



गेल (इंडिया) लिमिटेड

(भारत सरकार का उपक्रम – महारत्न कंपनी)

GAIL (India) Limited

(A Government of India Undertaking - A Maharatna Company)

ND/GAIL/SECTT/2021

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

27.05.2021

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

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

Symbol: - GAIL

Scrip Code: - 532155

Sub.: Annual Secretarial Compliance Report for the FY ended 31.03.2021

Dear Sir/Madam,

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

Please find enclosed herewith Annual Secretarial Compliance Report for the financial year ended on 31st March, 2021 issued by M/s Agarwal S. & Associates, Practicing Company Secretaries, New Delhi.

The above is for your information and records.

Thanking you,
Yours faithfully,

(A.K. Jha)
Company Secretary

Encl: As above

Copy to:

1 Deutsche Bank AG, Filiale Mumbai
TSS & Global Equity Services
The Capital, 14th Floor
C-70, G Block, Bandra Kurla Complex
Mumbai -400051

K/A- Ms. Aparna Salunkhe



**SECRETARIAL COMPLIANCE REPORT OF
GAIL (India) Limited
FOR THE YEAR ENDED 31st MARCH, 2021**

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

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

for the year ended 31st March, 2021 ("Review Period") in respect of compliance with the provisions of:

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

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

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

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

and circulars/ guidelines issued thereunder;

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

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

Sr. No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1.*	Regulation 17 (1) (a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, The Listed entity shall have an optimum combination of executive and non-executive directors with at least one woman director and not less than fifty percent of the board of directors shall comprise of non-executive directors.	The number of non-executive Directors on the Board is less than fifty percent of the total strength during the period from 08.09.2020 to 31.03.2021.	As the Company is a Listed entity, Accordingly the number of non-executive Directors shall not be less than fifty percent of the total strength during the period from 08.09.2020 to 31.03.2021.
2.*	Regulation 17 (1) (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, where the listed entity does not have a regular non-executive chairperson, at least half of the Board of Directors shall comprise of Independent Directors.	The number of Independent Directors on the Board is less than fifty percent of the total strength during the period from 01.04.2020 to 31.03.2021.	The Board of Directors of the Company is headed by an Executive Chairman. Accordingly, the number of Independent Directors should have been at least 50% of the total strength of Board Members during the period from 01.04.2020 to 31.03.2021.
3.*	Regulation 17 (10) of the Securities and Exchange	The performance evaluation of	The entire Board of Directors shall carry out the performance

	Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the performance evaluation of independent directors shall be done by the entire Board of Directors.	Independent Directors has not been carried out by the entire Board of Directors.	evaluation of Independent Directors.
4*	Regulation 18, 19 and 20 of the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015.	The composition of Audit Committee, Stakeholders Relationship Committee and Nomination & Remuneration Committee were not complying with the statutory requirements during the period from 08.09.2020 to 31.03.2021 and Nomination and Remuneration Committee has not formulated the criteria for determining qualifications, positive attributes and independence of a director.	Due to absence of requisite number of independent directors in the Company, the composition of Audit Committee, Stakeholders Relationship Committee, and Nomination & Remuneration Committee <i>were not complying with the statutory requirements</i> during the period from 08.09.2020 to 31.03.2021. Further, Nomination Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board, all remuneration, in whatever form, payable to senior management.
*As informed by the Management, GAIL is a Government Company and appointment/nomination of all Directors on the Board of the Company is done by Government of India (GOI). GAIL has taken up with MoP&NG, GOI from time to time for appointment of requisite number of non-executive Director Further, the terms & conditions of appointment as well as tenure of all Directors are also decided by GOI and there is a well laid down procedure for evaluation of Directors by the Administrative Ministry.			

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

Sr. No	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
A.**	National	Regulation 17 (1),	NSE vide its e-mail/ letter	The Company has

	Stock Exchange Limited (NSE)	18(1) and 19(1)/19(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Financial Year 2020-2021.	dated: <ul style="list-style-type: none"> ❖ September 08, 2020 has imposed a fine of Rs. 2,53,700/- for quarter ended 31st March, 2020. ❖ August 20, 2020 has imposed a fine of Rs. 5,36,900/- for quarter ended 30th June, 2020. ❖ November 17, 2020 has imposed a fine of Rs. 5,97,080/- for quarter ended 30th September, 2020. ❖ February 15, 2021 has imposed a fine of Rs. 8,18,920/- for quarter ended 31st December, 2020. ❖ May 17, 2021 has imposed a fine of Rs. 9,55,800/- for quarter ended 31st March, 2021. 	submitted quarter wise responses vide their letters dated 09.09.2020, 21.08.2020, 01.12.2020, 18.02.2021 and 18.05.2021 respectively and has requested to waive off the penalty, since the appointment of Directors on the Board of GAIL is done by the Government of India.
B.**	BSE Limited (BSE)	Regulation 17 (1), 18(1) and 19(1)/19(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Financial Year 2020-2021.	BSE vide its e-mail/ letter dated: <ul style="list-style-type: none"> ❖ September 08, 2020 has imposed a fine of Rs. 2,53,700/- for quarter ended 31st March, 2020. ❖ August 20, 2020 has imposed a fine of Rs. 5,36,900/- for quarter ended 30th June, 2020. ❖ November 17, 2020 has imposed a fine of Rs. 5,97,080/- for quarter ended 30th September, 2020. ❖ May 17, 2021 has imposed a fine of Rs. 9,55,800/- for quarter ended 31st March, 2021. 	The Company has submitted quarter wise responses vide their letters dated 09.09.2020, 21.08.2020, 01.12.2020 and 18.05.2021 respectively and has requested to waive off the penalty, since the appointment of Directors on the Board of GAIL is done by the Government of India. After considering the facts of the case and the Company's representation, BSE vide their e-mail dated 19 th April 2021 intimated waiver off the fines of Regulation 17, 18 & 19 of the SEBI (LODR), 2015 for the quarter ended 30 th September and 31 st

