide the documents mentioned in paragraph 20.26.

It may be noted that above mentioned list of documents is an indicative list. The requirement of documents and procedures may vary from broker to broker.

20.19 At the beginning of the Tendering Period, the order for buying Equity Shares shall be placed by the Company through the Company's Broker. During the Tendering Period, the order for selling the Shares will be placed in the Acquisition Window by Eligible Shareholders through their respective Shareholder Broker during normal trading hours of the secondary market. In the tendering process, the Company's Broker may also process the orders received from the Shareholders.

20.20 Shareholder Broker can enter orders for demat Shares as well as physical Shares.

20.21 Modification / cancellation of orders and multiple bids from a single Eligible Shareholder will be allowed during the Tendering Period of the Buyback offer. Multiple bids made by single Eligible Shareholder for selling the Shares shall be clubbed and considered as „one“ bid for the purposes of Acceptance.

20.22 The cumulative quantity tendered shall be made available on NSE website- www.nseindia.com throughout the trading session and will be updated at specific intervals during the Tendering Period.

20.23 All documents sent by the Eligible Shareholders will be at their own risk. Eligible Shareholders are advised to safeguard adequately their interests in this regard.

20.24 The acceptance of the Offer for Buyback made by the Company is entirely at the discretion of the Eligible Shareholders. The Company does not accept any responsibility for the decision of the Eligible Shareholder to either participate or to not participate in the Buyback. The Company will not be responsible in any manner for any loss of documents during transit. All documents sent by Eligible Shareholders will be at their own risk. Eligible Shareholders are advised to safeguard adequately their interests in this regard.

20.25 Procedure to be followed by Eligible Shareholders holding Equity Shares in the dematerialised form

Eligible Shareholders who desire to tender their Equity Shares in the electronic form under the Buyback would have to do so through their respective Shareholder Broker by indicating to the concerned Shareholder Broker, the details of Equity Shares they intend to tender under the Buyback. The Shareholder Broker would be required to place a bid on behalf of the Eligible Shareholders who wish to tender Equity Shares in the Buyback using the acquisition window of the NSE.

Before placing the bid, the Eligible Shareholder would need to transfer the tendered Equity Shares to the special account of NSE Clearing Limited (“**Clearing Corporation**” / “**NCL**”), by using the early pay in mechanism as prescribed by the NSE or the Clearing Corporation prior to placing the bid by the Shareholder Broker. This shall be validated at the time of order/bid entry. The details of the settlement number for the Buyback shall be informed in the issue opening circular that will be issued by NSE/ Clearing Corporation. Modification/cancellation of orders will be allowed during the Tendering Period. The details of the special account of the Clearing Corporation shall be informed in the issue opening circular that will be issued by the NSE and/or the Clearing Corporation.

For custodian participant orders for demat Equity Shares, early pay-in is mandatory prior to confirmation of order/bid by custodians. The custodian shall either confirm or reject the orders not later than closing of trading hours on the last day of the Tendering Period (Buyback Closing Date). Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed custodian participant orders, any order modification shall revoke the custodian confirmation and the revised order shall be sent to the custodian again for confirmation.

Upon placing the bid, the Shareholder Broker shall provide a Transaction Registration Slip (“**TRS**”) generated by the exchange bidding system to the Eligible Shareholder on whose behalf the bid has been placed. TRS will contain details of order submitted like Bid ID No., Application No., DP ID, Client ID, Number of Equity Shares tendered etc.

In case of demat Equity Shares, submission of Tender Form and TRS is not required. After the receipt of the demat Equity Shares by the Clearing Corporation and a valid bid in the exchange bidding system, the Buyback shall be deemed to have been accepted, for Eligible Shareholders holding Equity Shares in demat form.

The Eligible Shareholders will have to ensure that they keep the DP Account active and unblocked to receive credit in case of return of Equity Shares due to rejection or partial acceptance.

Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Eligible Shareholders would be returned to them by Clearing Corporation. If the securities transfer instruction is rejected in the depository system, due to any issue then such securities will be transferred to the Shareholder Broker’s depository pool account for onward transfer to the Eligible Shareholder. In case of custodian participant orders, excess demat Shares or unaccepted demat Shares, if any, will be returned to the respective custodian depository pool account.

Eligible Shareholders shall also provide all relevant documents, which are necessary to ensure transferability of the Equity Shares in respect of the Tender Form to be sent. Such documents may include (but not be limited to):

- i. Duly attested power of attorney, if any person other than the Eligible Shareholder has signed the Tender Form;
- ii. Duly attested death certificate and succession certificate/ legal heirship certificate, in case any Eligible Shareholder has expired; and
- iii. In case of companies, the necessary certified corporate authorizations (including board and/ or general meeting resolutions).

20.26 Procedure to be followed by Registered Eligible Shareholders holding Equity Shares in the Physical form

In accordance with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/144, dated July 31, 2020 the physical shareholders are allowed to tender their shares in the Buyback through Tender Offer route. However, such tendering shall be as per the provisions of the Buyback Regulations.

Eligible Shareholders who are holding physical Equity Shares and intend to participate in the Buyback will be required to approach their respective Shareholder Broker along with the complete set of documents for verification procedures to be carried out before placement of the bid. Such documents will include:

- a) The Tender Form duly signed (by all Shareholders in case shares are in joint names) in the same order in which they hold the shares.
- b) Original share certificates
- c) Valid share transfer form(s) duly filled and signed by the transferors (i.e. by all registered Shareholders in same order and as per the specimen signatures registered with the Company) and duly witnessed at the appropriate place authorizing the transfer in favor of the Company.
- d) Self-attested copy of the PAN Card(s) of all Shareholders.
- e) Any other relevant documents such as (but not limited to):
 - i. Duly attested Power of Attorney if any person other than the Eligible Shareholder has signed the relevant Tender Form
 - ii. Notarized copy of death certificate / succession certificate or probated will, if the original Shareholder has deceased
 - iii. Necessary corporate authorisations, such as Board Resolutions etc., in case of companies
- f) In addition to the above, if the address of the Shareholder has undergone a change from the address registered in the Register of Members of the Company, the Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: valid Aadhar Card, Voter Identity Card or Passport.

Based on these documents, the concerned Shareholder Broker shall place a bid on behalf of the Shareholders holding Equity Shares in physical form who wish to tender Equity Shares in the Buyback, using the acquisition window of NSE. Upon placing the bid, the Shareholder Broker shall provide a TRS generated by the Exchange Bidding System to the Shareholder. TRS will contain the details of order submitted like Folio No., Certificate No., Distinctive No., No. of Equity Shares tendered etc.

Any Shareholder Broker who places a bid for physical Equity Shares, is required to deliver Tender Form, TRS, original share certificate(s), valid share transfer form(s) & other documents (as mentioned in Paragraph hereinabove) either by registered post or courier or hand delivery to the Registrar to the Buyback Offer at the address mentioned on the cover page of this Letter of Offer latest by [●] (by 5 PM). The envelope should be superscribed as “GAIL (India) Limited Buyback Offer 2021”. One copy of the TRS will be retained by Registrar to the Buyback Offer and it will provide acknowledgement of the same to the Shareholder Broker.

Eligible Shareholders holding physical shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the physical Equity Shares for Buyback by the Company shall be subject to verification as per the Buyback Regulations and any further directions issued in this regard.

Registrar to the Buyback Offer will verify such bids based on the documents submitted on a daily basis and till such verification, NSE shall display such bids as „unconfirmed physical bids“. Once Registrar to the Buyback Offer confirms the bids, they will be treated as „Confirmed Bids“.

In case any person has submitted Equity Shares in physical form for dematerialisation, such Eligible Shareholders should ensure that the process of getting the Equity Shares dematerialised is completed well in time so that they can participate in the Buyback Offer before the Buyback Closing Date.

20.27 Additional requirements in respect of tenders by Non-resident shareholders

- a) While tendering their Equity Shares under the Buyback Offer, all Eligible Shareholders being Non-resident Shareholders should provide relevant confirmations/ declarations vide the duly filled-in and signed (by all shareholders in case the Equity Shares are held in joint names) Tender Forms (including a copy of the permission received from RBI, wherever applicable). In the event relevant confirmations / declarations are not provided in the Tender Forms or there is ambiguity in the information provided, the Company reserves the right to reject such Tender Forms.

