



# **AGM** Speech

**41<sup>st</sup> Annual General Meeting**

## Dear Shareholders,

It is my pleasure to welcome you again to the 41<sup>st</sup> Annual General Meeting of GAIL for the Fiscal Year 2024-25. On behalf of the entire Board of Directors, I extend a very warm welcome to our shareholders and all stakeholders. It is with your continued support and trust that GAIL has retained its momentum and has kept the flag high as the country's leading Natural Gas Company. Your presence here today reflects your keen interest in tracking progress of your Company.

GAIL has been contributing significantly towards expanding a clean energy economy, balancing growth and environment, as a pioneer of the sector, I would now take this opportunity to present to you the highlights of the accomplishments of your Company in the FY-25.

For the sixth consecutive year, shareholders have the opportunity to engage in the Annual General Meeting from the convenience of their respective locations using the virtual platform.

I am happy to share that the year under review witnessed your Company surpassing its previous records and attaining exceptional performance across a multitude of business and strategic dimensions. Your Company has earned highest ever PBT and PAT in FY-25. The PBT rose by 28%, reaching ₹14,825 crore, up from ₹11,555 crore in the preceding year. Similarly, PAT registered a 28% increase, amounting to ₹11,312 crore compared to ₹8,836 crore in FY-24. Revenue from Operations increased to ₹1,37,288 crore from ₹1,30,638 crore. Further, your Company executed capital expenditure amounting to ₹10,512 crore during the reported year. In parallel, your Company received an 'Excellent' rating in the Memorandum of Understanding performance evaluation for FY-24, for the third consecutive year.

Governance practices continue to be exemplary, with the 'NIL' comments from C&AG for the sixteenth consecutive year. International rating agencies have reaffirmed GAIL's credit ratings at 'BBB-' by Fitch and 'Baa3' by Moody's both with a Stable Outlook. Domestically, GAIL has been rated as 'AAA' by three rating agencies i.e. ICRA, CARE Rating & India Ratings.

It is pertinent to underscore that these exceptional financial outcomes were achieved notwithstanding a volatile and evolving global landscape marked by economic complexity and uncertain geopolitical headwinds. During FY-25, persistent international tensions and regional instabilities exerted considerable influence over global trade and energy dynamics.

With an operational network extending over approximately 16,421 km, GAIL is actively engaged in augmenting the National Gas Grid. During the reported year, your Company commissioned approximately 277 km and undertook lowering works over 717 km of pipeline length. Notable projects under execution include the Durgapur-Haldia and Dhamra-Haldia sections of Jagdishpur-Haldia & Bokaro-Dhamra Natural Gas Pipeline, the Srikakulam-Angul spur pipelines, the Mumbai-Nagpur-Jharsuguda corridor, the Krishnagiri-Coimbatore section of Kochi-Koottanad-Bengaluru-Mangaluru Pipeline and the Gurdaspur-Jammu pipeline. In addition to expanding natural gas pipeline networks, GAIL has also received authorisation from PNGRB for capacity expansion of the Jamnagar-Loni LPG Pipeline from 3.25 MMTPA to 6.5 MMTPA. Furthermore, two significant liquid hydrocarbon pipelines, namely the Uran-Usar Propane pipeline and the Vijaipur-Pata C2/C3 pipeline, are progressing at various stages of project execution.

