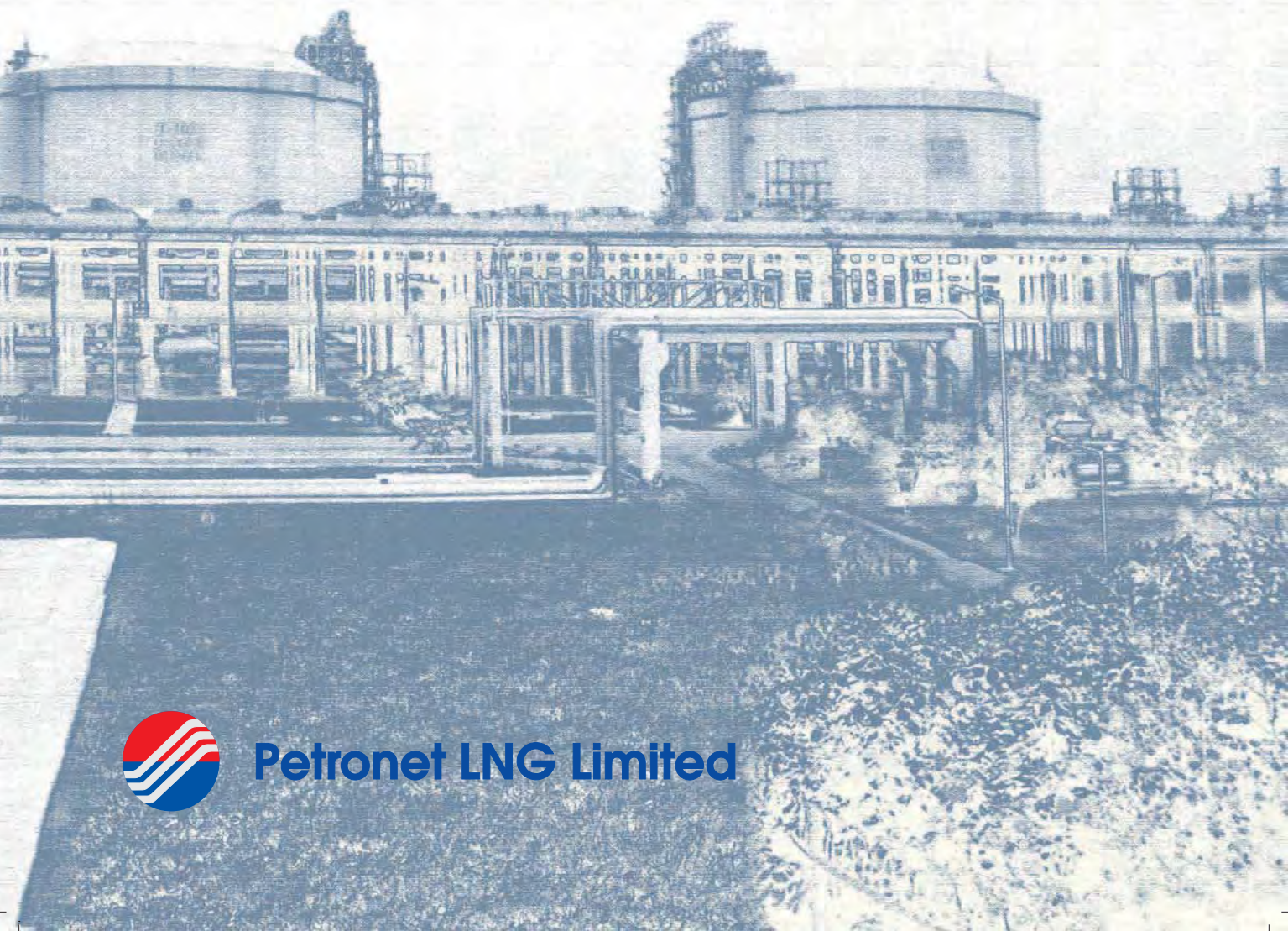


Annual Report 2014-2015



Petronet LNG Limited

PETRONET LNG LIMITED
Board of Directors

Shri K. D. Tripathi	Chairman
Dr. A. K. Balyan	Managing Director & CEO (upto 15 th July, 2015)
Shri R. K. Garg	Director (Finance) & Acting MD & CEO
Shri Rajender Singh	Director (Technical)
Shri B. C. Tripathi	Director
Shri S. Varadarajan	Director
Shri D. K. Sarraf	Director
Shri Atanu Chakraborty	Director
Shri Debasis Sen	Director
Mr. Philip Olivier	Director
Shri Arun Kumar Misra	Director
Shri Sushil Kumar Gupta	Director
Dr. Jyoti Kiran Shukla	Director

Company Secretary

Shri K. C. Sharma

Statutory Auditors

M/s T. R. Chadha & Co.

Secretarial Auditor

M/s A.N. Kukreja & Co.

Cost Auditor

M/s Sanjay Gupta & Associates

Registrar & Share Transfer Agent

M/s Karvy Computershare Pvt. Limited
 Karvy Selenium Tower B, Plot 31-32, Gachibowli,
 Financial District, Nanakramguda,
 Hyderabad – 500 032
 Tele: 040- 67162222
 Fax: 040- 23420814
 Toll Free No.:1800-345-4001
 Email: inward@karvy.com

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Bankers and Financial Institutions

Axis Bank
 Asian Development Bank
 Bank of Tokyo – Mitsubishi UFJ
 BNP Paribas
 Canara Bank
 Citi Bank
 Credit Agricole Corporate and Investment Bank
 DBS Bank Ltd.
 HDFC Bank Ltd.
 ICICI Bank Ltd.
 International Finance Corporation (Washington)
 SA Proparco
 State Bank of India
 State Bank of Patiala
 The Hongkong & Shanghai Banking Corporation Ltd.

Debenture Trustee

SBICAP Trustee Company Ltd.

Registered Office

World Trade Centre, 1st Floor,
 Babar Road, Barakhamba Lane,
 New Delhi - 110 001
 Tel. : 011-23411411,011-23472525
 Fax : 011-23472550
 Website: www.petronetlng.com

Dahej LNG Terminal

GIDC Industrial Estate, Plot No.7/A,
 Dahej,
 Taluka: Vagra, Distt. Bharuch
 Gujarat - 392130
 Tel. : 02641- 300300/301/305
 Fax : 02641- 300306/300310

Kochi LNG Terminal

Survey No. 347,
 Puthuvypu (Puthuypeen SEZ)
 P.O. 682508, Kochi
 Kerala
 Tel. : 0484-2502259/60
 Fax : 0484-2502264

**PETRONET LNG LIMITED
NEW DELHI**

Regd. Office: 1st Floor, World Trade Centre,
Barakhamba Lane, Babar Road, New Delhi- 110 001
Tele: +91 11 23411411, 23472525 Fax: +91 11 23472550
Email: webmaster@petronetlng.com, investors@petronetlng.com
Website: www.petronetlng.com, CIN: L74899DL1998PLC093073

NOTICE OF 17TH ANNUAL GENERAL MEETING – 2015

NOTICE is hereby given that the 17th (Seventeenth) Annual General Meeting of the Members of Petronet LNG Limited (PLL) will be held on Thursday, the 24th day of September, 2015 at 10:00 A.M. at FICCI, K. K. Birla Auditorium, 1, Tansen Marg, New Delhi 110001 to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt Financial Statements and Report of Board of Directors and Auditors thereon for the financial year ended 31st March, 2015.
2. To declare a dividend for the financial year ended 31st March, 2015.
3. To appoint a Director in place of Shri S. Varadarajan (DIN 00052928) who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri D. K. Sarraf (DIN 00147870) who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a Director in place of Mr. Philip Olivier (DIN 06937286) who retires by rotation and being eligible offers himself for re-appointment.
6. To appoint Statutory Auditors, fix their remuneration and in connection therewith, to pass with or without modification(s) the following resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013, and Rules made there under M/s T. R. Chadha & Co., Chartered Accountants (Regn. No.006711N), New Delhi, be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of the Seventeenth Annual General Meeting till the conclusion of the Eighteenth Annual General Meeting at a remuneration of ₹ 11 Lacs (Rupees Eleven Lacs) plus out of pocket expenses and applicable service tax.”

SPECIAL BUSINESS

To consider and if thought fit, to pass with or without modification(s) the following resolution(s) as Ordinary Resolution(s)

7. **“RESOLVED THAT** pursuant to provisions of Section 149, 152, 160 and other applicable provisions. If any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable rules, if any, Shri Debasis Sen (DIN 06862079), Nominee Director of Indian Oil Corporation Ltd. (IOCL), who has been appointed as Additional Director of the Company by Board of Directors under Section 161 of Companies Act, 2013 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation.”
8. **“RESOLVED THAT** pursuant to provisions of Section 149, 160 and other applicable provisions. If any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Schedule IV of the Act and other applicable rules, if any, Shri Sushil Kumar Gupta (DIN 02628292) who has submitted a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Act and appointed as Additional Director of the Company by Board of Directors on 15th January, 2015 under Section 161 of Companies Act, 2013 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as Independent Director of the Company for a period of three years w.e.f. 15th January, 2015.”
9. **“RESOLVED THAT** pursuant to provisions of Section 149, 152, 160 and other applicable provisions. If any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable rules, if any, Shri Atanu Chakraborty (DIN 01469375),

PETRONET LNG LIMITED

- Nominee Director of Gujarat Maritime Board (GMB), who has been appointed as Additional Director of the Company by Board of Directors under Section 161 of Companies Act, 2013 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation.”
10. **“RESOLVED THAT** pursuant to provisions of Section 149, 160 and other applicable provisions, If any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Schedule IV of the Act and other applicable rules, if any, Dr. Jyoti Kiran Shukla (DIN 03492315) who has submitted a declaration that she meets the criteria for independence as provided in Section 149 (6) of the act and appointed as Additional Director of the Company by Board of Directors on 31st March, 2015 under Section 161 of Companies Act, 2013 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as Independent Director of the Company for a period of three years w.e.f. 31st March, 2015.”
11. **“RESOLVED THAT** pursuant to provisions of Section 149, 152, 160 and other applicable provisions. If any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable rules, if any, Shri K. D. Tripathi (DIN 07239755), who has been appointed as Additional Director of the Company by Board of Directors under Section 161 of Companies Act, 2013 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation.”
12. **“RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, and other applicable rules, if any, remuneration of ₹ 2,50,000/- /- plus out of pocket expenses and applicable service tax to M/s Sanjay Gupta & Associates, Cost Accountants (Regn. No. 000212), New Delhi, for the financial year 2015-16 as recommended by the Audit Committee and approved by the Board be and is hereby ratified.”
13. **“RESOLVED THAT** pursuant to Article 109 of Articles of Association of the Company and the provisions of Section 196, 197, Schedule V and all other applicable provisions of the Companies Act, 2013 and Rules made there under and subject to approval of the Central Government, if required and such alterations / modifications, if any, that may be affected by the above mentioned body in that behalf, approval of the Members be and is hereby accorded to the appointment of Shri Prabhat Singh (DIN 03006541) as Managing Director & CEO of the Company for a period of five years from the date of assuming the charge as Managing Director & CEO, on the terms and conditions as stated in Explanatory Statement, with liberty to the Board of Directors to alter and vary the terms and conditions of appointment and/or remuneration, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.”
- To consider and if thought fit, to pass with or without modification(s) the following Resolution(s) as Special Resolution(s)**
14. **“RESOLVED THAT“** pursuant to the provisions of Clause 49(VII) of the Listing Agreement read with the applicable provisions of the Companies Act, 2013 (including any statutory modification(s) thereof for the time being in force) read with Related Party Transactions Policy of the Company, confirmation and approval of the Member of the Company be and is hereby accorded to the existing material contracts/ arrangements entered into by the Company with Related Parties i.e. the promoters/associate/joint venture (viz IOCL, BPCL and GAIL) as per the details given in the explanatory statement for the period w.e.f. 1st October, 2014 till 31st March, 2015.
- RESOLVED FURTHER THAT** approval of the Members of the Company be and is hereby accorded to the Board of Directors for contracts/ arrangements/ transactions entered/ to be entered with the Related Parties i.e. promoters/associate/joint venture (viz IOCL, BPCL, GAIL, ONGC and Adani Petronet Dahej (Port) Pvt. Ltd.) during the financial year 2015-16 for supply of goods or service in the ordinary course of business and on arm's length basis, which may exceed the materiality threshold limit i.e. exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.
- RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to do all such acts, matters,

deeds and things and give all such directions as it may in its absolute discretion deem necessary, expedient or desirable, in order to give effect to this resolution.”

15. **“RESOLVED THAT** pursuant to Section 42 and other applicable provisions of the Companies Act, 2013 and Rules made there under consent of the Members be and is hereby accorded to the Board of Directors of the Company to raise funds up to ₹1,000 Crore through issue of Secured/Unsecured Non Convertible Debentures through private placement either in Domestic Market or in International Market, in one or more tranches during the Financial year ending on 31st March, 2016.

RESOLVED FURTHER THAT Board of Directors be and is hereby authorized to do from time to time, all such acts, deeds and things as may be deemed necessary in respect of issue of bonds/debentures including but not limited to the face value, issue price, issue size, timing, amount, security, coupon/interest rate, yield, listing, allotment and other terms and conditions of issue of Debentures as they may, in their absolute discretion, deem necessary.”

16. **“RESOLVED THAT** pursuant to the provisions of the Foreign Exchange Management Act, 1999 (FEMA), the Foreign Exchange Management (Transfer or issue of Security by a Person Resident Outside India) Regulations, 2000 and all other applicable Acts, Laws, Rules, Regulations, Circulars, Directions, Notifications, Press Notes and Guidelines (including any statutory modifications or re-enactment thereof for the time being in force, approval of the Members of the Company be and is hereby accorded to permit Foreign Institutional Investors (FII's) registered with the Securities and Exchange Board of India (SEBI) to acquire and hold on their own account and on behalf of each of their SEBI approved sub-accounts or Foreign Portfolio Investors by whatever name called, to make investment in any manner in the equity shares of the Company upto an aggregate limit of 30% (Thirty percent) of the paid up equity share capital of the Company, provided, that the shareholding of each FII on its own account and on behalf of each of their SEBI approved sub-accounts in the Company shall not exceed such limit as are applicable or may be prescribed, from time to time, under applicable Acts, Laws, Rules and Regulations (including any statutory modifications or re-enactment thereof from time to time).

RESOLVED FURTHER THAT the Company Secretary be and is hereby authorised to do all

such acts, deeds, things and take all such steps as he may think fit and proper for giving effect to this resolution and for matters connected therewith or incidental thereto including raising limit from 24% to 30% without requiring to secure any further approval of the Members of the Company.”

By Order of the Board
For Petronet LNG Limited



(K. C. Sharma)
Company Secretary

Place : New Delhi
Date : 21st August, 2015

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Item No. 7, 8, 9, 10, 11, 12, 13, 14, 15 and 16 set out above is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND THE MEETING, INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY SHALL NOT HAVE ANY RIGHT TO SPEAK AT THE MEETING AND SHALL NOT VOTE EXCEPT ON A POLL. A PERSON APPOINTED AS PROXY SHALL ACT ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN AGGREGATE NOT MORE THAN TEN PERCENT (10%) OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. FURTHER, A MEMBER HOLDING MORE THAN TEN PERCENT, OF THE TOTAL SHARE OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR MEMBER.**
3. The instrument appointing the proxy must be deposited at the registered office of the Company not less than 48 hours before the commencement of the Annual General Meeting.
4. In case of Joint holders attending the Meeting, only such Joint holder, who is higher in the order of names will be entitled to vote.
5. All documents referred to the accompanying Notice and the Explanatory Statement(s) are open for inspection at the Registered Office of the Company during office hours on all working days except Saturday and



PETRONET LNG LIMITED

- Sunday between 11.00 A.M. to 1.00 P.M. up to the date of the Annual General Meeting.
6. Members / Proxies should bring the Attendance Slip duly filled for attending the Meeting.
 7. Members are requested to bring their copies of the Annual Report to the Meeting.
 8. Members holding Shares in physical mode are requested to notify the change in their Address / Bank Account/update e-mail ID to M/s Karvy Computershare Pvt. Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032, the Registrar & Share Transfer Agent (R & T Agent) of the Company.
 9. Members holding shares in De-mat mode are requested to notify the change in their address / Bank Account/update e-mail ID to their respective Depository Participant(s) (DPs).
 10. Members must quote their Folio Number / De-mat Account No. in all correspondence with the Company/ R&T Agent.
 11. **No gifts, gift coupons, or cash in lieu of gifts shall be distributed to Members at or in connection with the Annual General Meeting in term of Clause 14 of Secretarial Standard (SS) 2 pertaining to distribution of Gifts at Annual General meeting.**
 12. The Register of Members and Share Transfer Books of the Company will remain closed from 18th September, 2015 to 24th September, 2015 (Both days inclusive). The dividend on equity shares, as recommended by the Board of Directors, subject to the approval of Members in the Annual General Meeting, will be paid on and after 5th October, 2015 to the Members or their Mandates whose name appear on the Company's Register of Members on 17th September, 2015 in respect of physical Shares and in respect of Dematerialized Shares, the dividend will be payable to the beneficial owner of the shares whose name appear in the statement of beneficial ownership furnished by NSDL and CDSL at close of business hours on 17th September, 2015.
 13. In order to avail the facility of Electronic Clearing System (ECS) for receiving direct credit of dividend to his / their respective account with Bank(s), the Members holding equity shares in Physical Mode are requested to provide their Bank Account details to M/s Karvy Computershare Pvt. Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032, the Registrar & Share Transfer Agent (R & T Agent) of the Company.
 14. Entry to the Auditorium will be strictly against entry slip available at the counters at the venue and against exchange of Attendance Slip.
 15. Any briefcase / bags / eatables will not be allowed to be taken inside the Auditorium.
 16. Annual Listing Fee for the year 2015-16 have been paid to all Stock Exchanges, wherein Shares of the Company are listed.
 17. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of Board Resolution authorizing their representative to attend and vote on their behalf in the Meeting.
- NOTE ON TRANSFER OF UNPAID/UNCLAIMED DIVIDEND AMOUNT TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)**
18. Pursuant to the provisions of Section 205A of the Companies Act, 1956, the Company has deposited the amount lying in Unpaid/Unclaimed Dividend account for the financial year 2006-07, 2007-08 to Investor Education and Protection Fund.
- E-voting Facility**
19. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is offering a facility to its Members to cast their vote by electronic means in respect of the above mentioned businesses to be transacted at the Seventeenth Annual General Meeting. Notice of Annual General Meeting together with E-voting process has been sent to all the Shareholders separately. A Shareholder can apply for duplicate E-voting instruction Form together with AGM Notice through an e-mail at raju.sv@karvy.com, if so required.
- EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**
- ITEM NO: 7**
- Pursuant to the Article 113 A of the Articles of Association of the Company and in terms of Section 161 of the Companies Act, 2013 and Rules made thereunder, Shri Debasis Sen, Nominee Director of IOCL, was

appointed as Additional Director w.e.f. 21st October, 2014 on the Board of the Company and he holds office as Director up to the date of this Annual General Meeting. The Company has received a notice under Section 160 of the Companies Act, 2013, from a Shareholder proposing the name of Shri Debasis Sen as Director of the Company. A brief resume of Shri Debasis Sen as required in terms of Clause 49 of the Listing Agreement is enclosed with the notice. Your Directors recommend the resolution for approval of the Shareholders.