- b) FII/FPI shareholders should also enclose a copy of their SEBI registration certificate.
- c) In case the Equity Shares are held on repatriation basis, the Non-Resident Shareholders should enclose documents in support of the same. Such documents should include:
- a copy of the permission received by them from RBI at the time of the original acquisition of Shares
 - a letter from the Shareholder's authorized dealer/bank confirming that at the time of acquiring the said Equity Shares, payment for the same was made by the Non-resident shareholder from the appropriate account as specified by RBI in its approval.
 - Any other document which evidences repatriability of sale proceeds in respect of the tendered Shares.

In case the Non-resident shareholder is not in a position to produce supporting documents towards enabling repatriation, the Shares would be deemed to have been acquired on non-repatriation basis and in that case the Non-Resident Shareholder shall submit a consent letter addressed to the Company, allowing the Company to make the payment on a non-repatriation basis in respect of the valid Shares accepted under the Offer i.e. by way of credit to an non-repatriation bank account or issuance of Rupee demand draft.

- d) If any of the above stated documents, as applicable, are not enclosed along with the Tender Form, the Equity Shares tendered under the Buyback Offer are liable to be rejected.

20.28 The instructions and authorizations contained in the Tender Form constitute an integral part of the terms of this Buyback Offer.

20.29 Acceptance of orders

The Registrar shall provide details of order Acceptance to Clearing Corporation within specified timelines.

20.30 Method of Settlement

Upon finalization of the basis of acceptance as per Buyback Regulations:

- (i) The Company will transfer the funds pertaining to the Buyback to the Company's Broker bank account, who will transfer the funds pertaining to the Buyback to the Clearing Corporation's bank account as per the prescribed schedule. For Equity Shares accepted under the Buyback, the Equity Shareholders will receive funds pay-out in their bank account from the Clearing Corporation.
- (ii) The Equity Shares bought back in the demat form would be transferred directly to the escrow account of the Company (the "**Demat Escrow Account**") provided it is indicated by the Company's Broker or it will be transferred by the Company's Broker to the Demat Escrow Account on receipt of the Equity Shares from the clearing and settlement mechanism of the NSE.
- (iii) The Eligible Shareholders of the Demat Shares will have to ensure that they keep the depository participant ("DP") account active and unblocked to receive credit in case of return of Equity Shares, due to rejection or due to non-acceptance.
- (iv) If the securities transfer instruction is rejected in the depository system, due to any issue then such securities will be transferred to the Shareholder Broker's depository pool account for onward transfer to the Shareholder. In case of custodian participant orders, excess Demat Shares or unaccepted Demat Shares, if any, will be returned to the respective custodian participant. Excess Demat Shares or unaccepted Demat Shares, if any, tendered by the Eligible Shareholders would be returned to them by Clearing Corporation. Any excess Physical Shares pursuant to proportionate acceptance/rejection will be returned back to the concerned Eligible Shareholders directly by the Registrar to the Buyback. The Company is authorized to split the share certificate and issue new consolidated share certificate for the unaccepted Physical Shares, in case the Physical Shares accepted by the Company are less than the Physical Shares tendered by the shareholder in the Buyback.
- (v) In case of certain shareholders viz., NRIs, non-residents etc. (where there are specific regulatory requirements pertaining to funds payout including those prescribed by the RBI) who do not opt to

settle through custodians, the funds payout would be given to their respective Shareholder Broker's settlement accounts for releasing the same to such shareholder's account.

- (vi) The Shareholder Broker would issue contract note to the Eligible Shareholders tendering Equity Shares in the Buyback. The Company's Broker would also issue a contract note to the Company for the Equity Shares accepted under the Buyback.
- (vii) The settlements of fund obligation for Demat and Physical Shares shall be affected as per the SEBI circulars and as prescribed by NSE and Clearing Corporation from time to time. For Demat Shares accepted under the Buyback, such beneficial owners will receive funds payout in their bank account as provided by the depository system directly to the Clearing Corporation and in case of Physical Shares, the Clearing Corporation will release the funds to the Shareholder Broker(s) as per secondary market payout mechanism. If such shareholder's bank account details are not available or if the funds transfer instruction is rejected by the Reserve Bank of India ("RBI")/ bank(s), due to any reasons, then the amount payable to the concerned shareholders will be transferred to the Shareholder Broker for onward transfer to such shareholders.
- (viii) Eligible Shareholders who intend to participate in the Buyback should consult their respective Shareholder Broker for any cost, applicable taxes, charges and expenses (including brokerage) that may be levied by the Shareholder Broker upon the selling Eligible Shareholders for tendering Equity Shares in the Buyback (secondary market transaction). The Buyback consideration received by the selling Shareholders, in respect of accepted Equity Shares, could be net of such costs, applicable taxes, charges and expenses (including brokerage) and the Company accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the selling Eligible Shareholders.
- (ix) The Equity Shares lying to the credit of the Demat Escrow Account will be extinguished in the manner and following the procedure prescribed in the Buyback Regulations and Companies Act.

20.31 Settlement of Funds/Payment Consideration

The settlements of fund obligation for dematerialised and physical Equity Shares shall be effected as per the SEBI circulars and as prescribed by Exchange and Clearing Corporation from time to time.

For Equity Shares accepted under the Buyback, the Eligible Shareholders holding Equity Shares in dematerialised form will receive funds payout in the Shareholder's bank account as provided by the Depository system from Clearing Corporation and in case of physical shares the Clearing Corporation will release the funds to the Shareholder Broker(s) as per secondary market pay out mechanism. If Eligible Shareholders' bank account details are not available or if the funds transfer instruction is rejected by RBI/Bank, due to any issue then such funds will be transferred to the concerned Shareholder Brokers' settlement bank account for onward transfer to their respective Eligible Shareholders.

20.32 Special Account opened with the Clearing Corporation

The details of transfer of the dematerialised Equity Shares to the special account by trading member or custodians shall be informed in the issue opening circular that will be issued by the NSE or NCL.

20.33 Rejection Criteria

The Equity Shares tendered by Eligible Shareholders would be liable to be rejected, among other criteria, on the following grounds:

For Eligible Shareholders holding shares in the dematerialized form if:

- a. the Shareholder is not an Eligible Shareholder of the Company as on the Record Date; or
- b. if there is a name mismatch in the dematerialised account of the Shareholder; or
- c. in the event of non-receipt of the completed Tender Form and other documents from the Eligible Shareholders who were holding Physical Shares as on the Record Date and have placed their bid in demat form; or
- d. Where there exists any restraint order of a Court/any other competent authority for transfer/disposal/ sale or where loss of share certificates has been notified to the Company or where the title to the Equity Shares is under dispute or otherwise not clear or where any other restraint subsists.

For Eligible Shareholders holding Equity Shares in the physical form if:

- a. The documents mentioned in the Tender Form for Eligible Shareholders holding Equity Shares in physical form are not received by the Registrar on or before the close of business hours of [●] ([●]) by 5:00 p.m.;
- b. If there is any other company share certificate enclosed with the Tender Form instead of the share certificate of the Company;
- c. If the transmission of Equity Shares is not completed, and the Equity Shares are not in the name of the Eligible Shareholders;
- d. If the Eligible Shareholders bid the Equity Shares but the Registrar does not receive the physical Equity Share certificate; or
- e. In the event the signature in the Tender Form and Form SH-4 do not match as per the specimen signature recorded with Company or Registrar.

21. NOTE ON TAXATION

Disclosures in this paragraph are based on expert opinion sought by the Company.

THE SUMMARY OF THE TAX CONSIDERATIONS IN THIS SECTION ARE BASED ON THE CURRENT PROVISIONS OF THE TAX LAWS OF INDIA AND THE REGULATIONS THEREUNDER, THE JUDICIAL AND THE ADMINISTRATIVE INTERPRETATIONS THEREOF, WHICH ARE SUBJECT TO CHANGE OR MODIFICATION BY SUBSEQUENT LEGISLATIVE, REGULATORY, ADMINISTRATIVE OR JUDICIAL DECISIONS. ANY SUCH CHANGES COULD HAVE DIFFERENT TAX IMPLICATIONS ON THESE TAX CONSIDERATIONS.