In terms of throughput, the natural gas transmission segment achieved an all-time high during the year, with average volumes increasing by 6% to 127.32 MMSCMD from 120.46 MMSCMD in the preceding year. Your Company owns and operates 2,040 km of LPG pipeline network for LPG transmission consisting mainly of 1,427 km Jamnagar-Loni Pipeline (JLPL) and 610 km Vizag-Secunderabad Pipeline (VSPL). JLPL and VSPL networks together achieved highest ever throughput of 4,478 MMTPA during the FY 2024-25 compared to 4,396 MMTPA in FY 2023-24. Natural Gas trading continues to be one of your Company's core businesses. During FY 2024-25, your Company achieved highest ever sales figure of 101.49 MMSCMD compared to 98.45 MMSCMD during FY 2023-24. With a view to maximize value addition of natural gas, your Company is expanding its petrochemical business portfolio. During FY-25, production of petrochemicals rose by 6% to 827 TMT, as compared to 777 TMT, in the previous year, while sales increased by 7% to 845 TMT. New facilities under development include a 60 KTPA polypropylene plant at

Pata, a 500 KTPA polypropylene plant and a 1.25 MTPA Purified Terephthalic Acid plant through wholly owned subsidiary GAIL Mangalore Petrochemicals Limited, thereby marking GAIL's entry into the diversified petrochemical value chain.

In the City Gas Distribution domain, your Company and its group entities continue to hold the largest footprint in the nation, with authorization to develop CGD networks across 72 Geographical Areas out of the total 307 GAs in the country. During the year, your Company and its group companies added ~12.28 lakh PNG connections and ~507 CNG stations, thereby reaching a cumulative base of approximately 95.7 lakh domestic PNG consumers and over 3,100 CNG stations. During FY 25, the total combined CNG and D-PNG sales from GAIL's CGD entities amounted to ~15.4 MMSCM, which works out to over 54% market share.

During FY 25, your Company imported a record 141 LNG cargoes, the highest ever in its operational history. Additionally, for maximizing power generation in the summer season from Gas Based Generating Stations, your Company also sourced five spot cargoes and approximately 112 MMSCMD of RLNG during the period April to June 2024.

A landmark infrastructure achievement related to LNG sourcing was the successful construction of the long-awaited breakwater project at the Dabhol LNG terminal, operated by GAIL's subsidiary, Konkan LNG Limited. This critical development has now transformed Dabhol LNG Terminal into an all-weather port and significantly enhanced your Company's operational agility and flexibility.

In the area of LNG shipping, GAIL inducted a state-of-the-art vessel, renamed as 'GAIL Sagar', under a long-term charter agreement with Kool Panther Corporation, a subsidiary of Cool Company (UK). This vessel, delivered on 17<sup>th</sup> February 2025 at Cove Point, USA, constitutes the fifth LNG carrier in GAIL's fleet and shall remain on charter till December 2038, the longest charter in the Company's history. Your Company also awarded a long-term vessel charter contract to a subsidiary of K-Line, Tokyo for deployment during the period 2027 to 2038.

On the regulatory and legal front, GAIL in January 2025 reached the settlement and realized USD 285 million towards its claim against SMTS, for non-supply of

contracted volume in FY-2022-23. In another key development, your Company signed its second Advance Pricing Agreement with the Central Board of Direct Taxes, covering the transfer pricing margin applicable to GAIL's long-term LNG sourcing contracts from the United States through its wholly owned subsidiary.

Your Company has been making strategic choices to build a sustainable value chain, inclusive of future-ready business models with customer centricity at the core, improving energy management, diversifying energy portfolios and pursuing capital excellence and project capabilities. To this end, GAIL has been steadily increasing its investments in renewable energy, hydrogen, Compressed Biogas, and other decarbonization technologies.

In FY 25, GAIL has embarked on the biogas generation business. GAIL's first CBG Plant in Ranchi was inaugurated by Hon'ble PM Narendra Modi on 2<sup>nd</sup> October 2024 marking a step towards clean energy & sustainable future. Simultaneously, a strategic partnership has been established with TruAlt Bioenergy Limited for the development of 10 new biogas plants.

To promote LNG in transportation and allied sectors, GAIL and its subsidiaries have established 12 LNG/LCNG stations towards infrastructure development along major highways and mining belts.