Shri Debasis Sen is interested in the resolution to the extent of his appointment as Director.

The Directors or Key Managerial Personnel or their relatives do not have any concern or interest, financial or otherwise, in passing of the said resolution.

ITEM NO: 8

Pursuant to the Article 113 A of the Articles of Association of the Company and in terms of Section 161 of the Companies Act, 2013, and Rules made thereunder read with Schedule IV of the Act, as per recommendation of the Nomination and Remuneration Committee, Shri Sushil Kumar Gupta was appointed as Additional Director w.e.f. 15th January, 2015 on the Board of the Company who meets the criteria for independence as provided in Section 149(6) of the Act. Pursuant to provisions of Section 161 of the Companies Act, 2013, he holds office as Director up to the date of this Annual General Meeting. The Company has received a notice under Section 160 of the Companies Act, 2013, from a Shareholder proposing the name of Shri Sushil Kumar Gupta as Independent Director of the Company. A brief resume of Shri Sushil Kumar Gupta as required in terms of Clause 49 of the Listing Agreement is enclosed with the notice. Your Directors recommend the resolution for approval of the Shareholders.

Shri Sushil Kumar Gupta is interested in the resolution to the extent of his appointment as Director.

The Directors or Key Managerial Personnel or their relatives do not have any concern or interest, financial or otherwise, in passing of the said resolution.

ITEM NO: 9

Pursuant to the Article 113 A of the Articles of Association of the Company and in terms of Section 161 of the Companies Act, 2013 and Rules made thereunder, Shri Atanu Chakraborty, Nominee Director of GMB/GoG, as per recommendation of the Nomination and Remuneration Committee, was appointed as Additional Director w.e.f. 23rd February, 2015 on the Board of the Company and he holds office as Director up to the date of this Annual

General Meeting. The Company has received a notice under Section 160 of the Companies Act, 2013, from a Shareholder proposing the name of Shri Atanu Chakraborty as Director of the Company. A brief resume of Shri Atanu Chakraborty as required in terms of Clause 49 of the Listing Agreement is enclosed with the notice. Your Directors recommend the resolution for approval of the Shareholders.

Shri Atanu Chakraborty is interested in the resolution to the extent of his appointment as Director.

The Directors or Key Managerial Personnel or their relatives do not have any concern or interest, financial or otherwise, in passing of the said resolution.

ITEM NO: 10

Pursuant to the Article 113 A of the Articles of Association of the Company and in terms of Section 161 of the Companies Act, 2013, and Rules made thereunder read with Schedule IV of the Act, as per recommendation of the Nomination and Remuneration Committee, Dr. Jyoti Kiran Shukla was appointed as Additional Director w.e.f. 31st March, 2015 on the Board of the Company who meets the criteria for independence as provided in Section 149(6) of the Act. Pursuant to provisions of Section 161 of the Companies Act, 2013, she holds office as Director up to the date of this Annual General Meeting. The Company has received a notice under Section 160 of the Companies Act, 2013, from a Shareholder proposing the name of Dr. Jyoti Kiran Shukla as Independent Director of the Company. A brief resume of Dr. Jyoti Kiran Shukla as required in terms of Clause 49 of the Listing Agreement is enclosed with the notice. Your Directors recommend the resolution for approval of the Shareholders.

Dr. Jyoti Kiran Shukla is interested in the resolution to the extent of her appointment as Director.

The Directors or Key Managerial Personnel or their relatives do not have any concern or interest, financial or otherwise, in passing of the said resolution.

ITEM NO: 11

Pursuant to the Article 113 A of the Articles of Association of the Company and in terms of Section 161 of the Companies Act, 2013, and Rules made thereunder, as per recommendation of the Nomination and Remuneration Committee, Shri K. D. Tripathi was appointed as Additional Director w.e.f. 15th May, 2015 on the Board of the Company. Pursuant to provisions of Section 161 of the Companies Act, 2013, he holds office as Director up to the date of this Annual General Meeting. The Company has received a notice under Section 160 of the Companies Act, 2013, from a Shareholder proposing the name of

PETRONET LNG LIMITED

Shri K. D. Tripathi as Director of the Company. A brief resume of Shri K. D. Tripathi as required in terms of Clause 49 of the Listing Agreement is enclosed with the notice. Your Directors recommend the resolution for approval of the Shareholders.

Shri K. D. Tripathi is interested in the resolution to the extent of his appointment as Director.

The Directors or Key Managerial Personnel or their relatives do not have any concern or interest, financial or otherwise, in passing of the said resolution.

ITEM NO: 12

M/s Sanjay Gupta & Associates, Cost Accountants (Regn. No. 000212), were appointed as the Cost Auditors of the Company by Board of Directors in its meeting held on 25th April, 2015 in terms of Section 148 of the Companies Act, 2013 read with applicable rules for the financial year 2015-16.

Further, in terms of the provisions of Rule 14 (a) (ii) of Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditors were recommended by the Audit Committee and approved by the Board of Directors and are required to be ratified by the Shareholders. In view of the above, your Directors recommend the resolution for approval of Shareholders.

The Directors or Key Managerial Personnel or their relatives do not have any concern or interest, financial or otherwise, in passing of the said resolution.

ITEM NO: 13

Shri Prabhat Singh was appointed as Managing Director & CEO of the Company by the Board in its Meeting held on 30th July, 2015, for a period of five years from the date of assuming the charge as Managing Director & CEO, on the following terms and conditions-

Salary

₹ 1,99,900/- p.m. with an annual increment of 5% on basic pay.

Perquisites

- A. Housing: Rent free furnished accommodation along with the benefits of gas, fuel, water, electricity (₹ 3,000 per month), telephone, internet and fax as also upkeep and maintenance of Company's furnished accommodation.

Or

House Rent Allowance (HRA) limited to the 60% of basic salary or if he offers a house in his own name/

spouse, the same may be taken on lease limited to 60% of the basic salary.

- B. Medical Reimbursement: Reimbursement of medical expenses for self and family including dependent parents at actual.
- C. Leave Travel Allowance: Leave Travel Allowance will be paid by the Company for self and family once in a year subject to a ceiling of one and half month's salary in a year.
- D. Club Fees: Reimbursement of club fees, subject to maximum of two clubs.
- E. Personal Accident Insurance Policy: The Company, subject to maximum premium of ₹ 5,000/- p.a., will provide personal accident insurance cover, as applicable.
- F. Furniture at residence upto ₹ 3.5 lakhs subject to recovery of ₹ 100 p.m. and payment of 5% on maintenance allowance on self certification basis with option to repurchase at book value after 7 years or on retirement whichever is earlier.

Other Benefits

- G. Contribution to Provident Fund, Superannuation Fund/Annuity Fund in accordance with the rules of the Company.
- H. Gratuity at a rate not exceeding one half months salary for each completed year of services.
- I. A company owned car with services of a driver to be provided by the company for official use. The permissible limit for personal use would be 1000 KMs per month with an annual ceiling of 12000 KM against a monthly deduction of ₹ 2000/- p.m.
- J. Telephone / Fax / Internet facility - at actual.
- K. Leave / Leave Salary as per the rules of the Company.
- L. Commission on profit, if any decided by the Board on yearly basis subject to and within the ceiling as may be approved by the Shareholders.
- M. The performance incentive would be decided by Nomination and Remuneration Committee to be constituted by the Board on a year-to-year basis based on the performance of the Company.
- N. Any or all allowances, perquisites and benefits under the appropriate schemes and rules applicable generally to the officers of the Company provided

however that the total remuneration shall be within the ceiling prescribed under Schedule V of the Companies Act, 2013.

- O. The appointment may be subject to termination by 3 months notice in writing on either side.

The appointment and other services terms will be subject to the relevant provision of the Companies Act, 2013 and as amended from time to time read with applicable rules.

No sitting fees will be paid for attending the meetings of the Board or any Committee thereof.

As per the requirement of the Companies Act, 2013, the appointment of Managing Director & CEO is required to be approved by the Shareholders in the General Meeting. Your Directors recommend the resolution for approval of the Shareholders including the terms & conditions as stated above.

Shri Prabhat Singh is interested in the resolution to the extent of his appointment as Managing Director & CEO.

The Directors or Key Managerial Personnel or their relatives do not have any concern or interest, financial or otherwise, in passing of the said resolution.

ITEM NO: 14

As per provisions of Clause 49 (VII) of Listing Agreement and Section 188 read with Rules made there under and other applicable provisions, if any, of the Companies Act, 2013, all material Related Party Transactions shall require approval of the Shareholders through Special Resolution and the Related Party shall abstain from voting on such resolutions. Further, a transaction with a Related Party shall be considered material if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, **exceeds ten percent of the annual consolidated turnover** of the Company as per the last audited financial statements of the Company.

Further, in terms of provisions of Clause 49 of Listing Agreement, Companies Act, 2013 and rules made thereunder and also the relevant Accounting Standard, the promoters/associate/joint venture (viz IOCL, BPCL, GAIL, ONGC and Adani Petronet Dahej (Port) Pvt. Ltd.) and KMPs qualify as Related Party(s) of the Company.

Therefore, in terms of Clause 49(VII) of the Listing Agreement, following existing material related party contracts or arrangements (in excess of 10% of consolidated turnover of the Company as per the last audited financial statements) which are continuing beyond

31st March, 2015 are required to be approved by the shareholders by way of special resolution-

S. No.	Name of Related party (s)	Relationship	Nature of Transactions
1	<ul style="list-style-type: none"> • Bharat Petroleum Corporation Ltd. • Indian Oil Corporation Ltd. • GAIL (India) Ltd. 	Promoter/ Associates/ Joint venture	Sale of LNG / RLNG on Long Term / Spot / Short Terms and providing Regasification Service

In addition to the above, the Company also has existing and continuing contracts/arrangements in the ordinary course of business with the related parties which will continue to exist beyond 31st March, 2015. As these are ongoing transactions, it is difficult to specifically assess the total value of such transactions at this stage, however, it is expected that the aggregate value of all such transactions would be beyond the threshold limit as specified in Clause 49 (VII) of the Listing Agreement.

In view of the above, the approval of the Shareholders is being sought by way of a Special Resolution in respect of the existing contracts / arrangements. Further, approval is also being sought for the proposed material transactions with related parties in a proactive manner.

Your Directors recommend the resolution for approval of the Shareholders as Special Resolution.

The Directors or Key Managerial Personnel or their relatives do not have any concern or interest, financial or otherwise, in passing of the said resolution.

ITEM NO: 15

Board of Directors in its meeting held on 25th April, 2015 has given in principle approval to raise ₹ 1,000 Crore through issuance of Secured/Unsecured Non Convertible Debentures through private placement in one or more tranches during the Financial year ending on 31st March, 2016. The funds will be used to refinance the existing debt and or to meet the capex requirement of the Company. However, in terms of provisions of Section 42 of Companies Act, 2013 and rules made there under, a Company shall not make a private placement of its securities unless the proposed offer of securities has been approved by the Shareholders of the Company by Special Resolution.

The Company proposes to issue such securities at a coupon pegged to securities issued by AAA rated companies with a margin of not more than 150 bps over such issuances for similar tenor. The Company proposes to issue such securities for a period maximum up to 10 years.



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In this connection, it is stated that as per provisions of Section 42 of the Companies Act 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules 2014 and Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014 a Company shall not make a Private Placement of its securities unless the proposed offer of securities or invitation to subscribe to securities has been previously approved by the Shareholders of the Company by a Special Resolution for each of the offers of invitations. However, in case of offer or invitation for “non-convertible debentures” it shall be sufficient if the Company passes a previous Special Resolution only once in a year for all the offers or invitations for such debentures during the year.

In view of the above and to meet the requirements of Section 42 of the Companies Act, 2013 read with applicable rules for making private placement of Unsecured/Secured non convertible bonds/debenture up to ₹ 1,000 Crore during the financial year 2015-16 in one or more tranches to such person or persons, who may or may not be the bond/debenture holder of the Company, approval for the Shareholders of the Company is required by way of Special Resolution.

Hence, your Directors recommend the resolution for approval for the Shareholders as a Special Resolution.

The Directors or Key Managerial Persons or their relatives do not have any concern or interest/financial or otherwise in passing of the said Resolution.

ITEM NO: 16

Present equity share capital of the Company is ₹ 750 crore out of which 50% is being held by our four promoters i.e. GAIL, IOCL, BPCL and ONGC and 10% is being held by GDFI and rest 40% is being held by public including FIIs. Present holding of FIIs/FPIs in PLL is more than 23% which may reach above the threshold limit of 24% of paid up capital in the times to come. The limit of 24% may be increased upto Sectoral Cap / Statutory Ceiling by passing a Resolution by the Board and followed by passing a Special Resolution to that effect by the Shareholders in the General Meeting. Reserve Bank of India vide its notification dated 3rd July, 2015 has advised that foreign shareholding by FIIs/RFPs has reached the trigger limit. Hence, further purchase of equity shares by FIIs would be allowed only after obtaining prior approval of Reserve Bank of India (RBI).

To make more headroom for FIIs, it is proposed to increase the limit for FIIs shareholding in PLL from 24% to 30% of paid up capital. This will improve the liquidity in the market for PLL's shares and in the interest of all the Shareholders.

Hence, your Directors recommend the resolution for approval for the Shareholders as a Special Resolution.

The Directors or Key Managerial Persons or their relatives do not have any concern or interest/financial or otherwise in passing of the said Resolution.

By Order of the Board
For Petronet LNG Limited

(K. C. Sharma)
Company Secretary

Place : New Delhi
Date : 21st August, 2015

BRIEF BIOGRAPHY OF DIRECTORS PROPOSED TO BE APPOINTED/REAPPOINTED AS REQUIRED IN TERMS OF LISTING AGREEMENT

Shri S. Varadarajan

Shri S. Varadarajan is the Chairman & Managing Director of Bharat Petroleum Corporation Limited (BPCL) and a nominee Director of BPCL on the Board of Petronet LNG Ltd. An Associate Member of the Institute of Chartered Accountants of India and the Institute of Cost Accountants of India, Shri S. Varadarajan has more than 30 years of experience in all aspects of the oil and gas industry, ranging from Finance and Marketing to Corporate Strategy and Planning. In addition, he enjoyed a stint as the Chief Financial Officer, Bharat Shell Limited (BSL).

As Director (Finance) of BPCL in 2011, he had the overall responsibility of the Finance Function, Information Technology and Corporate Planning in the Corporation. The excellent performance of the Corporation in key areas of turnover, cash and net profits bears testimony to the stellar role he played in enhancing the financial health of the Company.

Shri S. Varadarajan holds NIL share in the Company.

Shri S. Varadarajan holds Directorship/Chairmanship in the following other Companies:

Name of the Companies	Position Held
Bharat Petroleum Corporation Ltd.	Chairman & Managing Director
Numaligarh Refinery Ltd.	Chairman
Bharat Oman Refinery Ltd	Chairman
Matrix Bharat Pte Ltd	Chairman
Bharat PetroResources Ltd	Director

Shri S. Varadarajan is a Member/Chairman of Committees of Board of Directors in the following Company:

Name of the Company	Name of the Committee(s)	Position Held
Bharat PetroResources Ltd	Audit Committee	Chairman

Shri D. K. Sarraf

Shri D. K. Sarraf is the Chairman & Managing Director of Oil and Natural Gas Corporation Ltd (ONGC) and a nominee Director of ONGC on the Board of Petronet LNG Ltd.

Shri D. K. Sarraf graduated in Commerce from the prestigious Shri Ram College of Commerce, Delhi University and holds a post graduate degree in Commerce from the same University. He is an Associate Member of the Institute of Cost and Works Accountants of India and the Institute of Company Secretaries of India.

He has experience of over three decades in the oil and gas industry, having started his career in India's second largest upstream oil Company – Oil India Limited and worked there till 1991. He joined ONGC in 1991 and handled various key assignments at corporate offices and became Director (Finance) in 2007.

In September 2011 Shri D.K. Sarraf was appointed as Managing Director of ONGC Videsh Ltd. (OVL). In March, 2014, he joins back ONGC once again and takes over as its Chairman & Managing Director.

In recognition of his excellence in financial management and contributions, he has been conferred with several accolades including the Best CFO Award in Oil & Gas sector in India by CNBC in 2009 and 2011.

Shri D. K. Sarraf holds NIL share in the Company.

Shri D. K. Sarraf Directorship/Chairmanship in the following other Companies:

Name of the Companies	Position Held
Oil and Natural Gas Corporation Ltd.	Chairman & Managing Director
ONGC Videsh Limited	Chairman
Mangalore Refinery and Petrochemicals Limited	Chairman
ONGC Petro – addition Limited	Chairman
ONGC Mangalore Petrochemicals Limited	Chairman
Mangalore SEZ Ltd.	Chairman
ONGC Tripura Power Company Limited	Chairman
ONGC Mittal Energy Limited	Chairman

Shri D. K. Sarraf is a Member/Chairman of Committees of Board of Directors in the following Company:

Name of the Company	Name of the Committee(s)	Position Held
Oil and Natural Gas Corporation Ltd.	Nomination and Remuneration Committee	Member

Mr. Philip Olivier

Mr. Philip Olivier is the President of Engie (erstwhile GDF Suez) and a nominee Director of GDF International on the Board of Petronet LNG Limited.