IN VIEW OF THE PARTICULARIZED NATURE OF TAX CONSEQUENCES, SHAREHOLDERS ARE REQUIRED TO CONSULT THEIR TAX ADVISORS FOR THE APPLICABLE TAX PROVISIONS INCLUDING THE TREATMENT THAT MAY BE GIVEN BY THEIR RESPECTIVE TAX OFFICERS IN THEIR CASE, AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE.

THE COMPANY DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF THIS TAX SUMMARY AND THERE CAN BE NO LIABILITY ON THE COMPANY IF ANY ACTION IS TAKEN BY THE SHAREHOLDER SOLELY BASED ON THIS TAX SUMMARY. THEREFORE, SHAREHOLDERS CANNOT RELY ON THIS ADVICE AND THE SUMMARY TAX IMPLICATIONS RELATING TO THE TREATMENT OF INCOME TAX IN THE CASE OF BUYBACK OF EQUITY SHARES LISTED ON THE STOCK EXCHANGE SET OUT BELOW SHOULD BE TREATED AS INDICATIVE AND FOR GUIDANCE PURPOSES ONLY.

1. GENERAL

The Indian tax year runs from April 1 to March 31 of subsequent year. The basis of charge of Indian income-tax depends upon the residential status of the taxpayer during a tax year. A person who is a tax resident of India is liable to taxation in India on his worldwide income, subject to certain prescribed tax exemptions provided under the Income Tax Act, 1961 (“ITA”).

A person who is treated as a non-resident for Indian tax purposes is generally liable to tax in India only on his/her Indian sourced income or income received by such person in India. Vide Finance Act, 2020, certain non-resident individuals are deemed to be resident in India upon triggering of certain conditions. Deemed residents would be liable to pay tax in India only on their Indian sourced income or income from business or professional controlled in India.

In case of shares of a company, the source of income from shares would depend on the “situs” of the shares. As per ITA and Judicial precedents, generally the “situs” of the shares is where company is “incorporated” and where its shares can be transferred. Accordingly, since the Company is incorporated in India, the shares of the Company would be “situated” in India and any gains arising to a non-resident on transfer of such shares should be taxable in India under the ITA subject to any specific exemption in this regard. Further, the non-resident can avail the beneficial tax treatment prescribed under the Double Taxation Avoidance Agreement (“DTAA”), as modified by the Multilateral Instrument (MLI), if the same is applicable to the relevant DTAA between India and the respective country of which the said shareholder is tax resident. The above benefit may be available subject to satisfying relevant conditions prescribed under ITA including but not limited to availability of Tax Residency Certificate, non-applicability of General Anti-Avoidance Rule (“GAAR”) and providing and maintaining necessary information and documents as prescribed under ITA as

well as satisfying the relevant conditions under the respective DTAA including anti-abuse measures under the MLI, if applicable.

2. CLASSIFICATION OF SHAREHOLDERS

Section 6 of the ITA, determines the residential status of an assessee. Accordingly, shareholders can be classified broadly in two categories as below:

A. *Resident Shareholders being:*

- Individuals, Hindu Undivided Family (HUF), Association of Persons (AOP) and Body of Individuals (BOI), Firm, LLP
- Others (corporate bodies):
 - Company
 - Other than Company

B. Deemed Resident Shareholder –an individual being a citizen of India who is not liable to tax in any other country or territory by reason of domicile, residence or any other criteria of similar nature and has total income other than foreign sourced income exceeding Rs 15 lakh during the tax year.

C. *Non-Resident Shareholders being:*

- Non-Resident Indians (NRIs)
- Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)
- Others:
 - Company
 - Other than Company

3. BUYBACK OF SHARES

Section 115QA of the ITA introduced w.e.f. June 1, 2013 contains provisions for taxation of a domestic company in respect of buy-back of shares (within the meaning of Sec. 68 of the Companies Act). In effect, the incidence of tax stands shifted completely to the Company and not the recipient of the buyback proceeds.

Before the enactment of Finance Act (No 2), 2019, this section was not applicable to shares listed on a recognized stock exchange. The Finance Act (No 2), 2019 has amended section 115QA of the ITA with effect from 5th July, 2019 extending its provisions to cover distributed income on buy-back of equity shares of a company listed on a recognized stock exchange as well.

Section 10(34A) of the ITA provided for exemption to a shareholder in respect of income arising from buy-back of shares w.e.f. April 1, 2014 (i.e. Assessment year 2014-15). The Finance Act (No. 2), 2019 has also made consequential changes to section 10(34A) of the ITA extending the benefit of exemption of income from buy-back to shareholders in respect of shares listed on recognized stock exchange as well.

Thus, the tax implications to the following categories of shareholders are as under:

A. *Resident Shareholders or Deemed Resident Shareholders*

Income arising to the shareholder on account of buy-back of shares as referred to in section 115QA of the ITA is exempt from tax under the provisions of the amended section 10(34A) of the ITA with effect from July 5, 2019.

B. *Non-Resident Shareholders*

While the income arising to the shareholder on account of buy back of shares as referred to in section 115QA of the ITA is exempt from tax under the provisions of the amended section 10(34A) with effect from July 5, 2019 in the hands of a Non-resident as well, the same may be subject to tax in the country of residence of the shareholder as per the provisions of the tax laws of that country. The credit of tax may or may not be allowed to such Non- resident shareholder to be claimed in the country of residence in respect of the buy-back tax paid by the company in view of Sec 115QA (4) and (5) of the ITA. Non-resident shareholders need to consult their tax advisors with regard to availability of such a tax credit.

4. TAX DEDUCTION AT SOURCE

Currently, there are no provisions for tax deduction at source in respect of income earned from transfer/ buy-back of shares in case of resident shareholders/ deemed resident shareholders.

Given that income arising on account of the buy-back of shares is exempt from tax under Section 10(34A) of ITA, the same would not be subject to tax deduction at source for non-resident shareholders.

5. SECURITIES TRANSACTION TAX

Since the Buyback of shares shall take place through the settlement mechanism of the Stock Exchange, Securities Transaction Tax at 0.1% of the value of the transaction will be applicable.

Caveat:

The summary of the tax considerations as above is based on the current provisions of the tax laws of India, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

In view of the specific nature of tax consequences, shareholders who are not tax residents of India are required to consult their tax advisors for the applicable tax and the appropriate course of action that they should take considering the provisions of the relevant Country or State tax law and provisions of DTAA where applicable.

22. DECLARATION BY THE BOARD OF DIRECTORS

Declaration as required under clause (ix) and clause (x) of Schedule I to the Buyback Regulations:

The Board of Directors made the below mentioned declaration as on the date of passing the board resolution approving the Buyback i.e. January 15, 2021. Subsequently, pursuant to the authority granted to the Buyback Committee by the Board of Directors of the Company, in terms of resolutions dated January 15, 2021, the Buyback Committee has confirmed on behalf of Board of Directors that:

- i. The Board of Directors of the Company confirms that no defaults have been made or subsisting in the repayment of deposits accepted either before or after the commencement of the Companies Act, 2013, interest payment thereon, redemption of debentures or interest payment thereon redemption of preference shares or payment of dividend to any shareholder, or repayment of any term loans or interest payable thereon to any financial institutions or banking company.
- ii. The Board of Directors of the Company confirms that it has made a full enquiry into the affairs and prospects of the Company and has formed an opinion that:
 - a. Immediately following the date of the Board Meeting on January 15, 2021 and the date of this Draft Letter of Offer, there will be no grounds on which the Company can be found unable to pay its debts;
 - b. As regards the Company's prospects for the year immediately following the date of the Board Meeting and the date of this Draft Letter of Offer, having regard to the Board's intentions with respect to the management of the Company's business during the said year and to the amount and character of the financial resources which will in the Board's view be available to the Company during the said year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of the Board Meeting approving the Buyback and within a period of one year from the date of this Draft Letter of Offer, as the case may be;
 - c. In forming an opinion as aforesaid, the Board has taken into account the liabilities as if the Company were being wound up under the provisions of the Companies Act, 1956 or Companies Act, 2013 or the Insolvency and Bankruptcy Code 2016, as the case may be, including prospective and contingent liabilities.

