CSR Policy
of
GAIL (India) Limited
(JUNE 2026)

Approved by	Board of Directors
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1. Introduction

1.1 GAIL (India) Limited is India's leading natural gas company, with a robust and diversified presence across the entire natural gas value chain and beyond. Its operations encompass the transmission and marketing of Natural Gas, production of Liquefied Petroleum Gas (LPG) and other liquid hydrocarbons, LPG transmission, Polymer production and marketing, City Gas Distribution, LNG sourcing, shipping and regasification, renewable energy initiatives and upstream exploration and production activities.

1.2 Pursuant to the provisions of the Companies Act, 2013 (hereinafter referred to as "**Act**") and rules made thereunder including the statutory modifications/ amendments from time to time as notified by the Government of India, GAIL India Limited (hereinafter referred to as "**GAIL**") has framed its Corporate Social Responsibility Policy (hereinafter referred to as '**CSR Policy'**). This policy provides an approach and direction for undertaking the Corporate Social Responsibilities (CSR) activities of GAIL and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the Annual Action Plan.

1.3 This policy is also in consonance with Companies (Corporate Social Responsibility Policy) Rules, 2014 (hereinafter referred to as "**CSR Rules**") along with the Guidelines on Corporate Social Responsibility and Sustainability for Central Public Sector Enterprises issued by the Department of Public Enterprises, Government of India.

2. CSR Vision & Mission

Vision: Drive sustainable and inclusive growth by transforming lives through impactful initiatives that address the needs of marginalized communities and the environment.

Mission: To be a catalyst for lasting change — uplifting the vulnerable, empowering the underserved, and nurturing the environment we all share.

3. CSR Objectives

3.1 To operate in a sustainable manner for long-lasting and holistic benefits to the community thereby creating overall improvement in their lives.

3.2 To ensure adequate commitment at all levels in the organization while recognizing the interests of all salient stakeholders.

3.3 To improve and enhance the quality of life and socio-economic well-being of the community in and around areas of operation of GAIL, through initiatives aligned with the national commitments and Sustainable Development Goals (SDGs).

3.4 To generate goodwill for GAIL among stakeholders.

4. Guiding Principles

4.1 GAIL will have the following guiding principles to achieve a holistic approach towards CSR, with respect to planning, selection, implementation, and monitoring of activities.

- Compliance with Act, CSR Rules including any further amendments and DPE guidelines.
- Alignment to societal needs, national priorities, and SDGs
- Interventions should be impactful
- Focus on sustainability

4.2 The CSR Policy may be reviewed in the event of major amendments in statutory provisions and Government Guidelines issued from time to time, or in every 03 years, whichever is earlier. Any changes/modifications in CSR Policy shall be approved by the Board of GAIL basis recommendations of the CSR Committee of the Board.

5. DEFINITIONS

(a) "Act" means the Companies Act, 2013 (18 of 2013);

(b) “Administrative overheads” means the expenses incurred by the company for ‘general management and administration’ of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme;

(c) "Annexure" means the Annexure appended to the CSR rules;

(d) “Corporate Social Responsibility (CSR)” means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in the rules, but shall not include the following, namely:-

(i) activities undertaken in pursuance of normal course of business of the company.

(ii) any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;

(iii) contribution of any amount directly or indirectly to any political party under section 182 of the Act;

(iv) activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);

(v) activities supported by the company on sponsorship basis for deriving marketing benefits for its products or services;

(vi) activities carried out for fulfilment of any other statutory obligations under any law in force in India;

(e) "CSR Committee" means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act;

(f) "CSR Policy" means a statement containing the approach and direction given by the board of a company, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan;

(g) “International Organisation” means an organisation notified by the Central Government as an international organisation under section 3 of the United Nations (Privileges and Immunities) Act, 1947 (46 of 1947), to which the provisions of the Schedule to the said Act apply;

(h) "Net profit" means the net profit of the company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely: -

(i) any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and

(ii) any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act:

(i) "Not for Profit Organization" has the same meaning as in clause (e) of regulation 292A of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(j) "Ongoing Project" means a multi-year project undertaken by the Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification;