Mr. Philip Olivier holds Electromechanical and Nuclear Engineering Degrees as well as Management Degrees from Gent and Fontainebleau. He has over 25 years of experience in the electricity and gas industry.

The first twelve years of his career, he spent working for Electrabel holding various positions in electricity and gas distribution operations. Since 1995 he has worked for SUEZ Energy International, contributing to its expansion worldwide, predominantly in electricity and gas distribution and transportation. From 2002 to 2007 he held the position of Chief Business Developer at Suez Global LNG Ltd. In 2007 he was appointed to the position of President & CEO of Suez Global LNG.

After the merger with Gaz de France, he became President of GDF SUEZ LNG, the business unit responsible for the management of all Group's LNG supply and vessel chartering contracts, for optimization of the Group's LNG portfolio, and for LNG business development including new markets, new supplies and investments in liquefaction plants.

Mr. Philip Olivier holds NIL share in the Company.

Mr. Philip Olivier holds Directorship/Chairmanship in the following other Companies:

Name of the Companies	Position Held
GDF SUEZ LNG SUPPLY SA	Chairman
MED LNG & GAS Ltd SA	Chairman
LNG SAINT-LAURENT INC.	Chairman
RABASKA INC.	Director
GDF SUEZ E&P AUSTRALIA Pty Ltd.	Director

Mr. Philip Olivier is not a Member/Chairman of Committees of Board of Directors of any other Company.

Shri Debasis Sen

Shri Debasis Sen is a Director (P&BD) of Indian Oil Corporation Ltd. and a nominee Director of Indian Oil Corporation Ltd. on the Board of Petronet LNG Ltd. He is a Mechanical Engineer from Jadavpur University and has also done a one year advanced course in Lubes and Fuels from IIP Dehradun and possesses rich experience of over 35 years in all aspects of Petroleum Products marketing including brand building, new product launches, customer segmentation, niche marketing etc. in India as well as abroad. Prior to his elevation as Director (P&BD), he

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was Executive Director I/c (Lubes) heading Indian Oil's Lubricant business vertical looking after operations and marketing of prestigious 'Servo' brand of lubricants.

During his tenure as ED I/C (Lubes), Shri Sen led the lubes vertical to scale new heights in marketing of SERVO lubricants by achieving all time high market share amidst fierce competition from global majors.

Shri Debasis Sen holds NIL share in the Company.

Shri Debasis Sen holds Directorship/Chairmanship in the following other Companies:

Name of the Companies	Position Held
Indian Oil Adani Gas Pvt. Ltd.	Chairman
Indian Oil Corporation Ltd.	Director
IndOil Global B.V.	Director
IndOil Montney Ltd.	Director

Shri Debasis Sen is not a Member/Chairman of Committees of Board of Directors of any other Company.

Shri Sushil Kumar Gupta

Shri Sushil Kumar Gupta is B. Tech. (Mechanical) from IIT, Kanpur. He has good communication skills and represented Indian Delegation in Geneva under the banner of International Labour Organization on challenges of Labour faced by Small & Medium Industries. He was also Member of Delegation of South Korea for innovative products and B2B partnership.

Shri Gupta has good leadership skills and is associated with various organizations like Director Laghu Udyog Bharti, Head U.P. (LUB). He is also the founder member of Laghu Udyog Bharti, an all India Organization for the benefit of MSME. He is running successfully an Industrial Unit which is into manufacturing of various types of forged and fabricated components and fasteners.

Shri Sushil Kumar Gupta holds NIL share in the Company.

Shri Sushil Kumar Gupta holds Directorship/Chairmanship in the following other Companies:

Name of the Companies	Position Held
Laghu Udyog Bharti	Director
Focus Health Services (TPA) Pvt. Limited	Director

Shri Sushil Kumar Gupta is not a Member/Chairman of Committees of Board of Directors of any Company.

Shri Atanu Chakraborty

Shri Atanu Chakraborty, IAS, is Managing Director, GSPC and a nominee Director of Gujarat Maritime Board (GMB)

on the Board of Petronet LNG Ltd. Shri Atanu Chakraborty is an Engineering Graduate with specialisation in Electronics and Communication and has done his Post Graduate Diploma in Business Finance and subsequently MBA from UK (Business Administration). He has wide experience of working in various State as well as Central Government Departments and Public Sector Undertakings.

Shri Atanu Chakraborty, has also served as Managing Director, Gujarat State Financial Services Ltd., Chief Executive Officer, Gujarat Infrastructure Development Board, CEO of Gujarat Maritime Board and Executive Director, Gujarat State Fertilizers and Chemical Ltd. In the Central Government, he served as Joint Secretary in the Ministry of Finance.

Shri Atanu Chakraborty has been contributing Articles on issues relating to PPP and Natural gas transportation, etc. Shri Chakraborty is a voracious reader and areas of his interest include subjects such as Finance, Economics, Infrastructure, etc.

Shri Atanu Chakraborty holds NIL share in the Company.

Shri Atanu Chakraborty holds Directorship/Chairmanship in the following other Companies:

Name of the Companies	Position Held
Gujarat State Petroleum Corporation Ltd.	Managing Director
Gujarat State Petronet Ltd.	Managing Director
GSPC Gas Company Ltd.	Director
Gujarat Gas Company Ltd.	Director
ONGC Petro Additions Ltd.	Director
GSPC LNG Ltd.	Director
GSPC Distribution Networks Ltd.	Director
Torrent Pipavav Generation Ltd.	Director

Shri Atanu Chakraborty is Member/Chairman of Committees of Board of Directors of the following Companies -

Name of the Companies	Name of the Committee(s)	Position Held
GSPC LNG Ltd.	• Audit Committee	Chairman
GSPC Gas Company Ltd.	• Audit Committee	Chairman
Gujarat State Petronet Ltd.	• Stakeholders Relationship Committee	Member
Gujarat Gas Company Ltd.	• Stakeholders Relationship Committee • Audit Committee	Member Member

Dr. Jyoti Kiran Shukla

Dr. Jyoti Kiran Shukla is an academic of national repute. She has done Ph.D., M. Phil., MA (Economics) from Delhi School of Economics and University of Huddersfield. A Ph.D. in economics and a specialist on employment, development policy and managerial economics, she has researched and written extensively on economic policy and development. She started her career from the Institute of the Development Studies, Jaipur and has worked as faculty member at the National Institute of Technology, Nagpur about twelve years. She later acted in leadership position as Director of reputed management institute in the private sector and also act as Vice-chancellor for a short duration.

She is author of four books and about 70 research papers. She has been contributing to Journals and newspapers as analyst and columnist.

Dr. Jyoti Kiran Shukla holds Nil share in the Company.

Dr. Jyoti Kiran Shukla does not hold Directorship/Chairmanship in any other Company:

Dr. Jyoti Kiran Shukla is not a Member/Chairman of Committees of Board of Directors of any other Company.

Shri K. D. Tripathi

Shri K.D. Tripathi is an officer belonging to the Indian Administrative Service. He did his Post Graduation in Physics from the University of Allahabad in 1978. He also did Masters of Business Administration in the year 1994 from University of Ljubljana, Slovenia. He has an experience of 35 years in the Public Administration. He has held important positions in Government of India in various Ministries/Departments like Rural Development, Steel & Mines, Tourism, Chemicals, Petrochemicals and Pharmaceuticals, Public Enterprises etc. He also served as Secretary in the Central Vigilance Commission, which is premier Integrity Institution of the country.

Presently, Shri Tripathi is Secretary to the Government of India in the Ministry of Petroleum & Natural Gas and his portfolio includes formulation and implementation of policies & projects in upstream, midstream and downstream activities in the sector.

Shri K. D. Tripathi holds NIL share in the Company.

Shri K. D. Tripathi holds Directorship/Chairmanship in the following other Company:

Name of the Company	Position Held
Indian Strategic Petroleum Reserves Ltd.	Chairman

Shri K. D. Tripathi is not a Member/Chairman of Committees of Board of Directors of any other Company.

Shri Prabhat Singh

Shri Prabhat Singh has been appointed as Managing Director and CEO of the Company for a period of five years from the date of assuming the office of MD & CEO. Shri Singh is a Civil Engineer having graduated from the prestigious Indian Institute of Technology, Kanpur, and has around three decades of experience of working in the Hydrocarbon Industry both in MNC and Public Sector Navratna PSUs at prominent positions.

Presently, Shri Singh is Director (Marketing) in GAIL India Ltd. Shri Singh headed the Upstream Business Development and the Strategy Divisions in British Gas since April 2006. During his earlier stint in GAIL, he headed GAIL's Exploration and Production Department as General Manager. He made a major contribution in the execution of world's longest exclusive LPG pipeline project from Jamnagar to Loni. The project was recognized by the Asian Development Bank as the "Best Managed Project" of the year. He was also instrumental in ushering in of the "Open Access Common Carrier Principle" in India which brought in a paradigm shift and contributed manifold in transitioning the pipeline transportation industry of the country into the matured industry that it is today. Shri Prabhat Singh also led "Project Parivartan" in GAIL - a highly human oriented change management initiative which put "people at the heart of corporate purpose" to address the changing business environment.

Shri Prabhat Singh holds NIL share in the Company.

Shri Prabhat Singh holds Directorship/Chairmanship in the following Companies.

Name of the Companies	Position Held
GAIL Global (Singapore) Pte. Limited	Chairman
GAIL India Ltd.	Director
GAIL Gas Limited	Director
ONGC Petro Additions Limited	Director

Shri Prabhat Singh is Member/Chairman of Committees of Board of Directors of the following Companies -

Name of the Companies	Name of the Committee(s)	Position Held
GAIL India Ltd.	<ul style="list-style-type: none"> • Audit Committee • Nomination and Remuneration Committee 	Member Member
ONGC Petro Additions Limited	<ul style="list-style-type: none"> • Audit Committee • Nomination and Remuneration Committee 	Member Member

PETRONET LNG LIMITED

DIRECTORS' REPORT

Dear Shareholders,

On behalf of the Board of Directors, it is our privilege and honour to present the seventeenth Annual Report and the Audited Accounts of your Company for the financial year ended 31st March, 2015.

PHYSICAL PERFORMANCE

In spite of challenges being faced in the international LNG markets due to a sharp decline in the prices of crude oil, your Company was able to achieve the utilization of the Dahej terminal at its nameplate capacity of 10 MTPA. The LNG prices in the spot markets declined sharply due to the declining crude prices. However, the prices under the long-term contract, which have benefitted the Indian consumers for the past decade, will take longer time to align with the current market prices due to the formula of the contract. This has led to a decline in the RLNG off-take by the Petronet off-takers – GAIL, IOCL and BPCL – citing low acceptability of the RLNG prices among their consumers. This low off-take situation is expected to continue in the next year. Company is, therefore, urgently working on plans to alleviate the situation. During the financial year 2014-15, Dahej Terminal handled 154 LNG cargoes and supplied 520.78 TBTUs of re-gasified LNG, 2666 LNG road tankers were loaded and dispatched during the year under review.

A highlight of the year was berthing of a Q-Max cargo at the Dahej Terminal. A Q-Max cargo is the largest available LNG vessel in the World today and can carry upto 260,000 cubic meters of LNG which is almost double of the conventional cargo size. With the receipt of a Q-Max cargo at Dahej during December 2014, your Company established another benchmark demonstrating versatile technical capability to handle cargoes of a variety of sizes. Prior to this, the Dahej terminal had been regularly receiving the Q-Flex cargoes carrying 210,000 cubic meters of LNG.



Q-Max cargo at Dahej Terminal



Employees at Q-Max cargo at Dahej Terminal

Kochi Terminal completed its first full year of operations since commissioning. Limited availability of the pipeline network for gas evacuation remains a concern leading to the plant operating at very low capacity utilization. 6 cargoes (including 2 re-load cargoes) were brought to the Kochi Terminal during the full year.

FINANCIAL PERFORMANCE

During the period 2014-15, your Company achieved its highest ever turnover of ₹ 39,501 Crores as against ₹ 37,748 Crores in 2013-14, the net profit during the year stood at ₹ 883 Crores as against ₹ 712 Crores in the previous year. The capacity utilization at the Dahej Terminal was 102.1% during the year under review, while the Kochi Terminal operated at a capacity utilization of 2.1%. A summary of the comparative financial performance in the fiscal 2014-15 and 2013-14 is presented below:

(₹ in crore)

Particulars	2014-15	2013-14
Revenue from operations	39,501	37,748
Other Income	155	84
Total Revenue	39,656	37,832
Cost of LNG imports	37,611	35,849
Gross Margin	2,045	1,983
Salary & other operating expenses	452	400
Finance charges	293	220
Depreciation	315	308
Profit before Tax	985	1055
Tax expenses, including deferred tax	102	343
Profit after Tax	883	712
Amount Transferred to Reserves:-		
General Reserve	89	72
Debenture Redemption Reserve	78	15
Earnings (Rs.) per Share	11.77	9.49

DIVIDEND

Keeping in view the performance and dividend policy of the Company, the Directors are pleased to recommend a dividend of 20% on the paid-up share capital of the Company for the year ending 31st March, 2015.

FINANCING OF PROJECTS

Petronet has been able to raise the required debt for its large capital expenditure since its formation. The initial Dahej project of 5 MMTPA capacity, its expansion to 10 MMTPA, the Kochi LNG Terminal, the second jetty and now further expansion of the Dahej terminal to 15 MMTPA have required substantial borrowings – both in Indian Rupees as well as in foreign currency.



Best CFO Award being received by Shri R. K. Garg, Director (Finance)

Taking advantage of the availability of cheaper options in the markets, your Company refinanced its Rupee term loans by substituting these with low cost Rupee Bonds in the Indian markets for an amount of ₹ 1,000 crore. These initiatives show the strength of the balance sheet of your Company, its credibility and the good relationship it enjoys with the lending community.

Inspite of the challenging times, your Company has maintained its high credit rating with the domestic as well as international rating agencies.

LNG SOURCING

You are aware that your Company has signed long-term supply contracts for LNG imports with RasGas, Qatar and Mobil Australia Resources Company (MARC), Australia. While the LNG supplies from Qatar commenced in 2004, the Australian LNG from Gorgon is expected to hit the Indian shores in 2016. Due to sharp decline in crude prices, the price of LNG under RasGas long term contract having linkage to 60 months JCC average is on the higher side vis-a-vis other term LNG and spot LNG leading to lower off-take

by consumers. Your Company is working to mitigate impact of high priced LNG due to sharp decline of crude oil prices along-with off-takers GAIL, IOCL and BPCL.



Visit of MD & CEO of Ras Gas at Kochi Terminal

Besides the long-term LNG contracts, your Company also buys LNG on spot and short-term basis from many international players. It is always in touch with the suppliers to secure LNG at an affordable price for the Indian markets.

FURTHER EXPANSION OF DAHEJ TERMINAL

You are aware that the Dahej LNG Terminal is being further expanded from 10 MMTPA to 15 MMTPA. As on 31st March, 2015, the expansion project has achieved 56.05% progress. The construction activities continue as planned and the project is expected to be completed by end 2016.



Expansion at Dahej Terminal

Your Company is looking at further expansion of Dahej terminal to 17.50 MMTPA and is in process of finalising business model for the same. Detailed Feasibility Report has been prepared and Front End Engineering design is under progress.

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Expansion at Dahej Terminal

SHIPPING ARRANGEMENTS

Three LNG ships, namely 'Disha', 'Raahi' and 'Aseem' carry the entire LNG volume from RasGas under a long-term contract to Dahej. Shipping Corporation of India (SCI) is an equity partner in the ship-owning companies and all three ships are manned, managed, maintained and operated by SCI. The ships operate on a long-term time charter basis.



LNG Ship "Aseem"

During FY2014-15, the overall shipping operations at Dahej LNG terminal have run smoothly and the jetty utilization has been very good without any downtime.

Construction of a ship to carry LNG from Australia under a long-term agreement is in progress as per schedule. A consortium of companies, namely, MOL NYK, K-Line and The Shipping Corporation of India (SCI), will own this ship. PLL has right to subscribe upto 26% equity in this LNG ship. The ship will be delivered to PLL in November 2016 and will be used primarily to transport LNG from Gorgon, Australia to Kochi.

As is the case with the first three ships, the fourth ship will also be manned, managed, maintained and operated by SCI.

LNG TERMINAL AT KOCHI

Kochi terminal continued to operate at low loads due to lack of evacuation pipelines with no substantial progress in Phase II pipelines work. There are very few customers being serviced as of now with Phase I of the pipeline network, limited to only about 45 Kms. Until Phase II segment of the pipeline is completed, the terminal capacity will continue to be grossly underutilized.



To enhance the capacity utilization at Kochi, your Company has been trying to offer innovative solutions to international LNG players. During the year under review, the Company offered and undertook new value added activities relating to unload and re-export of LNG, cool down, gassing up and bunkering fuel.



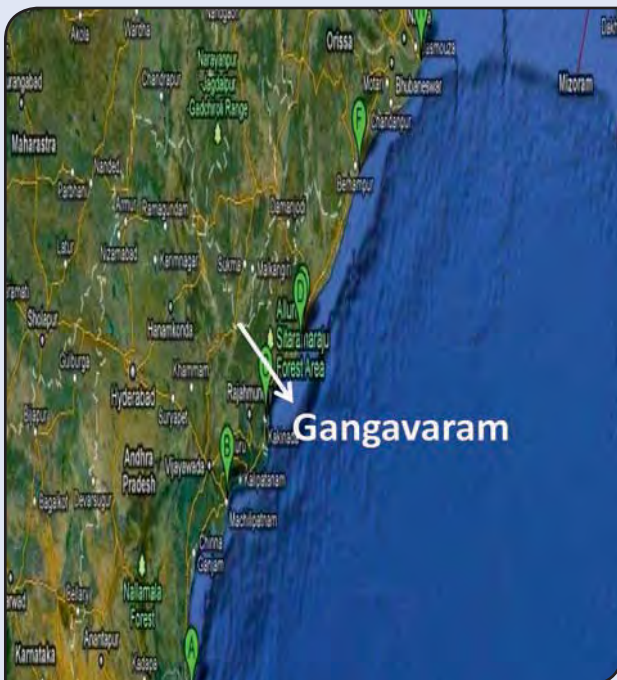
A total of four cargoes were unloaded during the year. Two such cargoes were re-exported during the year. As part of providing more value added activities, Kochi terminal also successfully provided LNG as bunker to a small vessel. Gassing up and Cooling down activities have also been carried out in the month of April 2015.