				December, 2020.
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** GAIL has communicated to NSE and BSE that being a Government Company, the right to nominate/ appoint all the Directors (including Independent Directors) vests with the Ministry of Petroleum and Natural Gas, Government of India (MoP&NG). As informed to us, GAIL is regularly taking up the matter with MoP&NG for appointment of requisite number of Independent Directors to ensure the compliance(s) with Corporate Governance norms enunciated under SEBI LODR Regulations, 2015, The Companies Act, 2013 and DPE Guidelines on Corporate Governance. Accordingly, Company has already requested to NSE and BSE to waive-off the penalties as per the Standard Operating Procedure issued by them due to the reasons mentioned above. The matter was also informed to MoP&NG as per the advice of NSE and BSE from time to time also put to GAIL's Board from time to time. BSE has waived the penalty for the quarters ended September and December, 2020. The Company is following-up with BSE/NSE for waiver of penalty for the remaining quarters.

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

Sr. No	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended 31.03.2020	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
i.	Regulation 17 (1) (a) of the SEBI (LODR) Regulations, 2015, The Listed entity shall have an optimum combination of executive and non-executive directors with at least one woman director and not less than fifty percent of the board of directors shall comprise of non-executive directors.	The number of non-executive Directors on the Board is less than fifty percent of the total strength during the period from 17.02.2020 to 24.03.2020.	GAIL (India) Limited is a 'Government Company' as defined u/s 2(45) of the Companies Act, 2013 (as 51.45% of the paid-up equity share capital of the Company is held by the President of India) under the administrative control of the Ministry of Petroleum and Natural Gas, Government of India. All the Directors on the Board of GAIL (including Independent Directors) are nominated/ appointed by the Government of India. It may also be noted that	As informed by the Management, appointment/nomination of all Directors on the Board of the Company is done by Government of India (GOI) and Company has taken up with MoP&NG, GOI from time to time for appointment of requisite number of non-executive Director.
ii.	Regulation 17 (1) (b) of the SEBI (LODR) Regulations, 2015, where the	The number of Independent Directors on the Board is less than fifty	GAIL being a Government Company, appointment of Directors is outside the purview/ control of the GAIL management.	

	<p>listed entity does not have a regular non-executive chairperson, at least half of the Board of Directors shall comprise of Independent Directors.</p>	<p>percent of the total strength during the period from 19.11.2019 to 31.03.2020.</p>	<p>Besides, the company has also been sending requests to the Ministry of Petroleum and Natural Gas, Government of India, the appointing authority from time to time for appointing requisite number of executive and non-executive Independent Directors on the Board of GAIL (India) Limited, so as to ensure compliance with Corporate governance norms enunciated under SEBI (LODR) Regulations, 2015 as well as the Companies Act, 2013.</p>	
iii.	<p>Regulation 17 (10) of the SEBI (LODR) Regulations, 2015, the performance evaluation of independent directors shall be done by the entire Board of Directors.</p>	<p>The performance evaluation of Independent Directors has not been carried out 7 by the entire Board of Directors.</p>	<p>GAIL is a CPSE and appointment/nomination of all the Directors including Independent Directors is being done by the President of India, through the MoP&NG, Government of India. Therefore, performance evaluation of individual Directors including Independent Directors is to be undertaken by the Government of India being the appointing authority.</p>	<p>As informed by the Management, Government of India (GOI) being the appointing authority for all Directors carries out the performance evaluation of the Directors as per their procedures. Therefore there is a well laid down procedure for evaluation of Directors by the Administrative Ministry.</p>
iv.	<p>Regulation 25(4) of the SEBI (LODR) Regulations, 2015, the Independent Directors shall in their meeting:</p>	<p>The Independent Directors in their separate meeting has not: (b) reviewed the performance of non-independent directors and the board of directors as a whole;</p>	<p>Separate meeting of Independent Directors was held on 07.09.2020 as per requirement of the Companies Act, 2013 and SEBI LODR Regulations, 2015.</p>	

		(c) reviewed the performance of the chairperson of the listed entity, taking into account the views of executive directors and non-executive directors.		
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- (e) As informed by the management, appointment of the listed entity's statutory auditor has been done by the office of the Comptroller and Auditor General Auditor General of India (C&AG). Appointment letter also contains terms of appointment to the statutory auditors. Since, terms of appointment were fixed by the C&AG, compliance by listed entity with 6(A) and 6(B) of SEBI circular number CIR/CFD/CMD1/114/2019 dated October 18, 2019 is not applicable. Accordingly, we can't certify said compliance.

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

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 JAIN
Digitally signed
 by ANURADHA
 JAIN
 Date: 2021.05.25
 11:36:44 +05'30'

CS Anuradha Jain
Partner

ACS No. : 36639
C.P No. : 14180

Date: 25th May, 2021
Place: New Delhi
UDIN: A036639C000365242