This declaration is made and issued by the Buyback committee (under the authority of the Board of Directors) in terms of the resolution passed at its meeting held on January 25, 2021.

For and on behalf of the **Board of Directors of Company**

Sd/- Manoj Jain Chairman and Managing Director & Director (Projects) (DIN: 07556033)	Sd/- A.K. Tiwari Director (Finance) & CFO (DIN: 07654612)
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23. AUDITORS CERTIFICATE

The text of the report dated January 15, 2021 received from ASA & Associates LLP, Chartered Accountants and A.R. & Co., Chartered Accountants, the Joint Statutory Auditors of the Company addressed to the Board of Directors of the Company is reproduced below:

Quote:

Auditors' Report on buy back of shares pursuant to the requirement of the Companies Act, 2013, as amended (the "Act") and Clause (xi) of Schedule I to the Securities and Exchange Board of India (Buy -Back of Securities) Regulations, 2018, as amended (the "Buyback Regulations")

To,
The Board of Directors,
GAIL (India) Limited
16, Bhikaji Cama Place
New Delhi - 110066

1. This Report is issued in accordance with the terms of our engagement dated January 15, 2021.
2. We have been engaged by GAIL (India) Limited (the "**Company**") to perform a reasonable assurance engagement on determination of the amount of permissible capital payment in connection with the proposed buy back by the Company of its equity shares in pursuance of the provisions of Section 68 and 70 of the Act and the applicable provisions of the Buyback Regulations.
3. The management of the Company has prepared the accompanying Annexure A - Statement of permissible capital payment as on March 31, 2020 (the "**Statement**") pursuant to the proposed buyback of equity shares approved by the Board of Directors of the Company ("**Board of Directors**") at their meeting held on January 15, 2021, in accordance with the provisions of sections 68, 69 and 70 of the Act and the Buyback Regulations. The Statement contains the computation of amount of permissible capital payment towards buyback of equity shares in accordance with the requirements of section 68(2) of the Act and the applicable provisions of the Buyback Regulations and based on the latest audited standalone and consolidated financial statements for the year ended March 31, 2020. We have initialed the Statement for identification purposes only.

Board of Directors Responsibility for the Statement

4. The preparation of the statement in accordance with Section 68(2) of the Act and in compliance of the Buyback Regulations determining the amount permissible to be paid for the buyback is the responsibility of the Board of Directors of the Company, including preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
5. The Board of Directors are responsible to make a full inquiry into the affairs and offer document of the Company and to form an opinion that the Company will be able to pay its debts from the date of board meeting and will not be rendered insolvent within a period of one year from the date of board meeting at which the proposal for buyback was approved by the Board of Directors of the Company and in forming the opinion, they have taken into account the liabilities (including prospective and contingent liabilities) as if the Company were being wound up under the provisions of the Act or the Insolvency and Bankruptcy Code 2016. Further, a declaration is required to be signed by at least two directors of the Company in this respect in accordance with the requirements of the section 68(6) of the Act and the Buyback Regulations.

Auditor's Responsibility

6. Pursuant to the requirements of the Buyback Regulations, it is our responsibility to provide reasonable assurance on the following "Reporting Criteria":
 - (i) Whether the amount of capital payment for the buy-back as stated in Annexure A has been determined considering the audited standalone and consolidated financial statements for the year ended March 31, 2020 and is within the permissible limit and computed in accordance with the provisions of Section 68(2) of the Act and the applicable provisions of the Buyback Regulations;
 - (ii) Whether the Board of Directors in their meeting held on January 15, 2021 have formed their opinion, as specified in Clause (x) of Schedule I to the Regulations, on reasonable grounds that the Company having regard to its state of affairs will not be rendered insolvent within a period of one year from date of the board meeting; and
 - (iii) Whether we are aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned in the declaration is unreasonable in circumstances as at the date of declaration.
7. The standalone and consolidated financial statements for the year ended March 31, 2020 have been audited by us on which we issued an unmodified audit opinion vide our report dated June 24, 2020. Our audits of these financial statements were conducted in accordance with the Standards on Auditing as specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ("ICAI"). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.
8. We conducted our examination of the Statement in accordance with the Guidance note on Audit Reports and Certificates for Special Purposes issued by ICAI ("**Guidance Note**"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
9. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
10. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the reporting criteria mentioned in paragraph 6 above. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated with the Reporting Criteria.

We have performed the following procedures in relation to the Statement:

- i) We have inquired into the state of affairs of the Company in relation to its audited standalone and consolidated financial statements for the year ended March 31, 2020 and the limited review standalone and consolidated financial results for the six months period ended September 30, 2020;
- ii) Examined authorization for buy back from the Articles of Association of the Company, approved by Board of Directors in its meeting held on January 15, 2021;
- iii) Examined that the amount of capital payment for the buy-back as detailed in Annexure A is within permissible limit computed in accordance with section 68(2) of the Act and the applicable provisions of the Buyback Regulations;
- iv) Examined that the ratio of debt owned by the Company, is not more than twice the capital and its free reserve after such buy-back;
- v) Examined that all shares for buy-back are fully paid-up;
- vi) Examined resolutions passed in the meetings of the Board of Directors;
- vii) Obtained necessary representations from the management of the Company.

Opinion

11. Based on our examination as above, and the information and explanations given to us, in our opinion,
- the Statement of permissible capital payment towards buyback of equity shares, as stated in Annexure A, is in our view properly determined in accordance with Section 68 of the Act and the applicable provisions of the Buyback Regulations; and
 - the Board of Directors, in their meeting held on January 15, 2021, have formed the opinion, as specified in clause (x) of Schedule I of the Regulations, on reasonable grounds, that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from date of board meeting and we are not aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned in the declaration is unreasonable in circumstances as at the date of declaration.

Restriction on Use

12. The report is addressed to and provided to the Board of Directors of the Company solely for the purpose of enabling it to comply with the aforesaid requirements and to include this report, pursuant to the requirements of the Buyback Regulations, (a) in the public announcement to be made by the Company, (b) in the draft letter of offer and letter of offer to be filed with the Securities and Exchange Board of India, the stock exchanges, the Registrar of Companies as required under the Regulations, the National Securities Depository Limited, the Central Depository Securities (India) Limited and (c) providing to the parties including manager to the offer in connection with buyback and 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. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For ASA & Associates LLP
Chartered Accountants
Firm Registration No: 009571N/N500006
Sd/-
Parveen Kumar
Partner
Membership No. 088810
UDIN: 21088810AAAAAO3516

For A.R. & Co.
Chartered Accountants
Firm Registration No: 002744C
Sd/-
Pawan K Goel
Partner
Membership No. 072209
UDIN: 21072209AAAAAD1564

Place: New Delhi
Date: 15 January 2021

ANNEXURE A Statement of permissible capital payment

The amount of permissible capital payment towards buy-back of equity shares (including premium) in question as ascertained below has been properly determined in accordance with Section 68(2) of the Companies Act, 2013 and the applicable provisions of Buyback Regulations:

Particulars	Amount (Rs. in crore) As on March 31, 2020	
	Standalone	Consolidated
Issued, subscribed and fully paid up equity shares:		
4,51,01,41,866 Equity Shares of Rs. 10/- each, fully paid up	4,510.14	4,510.14
Total- A	4,510.14	4,510.14
Free Reserves		
Security Premium	0.27	0.27
General reserve	3,260.77	3,260.77
Retained Earnings	34,082.81	38,479.47
Total- B	37,343.85	41,740.51
Total C = A+B	41,853.99	46,250.65

Particulars	Amount (Rs. in crore) As on March 31, 2020	
	Standalone	Consolidated
Maximum amount permissible for the Buy-back i.e. 10% of the aggregate fully paid-up equity share capital and free reserves pursuant to Section 68(2) of the Act requiring Board Resolution.	4,185.40	4,625.07
Amount proposed and approved by the Board of Directors for buy-back in the meeting held on January 15, 2021	1,046.35	

For and on behalf of the Board of Directors

Sd/-

A.K.Tiwari
Director (Finance)
(DIN: 07654612)

Sd/-

Manoj Jain
Chairman & Managing Director
(DIN: 07556033)

As per our report of even date

For ASA & Associates LLP

Chartered Accountants

Firm Registration No: 009571N/N500006

Sd/-

Parveen Kumar

Partner

Membership No. 088810

UDIN: 21088810AAAAAO3516

Place: New Delhi

Date: 15 January 2021

For A.R. & Co.