KOCHI FACILITIES

EAST COAST TERMINAL AT GANGAVARAM

Your Company initiated the process to revalidate the demand and the commercial structure for the proposed terminal at Gangavaram. Primary market assessment has been carried out. Discussions on pipeline connectivity with the pipeline owners have continued. Many international LNG suppliers have shown interest to participate in this project. Your Company is in the process to have a robust commercial structure in place before seeking approval of the Board to committing funds to this project. The Company is, however, bullish on the demand potential of that region and believes that it is best suited to set up the terminal and serve the consumers in that region.



DIRECT MARKETING OF LNG THROUGH ROAD TANKERS

The first direct customer of your Company for supply of LNG by road tankers is Hindustan Lifecare Ltd (HLL), Trivandrum and supplies have commenced from September 2014. Your Company is in discussions with other potential industrial customers who are not connected with pipeline for supplies of LNG by road tankers.



Inauguration of LNG supply by road to HLL

WIND POWER PROJECT IN GUJARAT

The Company is making efforts to reduce and optimize the power consumption which is the major operating cost in re-gasification terminal at Dahej. At the same time, PLL is promoting renewable energy for the reduction of carbon footprints and envisages environment friendly energy generation. The Company is in the process of implementing a 40 MW Wind Power Project in Gujarat for captive use of Dahej LNG terminal.

The pre-project activities have already begun. The project will reduce the expenses on power consumption and is likely to be a profitable investment with a shorter payback period.

FUTURE PLANS

Your Company is looking at innovative ways to integrate along the LNG value chain. It is seen that a significant amount of energy is spent at the Natural Gas liquefaction plants for converting natural gas into LNG by the LNG producing countries. There is a potential for recovery of such energy at LNG re-gasification terminals. Your Company has also initiated steps in this regard and has begun pre-project activities for setting up of an Air Separation Unit (ASU) to produce liquid gases such as Liquid Nitrogen, Liquid Oxygen and Liquid Argon. An ASU

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integrated with an LNG re-gasification terminal consumes 50% less energy vis-à-vis a stand-alone ASU. Another possibility of utilizing the above cold energy is by setting up cryogenic ware house for refrigerated storage of various products. Your Company has also initiated pre-project activities in this regard.



Signing of C2-C3 Extraction Agreement between GAIL, ONGC & PLL

The Company has prepared a Detailed Feasibility Report for setting up a satellite LNG regasification terminal, alongwith a power generation plant, at Port Blair. The facility will also have provision to supply regasified LNG for city gas distribution and industrial ancillary units. It will sign a Memorandum of Understanding with Government of Andaman & Nicobar for joint venture formation and Power Purchase Agreement.



Facilities for Supply of LNG by Road

ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has developed adequate internal control systems commensurate to its size and business. PLL has appointed M/s Ernst & Young as Internal Auditors, who

conduct audits for various activities. The reports of the Internal Auditors are submitted to the Management and the Board's Audit Committee. There is a thorough review of the adequacy of internal control system.

DETAILS OF JOINT VENTURES / ASSOCIATE COMPANY(S)

A Solid Cargo Port through a Joint Venture Company namely Adani Petronet (Dahej) Port Private Ltd., had commenced its operations in August 2010 at Dahej Port. Solid Cargo Port Terminal has facilities to import/export bulk products like coal, steel and fertilizer. PLL has 26% equity in this Joint Venture along with the Adani Group.

PERFORMANCE AND FINANCIAL POSITION OF JOINT VENTURE COMPANY

The financial highlights of solid cargo company for the year ended 31st March, 2015 was as under:

(₹ In Crore)

Particulars	31 st March, 2015	31 st March, 2014
Revenue from Operations	484.68	288.83
Other Income	6.44	9.64
Total Income	491.12	298.47
Operating Expenses	155.37	101.35
Employee benefits expenses	10.50	9.28
Depreciation and amortization expense	52.70	48.75
Finance Cost	55.14	83.99
Other expenses	16.23	10.58
Total Expenses	289.94	253.95
Profit Before Tax	201.18	44.52
Tax expenses	115.54	31.79
Net Profit for the year	85.64	12.73

The cargo handling operations at the port is fairly mechanized and port is well connected with road and railway. The cargo handled comprises of steam coal, rock phosphate and project cargo etc. The key aspects of

company's performance during the financial year 2014-15 are as follows:

- Solid Cargo volume increased by 57% from 7.89 mmt in FY 2013-14 to 12.42 mmt in FY 2014-15.



Solid Cargo Port of Adani Petronet at Dahej

- Total number of vessels handled at Dahej Solid Cargo Port was 182 during FY 2014-15 as against 123 for FY 2013-14; a growth of 48% year on year.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

All possible measures have been undertaken successfully by your Company to achieve the desired objective of energy conservation and technology upgradation. In order to ensure optimum conservation of energy and absorption of technology, your Company's engineers have been interacting with industry peers, technology providers and EPC Contractors. They have also been nominated

to important national and international seminars. A team has closely worked with Project Consultant and EPC Contractors in all phases of designing and construction of Dahej and Kochi LNG Terminals.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Your Company has incurred expenditure in foreign exchange to the extent of ₹ 37,653 Crore during the year under review. Foreign exchange earnings during the year were ₹ 441 Crore.

EXTRACT OF THE ANNUAL RETURN

The extract of the annual return in Form No. MGT – 9 is attached herewith as **Annexure A** and is a part of the Board's report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Petronet Limited Ltd., as responsible Corporate has been undertaking Socio-Economic Development Projects/ Programs and also supplementing the efforts of the local institutions/NGOs/local Government/implementing agencies in the field of Education, Healthcare, Community Development, Entrepreneurship etc. to meet priority needs of the marginalized and underserved communities with the aim to help them to become self-reliant. These efforts are being undertaken preferably in the local area and areas around our work centers/ project sites.

In terms of provisions of Companies Act, 2013, an amount of ₹ 28.84 Crore was required to be utilized on CSR activities. However, only ₹ 4.24 Crore was utilized on account of CSR activities during the financial year. You are aware that the guidelines for the expenditure on CSR activities are



Contribution made by Petronet LNG Ltd. to Mukhya Mantri Sree Swachhata Nidhi Yojna at Dahej

PETRONET LNG LIMITED


fairly recent and the Company has been transitioning and adopting the new CSR policies / guidelines which lead to the lower expenditure. The Company is in a continuous process of finding and evaluating various large projects for taking up/spending required amount on account of CSR activities.

The disclosure as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached herewith as **Annexure B** and form part of Board Report.

DIRECTORS
A) Changes in Directors and Key Managerial Personnel

During the year under review, following are the changes among the Directors:

Directors Resigned	
Name	Date of Resignation
Shri B. C. Bora, Independent Director	29 th June, 2014
Shri Ashok Sinha, Independent Director	29 th June, 2014
Shri A M K Sinha, Nominee of IOCL	1 st August, 2014
Shri R. Ram Mohan, Nominee of Lenders	25 th August, 2014
Shri Tapan Ray, Nominee of GMB/GOG	8 th October, 2014

The Board placed on record its appreciation for the contributions made by Shri B. C Bora, Shri Ashok Sinha, Shri A. M. K. Sinha, Shri R. Ram Mohan and Shri Tapan Ray.

Directors Appointed	
Name	Date of Appointment
Shri Arun Kumar Misra, Independent Director	14 th August, 2014
Shri Debasis Sen, Nominee of IOCL	21 st October, 2014
Shri Sushil Kumar Gupta, Independent Director	15 th January, 2015
Shri Atanu Chakraborty, Nominee of GMB/GOG	23 rd February, 2015
Dr. Jyoti Kiran Shukla, Independent Director	31 st March, 2015

B) Declaration by Independent Directors

During the year, three Independent Directors namely Shri Arun Kumar Misra, Shri Sushil Kumar Gupta and Dr. Jyoti Kiran Shukla were appointed to the Board. Declaration by all the Independent Director(s) has been obtained stating that they meet the criteria of

independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

An Independent Director will hold office for a term up to a period of three years on the Board of a Company from their respective date of appointment.

C) Formal Annual Evaluation of Board

As required under the relevant provisions of the Companies Act 2013, Company has a process for evaluation of the Board, its committees and individual Directors. However, Company is in the process of laying down the specific criteria for evaluation of performance of the entire Board and members.

The evaluation is proposed to be made on the following parameters;

1. Composition & Quality
2. Understanding the Business, including Risks
3. Process & Procedures
4. Oversight of the Financial Reporting Process, including Internal Controls
5. Oversight of Audit Functions
6. Ethics & compliance
7. Monitoring Activities
8. Overall evaluation

KEY MANAGERIAL PERSONNEL

Dr. A. K. Balyan, MD & CEO, Shri R. K. Garg, Director (Finance) and Shri K. C. Sharma, Company Secretary are the Key Managerial Personnel of the Company in terms of Section 203 of the Companies Act, 2013.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the year, four Board Meetings were held on 30th April 2014, 4th August 2014, 7th November, 2014 and 5th February, 2015. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and also as per Listing Agreement.

AUDIT COMMITTEE

The Company has duly constituted an Audit Committee of the Board. The Audit Committee comprises of the following Directors as on 31st March, 2015:

- 1 Shri Arun Kumar Misra, Chairman
- 2 Shri D. K. Sarraf, Member
- 3 Shri Sushil Kumar Gupta, Member

All the Members of the Audit Committee are Non-executive Directors and two out of three Members are Independent Directors namely Shri Arun Kumar Misra and Shri Sushil Kumar Gupta. The quorum of the Audit Committee is two Members.

The then Chairman of the Audit Committee also attended the last Annual General Meeting of the Company held on 18th September, 2014.

NOMINATION AND REMUNERATION COMMITTEE

In terms of provisions of Section 178 of Companies Act, 2013 as well as the Listing Agreement, Board of Directors has constituted a Nomination and Remuneration Committee. As on 31st March, 2015, the Nomination and Remuneration Committee comprises of the following Directors:

1. Shri Arun Kumar Misra, Chairman
2. Shri D. K. Sarraf, Member
3. Shri Sushil Kumar Gupta, Member

All the Members of Nomination and Remuneration Committee are Non-executive Directors and two out of three Members are Independent Directors namely Shri Arun Kumar Misra and Shri Sushil Kumar Gupta.

Policy on Directors' Appointment and Remuneration

Pursuant to Article no. 109 and 111 of the Articles of Association of the Company, the Board may appoint Managing Director & CEO and other Whole-time Directors subject to provision of Section 203 and other applicable provisions of the Act.

The Search Committee, as constituted by the Board from time to time, finalizes the Qualification, Age, experience and other relevant criteria like experience etc. for the position under consideration and the notification for the vacant position is circulated. Based on the suitability of the candidates, the Search Committee of the Board shortlists candidates for personal interaction and recommend potential candidates in order of merit to Nomination and Remuneration Committee which in turn makes its recommendation to the Board. The final recommendation with suitable compensation and other terms for appointment is then approved by the Board subject to confirmation by the shareholders in the general meeting.

Such appointment is for a fixed term not exceeding five years at a time, upon such terms and conditions as approved by the shareholders.

Compensation Policy

A Compensation Benchmarking Survey is done to assess the competitiveness of total remuneration which is being paid to Directors, key managerial personnel and senior management.



PETRONET LNG LIMITED

The outcome of the same is presented before Nomination and Remuneration Committee to assess the reasonableness to attract, retain and motivate Directors and other senior managerial personnel.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

No loan, investment / guarantee have been given by the Company under Section 186 of the Companies Act, 2013.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto is disclosed in Form No. AOC -2 attached as **Annexure C**.

PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 197 OF THE COMPANIES ACT, 2013

Pursuant to provisions of Section 197 of the Companies Act, 2013, read with the Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of employees are set out in **Annexure D** to the Directors' Report.

SECRETARIAL AUDIT REPORT

A Secretarial Audit Report submitted by M/s A. N. Kukreja & Co., Company Secretaries, is annexed with the report as **Annexure E**. Regarding inadequate number of Independent Directors as stated in the Secretarial Audit Report, it is stated that Company is in the process of finding suitable candidates to be appointed as Independent Directors and shortly the requisite number of Independent Directors will be appointed.

DISCLOSURES PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013

The ratio of remuneration of each Director to the median employees remuneration and such other details in terms of Section 197 (12) of Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of Directors' Report and is attached herewith as **Annexure F**.

DISCLOSURE UNDER SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

During the year ended 31st March, 2015, no complaint(s) of Sexual Harassment has been received by the Company.

CORPORATE GOVERNANCE CERTIFICATE

As required under Clause 49 of the Listing Agreement with the Stock Exchanges, the Report on Corporate Governance, together with Auditors' Certificate regarding Compliance of the SEBI Code of Corporate Governance, is annexed herewith.

MANAGEMENT DISCUSSION AND ANALYSIS

The Annual Report contains a separate section on Management Discussion and Analysis which is a part of the Directors' Report.

INDUSTRIAL RELATIONS

Your Company continued to enjoy cordial and smooth relations amongst all its employees at Dahej and Kochi terminals.

RISK MANAGEMENT POLICY

The Company has laid down policies and procedures to inform the Members of the Board about the risk assessment and minimization procedure. A Risk Management Committee consisting of Whole-time Directors periodically reviews the procedures to ensure that Executive Management controls risk through properly defined framework. The risk assessment framework encompasses, inter-alia, methodology for assessing risks on ongoing basis, risk prioritization, risk mitigation, monitoring plan and comprehensive reporting system.

DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

The Board of Directors of the Company has approved the Vigil Mechanism in terms of provisions of Section 177 of Companies Act, 2013 and Clause 49 of the Listing Agreement for Directors and employees of the Company to report, to the management, concerns about unethical behavior, actual or suspected fraud or violation of the policy. The same has also been hosted on the website of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, Directors hereby confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments

and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors have prepared the annual accounts on a going concern basis;
- (e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

DEPOSITS

During the year, your Company did not accept any deposits from the public under Section 73 of the Companies Act, 2013.

STATUTORY AUDITORS

M/s T. R. Chadha & Co., Chartered Accountants, will retire at the ensuing Annual General Meeting (AGM) of your Company and being eligible, offer themselves for re-appointment. The re-appointment, if made, for the financial year 2015-16, will have to be approved by Ordinary Resolution as required under Section 139 of Companies Act, 2013.

AUDITORS' REPORT

Auditor has submitted an unqualified report for the financial year 2014-15.

COST AUDITOR

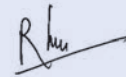
The Board of Directors has re-appointed M/s Sanjay Gupta & Associates as the Cost Auditor of the Company for the Financial Year 2014-15.

The Cost Audit Report for the year 2013-14 has been filed under XBRL mode on 25th September, 2014.

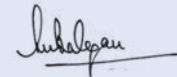
ACKNOWLEDGEMENTS

The Board of Directors sincerely thanks and wishes to place on record its appreciation of the Ministry of Petroleum and Natural Gas, Government of India, State Governments of Gujarat, Kerala and Andhra Pradesh, Promoters of the Company, Engie (erstwhile GDF Suez), RasGas, Exxon Mobil and other LNG suppliers, gas off-takers and consumers of re-gasified LNG, Auditors, Lenders and the Employees of the Company for their whole-hearted co-operation and unstinted support. The Directors want to express their deep-felt thanks and best wishes to all the shareholders for the continued support and the trust they have reposed in the Management. The Directors look forward to a better future and further growth.

