GAIL (India) Limited

EVERY FLAME TELLS A STORY OF TRUST

ADDRESS OF CHAIRMAN & MANAGING DIRECTOR

42nd ANNUAL GENERAL MEETING

27 AUGUST, 2026

Chairman Speech: 42nd Annual General Meeting

Dear Shareholders,

It is my pleasure to welcome you again to the 42nd Annual General Meeting of GAIL for the Fiscal Year 2025-26. On behalf of the entire Board of Directors, I extend a very warm welcome to our sharaeholders 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-26.

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

FY 2025–26 underscored a fundamental reality: energy security has become as important as energy transition. Geopolitical tensions in the Middle East, particularly the disruption of LNG supply chains through the Strait of Hormuz, exposed the vulnerability of global energy markets to concentrated supply sources and critical maritime routes. The resulting volatility in LNG prices, freight rates and supply availability reinforced the need for diversified sourcing, resilient infrastructure and flexible supply chains. At the same time, the global transition towards cleaner energy continued unabated, with sustained investments in renewable energy, nuclear power, energy storage and low-carbon technologies. Natural gas, by virtue of its flexibility and lower carbon intensity, continued to play a critical role in enabling an orderly energy transition.

For India, the year reaffirmed the importance of a balanced and pragmatic energy strategy. While the country accelerated investments in renewable energy and emerging technologies, it also strengthened natural gas infrastructure, expanded policy support for biofuels and city gas distribution (CGD), and introduced measures to enhance supply resilience during the geopolitical disruption. This balanced approach combining energy security, affordability and sustainability will remain central to India's long-term energy transition.

Ladies and Gentlemen,

For GAIL, financial strength is not just a measure of performance; it is a critical enabler of sustainable growth, strategic agility, and sustained value creation for shareholders.

Despite a challenging global environment, your Company delivered a steady financial performance during FY 2025-26. GAIL reported Revenue from Operations of ₹ 1,38,697 crore, compared with ₹ 1,37,288 crore in the previous financial year. Profit Before Tax stood at ₹ 8,964 crore, while Profit After Tax was ₹ 6,968 crore.

I am also pleased to share that the Comptroller and Auditor General of India conveyed **Nil Comments on GAIL's financial statements for the seventeenth consecutive year**. This is a significant affirmation of the Company's financial reporting, internal controls and governance standards.

During FY 2025-26, your Company transmitted an average of approximately **122 MMSCMD of natural gas** through its pipeline network and marketed around **104 MMSCMD of gas, which includes global sales.**

As the operator of India's largest natural gas pipeline network, GAIL continues to play a central role in developing the National Gas Grid. Our network now extends over **18,690 kilometres**, with nearly **1,500 kilometres under construction**. Upon completion of the ongoing projects, the network will expand to almost **20,000 kilometres**, significantly strengthening gas connectivity across India.

GAIL's LNG sourcing portfolio today stands at **16.56 MMTPA**, comprising a balanced mix of long-term contracts and market-linked procurement. During FY 2025-26, your Company imported **132 LNG cargoes**, including **seven spot cargoes**, helping maintain supplies to priority customers despite considerable volatility in global markets.

To support this growing portfolio, we are strengthening our shipping capabilities. Long-term charter agreements were concluded for **GAIL Bhuwan**, with a capacity of **180,000 cubic metres**, and **Energy Fidelity**, with a capacity of **174,000 cubic metres**. GAIL today has access to a fleet of **nine LNG vessels**, including **five vessels under long-term charter**, providing greater control over logistics and improved supply reliability.

Our overseas subsidiaries continue to expand GAIL's international capabilities. GAIL Global (USA) LNG LLC supports sourcing and liquefaction arrangements for our US portfolio, while GAIL Global (Singapore) Pte. Ltd. is strengthening LNG trading and international business. We also established **GAIL Global IFSC Limited at GIFT City** to support treasury management and explore opportunities in international financial services and ship leasing.

A landmark achievement during the year was recorded at the Dabhol LNG Terminal. Following completion of the breakwater facility, the terminal achieved year-round operability and received its first LNG cargo during the monsoon season. It also received its **1000th LNG cargo** during the year. Considering the strategic importance of Konkan LNG Limited, the Board has approved a scheme for its merger with GAIL to support closer operational and strategic integration.

GAIL is also strengthening India's LPG transmission network. The Company is expanding the capacity of the **1,427-kilometre Jamnagar-Loni LPG Pipeline** from **3.25 MMTPA to 6.5 MMTPA**. Further, PNGRB has authorised GAIL to develop three new LPG pipelines totalling approximately **1,775 kilometres**: **Cherlapally-Nagpur Pipeline**, **Jhansi-Sitarganj Pipeline**, and **Shikrapur-Goa and Hubli Pipeline**. These projects will strengthen India's LPG supply chain and create a more cost efficient and secure LPG transportation network.

Strengthening its presence in the petrochemicals segment, GAIL commissioned a 60 KTA Polypropylene (PP) Unit at Pata, enhancing the integrated complex capacity from 810 KTA to 870 KTA.

Further reinforcing its growth strategy, GAIL is progressing with the 500 KTA PDH-PP Project at Usar, which will be India's first propane dehydrogenation (PDH)-based polypropylene complex. The project, being developed with an estimated investment of approximately ₹ 11,256 crore, marks a significant milestone in expanding the country's petrochemical manufacturing capabilities and reducing reliance on imports.

At Mangalore, work is progressing on GAIL Mangalore Petrochemicals Limited's **1.25 MMTPA PTA plant**, giving GAIL entry into a new petrochemical value chain.