Chartered Accountants

Firm Registration No: 002744C

Sd/-

Pawan K Goel

Partner

Membership No. 072209

UDIN: 21072209AAAAAD1564

Unquote

24. DOCUMENTS FOR INSPECTION

The following material documents are available for inspection by shareholders of GAIL (India) Limited at the Registered Office: 16, Bhikaiji Cama Place, R. K. Puram, New Delhi - 110066, from 10:00 a.m. IST to 5:00 p.m. IST on all working days except Saturday, Sunday and public holidays, during the Tendering Period.

- i. Copy of the Certificate of Incorporation;
- ii. Memorandum and Articles of Association of GAIL (India) Limited;
- iii. Copy of the annual reports GAIL (India) Limited for the last three financial years ended March 31, 2020, March 31, 2019 and March 31, 2018 and unaudited limited review financial results approved by Board of Directors for the six months ended September 30, 2020;
- iv. Certified true copy of the resolution passed by the Board of Directors at the meeting held on January 15, 2021 approving proposal for Buyback;
- v. Copy of Report dated January 15, 2021 received from ASA & Associates LLP, Chartered Accountants and A.R. & Co., Chartered Accountants, the Joint Statutory Auditors of the Company, in terms of clause (xi) of Schedule I of the Buyback Regulations;
- vi. Copy of Declaration of solvency and an affidavit verifying the same in Form SH-9, as prescribed under section 68(6) of the Companies Act, 2013;
- vii. SEBI Comments vide letter no.[●] dated [●];
- viii. Copy of Escrow Agreement dated [●], 2021 between GAIL (India) Limited, [●] and IDBI Capital Markets & Securities Limited;
- ix. Copy of the certificate from ASA & Associates LLP, Chartered Accountants and A.R. & Co., Chartered Accountants, the Joint Statutory Auditors of the Company, dated January 15, 2021 certifying that the Company has adequate funds for the purposes of Buyback;
- x. Copy of Public Announcement dated January 18, 2021 published in the newspapers on January 19, 2021 regarding Buyback of Equity Shares;
- xi. Opinion dated January 15, 2021 obtained by the Company on taxation.

25. CONTACT DETAILS OF COMPLIANCE OFFICER

Shri A. K. Jha, Company Secretary & Compliance Officer
GAIL (India) Limited
16, Bhikaiji Cama Place,
R. K. Puram, New Delhi-110066
Tel: 011-26170740
Fax: 011-26170740
Email: shareholders@gail.co.in

Investor may contact the Compliance Officer for any clarification or to address their grievances, if any, during office hours i.e. 10:00 a.m. IST to 5:00 p.m. IST on all working days except Saturday, Sunday and public holidays.

26. DETAILS OF THE REMEDIES AVAILABLE TO THE SHAREHOLDERS/ BENEFICIAL OWNERS

- i. In case of any grievances relating to the Buyback (i.e. non-receipt of the Buyback consideration, Share certificate, demat credit, etc.) the investor can approach the Compliance Officer and/or Manager to the Buyback and/or Registrar to the Buyback for redressal.
- ii. If the Company makes any default in complying with the provisions of Section 68, 69, 70 of the Companies Act, 2013, or the rules made thereunder, the Company or any officer of the Company who is in default shall be punishable with imprisonment for a term and its limit, or with a fine and its limit or with both in terms of the Companies Act, 2013.
- iii. The address of the concerned office of the Registrar of Companies is as follows:

The Registrar of Companies (National Capital Territory of Delhi & Haryana)
4th Floor, IFCI Tower, 61,
Nehru Place, New Delhi - 110 019, India

27. DETAILS OF INVESTOR SERVICE CENTRES

In case of any query, the shareholders may also contact the Registrar & Transfer Agent on any day except Saturday, Sunday and Public holidays between 10:00 AM and 5:00 PM at the following address:



MCS Share Transfer Agent Limited

F-65, 1st Floor, Okhla Industrial Area, Phase-1, New Delhi - 110020

Tel No: 011-41406149 **Fax:** 011-41709881

Contact Person: Mr. Amarjit Singh

Email: admin@mcsregistrars.com

Website: www.mcsregistrars.com

SEBI Registration Number: INR000004108

Validity Period: Permanent

CIN: U67120WB2011PLC165872

28. MANAGER TO THE BUYBACK OFFER



IDBI Capital Markets & Securities Limited

6th floor, IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400 005

Tel No.: +91 22 2217 1700;

Fax No.: +91 22 2215 1787;

Contact Person: Sumit Singh

Email: gail.buyback2021@idbicapital.com;

Website: www.idbicapital.com

SEBI Registration Number: INM000010866;

Validity Period: Permanent

Corporate Identity Number: U65990MH1993GOI075578

29. DECLARATION BY THE DIRECTORS REGARDING AUTHENTICITY OF THE INFORMATION IN THE DRAFT LETTER OF OFFER

As per Regulation 24(i)(a) of the Buyback Regulations, the Board of Directors of the Company accept full responsibility for the information contained in this Draft Letter of Offer and confirms that the information in this Draft Letter of Offer contain true, factual and material information and does not contain any misleading information. The Draft Letter of Offer is issued under the authority of the Board of Directors by the Buyback Committee through Resolution passed by the Buyback Committee meeting held on January 25, 2021.

Sd/-
Manoj Jain
Chairman and Managing Director &
Director (Projects)
(DIN: 07556033)

Sd/-
A.K. Tiwari
Director (Finance) & CFO
(DIN: 07654612)

For and on behalf of the Board of Directors of
GAIL (India) Limited
Sd/-
A. K. Jha
Company Secretary &
Compliance Officer
(M. Number: ACS18644)

Date: January 25, 2021

Place: New Delhi

Enclosure:

1. Tender Form for Demat Shareholders
2. Tender Form for Physical Shareholders

**ANNEXURE I - TENDER FORM FOR ELIGIBLE SHAREHOLDERS HOLDING DEMAT SHARES
FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT**

Bid Number:
Date:

BUYBACK OPENS ON:	●
BUYBACK CLOSES ON:	●
For Registrar use	
Inward No.	Date
	Stamp

Status: Please tick appropriate box					
<input type="checkbox"/>	Individual	<input type="checkbox"/>	Foreign Institutional Investors/ Foreign Portfolio Investors	<input type="checkbox"/>	Insurance Company
<input type="checkbox"/>	Foreign Company	<input type="checkbox"/>	Non Resident Indian / OCB	<input type="checkbox"/>	FVCI
<input type="checkbox"/>	Body Corporate	<input type="checkbox"/>	Bank / Financial Institution	<input type="checkbox"/>	Pension/ PF
<input type="checkbox"/>	VCF	<input type="checkbox"/>	Partnership/ LLP	<input type="checkbox"/>	Others (specify)

India Tax Residency Status: Please tick appropriate box

Resident in India Non-Resident in India Resident of _____ (Shareholder to fill the country of residence)

Route of Investment (For NR Shareholders only)

Portfolio Investment Scheme Foreign Investment Scheme

To,

The Board of Directors

GAIL (India) Limited

C/o. MCS Share Transfer Agent Limited.

