



गैल (इंडिया) लिमिटेड

(भारत सरकार का उपक्रम – महारत्न कंपनी)

GAIL (India) Limited

(A Government of India Undertaking - A Maharatna Company)

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**Ref.: GAIL/ND/RA/GasEx-Reg/2020/**

**Date: 10.08.2020**

To,  
The Secretary,  
Petroleum and Natural Gas Regulatory Board,  
1<sup>st</sup> Floor, World Trade Centre, Barakhamba Lane,  
New Delhi

**Subject: Views / Comments on Draft PNGRB Regulations for Gas Exchange.**

Respected Madam,

This has reference to the PNGRB Public Notice no.: PNGRB/ Tech/35-GasEx./(1)/2020 dated 10.07.2020 soliciting views / comments on the draft Petroleum and Natural Gas Regulatory Board (Gas Exchange) Regulations, 2020.

2. In this regard, the views / comments of GAIL are enclosed as **Annexure-A**.

Submitted Please.

Yours sincerely,

*S. Kumar.*

(Kumar Shanker)  
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Encl: As Above

## GAIL views/comments on Draft PNGRB Regulations for Gas Exchange

Ref: Public Notice no. PNGRB/Tech/35-GasEx/(1)/2020

Clause	Draft Regulation	Views / Comments of GAIL (India) Ltd.
20(1.a)	No member of an authorised gas exchange, shall at any time, directly or indirectly, either individually or together with persons acting in concert, acquire or hold more than five (5) per cent of the paid-up equity share capital in an authorised gas exchange.	Clause may be revised to include the following proviso: <i>Provided in case any members are already holding more than 5% of the paid up equity share capital before this regulation coming into effect, they would be required to divest shareholding in excess of 5% within 5 years w.e.f this regulation coming into effect.</i>
20 (1.c)	No person, other than a member of an authorized gas exchange, shall at any time, directly or indirectly, either individually or together with persons acting in concert, acquire or hold more than fifteen (15) per cent of the paid-up equity share capital in an authorized gas exchange.  Provided that the persons, other than members of an authorized gas exchange and promoters of the gas exchange may hold more than 15 % of the paid up equity share capital of the gas exchange. However, they would be required to divest shareholding in excess of 15% within 5 years of authorization of gas exchange.	Clause may be revised to include the following proviso:  <i>Provided further in case a Promoter, or a promoter who is also a member, may hold more than 15% of paid up equity share capital individually in a gas exchange. However, if a promoter, or a promoter who is also a member, is already having more than 15% before this regulation coming into effect, they would be required to divest shareholding in excess of 15% within 5 years of authorization of gas exchange.</i>
24 (2)	Subject to the prior approval of the Board, the Chairperson shall be elected by the board of directors from amongst the independent directors.	Chairperson may be allowed to be selected from Board of Directors / shareholders or as per company's MoA/AoA/SHA/JVA in compliance with clause no.22 of this regulation.
24 (3)	The number of independent directors shall not be less than the number of shareholder directors on the board of directors of the authorized gas exchange and the authorized clearing corporation	Composition of Independent Directors is proposed to be governed by company's MoA/AoA/SHA/JVA.
24(6)	No trading member or clearing member or their associates or agents, irrespective of the gas exchange / clearing corporation of which they are members, shall be on the board of directors of any authorized gas exchange or authorized clearing corporation	Trading members who are also promoters may be allowed to be on Board of Directors of authorized gas exchange or clearing corporation.
24 (8)	An authorized gas exchange and authorized clearing corporation, shall monitor and ensure the compliance of sub-regulation (6) on a	May be deleted in view of observations w.r.t clause no. 24 (6)

## GAIL views/comments on Draft PNGRBR Regulations for Gas Exchange

Ref: Public Notice no. PNGRBR/Tech/35-GasEx./1/2020

Clause	Draft Regulation	Views / Comments of GAIL (India) Ltd.
24 (10)	<p>continuous basis, to ensure that directors appointed, on their board of directors, do not get associated with any trading member or clearing member after approval of appointment.</p> <p>Voting on a resolution in the meeting of the board of directors shall be valid only when the number of independent directors that have cast their vote on such resolution is equal to or more than the number of shareholder directors who have cast their vote on such resolution.</p>	<p>This clause is proposed to be governed by company's MoA/AoA/SHA/JVA.</p>
24 (11)	<p>Casting vote in the meetings of the board of directors of an authorized gas exchange or an authorized clearing corporation shall be with the chairperson of the board of directors.</p>	<p>This clause is proposed to be governed by Companies Act or MoA/AoA/SHA/JVA.</p>
25	<p>Conditions of appointment of Directors</p>	<p>This clause is proposed to be governed by company's MoA/AoA/SHA/JVA in compliance with Companies Act.</p>
26	<p>Appointment of Managing Directors (Exclusive of Clause 4 of this section)</p>	<p>This clause is proposed to be governed by company's MoA/AoA/SHA/JVA in compliance with Companies Act.</p>
26 (4)	<p>The managing director of an authorized gas exchange or an authorized clearing corporation shall not —</p> <ol style="list-style-type: none"> <li>be a shareholder .....</li> <li>be a trading member .....</li> <li>hold any position .....</li> </ol> <p>as the case may be; or a clearing member; or the authorized clearing corporation.</p>	<p>This restriction may be removed and the appointment of MD may be governed by MoA/AoA/SHA/JVA/any other charter documents.</p>