For and on behalf of the Board of Directors



(R. K. Garg)
Director (Finance)



(Dr. A. K. Balyan)
MD & CEO

Place : New Delhi

Date : 15th July, 2015

PETRONET LNG LIMITED**ANNEXURE A****Form No. MGT-9****EXTRACT OF ANNUAL RETURN****as on the financial year ended on 31st March, 2015**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i	CIN	L74899DL1998PLC093073
ii	Registration Date	02-04-1998
iii	Name of the Company	Petronet LNG Limited
iv	Category / Sub-Category of the Company	Company Limited by Shares
v	Address of the Registered office and contact details	World Trade Centre, First Floor, Babar Road, Barakhamba Lane, New Delhi - 110001 Tel : 011-23472527 Fax : 011-23472550 Email : kcsharma@petronetlng.com
vi	Whether listed Company Yes / No	Yes
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s Karvy Computershare Pvt. Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 Tel : 040- 67162222 Fax : 040- 23420814 Toll Free No. : 1800-345-4001

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Sale of RLNG	1110	99.60%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY /ASSOCIATE	% of shares held	Applicable Section
1.	Adani Petronet (Dahej) Port Pvt. Ltd.	U63012GJ2003PTC04199	Associate	26%	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category code	Category of shareholder	No. of shares held as on 1st April, 2014				No. of shares held as on 31st March, 2015				% Change during the year (XI)
		Demat (III)	Physical (IV)	Total (V)	% of total shares (VI)	Demat (VII)	Physical (VIII)	Total (IX)	% of total shares (X)	
(I)	(II)									
(A)	Promoter and promoter group									
(1)	Indian									
(a)	Individual /HUF	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Central Government/State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	375000000	0	375000000	50.00	375000000	0	375000000	50.00	0.00
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-total a(1) :	375000000	0	375000000	50.00	375000000	0	375000000	50.00	0.00
(2)	Foreign									
(a)	Individuals (NRIs/foreign individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies corporate	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-total a(2) :	0	0	0	0.00	0	0	0	0.00	0.00
	Total a=a(1)+a(2)	375000000	0	375000000	50.00	375000000	0	375000000	50.00	0.00
(B)	Public Shareholding									
(1)	Institutions									
(a)	Mutual Funds /UTI	32397061	0	32397061	4.32	32487097	0	32487097	4.33	-0.01
(b)	Financial Institutions /Banks	229042	0	229042	0.03	66703	0	66703	0.01	0.02
(c)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0	0.00	0	0	0.00	0.00
(e)	Insurance Companies	140000	0	140000	0.02	0.00	0	0	0.00	0.02
(f)	Foreign Institutional Investors	149252421	0	149252421	19.90	169790908	0	169790908	22.64	-2.74
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00

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Category code	Category of shareholder	No. of shares held as on 1st April, 2014				No. of shares held as on 31st March, 2015				% Change during the year (XI)
		Demat (III)	Physical (IV)	Total (V)	% of total shares (VI)	Demat (VII)	Physical (VIII)	Total (IX)	% of total shares (X)	
(II)										
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-total b(1) :	182018524	0	182018524	24.27	202344708	0	202344708	26.98	-2.71
(2)	Non-Institutions									
(a)	Bodies Corporate	15030427	1	15030428	2.00	9314060	1	9314061	1.24	0.76
(b)	Individuals									
	(I) Individuals holding nominal share capital upto rs.1 Lakh	87924988	65135	87990123	11.73	75632840	64132	75696972	10.09	1.64
	(II) Individuals holding nominal share capital in excess of rs.1 Lakh	9714152	16000	9730152	1.30	8256537	0	8256537	1.10	0.20
(c)	Others									
	Clearing Members	528868	0	528868	0.07	240027	0	240027	0.03	0.04
	Non Resident Indians	3460056	105000	3565056	0.48	2772542	105000	2877542	0.38	0.09
	Overseas Corporate Bodies	0	75000000	75000000	10.00	0	75000000	75000000	10.00	0.00
	Trusts	1136893	0	1136893	0.15	1270197	0	1270197	0.17	-0.02
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-total b(2) :	117795384	75186136	192981520	25.73	97486203	75169133	172655336	23.02	2.71
	Total b=b(1)+b(2) :	299813908	75186136	375000044	50.00	299830911	75169133	375000044	50.00	0.00
	Total (a+b) :	674813908	75186136	750000044	100.00	674830911	75169133	750000044	100.00	0.00
	Shares held by custodians, against which depository receipts have been issued									
(C)										
(1)	Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
(2)	Public									
	Grand total (a+b+c) :	674813908	75186136	750000044	100.00	674830911	75169133	750000044	100.00	0.00

ii) Shareholding of Promoters

S. No.	Shareholder's Name	No. of shares held as on 1st April, 2014			No. of shares held as on 31st March, 2015			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	Indian Oil Corporation Limited	93750000	12.50	-	93750000	12.50	-	NIL
2.	Bharat Petroleum Corporation Ltd	93750000	12.50	-	93750000	12.50	-	NIL
3.	Gail (India) Limited	93750000	12.50	-	93750000	12.50	-	NIL
4.	Oil and Natural Gas Corporation Limited	93750000	12.50	-	93750000	12.50	-	NIL
	Total	375000000	50.00	-	375000000	50.00	-	

iii) Change in Promoters' Shareholding (please specify, if there is no change)

There is no change in Promoters' Shareholding.

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) :

S. No.	Name of the Share Holder(s)	No. of shares held as on 1st April, 2014		No. of shares held as on 31st March, 2015	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	GDF International *	75000000	10.00	75000000	10.00
2	Asian Development Bank #	39000000	5.20	0	0.00
3	T. Rowe Price International Growth and Income Fund *	19131904	2.55	25716449	3.43
4	Fidelity Investment Trust Fidelity Series Emerging*	15265641	2.04	7192069	0.96
5	Government Pension Fund Global*	12800886	1.71	24885247	3.32
6	ICICI Prudential Focused Bluechip Equity Fund #	7884160	1.05	3728124	0.50
7	ICICI Prudential Life Insurance Company Ltd #	5340816	0.71	956169	0.13

PETRONET LNG LIMITED

S. No.	Name of the Share Holder(s)	No. of shares held as on 1st April, 2014		No. of shares held as on 31st March, 2015	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
8	ICICI Prudential Discovery Fund *	4552796	0.61	6715637	0.90
9	ICICI Prudential Dynamic Plan #	3463785	0.46	0	0.00
10	Eastspring Securities Investment Trust Co. Ltd.#	3164588	0.42	1280579	0.17
11	Franklin Templeton Investment Funds @	773792	0.10	10934992	1.46
12	Smallcap World Fund, Inc @	1910000	0.25	10460000	1.39
13	CLSA (Mauritius) Limited @	577267	0.08	9010479	1.20
14	Db International (Asia) Ltd @	18000	0.00	4830802	0.64
15	Swiss Finance Corporation (Mauritius) Limited @	0	0.00	3960487	0.53

* Common top 10 shareholders as on 1st April, 2014 and as on 31st March, 2015.

Top 10 shareholders as on 1st April, 2014.

@ Top 10 shareholders as on 31st March, 2015.

V) Shareholding of Directors and Key Managerial Personnel:

S. No.	Name of the Directors and Key Managerial Personnel	No. of shares held as on 1st April, 2014		No. of shares held as on 31st March, 2015	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Dr. A. K. Balyan (KMP)	400	0.00005	400	0.00005
2	Shri R. K. Garg (KMP)	5300	0.00071	5300	0.00071

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
Indebtedness at the beginning of the financial year				
i) Principal Amount	271822	54872	NIL	326694
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	108	2097	NA	2205
Total (i+ii+iii)	271930	56969	NIL	328899

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
Change in Indebtedness during the financial year				
• Addition	NIL	100000	NIL	100000
• Reduction	(136411)	(24872)	NIL	(161283)
Net Change	(136411)	75128	NIL	(61283)
Indebtedness at the end of the financial year				
i) Principal Amount	135411	130000	NIL	265411
ii) Interest due but not paid	NIL	NIL	NA	NIL
iii) Interest accrued but not due	33	5832		5865
Total (i+ii+iii)	135444	135832		271276

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		A. K. Balyan	R. K. Garg	Rajender Singh	K. C. Sharma	
		MD & CEO and KMP	Director and KMP	Director	Company Secretary & KMP	
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	57,68,188	42,49,061	40,19,328	28,18,414	1,68,54,991
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	8,78,168	8,33,187	5,93,918	3,37,823	26,43,096
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0	0
2.	Stock Option	0	0	0	0	0
3.	Sweat Equity	0	0	0	0	0
4.	Commission Payable	15,00,000	15,00,000	15,00,000	0	45,00,000
5.	Other, please specify	0	0	0	0	0
	Total	81,46,356	65,82,248	61,13,246	31,56,237	2,39,98,087
	Ceiling as per the Act*					

* The remuneration is well within the limits prescribed under the Companies Act, 2013.

PETRONET LNG LIMITED**B. Remuneration to other Directors:**

Particulars of Remuneration	Name of Directors					Total Amount
	B. C. Bora	Ashok Sinha	A. K. Misra	Sushil Kumar Gupta	Jyoti Kiran Sukla	
Independent Directors						
• Fee for attending Board / Committee Meetings	60000	80000	240000	140000	0	520000
• Commission	121918	121918	315068	104110	1370	664384
• Others, please specify	0	0	0	0	0	0
Total (1)	181918	201918	555068	244110	1370	1184384
Other Non-Executive Directors	Philip Olivier	R. Ram Mohan				
• Fee for attending Board/ Committee Meetings	20000	100000				120000
• Commission	0	0				0
• Others, please specify	0	0				0
Total (2)	20000	100000				120000
Total (B)=(1+2)						1304384
Total Managerial Remuneration						20841850
Overall Ceiling as per the Act*						

* The remuneration is well within the limits prescribed under the Companies Act, 2013.

** Sitting fee pertaining to Nominee Directors has been paid to their respective Organisation.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**NIL**

ANNEXURE B

Corporate Social Responsibility (CSR)

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

Petronet Limited Ltd., as responsible Corporate has been undertaking Socio-Economic Development Projects/ Programs and also supplementing the efforts of the local institutions/NGOs/local Government/implementing agencies in the field of Education, Healthcare, Community Development, Entrepreneurship etc. to meet priority needs of the marginalized and underserved communities with the aim to help them become self-reliant. These efforts are being undertaken preferably in the local area and areas around our work centers/ project sites.

CSR Project or Programs undertaken are as per the list of activities specified in Schedule VII of the Companies Act 2013, and amendments thereof. The website of the Company is : www.petronetlng.com

2. The Composition of the CSR Committee : Shri A.K. Misra, Chairman - Independent Director, Dr. A.K. Balyan - M.D. & CEO, Shri Sushil Kumar Gupta- Independent Director, Shri R.K. Garg - Director (Finance) and Shri Rajender Singh – Director (Technical).
3. Average net profit of the Company for last three financial years : ₹ 1442 Crore
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) : 28.84 Crore
5. Details of CSR spent during the financial year: 4.24 Crore
 - (a) Total amount to be spent for the financial year : 28.84 Crore
 - (b) Amount unspent, if any : 24.60 Crore
 - (c) Manner in which the amount spent during the financial year is detailed below.

Details attached at **Annexure-A**.

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.
 - (i) Till the year 2012-13 PLL had been undertaken CSR Programs/Activities on voluntary basis. Thus, CSR manpower was not dedicated and CSR activity was an additional responsibility at all the locations. PLL being a lean and flat organization did not recruit any dedicated executive for undertaking CSR programs. With the new provisions of the Companies Act, 2013, it has become mandatory to spend 2% of PBT from 1/4/2015. To utilize this amount in a meaningful manner, dedicated officers are being positioned in all the work centres.
 - (ii) Community Need Assessment survey has been conducted in Dahej area and projects have been identified for implementation and are being put up to the CSR Committee for consideration and approval. In this connection, the matter has also been taken up with Panchyat/District Collector/GIDC/State Government for undertaking the CSR initiatives at work centres. Similar exercise is being undertaken at Kochi. Funds have been earmarked for Kochi area for which projects are awaited.
 - (iii) It has also been decided to participate wholeheartedly in Swach Bharat Abhiyan and Skill India Mission as prescribed by the Government.
 - (iv) Petronet will also sanction projects of relevance in non-project area as has been decided in the policy.
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Sd/-
(Managing Director & CEO)

Sd/-
(Chairman CSR Committee)

PETRONET LNG LIMITED**Details of CSR Expenditure incurred during 2014-15**

S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs undertaken	Amount spent on the projects or programs ₹ in lac	Amount spent : Direct or through implementing agency
1	Online encyclopedia on Indian culture and heritage	Art & Culture	Local area	10.31	Sahapedia, New Delhi
2	Tree/mangrove plantation, solar lights, water harvesting, garbage collection vehicles	Ensuring Environment Sustainability	Local area, Bharuch, Bhavnagar & Ahmedabad	113.78	Sankalpstar (New Delhi), Arts Alive (Ahmedabad), Forest Department (Gujarat), Collector (Bharuch) and Central Electronics Ltd. (Sahibabad)
3	Support for Armed Forces Flag Day	Measures for benefit of Armed Forces	Local area	25.00	Armed Forces Flag Day
4	Renovation of School Building, Education for specially challenged children, BPL students, Skill development with assured employment, Free student home and educational equipments	Promoting education/ Enhancing vocational skills/ Livelihood enhancing projects	Local area, Mumbai, Kolkatta, Dehradun, Thiruvanthapuram, Agra	90.04	Direct, YBRB, Centum Learning, IL&FS Skills and Livelihood, Collector (Kochi), Aim for Seva etc.
5	Construction of toilets, Medical equipments, Potable water, Cataract operations and Primary health centres	Promoting preventive healthcare and sanitation	Local area, Mathura, Kolkata, Srinagar etc.	82.28	Direct, Anugraha Drishtidaan (New Delhi), Sri Chaitanya Seva Trust (Thane), State Education Department (Assam) and DRDA (Bharuch) etc.
6	Enhancement of road infrastructure	Rural Development projects	Local area	103.00	Collector, Ernakulam
	Total			424.41	

ANNEXURE C

Form No. AOC-2

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis –

Not Applicable

2. Details of material contracts or arrangement or transactions at arm's length basis

(a) Name(s) of the related party and nature of relationship -

Name of Related Party	Nature of Relationship
Bharat Petroleum Corporation Limited	Promoter
GAIL (India) Limited	Promoter
Indian Oil Corporation Limited	Promoter
Oil and Natural gas Corporation Ltd.	Promoter

(b) Nature of contracts/arrangements/transactions

Sale of LNG/RLNG/Regasification Services, other services etc.

(c) Duration of the contracts/arrangements/transactions

Long term, Short Term and spot basis.

(d) Salient terms of the contracts or arrangements or transactions including the value, if any

Key terms of Long Term Contract are on back to back with LNG Purchase Contract. In addition, Petronet provides Regasification services on long term commitment basis, Spot/Short Term, sale, service are based on market prices on arms length basis.

(e) Date(s) of approval by the Board, if any:

Board Approval obtained for execution of Extraction Agreement with ONGC for extraction of higher hydrocarbons from LNG vide resolution dated 14th October, 2014.

(f) Amount paid as advances, if any

NIL

For & on behalf of the Board of Directors

Place : New Delhi
Date : 15th July, 2015

Sd/-
(R. K. Garg)
Director (Finance)

Sd/-
(Dr. A. K. Balyan)
Managing Director & CEO

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ANNEXURE D

PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 197 OF THE COMPANIES ACT, 2013

Name of the Employee	Remuneration Received in ₹	Nature of employment whether Permanent or Contractual	Other terms & Conditions	Designation	Qualification & Experience of the employee	Date of commencement of employment	Age of the employee	No. of Equity Shares held	% of Equity Shares held	The last employment held by such employee before joining the company
Dr. A. K. Balyan	85,65,590	Contractual	Five years w.e.f. 16th July, 2010.	MD & CEO	Ph. D. (Germany), M. Tech., IIT, Delhi Exp. – 43 years.	16th July, 2010	64	400	0.00005	ONGC Ltd.
Shri R. K. Garg	69,04,641	Contractual	Five years w.e.f. 20th July, 2011.	Director (Finance)	Chartered Accountant and Company Secretary Exp. – 36 years.	27th September, 2001	59	5,300	0.00071	Steel Authority of India Ltd.
Shri Rajender Singh	64,13,291	Contractual	Five years w.e.f. 14th November, 2012	Director (Technical)	B.Sc. Engineering) - Civil Exp. – 34 years.	10th March, 2006	56	NIL	NA	ONGC Ltd.
Shri M. M. Ahuja*	81,44,183	Permanent	Regular Employee	President	B. E. (Chemical) Exp. – 30 years.	2nd November, 1998	55	1,000	0.00013	Protek Engineers Malaysia SDN BHD

* Shri M. M. Ahuja was partly employed during the year and resigned w.e.f. 5th March, 2015, therefore, the remuneration includes Separation Benefits i.e Gratuity and Leave Encashment of ₹ 25,96,087/- . Further, he was not a relative of any director.

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

To,
The Members of
Petronet LNG Limited.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Petronet LNG Limited (CIN: L74899DL1998PLC093073)** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Petronet LNG Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the **financial year ended on 31st March, 2015** complied with statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by Petronet LNG Limited for the financial year ended on 31st March, 2015 according to the provisions of:
 - (i) The Companies Act, 2013 (the Act) and the rules made there under;
 - (ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made there under;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
 - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999*;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

PETRONET LNG LIMITED

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009*; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998*.

* SEBI Regulations listed at sub-Para (v) Sl. Nos. (d), (g) and (h) above are not applicable, as there were no corporate decisions/actions attracting these regulations.

(vi). The Other Laws applicable specifically to the Company are:

- (a) The Explosives Act, 1884
- (b) Petroleum and Natural Gas Regulatory Board Act, 2006
- (c) The Petroleum Act, 1934
- (d) The Oil Industry (Development) Act, 1974
- (e) Indian Boilers Act, 1923.
- (f) The Territorial Waters, Continental Shelf, Exclusive Economic Zone and Other Maritime Zones Act, 1976
- (g) Merchant Shipping Act, 1983
- (h) The Electricity Act, 2003
- (i) Essential Commodities Act, 1955

2. We have also examined the compliances with the applicable clauses of the Listing Agreements entered into by the Company with the Bombay Stock Exchange Ltd and the National Stock Exchange Ltd. both in regard to equity and debt instruments. The Company has by and large complied with secretarial standards even though these are not applicable for financial year 2014-15.
3. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:
 - (a) In terms of Clause 49II.A (2) of the Listing Agreements with stock exchanges, the composition of the Board should comprise of 5 Independent Directors as against 3 for the financial year 2014-15.
 - (b) The Company spent ₹ 4.24 crore as against the eligible amount of ₹ 28.84 crore on Corporate Social Responsibility measures during the year 2014-15.
4. We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-executive Directors, and Woman Director except Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while dissenting members' views are captured and recorded as part of the minutes.

5. We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
6. We further report that during the audit period, the following major decisions were taken by the members under Section 180 and Sections 42 and 71 of the Companies Act, 2013:
 - (I) Approval of shareholders was obtained through postal ballot on 1.8.2014 for the following:
 - (a) Creation of mortgage and/or charge on all or any of the moveable and/or immovable properties of the Company under Section 180 (1) (a) of the Companies Act, 2013;

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- (b) Increase of borrowing powers of the Board up to rupees 20,000 crore under Section 180(1) (c) of the Companies Act, 2013;
 - (c) Raising funds up to rupees 1,000 crore through issue of secured/ unsecured non-convertible debentures, on private placement, pursuant to the provisions of Sections 42 and 71 of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities), Rules 2014.
- (II) The Company amended Article No. 104 of the Articles of Association by substituting new Article No. 104 providing for not less than 4 and not more than 18 Directors, at its Annual General Meeting held on 18th September, 2014, to comply with the provisions of Section 149 of the Companies Act.

This report is to be read with our letter of even date which is annexed as Annexure 'A' and forms an integral part of this report.

For A.N.Kukreja & Co
Company Secretaries

Sd/-
(A.N.Kukreja)
Proprietor
FCS 1070; CP 2318.