F-65, 1st Floor, Okhla Industrial Area,

Phase-1, New Delhi - 110020

Tel: 011-41406149; Fax: 011-41709881

Dear Sirs,

Sub: Letter of Offer dated |●| to Buyback not exceeding 6,97,56,641 Equity Shares of GAIL (India) Limited (the "Company") at a price of Rs. 150/- (Rupees One Hundred Fifty only) per Equity Share ("Buyback Offer Price"), payable in cash ("Buyback")

- I/We having read and understood the Letter of Offer dated |●| hereby tender / offer my / our Equity Shares in response to the Buyback on the terms and conditions set out below and in the Letter of Offer.
- I / We authorise the Company to Buyback the Equity Shares offered (as mentioned below) and to issue instruction(s) to the Registrar to the Buyback to extinguish the Equity Share.
- I / We hereby affirm and warrant that the Equity Shares comprised in this tender / offer are offered for Buyback by me / us are free from all liens, equitable interest, charges and encumbrance.
- I / We declare and warrant that there are no restraints / injunctions or other order(s)/ covenants of any nature which limits / restricts in any manner my / our right to tender Equity Shares for Buyback and that I / We am / are legally entitled to tender/ offer the Equity Shares for the Buyback.
- I/We agree that the Company will pay the Buyback Offer Price only after due verification of the validity of the documents and that the consideration will be paid as per secondary market mechanism. The Eligible Shareholders will have to ensure that they keep the DP Account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to the Buyback being on a proportionate basis in terms of the Ratio of Buyback.
- Eligible Shareholders to whom the Buyback is made are free to tender Equity Shares to the extent of their Buyback Entitlement in whole or in part or in excess of their entitlement.
- I / We agree that the consideration for the accepted Equity Shares will be paid to the Eligible Shareholder as per the provisions of Buyback Regulations and circulars issued by SEBI.
- I/We agree that the excess demat Shares or unaccepted demat Shares, if any, tendered would be returned to the Eligible Shareholder as per the provision of Buyback Regulations and circulars issued by SEBI.
- I / We undertake to return to the Company any Buyback consideration that may be wrongfully received by me / us.
- I / We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my / our tender / offer and agree to abide by any decision that may be taken by the Company to effect the Buyback in accordance with the Companies Act, 2013 and rules made thereunder and the Buyback Regulations.
- Details of Equity Shares held and tendered / offered for Buyback Offer:

	In Figures	In Words
Number of Equity Shares held as on Record Date (January 28, 2021)		
Number of Equity Shares entitled for Buyback (Buyback Entitlement)		
Number of Equity Shares offered for Buyback (including Additional Shares, if any)		

Note: An Eligible Shareholder may tender Equity Shares over and above his / her Buyback Entitlement. Number of Equity Shares validly tendered by any Eligible Shareholder up to the Buyback Entitlement of such Eligible Shareholder shall be accepted to the full extent. The Equity Shares tendered by any Eligible Shareholder over and above the Buyback Entitlement of such Eligible Shareholder shall be accepted in accordance with Paragraph 19 of the Letter of Offer. Equity Shares tendered by any Eligible Shareholder over and above the number of Equity Shares held by such Eligible Shareholder as on the Record Date shall not be considered for the purpose of Acceptance.

-----Tear along this line-----
Acknowledgement Slip: GAIL (India) Limited – Buyback Offer
(to be filled by the Eligible Shareholder) (subject to verification)

Folio No./DP ID: _____

Client ID _____

Received from Shri./ Smt. _____

Form of Acceptance-cum-Acknowledgement, Original TRS along with:

No. of Equity Shares offered for Buyback (In Figures) _____ (In Words) _____

Please quote Client ID No. & DP ID No. for all future correspondence

STAMP OF BROKER

12. Details of Account with Depository Participant (DP):

Name of the Depository (tick whichever is applicable)	<input type="checkbox"/> NSDL <input type="checkbox"/> CDSL
Name of the Depository Participant	
DP ID No.	
Client ID with the Depository Participant	

13. Equity Shareholders Details:

	First/Sole Holder	Joint Holder 1	Joint Holder 2	Joint Holder 3
Full Name(s) of the Shareholder(s)				
Signature(s)*				
PAN No.				
Address of the Sole/First Equity Shareholder				
Telephone No. / Email ID of the Sole/First Equity Shareholder				

*Corporate must affix rubber stamp and sign

Applicable for all Non-resident Shareholders-

- I / We undertake to pay income taxes in India on any income arising on such Buyback in accordance with prevailing income tax laws in India within 7th day of the succeeding month in which the Equity Shares are bought back by the Company. I / We also undertake to indemnify the Company against any income tax liability on any income earned on such Buyback of shares by me / us.
- I/We, being a Non-Resident Shareholder, agree to obtain and submit all necessary approvals, if any and to the extent required from the concerned authorities including approvals from the RBI under FEMA and any other the rules and regulations, for tendering Equity Shares in the Buyback, and also undertake to comply with the reporting requirements, if applicable, and any other rules, regulations and guidelines, in regard to remittance of funds outside India.

INSTRUCTIONS

This Tender Form has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer and this Tender / Offer Form

- This Buyback offer will open on [●] and close on [●].
- The Equity Shares tendered in the Buyback shall be rejected if (i) the tenderer is not a Eligible Shareholder of the Company as on the Record Date; or (ii) if there is a name mismatch in the demat account of the Shareholder; or (iii) if the Eligible Shareholder has made a duplicate bid.
- Eligible Shareholder is required to transfer the Equity Shares under the Buyback Offer to Clearing Corporation, by using the settlement number through the early pay-in mechanism of depositories. This shall be validated by the Shareholder Broker at the time of order/bid entry. The details of the settlement number for the Buyback will be provided in a separate circular which shall be issued at the time of issue opening by Clearing Corporation/ NSE.
- The Eligible Shareholders will have to ensure that they keep the DP Account active and unblocked to receive credit in case of return of Equity Shares due to rejection or partial acceptance. Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Eligible Shareholders would be returned to them by Clearing Corporation. If the securities transfer instruction is rejected in the depository system, due to any issue then such securities will be transferred to the Shareholder Broker's depository pool account for onward transfer to the Eligible Shareholder. In case of custodian participant orders, excess demat Shares or unaccepted demat Shares, if any, will be returned to the respective custodian participant.
- For the procedure to be followed by Eligible Shareholders for tendering in the Buyback, please refer to "Procedure for Tender Offer and Settlement" on page [●] of the Letter of Offer.
- In case of non-receipt of the Letter of Offer, Eligible Shareholders holding Equity Shares may participate in the offer by providing their application in plain paper in writing signed by such Eligible Shareholder, stating the name of the Eligible Shareholder, address of the Equity Shareholder, number of Equity Shares held, Client ID number, DP name, DP ID number and number of Equity Shares tendered. Eligible Shareholders have to ensure that their bid is entered in the electronic platform to be made available by the NSE before the closure of the Buyback.
- In case any registered entity has merged with another entity and the merger has been approved and has come into effect but the process of getting the successor company as the registered shareholder is still incomplete, then such entity along with the Tender Form, shall file a copy of the following documents: (i) approval from the appropriate authority for such merger, (ii) the scheme of merger, and (iii) the requisite form filed with MCA intimating the merger.
- Eligible Shareholders to whom the Buyback offer is made are free to tender Equity Shares to the extent of their Buyback Entitlement in whole or in part or in excess of their Buyback Entitlement, but not exceeding their holding as on the Record Date.
- All documents sent by Eligible Shareholders will be at their own risk. Eligible Shareholders are advised to safeguard adequately their interests in this regard.
- By agreeing to participate in the Buy-back the Non-resident Shareholders give the Company the unconditional and irrevocable authority and power to make, sign, execute, deliver, acknowledge and perform all applications to file regulatory reportings, if required, including FC-TRS form, if necessary and undertake to provide assistance to the Company for such regulatory reporting, if required by the Company.
- Non-Resident Shareholders must obtain all approvals required to tender the Equity Shares held by them in this Buyback (including without limitation the approval from the RBI).
- Eligible Sellers have to fill up the EVENT number issued by the depository in the column for settlement details along with the market type as "Buyback", ISIN Quantity of shares and CM BP ID of broker and execution date in the Delivery Instruction Slips (DIS) so that Equity Shares can be tendered in the Buyback.
- For the Eligible Shareholders holding Equity Shares in demat form, the Tender Form and TRS are not required to be submitted to the Company, Manager or the Registrar. After the receipt of the demat Equity Shares by the Clearing Corporation and a valid bid in the exchange bidding system, the Buyback shall be deemed to have been accepted for the Eligible Shareholders holding Equity Shares in demat form.
- All capitalised items shall have the meaning ascribed to them in the Letter of Offer.

