

A.R. & Co.
Chartered Accountants
A-403, Gayatri Apartment
Airlines Group Housing Society
Plot No 27, Sector -10, Dwarka
New Delhi – 110075

Gandhi Minocha & Co.
Chartered Accountants
B-6, Shakti Nagar Ext.
Near Laxmi Bai College
Ashok Vihar
New Delhi – 110052

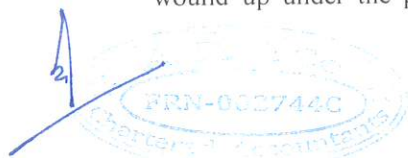
Auditors' Report on buy back of shares pursuant to the requirement of the Companies Act, 2013, as amended (the "Act") and Clause (xi) of Schedule I to the Securities and Exchange Board of India (Buy -Back of Securities) Regulations, 2018, as amended (the "Buyback Regulations")

To,
The Board of Directors,
GAIL (India) Limited
16, Bhikaiji Cama Place
R.K. Puram, New Delhi - 110066

1. This Report is issued in accordance with the terms of our engagement dated March 31, 2022.
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, 69 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, 2021 (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 March 31, 2022, 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, Regulation 4(i) and proviso to Regulation 5(i)(b) of the Buyback Regulations and based on the latest audited standalone and consolidated financial statements for the year ended March 31, 2021. 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, it has 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.



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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, 2021 and is within the permissible limit and computed in accordance with the provisions of Section 68(2) of the Act and applicable provisions of the Buyback Regulations;
 - (ii) Whether the Board of Directors in their meeting held on March 31, 2022 have formed their opinion, as specified in Clause (x) of Schedule I to the Regulations, on a 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, 2021 have been audited jointly by M/s A.R. & Co., Chartered Accountants and M/s ASA & Associates LLP, Chartered Accountants on which an unmodified audit opinion has been issued vide the report dated 9th June 2021. The audit 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:



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- 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, 2021 and the limited review standalone and consolidated financial results for the nine months period ended December 31, 2021;
- ii) Examined authorization for buy back from the Articles of Association of the Company approved by Board of Directors in its meeting held on March 31, 2022;
- 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 Regulation 4(i) and proviso to Regulation 5(i)(b) 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) Examined Director's declarations for the purpose of buy back and solvency of the Company;
- viii) Obtained necessary representations from the management of the Company.

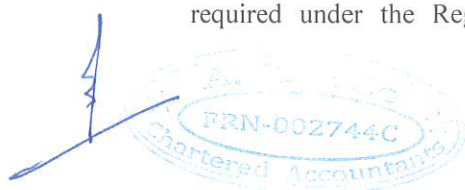
Opinion

11. Based on our examination as above, and the information and explanations given to us, in our opinion,

- (i) 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
- (ii) the Board of Directors, in their meeting held on March 31, 2022, 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



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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 A.R. & Co.
Chartered Accountants
Firm Registration No: 002744C

Pawan K Goel
Partner
Membership No. 072209
UDIN: 22072209AGBLZC7722



For Gandhi Minocha & Co.
Chartered Accountants
Firm Registration No: 000458N

Manoj Bhardwaj
Partner
Membership No. 098606
UDIN: 22098606AGBXGT8552



Place: New Delhi
Date: March 31, 2022

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 in our view has been properly determined in accordance with Section 68(2) of the Companies Act, 2013 and Regulation 4(i) and proviso to Regulation 5(i)(b) of Buyback Regulations:

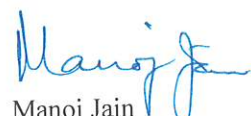
Particulars	Amount (in Rs. Crore) As on March 31, 2021	
	Standalone	Consolidated
Issued, subscribed and fully paid up equity shares:		
4,44,03,85,225 Equity Shares of Rs. 10 /- each, fully paid up	4,440.39	4,440.39
Total- A	4,440.39	4,440.39
Free Reserves		
Security Premium	-	-
General reserve	2,469.09	2,469.09
Retained Earnings	36,399.48	41,877.71
Total- B	38,868.57	44,346.80
Total C= A+B	43,308.96	48,787.19
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)(c) of the Act requiring Board Resolution.	4,330.90	4,878.72

Particulars	Amount (in Rs.)
Amount proposed and approved by the Board of Directors for buy-back in the meeting held on March 31, 2022	1,082,72,37,970

For and on behalf of the Board of Directors



R K Jain
Director (Finance)
(DIN: 08788595)



Manoj Jain
Chairman & Managing Director
(DIN: 07556033)

For A.R. & Co.
Chartered Accountants
Firm Registration No: 002744C



Pawan K Goel
Partner
Membership No. 072209
UDIN: 22072209AGBLZC7722

For Gandhi Minocha & Co.
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Manoj Bhardwaj
Partner
Membership No. 098606
UDIN: 22098606AGBXGT8552

Place: New Delhi
Date: March 31, 2022