Place: New Delhi
Date: 15 July, 2015



PETRONET LNG LIMITED

Annexure 'A'

To,

The Members of

Petronet LNG Limited

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial record. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. During the course of our examination of the books and records of the Company carried out in accordance with generally accepted practices in India, we have neither come across any instance of fraud on or by the Company, nor the Company has noticed and reported any such case during the year and accordingly the Company has not informed us of any such case.

For A.N.Kukreja & Co
Company Secretaries

Sd/-
(A.N.Kukreja)
Proprietor
FCS 1070; CP 2318.

Place: New Delhi
Date: 15 July, 2015

ANNEXURE F

DISCLOSURES PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013

- (i) **The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year;**

S. No.	Name	Ratio
1	Dr. A. K. Balyan	8.5:1
2	Shri R. K. Garg	6.8:1
3	Shri Rajender Singh	6.4:1

- (ii) **The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;**

The percentage increase in remuneration of each whole time Director, CFO, CEO and Company Secretary ranges between 3% to 5%.

- (iii) **The percentage increase in the median remuneration of employees in the financial year;**

The percentage increase in the median remuneration of the employees in the Financial Year is around 6% excluding the remuneration paid to the three Whole Time Directors.

- (iv) **The number of permanent employees on the rolls of Company;**

The total number of employees on the rolls of Company as on 31st March, 2015 was 461 excluding three Whole Time Directors.

- (v) **The explanation on the relationship between average increase in remuneration and Company performance;**

A part of remuneration of all employees, also called Performance Incentive/ Variable Pay, is linked to the Company performance. While calculating the Performance Incentive for an employee, individual as well as Company performance is taken into account, on a scale of 1 - 5 (5 being the highest rating). The various parameters are taken into account for determining Company performance, viz. PBDT, Throughput, Capital Expenses and Safety Index. Based on the performance registered by the Company on the said parameters against budgeted numbers, a final rating for Company Performance is arrived at.

- (vi) **Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company;**

For Financial Year 2014-15, the Key Managerial Personnel were paid around 0.21% of the Profit After Tax as compared to 0.25% of the Profit After Tax for the financial year 2013-14.

- (vii) **Market capitalisation, price earnings ratio and percentage increase or decrease in the market quotations of the shares of the Company in comparison to last public offer**

Particular	March 31, 2015	March 31, 2014
Market Capitalization	₹ 12,866 Crore	₹ 10,275 Crore
Price Earning Ratio	14.58	14.44
Increase in the market quotation of the shares of the Company as on 31 st March, 2015 in comparison to last IPO price i.e. ₹ 15/- per share	1044%	813%

- (viii) **Average percentile increase in the salaries of employees and its comparison with the percentile increase in the managerial remuneration;**

- Average percentage increase in remuneration of Key Managerial Personnel during the Financial Year has been in the range of 3% to 5%.

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- Average percentage increase in remuneration of all employees other than Key Managerial Personnel has been around 6%.

Every year, Company grants to each employee, including the three Whole Time Directors, an annual increment of 5%. However, the average change in remuneration on all active employees is lower than 5 % during the year due to relieving of employees with higher annual CTC.

(ix) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company;

S. No.	Name	Ratio
1	Dr. A. K. Balyan	0.10%
2	Shri R. K. Garg	0.08%
3	Shri K. C. Sharma	0.04%

(x) The key parameters for any variable component of remuneration availed by the Directors;

The key parameters on which variable component of remuneration availed by the whole time Directors are Profit Before Depreciation and Tax (PBDT), Throughput, Capital Expenses and Safety Index.

(xi) The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year;

None

(xii) Affirmation that the remuneration is as per the remuneration policy of the Company.

The remuneration to all the employees is as per the remuneration policy of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

Global LNG Market

Overview

The LNG Industry has come a long way since the first LNG Ship called the Methane Princess commissioned in June, 1964, delivered the LNG industry's first commercial LNG cargo to Canvey Island, U.K. from Algeria for a 15 year long term LNG contract, on October 12, 1964. The year 2014 marked 50 years of the LNG industry.

Today the LNG industry stands at 246 MMTPA of LNG production capacity which is 5 mmtpa more than 241 mmtpa in 2013. LNG trade hit a record high in 2014, with 243.6 mmtpa traded last year, up 4.5 mmtpa from 2013. LNG Trade as a total of global gas trade is approximately 30% and accounts for approximately 10% of the total gas consumed globally.

The global LNG industry is facing structural changes as the US Shale gas revolution has lead to a surplus market in North America and it posed to export this surplus gas in the form of LNG to the rest of the world. Other challenges of a depressed global economy with reduced power and industrial demand, as well as a new wave of LNG projects mainly from Australia and US are going to hit the market from 2015-16, are putting further pressure on LNG prices, making it into a Buyer's market. Additionally oil prices dropping sharply coupled with sharp decline in spot prices, has put more pressure on new project development and existing long term LNG contracts which locked by buyers at a higher oil indexed price.

2014 saw LNG projects offering supply from diverse sources like US, Canada, East Africa and Russia. There was intense competition between various LNG projects to lock in Buyers in long term sale agreements. There was a conflict between buyers and sellers on the pricing of LNG and which one would be better, Gas Hub or Oil indexed LNG pricing due to US LNG exports which are linked to Henry Hub prices in the US.

Supply Side 2014

On the supply side in 2014 total global LNG production was approximately 246 MMTPA. Two new LNG facilities were commissioned, one is the PNG LNG in May 2014 in Papua New Guinea and the other being the QC LNG project in December 2014 in Australia. QC LNG also held the distinction of being the first Coal Seam Gas project to come on line in the world. The start of QC LNG also marks the beginning of a new wave of LNG supply that will emerge from the Pacific Basin and culminate in Australia

overtaking Qatar as the world's largest exporter of LNG most probably by 2020. At the same time as new capacity entered the market, some was reduced with the Angola LNG project closer which had been facing a slew of technical problems. The LNG plant is expected to restart in mid 2015.

On the Financial Investment Decision (FID) front, 2014 achieved FID in 30 mmtpa of LNG projects, the same as 2013. Total 4 projects achieved FIDs and three of them were from the US accounting for 28.5 mmtpa. The other was in Malaysia of 1.5 mmtpa. US is, due to the shale gas revolution, fast emerging as a major player in the LNG industry and a source for LNG supplies in the long term. The factors that will determine how much gas is exported from the US as LNG will be the domestic gas prices (Henry Hub), international oil prices and how expensive will LNG from alternate buyers be.

For the Asia Pacific Region supply sources are going to diversify in the near future as US and additional Australian LNG enter the market and in the long term more supply is expected from countries like Russia and East Africa.

Additionally as international cross border trade in gas through pipeline also has a direct impact on LNG supply as LNG is a substitute for piped gas if the economics of piped gas are not working out for certain long distance trade routes, specially those which have to cross over the sea. A major piped gas deal has been signed between Russia and China for sale of piped gas of about 38 BCM equivalent to 28 mmtpa by 2020. This will limit LNG demand in northern part of China, but the southern part of China will not receive any gas from this gas deal and LNG will have to be imported to bridge the gas supply deficit in that region

Demand Side 2014

On the demand side the story is the same as it was in 2013. Japan and Korea dominated the LNG import with each importing 36% and 15% respectively of the total LNG imports. China imported 8% and India almost 6% and is in the top 5 importers in the world. Existing LNG importers commissioned new LNG import Terminals, while only one new Buyer entered the market with commissioning of a LNG import Terminal in 2014 which was Lithuania.

Japan due to the nuclear capacity shut down has witnessed a sharp increase in its imports since 2011. In 2014/15 it is expected to import a record high of 88.7 mmt vs the 87.5 mmt it had imported in 2013/14. Now that the nuclear safety authority in 2015 is likely to give permission to nuclear power plants to restart, it has been estimated that imports will start to decline from 2015 onwards with



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85 mmt of LNG imports in 2015 itself. As more power plants restart over the years the LNG imports will decline in response. This in the short run is expected to put more pressure on the already depressed LNG market.

In the case of South Korea they also faced a issue of nuclear plant safety, but not as severe as that of Japan's. Due to reduced nuclear plant power regeneration Korea that to import more LNG but in 2014 as some of the nuclear power plants restarted and this lead to lower demand. It is forecasted that in the short term the LNG demand will decline as additional nuclear plants are restarted. But in the long run as the Korean government wants to diversify power generation sources from nuclear, it is planning to invest in additional gas based power plants, which will lead to a rise in LNG imports.

Other countries are also poised to enter the LNG market to met their natural gas needs, such as Pakistan and Philippines in Asia. It is expected that in 2015 both these countries will have operational LNG importing facilities. In Latin America Countries like Chile, Uruguay, Columbia and Panama are also planning or have facilities under construction to enable them to import LNG for the first time. In the Middle East and Africa Jordan and Egypt will be joining the LNG imports club in 2015, while other Middle Eastern countries like Bahrain, Kuwait and Lebanon are planning on setting up a LNG Import Terminal in the near future.

LNG Trade

In 2014 on the LNG export side approximately 243.6 mmtpa was traded and out of that Qatar had the lion's share of the LNG exports. Qatar's share was more than 30% followed by Malaysia and Australia at approximately 10% each. Qatar will continue to play a dominant role in the LNG industry with its 77 mmtpa LNG production capacity in the medium term till 2018/19 when the Australian LNG industry is expected to catch up and overtake the Qatar.

Asian region is the biggest importer of LNG in the world with 70% of the LNG traded going to the Asia Pacific region. The biggest consumers like Japan and Korea are highly industrialized economies, but have very limited reserves of natural resources and domestic gas is not available in meaningful quantities. They are the leaders in LNG import in the Asian region but rapidly industrializing countries like India and China are also increasing their LNG consumption.

In 2014, Asian demand increase was limited, in spite Japan showing a marginal increase in LNG imports which broke last year's record, as other buyers like Korea the second largest LNG buyer, reduced imports on the back of mild

winter, high LNG inventory and more power generation from coal and nuclear. Lower Chinese economic growth also lead to a lower than expected increase in LNG imports.

In the Atlantic Basin, Europe showed a marginal decline, but two countries Turkey and UK had strong LNG imports to offset some of the decline in the rest of Europe. Additionally Spain sold many reloaded LNG cargoes and in 2014 the quantity of LNG that was reloaded and exported was 4 MMT vs the 2.1 MMT in 2013.

LNG Price

LNG price for long term contracts is linked to crude oil prices as LNG is used as a replacement for liquid fuels. In order to make LNG a viable replacement in comparison to crude oils it has to be priced cheaper because it is in effect a substitute.

LNG prices due to their oil linkage will be impacted by oil price movements, but it will take time for oil price changes to impact LNG prices, as LNG is linked to oil price average of the preceding 6 to 9 months.

Therefore in the current scenario the sharp decline in oil prices from about \$100/bbl in June of 2014 to less than \$60/bbl in February 2015, which is more that a 40% decline in about 9 months. Long Term LNG prices will take up to 6 months to readjust to the drastic fall in oil prices and Buyers will start to benefit in the middle of 2015 from lower LNG prices.

Even though LNG long term prices will take time to adjust due a inbuilt lag in their pricing with relation to oil, LNG spot prices react to current market conditions more quickly. In February 2014, they reached a peak of \$20/mmbtu and by February 2015 they fell below \$7/mmbtu. This was because winter last year was colder than usual and in 2014/15 it was very mild reducing demand for heating. Weather coupled with weak economic growth from Japan, Korea and China reduced demand for LNG for power generation and industrial use. Weak LNG demand with robust supply put great downward pressure on the LNG spot market making it touch record lows.

Due to a slump in the spot market resulting from lower crude oil price and a supply surplus, LNG spot prices have been lower than LNG long term prices. This incentivises buyers to reduce their off-take of LNG under long term contracts and by from the spot market cheaper LNG to replace the long term quantity.

Outlook for LNG Industry

The story of LNG will be based on the story of oil as most of the LNG sold in the world is linked to oil prices.

The US Shale revolution in oil and gas has altered the landscape of not only the intentional oil market, but is having a deep impact on the basic structure of the LNG industry.

On the oil front, US has overtaken Saudi Arabia as the world's largest oil producer. Shale oil production pushed US oil output above 9 million bbl/d in 2014. This massive increase in supply coupled with slow global economic growth has managed to push oil prices down to 6 year lows. US is also now the largest producer of gas in the world and this boom in shale gas led to the development of LNG export projects.

International Energy Agency (IEA) has forecast that in 2015 Brent oil prices will be around \$55/bbl and 2016 it will be about \$60/mmbtu and till 2020 it expected to remain below \$80/mmbtu. There has been a structural shift in the oil market from a high price oil environment to a more low to moderate price environment.

The entry of US in LNG industry via LNG exports a few years ago, due to the surplus of shale gas, has challenged the long standing commercial structure of the LNG industry. The US gas hub linking of the price of LNG export, the tolling model of LNG sale and purchase and destination flexibility for long term LNG contracts has created a conflict between buyers and other non US sellers. Buyers due to US offering LNG gas hub price linkage have been clamouring for the last few years for non-US LNG contract prices to be linked to gas hub based index also. Non US sellers want to stay with the established oil based index for pricing LNG, for they fear that gas hub will indexation will give lower LNG export prices as compared to oil, coupled with increased volatility of gas prices, resulting in lower rate of return on their LNG project investments.

Eventually most in the LNG industry feel buyers and sellers will find a middle ground in terms of pricing by going for hybrid structure of Gas Hub and Oil index LNG pricing for some Non US LNG projects. Additionally with the current low crude oil prices, the demand from buyers for gas hub as a LNG price indexation will lessen, as if they perceive that oil lower prices are here to stay for the long term and are not just a temporary phenomena.

Looking at the current oil pricing environment it is felt that Buyers may agree with Non US LNG Sellers to go for oil indexed LNG contracts with a higher index to oil than Buyers had wanted previously, with a cap on oil prices, which give a floor and a ceiling price. Therefore in LNG industry jargon Non US LNG may have a S-Curve protection for Sellers as well as Buyers.

LNG Scenario in India

Economic Growth Outlook

The International Monetary Fund (IMF) in an update to its World Economic Outlook has forecast that India's economy will overtake China in terms of its annual growth rate by 2016. The IMF predicts that India's economy will grow at 6.3 and 6.5 percent respectively over the next two years. This puts India's projected growth in 2016 ahead of the organization's estimates for China, which stand at 6.8 and 6.3 percent for 2015 and 2016, respectively, leaving India the fastest growing major emerging economy in the world. The IMF's projections represent a substantial increase from the actual growth rates of the Indian economy in 2013 and 2014, when the economy grew by 5 and 5.8 percent respectively. The IMF's World Economic Outlook projects global economic growth at 3.5 and 3.7 percent in 2015 and 2016 respectively. Additionally India's actual potential for growth is far more and as the global economy recovers over the long term India's growth rate can reach higher levels as it has much catching up to do in terms of per capital income in comparison to the industrialized world.

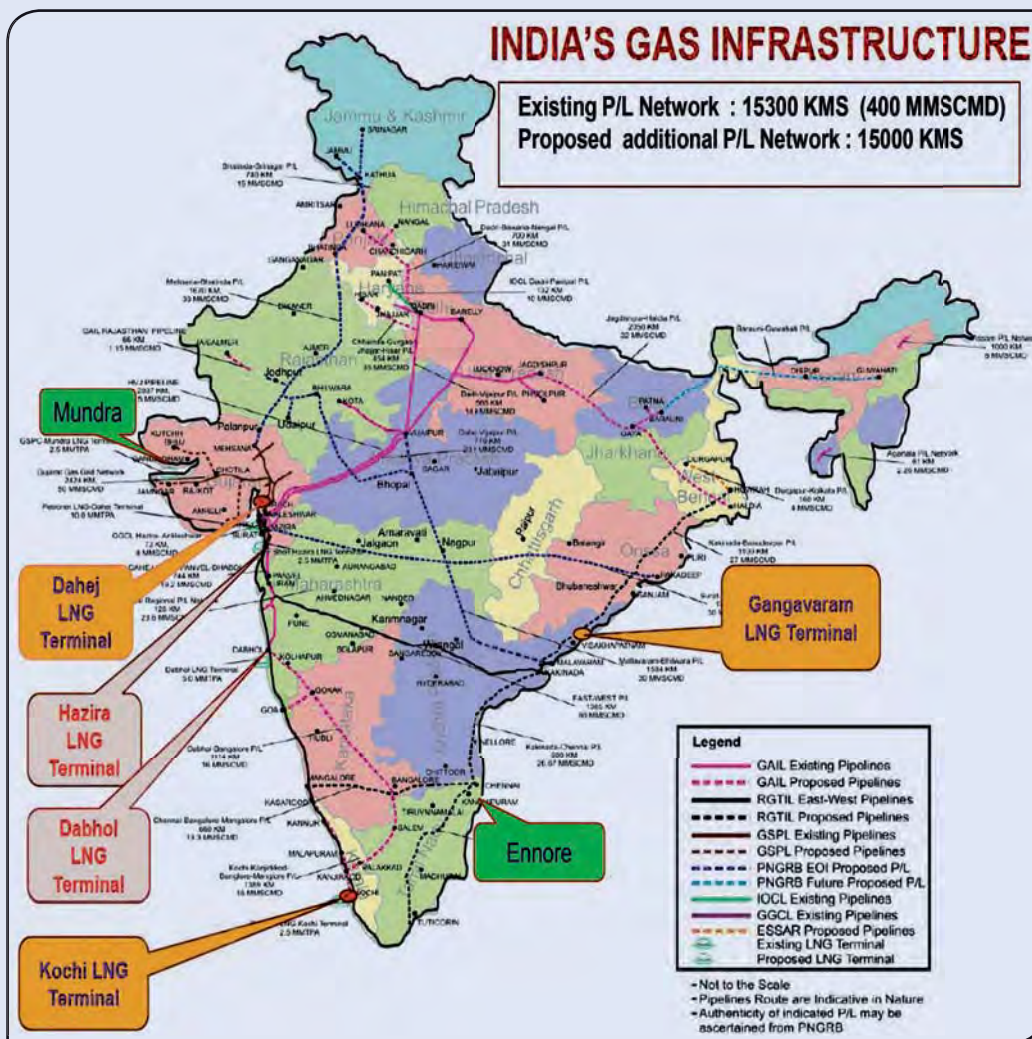
All this indicates that India will require increasing amounts of energy to fuel its growth and in the long run a balance will have to be maintained between the environment and economic growth. That is where Natural gas comes into the picture as a greener alternative of the other more polluting fuels and as a bridge before transitioning to a renewable energy system. Depending on how the pricing and affordability of the end users of gas in the main consuming sectors works out through government policy, gas has a huge potential demand and LNG will play the role of filling the gap between the demand supply deficit.