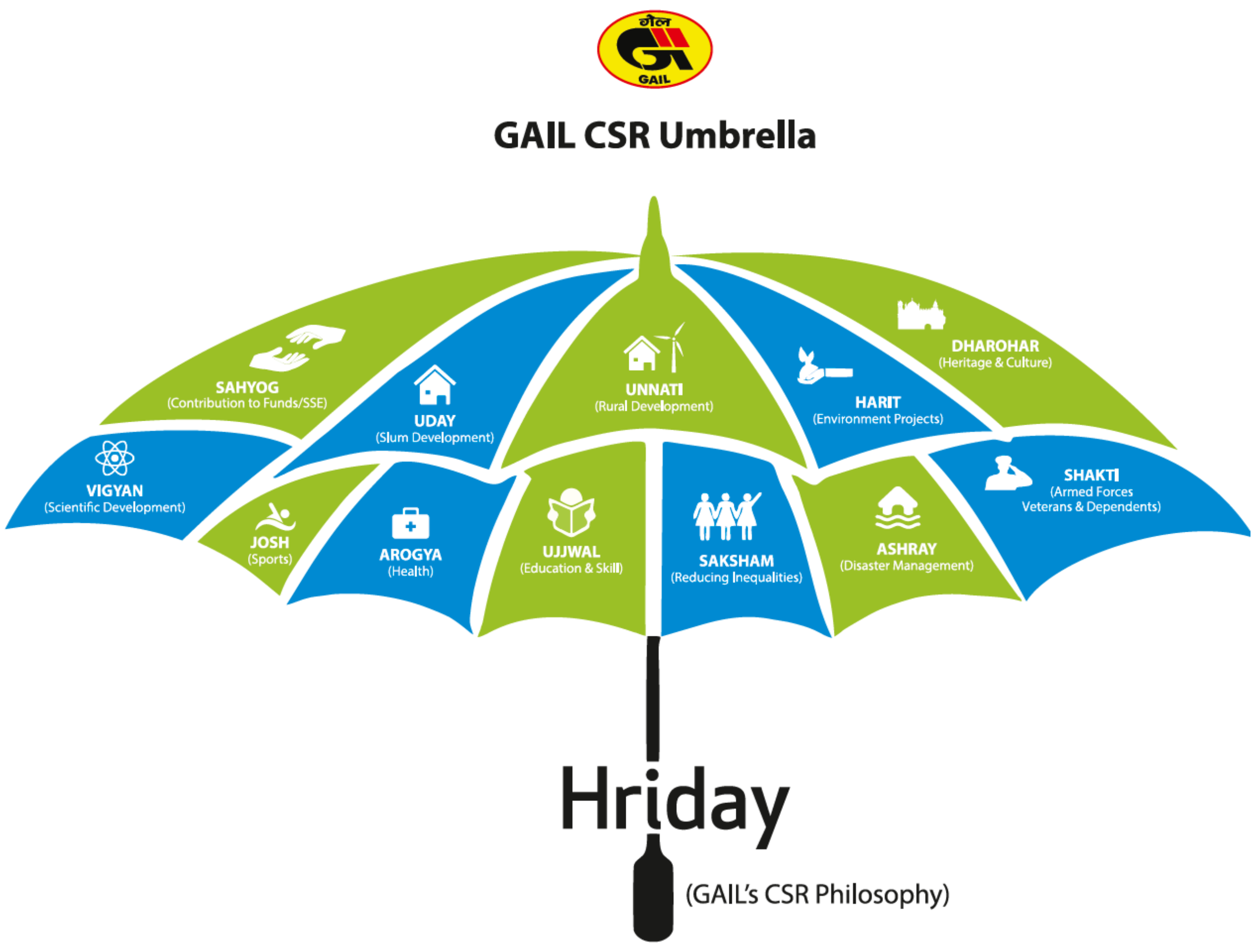
(k) "Public Authority" means 'Public Authority' as defined in clause (h) of section 2 of the Right to Information Act, 2005 (22 of 2005);

(l) "section" means a section of the Act;

(m) "zero coupon zero principal instrument" means an instrument declared as a security that is issued by a Not for Profit Organization registered with the Social Stock Exchange segment of a recognised Stock Exchange in accordance with the regulations made by the Securities and Exchange Board of India.

6. Focus Areas

6.1 GAIL shall support CSR projects or programmes targeted at upliftment of beneficiaries belonging to the underprivileged sections of society. The overarching goal of GAIL's CSR initiatives is socio-economic empowerment of people from all disadvantaged groups, as per the intent and provisions of Schedule VII of Act and directions given by the Government from time to time. All efforts shall be made by GAIL to align the CSR projects to national priorities and United Nations Sustainable Development Goals (**SDGs**).