Furthering its clean energy ambitions, GAIL is actively pursuing investments in advanced technologies such as green chemicals, carbon capture, utilisation and storage, bio-ethylene, and Coal-to-Synthetic Natural Gas. A new joint venture of GAIL and Coal India Limited, viz. Coal Gas India Limited was incorporated on 25<sup>th</sup> March 2025 to set up a Coal-to-SNG plant in West Bengal and has been selected for incentives of up to ₹1,350 crore under Category-I of RFP issued by Ministry of Coal for coal gasification projects.

In the realm of digital transformation, GAIL has achieved a key milestone by becoming the first Maharatna Public Sector Undertaking to fully implement SAP S/4 HANA on i-Cloud, thereby enhancing operational integration and data driven decision making. As an industry pioneer, GAIL has implemented Group Reporting for preparation of its Standalone and Consolidated Financial Statements by migrating from SAP BPC Software. The Vendor Invoice Management portal and the continued implementation of

Project Sanchay-2, with 30 data analytics use cases underway, are enabling process innovation and efficiency.

To strengthen its global financial operations, your Company has incorporated a wholly owned subsidiary, GAIL Global IFSC Limited, at GIFT City, Gujarat, with a mandate to manage treasury operations and explore ship-leasing opportunities.

Health, Safety, and Environment are essential to our operations with an achieved 'HSE Score' of 96.37% in FY 25 exceeding the target of 95.5%.

Your Company is proactive in maintaining a relationship with Stakeholders based on trust, integrity and accountability. Your Company has once again been included in the prestigious FTSE4Good Index Series of the London Stock Exchange, in recognition of its Environmental, Social, and Governance (ESG) standards. This is a leading marker for investors that positions companies based on their strong management of Environment, Social and Governance. In addition, three Quality Circle Teams from GAIL received Gold Awards at the 49<sup>th</sup> International Convention on Quality Control Circles.

In procurement, GAIL transacted business worth ₹2,114 crore on the Government e-Marketplace (GeM) portal, surpassing the target by almost 17%. Further, nearly 48% of the eligible procurements were made from Micro and Small Enterprises. Notably, 7.65% and 4.5% of the eligible procurement value originated from women-owned and SC/ST-owned MSEs respectively, surpassing MoU targets for the third consecutive year.

Your Company recognizes the importance of Research and Development to improve its technological capabilities to remain competitive. Board of your Company approved the purchase of 30 acres of institutional land from HSIIDC at Sohna, Haryana for the establishment of a state-of-the-art Research and Development Centre.

Your Company strongly believes in and practices investing in sustainable development of the marginalised societies

around the area of our operation for creating opportunities and spreading wellbeing. In the arena of Corporate Social Responsibility, your Company continues to support inclusive development initiatives positively impacting over 15 lakh individuals across India. GAIL has been engaging with the youth and the masses in advocating the role of Natural Gas in combating air pollution and contributing to cleaner air.

Your Company is committed to conducting its business using the highest standards of governance, ethics and integrity. Its strong and effective governance framework supports these values by addressing the potential business risks and helps align the management responsibilities with the Board's strategic foresight of the organization. Your Company has also been complying with the requirements of Corporate Governance as enunciated in SEBI Regulations and DPE Guidelines on Corporate Governance except composition of Board.

I take this opportunity to express my gratitude for the significant contributions and unwavering support from our customers, business associates and all stakeholders, which have been instrumental in strengthening the developmental efforts of your Company.

I also wish to thank our Board of Directors, the Ministry of Petroleum and Natural Gas, the Government of India, the Petroleum and Natural Gas Regulatory Board, all departments of the Central and State Governments, our Customers, Shareholders, and Employees for their trust and investment in GAIL. Your confidence in our leadership is deeply valued, and we remain dedicated to fulfilling our commitments and achieving our collective goals.

I am hopeful about the future and confident that we can keep building on our successes. Together, we will advance GAIL's mission, drive growth, and help create a sustainable energy future for India.

Thank you once again for your presence today and your continued support. I look forward to a successful year ahead.