Gas Supply & Demand

Currently, India is the 15th largest natural gas consumer in the world, down from being the 13th due to declining gas supply from the KG D6 Basin and the 4th largest LNG importer globally. In 2013/14 total gas production in the country was 97 MMSCMD as compared to gas production in 2010/11 of 143 MMSCMD. In 2013/14 gas consumption was 93 MMSCMD and out of this total consumption, 64% is consumed by the fertilizer and power sector. The remaining is consumed by industry, petrochemicals, CGD/CNG etc.

The KG Basin D6 gas field has not been able to produced to its maximum capacity due to technical problems which have lead to a sharp decline in production. Additional gas production will also take time in coming online and some of the remaining demand has been met with LNG imports. In 2014 total LNG imports into India are about 14 MMT which is approximately 54 MMSCMD. Therefore out of the

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total gas supply of 151 MMSCMD, 37% is LNG imports. LNG plays a vital role in bridging the supply deficit in the country. Petronet LNG Ltd. is a dominant force in the LNG import business as more than 60% of the LNG is imported by Petronet into India.

Gas Pricing

Indian gas industry as of now has a myriad of gas prices for gas supply. These gas prices can be divided into two categories Administered Pricing Mechanism (APM) and Non Administered Pricing Mechanism. In 2013-14, 59% was sold under the APM, while 11 % was sold under Non-APM mechanism, 12% was sold under Pre NELP, under NELP (RIL KG D6) 17% and under CBM pricing only 0.42% was sold.

On 18th October 2014, the newly elected government announced a new methodology for determining the well-head price for domestic gas produced in India and notified

a price of \$5.05/ MMBTU, on a gross calorific value (GCV) basis, effective for the six-month period commencing 1st November 2014. This new methodology has resulted in a much lower price than that of the previous government which was above \$8.40/mmbtu. The new lower price will not be able to incentivize domestic E&P activities in a meaningful manner and significantly higher gas prices are required to increase supply of gas to reduce the demand supply deficit.

On the LNG front India has benefitted greatly from the drop in oil prices as it will gradually work it's into the long-term LNG contracts as well as spot cargoes have become cheaper, encouraging more imports.

Government Policy

Apart from gas pricing issues they are various policies the government is mulling over which have the potential to significantly impact the gas industry in the long run.

In 2012 under the chairmanship of Dr C. Rangarajan, Chairman, Economic Advisory Council to the Prime Minister a Report of the Committee on the Production Sharing Contract Mechanism in Petroleum Industry was issued. This report dealt with two issues. Firstly it reviewed the PSC model currently in use in India which PSC followed a cost recovery mechanism for the oil and gas contractor, allowing the contractor to recover all investment made in the field before sharing revenue with government. The main purpose of the PSC model is that it would encourage investors to take higher exploration risks, and in the event of success, the costs could be recovered first. This model according to the Rangarajan Report also has its drawbacks as it would necessitate a close scrutiny of costs by the Government to verify the actual investment incurred by the contractor since there is an incentive to engage in gold plating of costs to increase the contractors recovery of costs over and above what it actually invested. The Rangarajan Report recommended the Revenue Sharing Contract as an alternative. In this the advantage will be that the contract of the oil and gas field will have to share the revenue it earns with the government at different slaps of output and prices. This will make auditing of costs by government unnecessary and the contractor will now have an incentive to keep E&P costs low as possible to maximize its profits.

The second issue dealt with in the Rangarajan Report was on gas pricing. It had recommended a formula for pricing of domestic gas at the well head by basing it on a number for gas and LNG prices internationally and can be reviewed after five years when the possibility of pricing based on direct gas-on-gas competition may be assessed, which meant that by 2017 it was envisaged that gas prices will be free to be determined by the market based of supply and demand fundamentals in the country. This suggestion was a radical departure from the existing gas pricing system followed in the country and was looking at deregulation of the gas market in India with market based pricing of gas being established in 5 years. This system of gas pricing and PSC would lead to more incentive for high E&P activity in India with a long term aim for increasing oil and gas supply resulting in lower import dependence.

The report issued by the Kelkar Committee dated September 2014, dealt with these two issues of PSC and gas pricing and suggested amendments to the gas pricing formula formulated by the Rangarajan Report. The Kelkar Committee removed the LNG component in the Rangarajan gas pricing formula, which will result in a lower domestic gas price. The reasoning for that was that LNG price should not be used in the price calculation of domestic gas as in most other countries with liquid and well developed hubs domestic gas produced is not linked

to LNG price. As far as the issue of market determined pricing bases on gas to gas competition is concerned the Kelkar Report stated that anytime between 2017 to 2019 gas pricing can transition to full gas on gas competition.

The Kelkar Committee also advised the government to stay with the current PSC model of cost recovery contrary to the Rangarajan Report recommendation for switching to a revenue sharing model. On the PSC it was against the Revenue sharing model on the grounds that India is not geologically endowed with significant hydrocarbon reserves and any contractor investing in E&P activities in India will face high risk of failure. Therefore as a risk mitigation measure the contractor has to be allowed to recover all its costs of E&P activities and in the revenue sharing PSC recommended by Rangarajan Report, cost recovery is not allowed, which reduces incentive to search for hydrocarbon deposits in India.

For the gas allocation policy, the new government is likely to take a decision soon on revising the gas allocation priority. The current gas utilization policy by order of priority is Urea manufacturing Fertilizer plants, second is LPG plants, third gas based power plants and the last being CGD. The new priority will be firstly CGD, followed by strategic sector (nuclear plants), third being Petrochemical and LPG plants, fourth is Urea plants and the last will be power plants. This revision is because the current government wants to rationalise the current gas utilization policy and wants to give a boost to CGD projects across the country and aims to reduce domestic household dependence and consumption of subsidised LPG and also reduce subsidized diesel consumption in automobiles by encouraging more CNG use in cities.

In addition the government has initiated a new policy for increase utilization of power plants which need gas as a feedstock. In order to revive these stranded gas based plants, the mechanism envisages importing Regasified Liquefied Natural Gas (RLNG) for supply to these plants so that they can generate power. The mechanism also envisages sacrifices to be made collectively by all stakeholders, including the Central and state governments by way of exemptions from certain applicable taxes and levies on the incremental RLNG being imported for the purpose. The government also proposed to provide support to discoms from the Power System Development Fund (PSDF) through a transparent reverse e-bidding process. This will make the cost of power affordable and increase demand for LNG from the power sector.

The government is also pooling domestic gas and RLNG for the fertilizer sector so as to rationalize the cost of gas delivered to each urea plant. The plan is to pool or average



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out prices of domestic natural gas and imported LNG used by fertiliser plants to make the cost of fuel uniform and affordable.

Fertiliser plants consume about 42.25 million standard cubic meters per day of gas for manufacture of subsidised urea. Out of this, 26.50 mmscmd comes from domestic fields and the rest 15.75 mmscmd is imported liquefied natural gas (LNG). The USD 5.18/mmbtu of domestic gas is about half the cost of LNG. The cost of gas, which is the most important component for production of urea, varies from plant to plant owing to differential rates at which imported LNG is contracted as well as cost of transportation.

The government has become more proactive in dealing with the issues faced by the end users of gas like fertilizer and power which are the largest consumer of gas in the country. This is a positive for LNG industry in India as LNG combined with domestic gas will make is more affordable to the price sensitive users.

Natural Gas Outlook for India

Over time more interest in the LNG industry in India has developed as it holds great potential for expansion and is considered as new area of growth in the energy sector. Additionally due to lack-lustre performance by the domestic gas industry (mainly due to the KG Basin D6 underperforming due to technical issues) LNG is vital to meet the unmet gas demand in the country, even though the price of LNG is many times that of domestic gas. This enthusiasm for the LNG industry in India will mean more development of LNG import terminals and new long term contracts of supply to the Indian gas market. Also the shale oil and gas production in the US has an overreaching impact of the oil and gas global industry and has shifted the industry structurally to a moderate price environment below \$100/bbl and a long term price range of \$60 to \$80/bbl. This make LNG linked to crude oil prices more affordable to the end user in India who are generally very price sensitive. The next few years will witness of competition as pipelines are completed, improving interconnections and the ability of Companies to penetrate new demand bases.

India is projected to have healthy medium to long term growth with the current governments emphasis on boosting the manufacturing sector. This means that overall gas and LNG demand will in the future will be high and coupled with moderate oil prices LNG will continue to play and significant role in India's growth story.

Threat from Competition

All the major players in the Indian hydrocarbon business have plans to enter the natural gas business. The

expected competition in the future scenario will not only be from Indian players, but also from several multinational Companies that will extend their presence in the Indian market. As a result, the competition is expected across the gas value chain. PLL is prepared to face the competition from Indian as well as overseas players in the market through long term tie-up of LNG/ Regas capacity.

In India, gas competes primarily with Coal (in Power sector) and with liquid fuels (in Industrial and Fertilizer sectors). As a result, gas demand is fairly price- sensitive for the Power sector, with low elasticity for the Fertilizer sector due to the existing Fertilizer policy.

The city gas distribution segment, where the competition is mainly with high- priced petroleum fuels (HSD, Petrol, LPG, etc.) faces challenges in terms of infrastructure and conversion costs.

Segment wise or Product wise Performance

Presently, PLL primarily deals only in one segment, i.e. Import and Re-gasification of Liquefied Natural Gas (LNG). During the year 2014-15, 533.08 TBTUs of re-gasified LNG was delivered to off-takers and customers.

Risk and Concerns

PLL considers good corporate governance to be a pre-requisite to meet the needs and aspirations of shareholders and other stake shareholders alike. As part of the Company's efforts to strengthen corporate governance, the Board of Directors has formulated a Risk Management Policy. This policy puts a risk management structure in place that clearly defines roles and responsibilities. It also provides a risk portfolio that involves a continuous process of risk identification, assessment, control assessment and monitoring, review and communication. The Company aims to:

- Identify, assess and manage existing and new risks in a planned manner.
- Increase the effectiveness of PLL's internal and external reporting structure.
- Develop and foster a 'risk' culture within the organization to encourages all employees to identify risk and associated opportunities and respond to them with appropriate actions.

Risk of Competition

LNG competes with naphtha, coal, fuel oil and similar hydrocarbons. These alternate fuels are currently widely used by end-user industries like fertilizers and power. In addition to the above- mentioned fuels, LNG also

competes with the domestic natural gas. LNG offers several advantages over the above-mentioned fuels.

PLL LNG sourced under long-term contract, is currently priced higher against these alternate fuels. A reduction in prices of the alternate fuels and increase in long-term prices of LNG is putting pricing pressure on LNG. This may have an impact in the near growth of PLL.

Currently, the Company does not produce or market any products other than LNG/R-LNG. The sole activity is the import and re-gasification of LNG. PLL has sourced LNG under long-term contract from RasGas of Qatar and has sold re-gasified LNG mainly to three intermediate off-takers, namely, GAIL (India) Ltd., Bharat Petroleum Corporation Ltd., and Indian Oil Corporation Ltd. PLL has had long-term gas sale and purchase agreements with these reputed Companies. Even though this assures market for the entire product, there are risks involved in limited customers.

In addition to the existing contract with RasGas, PLL has also executed another long-term contract with the Australian entity of Exxon Mobil for supply of around 1.44 MMTPA of LNG from its Gorgon project. This will meet the requirement of the new LNG Terminal in Kochi.

PLL also provide regas services to third parties who import LNG directly. PLL has executed 7.25 MMTPA equivalent contracts to provide long- term regas services to GAIL, IOCL, BPCL and GSPC/GSPL for existing and expansion plan of Dahej.

Internal Control Systems and their Adequacy

The Company has developed adequate internal control systems to commensurate to size and business. PLL has appointed Ernst & Young as Internal Auditors, who conduct audits for various activities. The reports of the Internal Auditors are submitted to the Management and the Board's Audit Committee. There is a thorough review of the adequacy of internal control system.

Financial Performance

The turnover during the financial year ended 31st March, 2015, was ₹ 39,656 Crore including other income as against ₹ 37,832 Crore in Financial Year 2013-14. The net profit during the financial year ended 31st March, 2015, was ₹ 883 Crore as against ₹ 712 Crore in 2013-14.

Human Resources

The Company maintained harmonious and cordial industrial relations. No mandays were lost due to strike or lock-out. As on 31st March, 2015, there were 461 employees excluding three Whole-time Directors.

Disclosure by Senior Management Personnel, i.e. One Level below the Board including all HODs:

None of the senior management personnel has financial and/ or commercial transactions with the Company. They do not have any personal interest that would have a potential conflict with the interest of PLL at large.

PETRONET LNG LIMITED
REPORT ON CORPORATE GOVERNANCE FORMING PART OF DIRECTORS' REPORT
A Brief Statement on Company's Philosophy on Code of Corporate Governance

The Philosophy of the Company in relation to Corporate Governance is to ensure transparent disclosures and reporting that conforms fully to laws, regulations and guidelines, and to promote ethical conduct throughout the organization with primary objective of enhancing shareholders value while being a responsible corporate citizen. Company firmly believes that any meaningful policy on the Corporate Governance must provide empowerment to the executive management of the Company, and simultaneously create a mechanism of checks and balances which ensures that the decision making power vested in the executive management are used with care and responsibility to meet shareholders and stakeholders aspirations. The Company is committed to attain the highest standards of Corporate Governance.

Board of Directors:

The total strength of the Board as on 31st March, 2015 was thirteen Directors as detailed herein below:

S. No.	Name	Designation	Category (Whole-time / Non-executive / Independent)
1	Shri Saurabh Chandra	Chairman, Secretary, Govt. of India, (MOP&NG)	Non-executive
2	Dr. A. K. Balyan	Managing Director & CEO	Whole-time
3	Shri R. K. Garg	Director (Finance)	Whole-time
4	Shri Rajender Singh	Director (Technical)	Whole-time
5	Shri B. C. Tripathi	Director, Nominee of GAIL	Non-executive
6	Shri S. Varadarajan	Director, Nominee of BPCL	Non-executive
7	Shri D.K. Sarraf	Director, Nominee of ONGC	Non-executive
8	Shri Debasis Sen	Director, Nominee of IOCL	Non-executive
9	Shri Atanu Chakraborty	Director, Nominee of GMB/GOG	Non-executive
10	Mr. Philip Olivier	Director, Nominee of GDFI	Non-executive
11	Shri Arun Kumar Misra	Director	Independent
12	Shri Sushil Kumar Gupta	Director	Independent
13	Dr. Jyoti Kiran Shukla	Director	Independent

However, the Company is in process of appointing two more Independent Directors to have the requisite number of Independent Directors on the Board of the Company in terms of Clause 49 of the Listing Agreement.

Board Meetings

During the year, four Board Meetings were held on 30th April, 4th August, 7th November, 2014 and 5th February, 2015. The attendance of each Director in the Board Meetings and the last Annual General Meeting is detailed herein below:

Name of Directors	Designation	Number of Board Meetings held during the year 2014-15	Number of Board Meetings attended during the year 2014-15	Attendance at last Annual General Meeting held on 18 th September, 2014
Executive Directors				
Dr. A. K. Balyan	Managing Director & CEO	4	4	Yes
Shri R. K. Garg	Director (Finance)	4	3	Yes
Shri Rajender Singh	Director (Technical)	4	4	Yes
Non-Executive Directors				
Shri Saurabh Candra	Chairman	4	4	Yes
Shri B. C. Tripathi	Nominee Director of GAIL	4	3	No
Shri S. Varadarajan	Nominee Director of BPCL	4	2	No
Shri D. K. Sarraf	Nominee Director of ONGC	4	4	No
Shri A. M. K. Sinha (up to 1 st August, 2014)	Nominee Director of IOCL	4	1	No
Shri Debasis Sen (w.e.f 21 st October, 2014)			NIL	NA
Mr. Philip Olivier (w.e.f 22 nd April, 2014)	Nominee Director of GDF International	4	1	No
Shri Tapan Ray (up to 8 th October, 2014)	Nominee Director of GMB/GOG	4	NIL	No
Shri Atanu Chakraborty (w.e.f 23 rd February, 2015)			NIL	NA
Shri R. Ram Mohan (up to 25 th August, 2014)	Nominee Director of Lenders	4	2	NA
Non-Executive Independent Directors				
Shri Arun Kumar Misra (w.e.f 14 th August, 2014)	Independent Director	4	2	Yes
Shri Sushil Kumar Gupta (w.e.f 15 th January, 2015)	Independent Director	4	1	NA
Shri B. C. Bora (up to 29 th June, 2014)	Independent Director	4	1	NA
Shri Ashok Sinha (up to 29 th June, 2014)	Independent Director	4	1	NA
Dr. Jyoti Kiran Shukla (w.e.f 31 st March, 2015)	Independent Director	4	NIL	NA

PETRONET LNG LIMITED**Detail of Directorship / Membership / Chairmanship on the Board / Committees of the other Companies as on 31st March, 2015**

Name	No. of other Companies in which Directorship / Chairmanship is held		No. of Membership / Chairmanship held in Committees of Board of other Companies		No. of Shares held in the Company
	Directorship	Chairmanship	Membership	Chairmanship	
Shri Saurabh Chandra	NIL	1	NIL	NIL	NIL
Dr. A. K. Balyan	2	NIL	NIL	1	400
Shri R. K. Garg	2	NIL	2	NIL	5300
Shri Rajender Singh	NIL	NIL	NIL	NIL	NIL
Shri B. C. Tripathi	NIL	3	NIL	NIL	NIL
Shri S. Varadarajan	1	4	NIL	1	NIL
Shri D.K. Sarraf	NIL	8	1	NIL	NIL
Shri Debasis Sen	3	1	NIL	NIL	NIL
Shri Atanu Chakraborty	8	NIL	3	2	NIL
Mr. Philip Olivier	2	3	NIL	NIL	NIL
Shri Arun Kumar Misra	NIL	NIL	NIL	NIL	NIL
Shri Sushil Kumar Gupta	2	NIL	NIL	NIL	NIL
Dr. Jyoti Kiran Shukla	NIL	NIL	NIL	NIL	NIL

Note: -

As per Clause 49 the above details are required to be disclosed only for the following three committees:

1. Audit Committee
2. Stakeholders' Relationship Committee
3. Nomination and Remuneration Committee

Remuneration paid to Whole-time Directors and to Non - executive Directors during the year ended 31st March, 2015

Remuneration to Whole-time Directors is being paid as per terms of their appointment. The Company pays remuneration by way of salary, perquisites, allowances and commission to Whole-time Directors. Commission is calculated with reference to profits of the Company in a particular year and is determined by the Board and Shareholders, subject to overall ceiling as prescribed in the Companies Act, 2013.