6.2 As a part of the sustainability initiatives within the organization, efforts shall be made to give due importance to environmental sustainability even in normal mainstream activities by ensuring that our operations and processes promote renewable sources of energy, reduce / re-use / recycle waste material, replenish ground water supply, protect / conserve / restore the ecosystem, reduce carbon emissions and help in greening the supply chain. However, the amount spent on sustainability initiatives in the pursuit of sustainable development while conducting normal business activities will not be considered as CSR activities as specified in the CSR Rules and will not constitute a part of the CSR spend from 2% of profits as stipulated in the Act and the CSR Rules.

7. Project Resources and Treatment

7.1 In every financial year, GAIL will spend at least two per cent (2%) of its average net profit (as defined in the CSR Rules) during the three (3) immediately preceding financial years on CSR activities.

7.2 CSR expenditure shall include all expenditure on projects, programmes and contributions pertaining to CSR activities including administrative expenditure and impact assessment exercise expenses as approved by the competent authority in alignment to provisions of the Act and the Rules.

7.3 Any surplus arising out of CSR projects, excess expenditure and any unspent amount with regard to mandated CSR spends in a financial year shall be treated as per the provisions of the Act and CSR Rules, made thereunder.

7.4 Administrative overheads as defined in the CSR Rules shall not exceed five percent (5%) of the total CSR expenditure for the financial year.

7.5 The Board shall ensure that the CSR funds disbursed in any particular financial year have been utilized for the purpose and in the manner as approved by it and the Chief Financial Officer of GAIL or concerned Executive Director (Finance & Accounts) shall certify that effect.

7.6 Expenditure incurred towards Impact Assessment of eligible projects in any particular financial year shall not exceed two percent (2%) of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is higher.

7.7 GAIL shall incur CSR expenditure in accordance with the provisions of the Act, the Rules, and the guidelines issued by the Department of Public Enterprises (DPE) from time to time, including those relating to CSR spending in specified focus areas/themes.

8. Project Selection

8.1 GAIL shall undertake CSR projects or programmes in areas or subjects specified in the Schedule VII of the Act with a special focus on contributing toward Sustainable Development Goals and National Priority Areas.

8.2 GAIL shall give preference to the 'local area' (within a radius of 50 kilometers) adjoining GAIL installations for undertaking CSR activities.

9. Formulation of Annual Action Plan

9.1 The CSR Committee shall formulate and recommend to the Board for approval, an Annual Action Plan in pursuance of GAIL's CSR policy, which shall include the following, namely:

a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act.

b) the manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4 of the CSR Rules issued by Ministry of Corporate Affairs, Govt. of India (detailed at **10.1** in the Policy)

c) the modalities of utilization of funds and implementation schedules for the projects or programmes

d) monitoring and reporting mechanism for the projects or programmes; and

e) the details of need and impact assessment, if any, for the projects undertaken by GAIL,

Provided that Board may alter such plan at any time during the financial year, as per the recommendation of the CSR Committee, based on the reasonable justification to that effect.

10. Implementation

10.1 The Board of GAIL shall ensure that the CSR activities are undertaken by GAIL itself or through

(a) a company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company; or

(b) a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or

(c) any entity established under an Act of Parliament or a State legislature; or

(d) a company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

For the purpose of clause (c), the term "entity" shall mean a statutory body constituted under an Act of Parliament or State legislature to undertake activities covered in Schedule VII of the Act.

10.2 Every implementing agency/organization as mentioned in subparts of section 10.1 should have also registered with the Central Government by filing the form CSR-1 electronically with the Registrar and obtain a unique CSR registration number.

10.3 All the projects which are proposed by an implementing agency/organization and are implementing agency/organization driven, project proponents shall be selected for implementation of the project, subject to the agency fulfilling the criteria as mentioned under CSR Rules and GAIL's internal systems and procedures for CSR.

10.4 GAIL may also collaborate with other companies to undertake projects or programmes or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programmes in accordance with the CSR Rules.

10.5 GAIL may also incur expenditure on CSR through contribution of funds route in alignment with the relevant provisions in the Act and the Rules.