These investments in petrochemicals are not simply about adding capacity. They are about developing a more diversified downstream business and strengthening the growth of GAIL's petrochemical portfolio.

Selective upstream integration complements GAIL's leadership in transmission and marketing. GAIL currently holds interests in **eight domestic E&P blocks**, **two E&P blocks in Myanmar** and **one shale gas asset in the United States**. During FY 2025-26, the Upstream business recorded its **highest-ever gross turnover of ₹ 1,157 crore**

City Gas Distribution (CGD) remains an important driver of India's gas demand. Through subsidiaries and joint ventures, GAIL Group companies are authorised in **72 Geographical Areas**, serving approximately **109 lakh PNG customers** and operates more than **3,400 CNG stations**

Compressed Biogas (CBG) is another important growth area. As the nodal agency for the CBG-CGD Synchronisation Scheme, GAIL achieved its highest-ever CBG sales. Investment approval has been obtained for **six new CBG plants**, and is on the path to set up its targeted **26 CBG plants by 2030**. This business demonstrates how sustainability, waste management and commercial opportunity can reinforce one another.

During the year, the Board accorded in-principle approval for investments in to two world-scale gas-based fertiliser plants at **in Maharashtra** and **Chhattisgarh.** the projects involve a combined investment of approximately **₹ 21,000 crore**. These projects will contribute to India's food security, create anchor demand for our pipeline network and support balanced regional development. GAIL is also exploring opportunities in critical minerals and has signed MoU with **Khanij Bidesh India Limited** and **Hindustan Copper Limited**.

While natural gas remains at the heart of GAIL's strategy, the energy company of tomorrow must extend beyond fossil fuels to sustainable energy sources by expanding its renewable-energy portfolio. Alongside renewables, GAIL is building capabilities in green hydrogen, carbon management, energy efficiency and other low-carbon technologies.

GAIL's R&D portfolio includes more than **30 collaborative research projects showcasing that innovation is central to GAIL**. A state-of-the-art Research and Development Centre is also being established at Sohna, Haryana.

Our innovation journey extends well beyond our own R&D establishments. GAIL has invested in **44 Start-Ups** to date, with a total fund allocation of **₹ 95.16 crore**, out of which **₹ 78.06 crore** has been disbursed. GAIL has also joined other oil and gas public sector enterprises to establish the **MC2 Foundation**, a common platform for innovation and entrepreneurship under the aegis of MoP&NG

Sustainability is integral to GAIL's long-term strategy. The Company is committed to achieving **Net Zero Scope 1 and Scope 2 emissions by 2035**. Our decarbonisation portfolio encompasses renewable energy, CBG, green hydrogen, energy efficiency, carbon management, battery storage and other emerging technologies.

Safety remains non-negotiable.Technology-based monitoring, advanced asset management and predictive-maintenance applications are further strengthening the safety and integrity of our operations.

Our commitment to nation-building extends beyond business. During FY 2025-26, GAIL's CSR initiatives positively impacted more than **25 lakh people**. Under **GAIL Arogya**, more than **19 lakh beneficiaries** received healthcare services.

Ladies and Gentlemen,

The energy transition will not be linear, nor will it be shaped by a single fuel or technology.

Natural gas will continue to support industrialisation, urbanisation, mobility, fertilisers and petrochemicals. LNG will strengthen supply diversity. City Gas Distribution will bring cleaner energy closer to consumers. Compressed Biogas will provide a renewable pathway while contributing to rural incomes and the circular economy. Petrochemicals will create opportunities for value addition and import substitution. Going ahead, renewable energy, battery storage, green hydrogen and carbon-management solutions will assume increasing importance.

GAIL enters this period with significant strengths: India's largest natural gas pipeline network, a diversified LNG portfolio, expanding shipping capabilities, a strong marketing capabilities, nationwide CGD ecosystem, growing downstream businesses, deep project-execution capabilities and an experienced team.

Our strategic direction is therefore clear. We will expand the National Gas Grid, strengthen gas marketing, diversify LNG sourcing and shipping, expand petrochemicals and LPG infrastructure, support CGD and CBG development, progress the fertiliser projects, and selectively explore upstream resources and critical minerals.

At the same time, we will scale renewable energy, battery storage, green hydrogen and other low-carbon businesses in support of our Net Zero 2035 commitment. Technology, Artificial Intelligence, research and innovation will help make GAIL safer, more efficient and more responsive.

As we pursue these opportunities, financial prudence will remain fundamental. Every investment will be evaluated for strategic relevance, risk, financial sustainability and its ability to generate long-term stakeholder value.

Our ambition is to build a GAIL that is stronger, more resilient, more diversified, technologically enabled and fully prepared for the opportunities of tomorrow, while remaining firmly anchored in the trust of our stakeholders.

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 and statutory sub-Committees due to non-appointment of requisite number of Independent Directors.

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.

Before I conclude, I place on record my sincere appreciation to every member of the GAIL family. Their dedication and professionalism enabled the Company to navigate a challenging environment, manage supply disruptions, commission critical projects and continue serving customers reliably.

Most importantly, I thank our shareholders.

Your trust gives us the confidence to invest for the future, the discipline to remain accountable and the determination to continually raise the bar.

As GAIL enters the next phase of its journey, I am confident that together we can build an organisation that creates sustainable value for its shareholders while contributing meaningfully to **Viksit Bharat, Atmanirbhar Bharat and India's clean-energy transition**.

Thank you for your continued trust and confidence in GAIL.

Jai Hind.

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