-----Tear along this line -----
 ALL FUTURE CORRESPONDENCE IN CONNECTION WITH THIS BUYBACK, IF ANY, SHOULD BE ADDRESSED TO REGISTRAR TO THE BUYBACK AT THE FOLLOWING ADDRESS QUOTING YOUR CLIENT ID AND DP ID:

Investor Service Centre, GAIL (India) Limited - Buyback offer
MCS Share Transfer Agent Limited
 F-65, 1st Floor, Okhla Industrial Area, Phase-1, New Delhi - 110020
Contact Person: Mr. Amarjit Singh
Tel: 011-41406149; Fax: 011-41709881; E-mail: admin@mcsregistrars.com; Website: www.mcsregistrars.com
SEBI Registration Number: INR000004108; Validity Period: Permanent; CIN: U67120WB2011PLC165872

**ANNEXURE II - TENDER FORM FOR ELIGIBLE SHAREHOLDERS HOLDING PHYSICAL SHARES
FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT**

BUYBACK OPENS ON:	●
BUYBACK CLOSES ON:	●
For Registrar use	
Inward No.	Date
	Stamp

Bid Number:
Date:

Status: Please tick appropriate box					
<input type="checkbox"/>	Individual	<input type="checkbox"/>	Foreign Institutional Investors/ Foreign Portfolio Investors	<input type="checkbox"/>	Insurance Company
<input type="checkbox"/>	Foreign Company	<input type="checkbox"/>	Non Resident Indian / OCB	<input type="checkbox"/>	FVCI
<input type="checkbox"/>	Body Corporate	<input type="checkbox"/>	Bank / Financial Institution	<input type="checkbox"/>	Pension/ PF
<input type="checkbox"/>	VCF	<input type="checkbox"/>	Partnership/ LLP	<input type="checkbox"/>	Others (specify)

India Tax Residency Status: Please tick appropriate box

Resident in India Non-Resident in India Resident of _____ (Shareholder to fill the country of residence)

Route of Investment (For NR Shareholders only)

Portfolio Investment Scheme Foreign Investment Scheme

To,

The Board of Directors

GAIL (India) Limited

C/o. MCS Share Transfer Agent Limited.

F-65, 1st Floor, Okhla Industrial Area,

Phase-1, New Delhi - 110020

Tel: 011-41406149; Fax: 011-41709881

Dear Sirs,

Sub: Letter of Offer dated |●| to Buyback not exceeding 6,97,56,641 Equity Shares of GAIL (India) Limited (the "Company") at a price of Rs. 150/- (Rupees One Hundred Fifty only) per Equity Share ("Buyback Offer Price"), payable in cash ("Buyback")

- I/We having read and understood the Letter of Offer dated |●| hereby tender / offer my / our Equity Shares in response to the Buyback on the terms and conditions set out below and in the Letter of Offer.
- I / We authorise the Company to Buyback the Equity Shares offered (as mentioned below) and to issue instruction(s) to the Registrar to the Buyback to extinguish the Equity Share certificate
- I / We hereby affirm and warrant that the Equity Shares comprised in this tender / offer are offered for Buyback by me / us are free from all liens, equitable interest, charges and encumbrance.
- I / We declare and warrant that there are no restraints / injunctions or other order(s)/ covenants of any nature which limits / restricts in any manner my / our right to tender Equity Shares for Buyback and that I / We am / are legally entitled to tender/ offer the Equity Shares for the Buyback.
- I/We agree that the Company will pay the Buyback Offer Price only after due verification of the validity of the documents and that the consideration will be paid as per secondary market mechanism.
- Eligible Shareholders to whom the Buyback is made are free to tender Equity Shares to the extent of their Buyback Entitlement in whole or in part or in excess of their entitlement
- I / We agree that the consideration for the accepted Equity Shares will be paid to the Eligible Shareholder as per the provisions of Buyback Regulations and circulars issued by SEBI.
- I/ We agree that the Company is not obliged to accept any Equity Shares offered for Buyback where loss of share certificates has been notified to the Company.
- I / We undertake to return to the Company any Buyback consideration that may be wrongfully received by me / us.
- I / We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my / our tender / offer and agree to abide by any decision that may be taken by the Company to effect the Buyback in accordance with the Companies Act, 2013 and rules made thereunder and the Buyback Regulations.
- Details of Equity Shares held and tendered / offered for Buyback Offer:

	In Figures	In Words
Number of Equity Shares held as on Record Date (January 28, 2021)		
Number of Equity Shares entitled for Buyback (Buyback Entitlement)		
Number of Equity Shares offered for Buyback (including Additional Shares, if any)		

Note: An Eligible Shareholder may tender Equity Shares over and above his / her Buyback Entitlement. Number of Equity Shares validly tendered by any Eligible Shareholder up to the Buyback Entitlement of such Eligible Shareholder shall be accepted to the full extent. The Equity Shares tendered by any Eligible Shareholder over and above the Buyback Entitlement of such Eligible Shareholder shall be accepted in accordance with Paragraph 19 of the Letter of Offer. Equity Shares tendered by any Eligible Shareholder over and above the number of Equity Shares held by such Eligible Shareholder as on the Record Date shall not be considered for the purpose of Acceptance.

-----Tear along this line-----
Acknowledgement Slip: GAIL (India) Limited – Buyback Offer
(to be filled by the Eligible Shareholder) (subject to verification)

Folio No.: _____

Received from Shri./ Smt. _____

Form of Acceptance-cum-Acknowledgement, Original TRS along with:

No. of Equity Shares offered for Buyback (In Figures) _____ (In Words) _____

Please quote Folio No. for all future correspondence

STAMP OF BROKER

12. Details of Share Certificate(s) enclosed: _____ Total No. of Share Certificate Submitted: _____

Sr. No.	Folio No.	Share Certificate No.	Distinctive Nos.		No. of Shares
			From	To	
1.					
2.					
Total					

In case the number of folios and Equity Share certificates enclosed exceed two, please attach a separate sheet giving details in the same format as above

13. Details of other documents (Please ✓ as appropriate, if applicable) enclosed:

	Power of Attorney – NMDC Limited	Previous RBI approvals for acquiring the Equity Shares of NMDC Limited tendered in the Buyback
	Corporate authorizations	Death Certificate
	Succession Certificate	Self attested copy of Permanent Account Number (PAN Card)
	TRS	Others (please specify):

14. Details of the bank account of the sole or first Shareholder to be incorporated in the consideration warrant (to be mandatorily filled):

Name of the Bank	Branch and City	IFSC and MICR Code	Account Number (indicate type of account)

15. Equity Shareholders Details:

Particulars	First/ Sole Shareholder	Joint Shareholder 1	Joint Shareholder 2	Joint Shareholder 3
Full Name(s) of the Shareholder				
Signature(s)*				
PAN No.				
Address of the First/ Sole Shareholder				
Telephone No. / Email ID				

* Corporate must affix rubber stamp and sign under valid authority. The relevant corporate authorization should be enclosed with the application from submitted.

Applicable for all Non- resident Shareholders-

- I / We undertake to pay income taxes in India on any income arising on such Buyback in accordance with prevailing income tax laws in India within 7th day of the succeeding month in which the Equity Shares are bought back by the Company. I / We also undertake to indemnify the Company against any income tax liability on any income earned on such Buyback of shares by me / us.
- I/We, being a Non-Resident Shareholder, agree to obtain and submit all necessary approvals, if any and to the extent required from the concerned authorities including approvals from the RBI under FEMA and any other the rules and regulations, for tendering Equity Shares in the Buyback, and also undertake to comply with the reporting requirements, if applicable, and any other rules, regulations and guidelines, in regard to remittance of funds outside India.