10.6 GAIL may carry out Corporate Social Responsibility activities through a zero coupon zero principal instrument in accordance with rule 4A of the CSR Rules: Provided that the expenditure incurred for such instrument shall not exceed ten percent of the total Corporate Social Responsibility expenditure of GAIL for that financial year.

10.6.1 The Not for Profit Organisation issuing the zero coupon zero principal instrument and raising fund therefrom shall – (a) undertake a project with a duration not more than three succeeding financial years from the issue of such zero coupon zero principal instrument; and (b) on termination of listing of such zero coupon zero principal instrument, transfer the unspent amount to any fund included in Schedule VII to the Act and submit its compliance report to the Securities and Exchange Board of India.

10.6.2 The provisions of rule 4 of the CSR Rules, except sub-rules (5) and (6) thereof, shall be applicable to the implementation of Corporate Social Responsibility through a zero coupon zero principal instrument.

10.7 If an implementing agency is found to have submitted forged or falsified documents or have been engaged in any corrupt or fraudulent practices, during the selection or execution of a CSR project, such agency shall be banned for 03 years from the date of issuance of such banning order.

10.7.1 GAIL shall additionally be entitled to recover all disbursed funds along with applicable interest and may refer the matter to appropriate regulatory or law enforcement authorities.

11. Monitoring

11.1 To ensure transparency and effective implementation of the CSR programmes undertaken at each work centre, a robust monitoring mechanism shall be instituted by GAIL, using digital and other mediums available.

11.2 GAIL may engage International organisations/domestic independent entities with expertise in the domain for designing, monitoring and evaluation of the CSR projects or programmes as per its CSR policy as well as for capacity building of their own personnel for CSR.

12. Evaluation

12.1 In every financial year, where GAIL's CSR obligation is Rs 10 crore or more, in pursuance of sub sec (5) of Sec 135 of the Act in 03 immediately preceding financial years, GAIL shall undertake impact assessment, through an independent agency, of its CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study.

12.2 GAIL, having subscribed to a zero coupon zero principal instrument, shall be exempted from undertaking impact assessment of any project funded by such an instrument, in accordance with rule 4A of the CSR Rules.

13. Reporting

13.1 The Board's Report, pertaining to any financial year, shall include an annual report on CSR containing particulars as specified in the Act and Rules, as applicable.

13.2 The Board's report shall also disclose the composition of the Corporate Social Responsibility Committee.

13.3 In case GAIL fails to spend mandated CSR expenditure in a particular financial year, the Board shall disclose the reasons for not spending the amount in its report, as per provision in the Act under clause (o) of sub-section (3) of section 134.

13.4 The Board of Directors of GAIL shall mandatorily disclose the following on its website for public access:

- Composition of the CSR Committee
- CSR Policy; and
- Projects approved by the Board

13.5 Further, Impact Assessment Reports shall be duly placed before the Board and Executive Summary of the reports shall be annexed to Annual Report on CSR. The web link to access the complete impact assessment reports and executive summary of the impact assessment reports shall also be included in the annual report on CSR.

14. General Provisions

14.1 The activities excluded from the ambit of CSR are as set out in the definition of "Corporate Social Responsibility (CSR)" at Clause 5(d) above. In addition to the said exclusions, contribution to corpus of any entity shall also not be treated as CSR expenditure of GAIL.

14.2 GAIL shall take up all CSR activities and programmes in alignment with provisions of Section 135 of the Act, Rules and the subsequent clarifications and amendments as notified by the Ministry of Corporate Affairs.

14.3 Terms used in the policy mentioned above have been taken from the Act and CSR Rules as amended from time to time.

14.4 The Board of Directors and CSR Committee of the Board shall discharge their responsibilities in alignment with the provisions of the Act and the CSR Rules.

14.5 Treatment of Capital assets under CSR shall be as per provisions specified in CSR Rules.

14.6 GAIL shall devise internal systems and procedures for implementation of its CSR Policy which shall be aligned with provisions of the Act, Rules, their subsequent amendment and clarifications along with any guidelines issued by the Government.

14.7 For every CSR Project/programme of GAIL, the implementing agency shall abide by the provisions of the GAIL's Fraud Prevention policy as available on GAIL's website.

14.8 In case of any conflict between the provisions of CSR Policy and the relevant statutory provisions, the relevant statutory provisions shall prevail over the CSR Policy. Any amendments to the statutory provisions shall automatically apply to the CSR Policy.