INSTRUCTIONS

This Tender Form has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer and this Tender / Offer Form

- This Buyback offer will open on [●] and close on [●].
- Eligible Shareholders who wish to tender their Equity Shares in response to this Buyback should submit the following documents to their Shareholder Broker. The Eligible Shareholders / Shareholder Broker in turn would deliver the said documents along with the Transaction Registration Slip (TRS) to the Registrar; the documents should be sent to the Registrar only after the placement of a valid bid; non-submission of the below mentioned documents by 5:00 p.m. latest by [●] directly to the Registrar shall result in the rejection of the tendered Equity Shares: (i) the Tender Form duly signed (by all Equity Shareholders in case shares are in joint names) in the same order in which they hold the Equity Shares; (ii) original share certificates; (iii) valid share transfer form(s) (Form SH-4) duly filled and signed by the transferors (i.e. by all registered Shareholders in same order and as per the specimen signatures registered with the Company/Registrar) and duly witnessed at the appropriate place authorizing the transfer in favour of the Company; (iv) self-attested copy of the Shareholder's PAN Card; (v) any other relevant documents such as (but not limited to) (a) duly attested Power of Attorney if any person other than the Equity Shareholder has signed the relevant Tender Form; (b) notarized copy of death certificate and succession certificate or probated will, as applicable, if the original Shareholder has deceased; and (c) necessary corporate authorisations, such as board resolutions etc., in case of companies; (vi) In addition to the above, if the address of the Shareholder has undergone a change from the address registered in the Register of Members of the Company, the Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: valid Aadhar Card, Voter Identity Card or Passport.
- Eligible Shareholders to whom the Buyback is made are free to tender Equity Shares to the extent of their entitlement in whole or in part or in excess of their entitlement, but not exceeding the number of Shares held by them as on Record Date.
- Eligible Shareholders should also provide all relevant documents in addition to the above documents, which include but are not limited to: (i) Duly attested power of attorney registered with the Registrar, if any person other than the Eligible Shareholder has signed the relevant Tender Form; (ii) Duly attested death certificate / succession certificate in case any Eligible Shareholder is deceased; and (iii) Necessary corporate authorisations, such as Board Resolutions etc., in case of companies.
- In case of non-receipt of the Letter of Offer, Eligible Shareholders holding Equity Shares may participate in the offer by providing their application in plain paper in writing signed by all Eligible Shareholders (in case of joint holding), stating name, address, folio number, number of Equity Shares held, Equity Share certificate number, number of Equity Shares tendered for the Buyback and the distinctive numbers thereof, enclosing the original Equity Share certificate(s), copy of Eligible Shareholder's PAN card(s) and executed share transfer form in favour of the Company. Eligible Shareholders must ensure that the Tender Form, along with the TRS and requisite documents, reach the Registrar to the Buyback latest by [●] by 5:00 pm.
- In case any registered entity that has merged with another entity and the merger has been approved and has come into effect but the process of getting the successor company as the registered shareholder is still incomplete, then such entity along with the Tender Form should file a copy of the following documents: (i) Approval from the appropriate authority for such merger; (ii) the scheme of merger; and (iii) the requisite form filed with MCA intimating the merger.
- Eligible Shareholders to whom the Buyback offer is made are free to tender Equity Shares to the extent of their Buyback Entitlement in whole or in part or in excess of their Buyback Entitlement, but not exceeding their holding as on the Record Date.
- All documents sent by Eligible Shareholders will be at their own risk. Eligible Shareholders are advised to safeguard adequately their interests in this regard.
- All documents as mentioned above, shall be enclosed with the valid Tender Form, otherwise the Equity Shares tendered will be liable for rejection. The Equity Shares shall be liable for rejection on the following grounds amongst others: (i) If there is any other company's equity share certificate enclosed with the Tender Form instead of the Equity Share certificate of the Company; (ii) If the transmission of Equity Shares is not completed, and the Equity Shares are not in the name of the Eligible Shareholder; (iii) If the Eligible Shareholders tender Equity Shares but the Registrar does not receive the Equity Share certificate; (iv) In case the signature on the Tender Form and Form SH 4 doesn't match as per the specimen signature recorded with Company/Registrar.
- The Equity Shares tendered in the buyback shall be rejected if (i) the Shareholder is not a Eligible Shareholder of the Company on the Record Date; (ii) if there is a name mismatch in the share certificate of the Shareholder; or (iii) the documents mentioned in the Tender Form for Eligible Shareholders holding Equity Shares in physical form are not received by the Registrar on or before the close of business hours of [●] by 5:00 p.m.
- By agreeing to participate in the Buy-back the Non-resident Shareholders give the Company the unconditional and irrevocable authority and power to make, sign, execute, deliver, acknowledge and perform all applications to file regulatory reportings, if required, including FC-TRS form, if necessary and undertake to provide assistance to the Company for such regulatory reporting, if required by the Company.
- Non-Resident Shareholders must obtain all approvals required to tender the Equity Shares held by them in this Buyback (including without limitation the approval from the RBI).
- All capitalised items shall have the meaning ascribed to them in the Letter of Offer.

-----Tear along this line-----

ALL FUTURE CORRESPONDENCE IN CONNECTION WITH THIS BUYBACK, IF ANY, SHOULD BE ADDRESSED TO REGISTRAR TO THE BUYBACK AT THE FOLLOWING ADDRESS QUOTING YOUR FOLIO NO.:

Investor Service Centre, GAIL (India) Limited - Buyback offer

MCS Share Transfer Agent Limited

F-65, 1st Floor, Okhla Industrial Area, Phase-1, New Delhi - 110020

Contact Person: Mr. Amarjit Singh

Tel: 011-41406149; Fax: 011-41709881; E-mail: admin@mcsregistrars.com; Website: www. mcsregistrars.com

SEBI Registration Number: INR000004108; Validity Period: Permanent; CIN: U67120WB2011PLC165872

Form No. SH-4

Securities Transfer Form

[Pursuant to section 56 of the Companies Act, 2013 and sub-rule (1) of rule 11 of the Companies (Share Capital and Debentures) Rules 2014]

Date of execution

FOR THE CONSIDERATION stated below the "Transferor(s)" named do hereby transfer to the "Transferee(s)" named the securities specified below subject to the conditions on which the said securities are now held by the Transferor(s) and the Transferee(s) do hereby agree to accept and hold the said securities subject to the conditions aforesaid.

CIN: L40200DL1984GOI018976

Name of the company (in full): GAIL (India) Limited

Name of the Stock Exchange where the company is listed, if any: BSE Limited and National Stock Exchange of India Limited

DESCRIPTION OF SECURITIES:

Kind/Class of securities (1)	Nominal value of each unit of security (2)	Amount called up per unit of security (3)	Amount paid up per unit of security (4)
Equity Shares	Re.10.00	Re.10.00	Re.10.00

No. of Securities being Transferred		Consideration Received (Rs)	
In Figures	In Words	In words	In figures

Distinctive Number	From			
	To			
Corresponding Certificate Nos:				

TRANSFEROR'S PARTICULARS

Registered Folio Number	
Name(s) in full	Signature (s)
1.	
2.	
3.	

I, hereby confirm that the Transferor has signed before me.

Signature of the Witness	
Name of the Witness	
Address of Witness	

TRANSFEEE'S PARTICULARS

	1
Name in full	GAIL (India) Limited
Father's/ Mother's/ Spouse Name	Not Applicable
Address, Mobile/Ph. No. E-mail ID	Registered Office: 16, Bhikaji Cama Place, R. K. Puram, New Delhi-110066 Tel.: 011-26170740 E-mail ID: shareholders@gail.co.in
Occupation	Business
Existing folio no., if any	
Signature	

Folio No. of Transferee: _____

Specimen Signature of Transferee(s)

1. _____
2. _____
3. _____

Existing Folio No. If any

1. _____
2. _____

Value of stamp affixed: Rs. _____

Enclosures:

- (1) Certificate of shares or debentures or other securities
- (2) If no certificate is issued, Letter of allotment.
- (3) Copy of PAN CARD of all the Transferees (For all listed Cos).
- (4) Other, Specify.....

Stamps:

--

For office use only

Checked by _____
Signature tallied by _____
Entered in the Register of Transfer on _____ vide Transfer No. _____
Approval Date _____
Power of attorney/Probate/Death Certificate/Letter of Administration
Registered on _____ at No. _____