The details of remuneration paid to the Whole-time Directors during the year are stated herein below:

(In ₹)

S. No.	Name	Designation	Salaries & Allowances	Contribution to PF & Gratuity Fund	Other Benefits & Perks	Commission payable on Profit for the year 2013-14	Total
1	Dr. A. K. Balyan	Managing Director & CEO	61,00,723	3,19,234	6,45,633	15,00,000	85,65,590
2	Shri R. K. Garg	Director (Finance)	43,00,541	2,22,394	8,81,707	15,00,000	69,04,642
3	Shri Rajender Singh	Director (Technical)	42,27,708	2,00,045	4,85,538	15,00,000	64,13,291

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The details of the sitting fees paid to Non-executive Directors or their nominated Organization / Company during the year ended 31st March, 2015 is as detailed below:

S. No.	Name	Sitting Fees paid/payable during 2014-15 (₹)
1	Mr. Philip Olivier	20,000
2	Government of India	1,00,000
3	Bharat Petroleum Corporation Ltd.	40,000
4	Oil & Natural Gas Corporation Ltd.	3,20,000
5	Indian Oil Corporation Ltd.	40,000
6	GAIL (India) Ltd.	1,20,000
7	Shri B. C. Bora	60,000
8	Shri Ashok Sinha	80,000
9	Shri R. Ram Mohan	1,00,000
10	Shri A. K. Misra	2,40,000
11	Shri Sushil Kumar Gupta	1,40,000

In addition to the above, Commission on Profits is also payable to the following Independent Directors:

S. No.	Name	Commission payable on Profit for the year 2014-15 (₹)
1	Shri Ashok Sinha	1,21,918
2	Shri B. C. Bora	1,21,918
3	Shri Arun Kumar Misra	3,15,068
4	Shri Sushil Kumar Gupta	1,04,110
5	Dr. Jyoti Kiran Shukla	1,370

Terms of appointment of Whole-time Directors

The Company has the following Whole - time Directors as on 31st March, 2015:

1. Dr. A. K. Balyan, Managing Director & CEO
2. Shri R. K. Garg, Director (Finance)
3. Shri Rajender Singh, Director (Technical)

The initial tenure of Whole - time Director(s) is for a period of five years w.e.f. their respective date of appointment. However, the tenure of Whole - time Directors may further be extended by re-appointing them, subject to approval by Members in the Annual General Meeting.

The appointment of Whole-time Directors is subject to termination by a three months notice in writing by either party.

Succession for appointments to the Board

Board evaluates the need for change, if any, in the composition and the size of the Board of the Company and recommends the same to the shareholders for their approval.

Audit Committee

The Audit Committee comprises of the following Directors as on 31st March, 2015:

1. Shri Arun Kumar Misra, Chairman
2. Shri D. K. Sarraf, Member
3. Shri Sushil Kumar Gupta, Member

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All the Members of Audit Committee are Non-executive Directors and two out of three Members are Independent Directors namely Shri Arun Kumar Misra and Shri Sushil Kumar Gupta. The quorum of the Audit Committee is two Members.

The Company Secretary is the Secretary of the Audit Committee.

Detail of Meetings of Audit Committee held during the year

Member	No. of Meetings Held	No. of Meeting Attended
Shri Ashok Sinha (upto 29 th June, 2014)	9	2
Shri B. C. Bora (upto 29 th June, 2014)	9	1
Shri A. M. K. Sinha (upto 1 st August, 2014)	9	1
Shri R. Ram Mohan (upto 25 th August, 2014)	9	3
Shri D. K. sarraf	9	6
Shri Arun Kumar Misra (w.e.f. 14 th August, 2015)	9	6
Shri Sushil Kumar Gupta (w.e.f. 15 th January, 2015)	9	3

Brief Terms of Reference of Audit Committee

The primary function of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to any Government Body or to the investors or the public; the Company's system of internal controls regarding finance, accounting and legal compliances that Management and the Board have established.

The terms of reference of Audit Committee include inter-alia the followings:

A. Qualified and Independent Audit Committee

A qualified and independent audit committee shall be set up, giving the terms of reference subject to the following:

1. The audit committee shall have minimum three Directors as members. Two-thirds of the members of audit committee shall be independent Directors.
2. All members of audit committee shall be financially literate and at least one member shall have accounting or related financial management expertise.

Explanation (i): The term "financially literate" means the ability to read and understand basic financial statements i.e. balance sheet, profit and loss account, and statement of cash flows.

Explanation (ii): A member will be considered to have accounting or related financial management expertise if he or she possesses experience in finance or accounting, or requisite professional certification in accounting, or any other comparable experience or background which results in the individual's financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities.

3. The Chairman of the Audit Committee shall be an independent Director;
4. The Chairman of the Audit Committee shall be present at Annual General Meeting to answer shareholder queries;
5. The Audit Committee may invite such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at the meetings of the committee, but on occasions it may also meet without the presence of any executives of the Company. The finance Director, head of internal audit and a representative of the statutory auditor may be present as invitees for the meetings of the audit committee;
6. The Company Secretary shall act as the secretary to the committee.

B. Meeting of Audit Committee

The Audit Committee should meet at least four times in a year and not more than four months shall elapse between two meetings. The quorum shall be either two members or one third of the members of the audit committee whichever is greater, but there should be a minimum of two independent members present.

A. Powers of Audit Committee

The Audit Committee shall have powers:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.
5. To have full access to information contained in the records of the Company.
6. To call for comments of the auditors about internal control system, scope of audit, including the observations of the auditors.

B. Role of Audit Committee

The role of the Audit Committee shall be the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

PETRONET LNG LIMITED

13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. The auditors of a Company and the key managerial personnel shall have a right to be heard in the meetings of the Audit Committee when it considers the auditor's report but shall not have the right to vote.
21. The Board's Report under sub-section (3) of Section 134 of Companies Act, 2013 shall disclose the composition of an Audit Committee and where the Board had not accepted any recommendation of Audit Committee, the same shall be disclosed in such report along with reasons therefore.
22. Other matters:
 - a. To review Investment of Surplus Funds
 - b. To review Legal Compliances
 - c. To review Spot Purchases.

c. Review of information by Audit Committee

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
 - **Explanation:** The term "related party transactions" shall have the same meaning as provided in Clause 49(VII) of the Listing Agreement.

Nomination and Remuneration Committee (NRC)

In terms of provisions of Section 178 of Companies Act, 2013 as well as Listing Agreement, Board of Directors has renamed Remuneration Committee as Nomination and Remuneration Committee. As on 31st March, 2015, the Nomination and Remuneration Committee comprises of the following Directors:

1. Shri Arun Kumar Misra, Chairman
2. Shri D. K. Sarraf, Member
3. Shri Sushil Kumar Gupta, Member

One Meeting of the erstwhile Remuneration Committee was held on 29th April, 2014.

The terms of reference of NRC includes inter-alia identifying the person(s) who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down by NRC. NRC shall also recommend to the Board appointment and removal of Director and also shall carry out evaluation of every Directors' performance. In addition, NRC shall also formulate the criteria for determining qualifications, positive attributes and independence of the Directors and recommend to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel (KMP) and other employees.

Stakeholders' Relationship Committee

In terms of provisions of Companies Act, 2013 as well as Listing Agreement, Board of Directors has renamed Shareholders'/Investors' Grievances Committee as Stakeholders' Relationship Committee. As on 31st March, 2015, the Stakeholders' Relationship Committee comprises of the following Directors:

1. Shri R. K. Garg, Member
2. Shri Rajender Singh, Member

One Meeting of the Stakeholders' Relationship Committee was held on 31st March, 2015. Company is in the process of appointing a non executive Director as a Chairman of Stakeholders' Relationship Committee.

Company Secretary is the Compliance Officer of the Company.

Detail of Meeting of Stakeholders' Relationship Committee

Date of Meeting	Members	Meeting attended
31 st March, 2015	Shri R. K. Garg	Yes
	Shri Rajender Singh	Yes

Details of Complaints received and redressed during the year ended 31st March, 2015

1 complaints was pending as on 1st April, 2014. 1358 complaints were received and 1358 complaints were resolved during the year. Only 1 complaint was pending as on 31st March, 2015.

Share Transfer Committee

Share Transfer Committee was constituted to deal with the cases like re-materialization of shares, transfer, transposition & splitting of shares in physical mode. Share Transfer Committee consists exclusively of Whole-time Directors namely;

1. Dr. A. K. Balyan, Managing Director & CEO
2. Shri R. K. Garg, Director (Finance)
3. Shri Rajender Singh, Director (Technical)

Dr. A. K. Balyan, Managing Director & CEO is the Chairman of the Committee.

Risk Assessment & Minimisation Procedure

The Company has laid down procedures to inform the Members of the Board about the risk assessment and minimization procedure. A Risk Management Committee consisting Whole-time Directors periodically reviews the procedures to ensure that Executive Management controls risk through properly defined framework. The risk assessment framework encompassed, inter-alia, methodology for assessing risks on ongoing basis, risk prioritization, risk mitigation, monitoring plan and comprehensive reporting system.

Legal Compliance Reporting

As required under Clause 49 of Listing Agreement, the Board periodically reviews compliances of various laws applicable to the Company.

PETRONET LNG LIMITED
Annual General Meetings (AGMs)

The details of last three Annual General Meetings are as mentioned below:

Year	2011-12	2012-13	2013-14
Date & Time	4 th July, 2012 at 10:00 AM	4 th July, 2013 at 10:00 AM	18 th September, 2014 at 10:00 AM
Venue	Air Force Auditorium, Subroto Park, Dhaula Kuan, New Delhi-110010	Air Force Auditorium, Subroto Park, Dhaula Kuan, New Delhi-110010	FICCI, K. K. Birla Auditorium, 1, Tansen Marg, New Delhi 110001
Details of Special Resolutions	1) Appointment of Statutory Auditors 2) Approval for Employee Stock Option Scheme	1) Appointment of Statutory Auditors	1) Increase in number of Director and amending Articles of Association
Special Resolutions passed through Postal Ballot	Nil	Nil	(i) Creation of Mortgage and / or Charge on all or any of the Movable and / or Immovable Properties of the Company. (ii) Increase in Borrowing Powers up to ₹ 20,000 Crore. (iii) Raising Funds up to ₹ 1,000 Crore through issue of Secured / Unsecured Non-convertible Debentures through Private Placement.

Postal Ballot

Special Resolutions were passed through Postal Ballot during the financial year ended 31st March, 2015 vide postal ballot notice dated 27th June, 2014, under Section 110 of the Companies Act, 2013, pertaining to amendment to –

- (i) Creation of Mortgage and / or Charge on all or any of the Movable and / or Immovable Properties of the Company.
- (ii) Increase in Borrowing Powers up to ₹ 20,000 Crore.
- (iii) Raising Funds up to ₹ 1,000 Crore through issue of Secured / Unsecured Non-convertible Debentures through Private Placement.

The Company followed the procedure as prescribed under Companies (Management and Administration) Rules, 2014 and the Members were provided the facility to cast their votes through electronic voting or through postal ballot. The Board of Directors of the Company appointed M/s Savita Jyoti Associates, Company secretaries, as the Scrutinizer for conducting the postal ballot voting process. The scrutinizer submitted its report to the Chairman after the completion of scrutiny of the postal ballot including e-voting. The combined results of the postal ballot was declared on 1st August, 2014. Special Resolution(s) as set out in the Postal Ballot Notice have been passed by the Members with an overwhelming majority as more than 90% of votes were casted in favour of all the three Resolution(s) as per Scrutinizer's Report and communicated to the Stock Exchanges and also displayed on the Company's website i.e. www.petronetlng.com. The details of the voting pattern is given below:

Resolutions	No. of Shares Held (1)	No. of net Votes Polled (2)	% of Votes Polled on Outstanding Shares (3)=(2/1)*100	No. of Votes in Favour (4)	No. of Votes Against (5)	% of Votes in favour on Votes Polled (6)=(4/2)*100	% of Votes against on Votes Polled (7)=(5/2)*100
Creation of Mortgage and / or Charge on all or any of the Movable and / or Immovable Properties of the Company.	750000044	566216131	75.50	533377432	32838699	94.20	5.80

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Resolutions	No. of Shares Held (1)	No. of net Votes Polled (2)	% of Votes Polled on Outstanding Shares (3)=(2/1)*100	No. of Votes in Favour (4)	No. of Votes Against (5)	% of Votes in favour on Votes Polled (6)=(4/2)*100	% of Votes against on Votes Polled (7)=(5/2)*100
Increase in Borrowing Powers up to ₹ 20,000 Crore.	750000044	566199245	75.49	522658633	43540612	92.31	7.69
Raising Funds up to ₹ 1,000 Crore through issue of Secured / Unsecured Non-convertible Debentures through Private Placement.	750000044	566202325	75.49	566142371	59954	99.99	0.01

Extra Ordinary General Meeting(s) (EGMs)

During the year, no Extra-ordinary General Meeting of the Members of the Company was held.

Disclosure

During the year no material transactions with the Directors or the Management, their subsidiaries or relatives etc. have taken place, which have potential conflict with the interest of the Company.

Vigil Mechanism

The Board of Directors of the Company has approved the Vigil Mechanism in terms of provisions of Section 177 of Companies Act, 2013 and Clause 49 of Listing Agreement. It is hereby affirmed that no personnel has been denied access to the Audit Committee in connection with the use of Vigil Mechanism

Compliance

There has been no non-compliance of the provisions/requirements of Stock Exchanges/SEBI except as stated in Corporate Governance Certificate. No penalties/strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter relating to Capital Market.

Means of Communication

The Company has its web site having updated details about the Company, its project status, Shareholding pattern on quarterly basis, etc. The financial results are being posted on the Company's web site. i.e. www.petronetlng.com. The Company also has exclusive e-mail ID i.e. **investors@petronetlng.com** for investors to contact the Company in case of any information and grievances. The financial results were also published in National Daily Newspapers in terms of Listing Agreement.

General Shareholders Information

Annual General Meeting (AGM)

Day & Date	Thursday, 24th day of September, 2015
Time	10:00 AM
Venue	FICCI, K. K. Birla Auditorium, 1, Tansen Marg, New Delhi 110001
Date of Book Closure	18th September, 2015 to 24th September, 2015 (Both days inclusive)

Dividend Payment Date

The dividend, if approved by the Members of the Company will be paid on or after 5th October, 2015.

PETRONET LNG LIMITED
Financial Calendar

Petronet LNG Ltd. follows the financial year from April to March. The Un-audited Financial Results for the first three quarters and the Audited Financial Results for the year ended 31st March, 2015 were taken on record and approved by the Board in its meeting(s) held on the following dates:

Quarter Ended	Date of Board Meeting
April - June, 2014	4 th August, 2014
July - September, 2014	7 th November, 2014
October - December, 2014	5 th February, 2015
Year Ended	
31 st March, 2015	25 th April, 2015

Listing on Stock Exchange(s)

Name of Stock Exchanges	Stock Code
The Stock Exchange, Mumbai (BSE)	532522
The National Stock Exchange of India Limited (NSE)	PETRONET

Market Price Data: High and Low during each month in last financial year

Month	BSE (in ₹)		NSE (in ₹)	
	High	Low	High	Low
April, 2014	148.35	135.00	148.80	135.30
May, 2014	165.60	136.70	165.80	136.05
June, 2014	189.50	153.85	189.90	153.05
July, 2014	190.30	170.20	190.40	170.10
August, 2014	188.75	165.90	188.90	165.05
September, 2014	207.35	180.10	207.50	179.55
October, 2014	202.60	175.35	202.70	176.00
November, 2014	208.70	185.65	208.80	185.60
December, 2014	211.50	180.25	211.85	180.00
January, 2015	221.90	176.80	221.90	176.65
February, 2015	192.30	174.05	192.55	174.00
March, 2015	185.40	170.45	185.50	170.60

Distribution Schedule as on 31st March, 2015

Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount in ₹	% of Amount
Upto – 5000	276568	90.23	41702184	417021840	5.56
5001 – 10000	19744	6.44	15475246	154752460	2.06
10001 – 20000	6482	2.11	9513145	95131450	1.27
20001 – 30000	1472	0.48	3759480	37594800	0.50
30001 – 40000	595	0.19	2136078	21360780	0.29
40001 – 50000	429	0.14	2036291	20362910	0.27
50001 – 100000	605	0.20	4368840	43688400	0.58
100001 & Above	630	0.21	671008780	6710087800	89.47
TOTAL	306525	100.00	75,00,00,044	7,50,00,00,440	100.00

Shareholding Pattern of the Company as on 31st March, 2015

	Category	No. of Shares Held	% of Shareholding
A	Promoter's holding		
1	Promoters		
	- Indian Promoters	37,50,00,000	50.00
	- Foreign Promoters	Nil	Nil
	Sub- Total (A)	37,50,00,000	50.00
B	Non- Promoters holding		
1	Institutional Investors		
a	Mutual Funds and UTI	3,24,87,097	4.33
b	Banks, Financial Institutions	66,703	0.01
c	Insurance Companies / Central / State Govt. Institutions / Non-government Institutions / Venture Capital Funds		
d	FII's	16,97,90,908	22.64
	Sub-Total (B1)	20,23,44,708	26.98
2	Others		
a	Private Corporate Bodies	93,14,061	1.24
b	Indian Public including HUF and Foreign Nationals	8,39,53,509	11.20
c	NRI's / OCB's (Including GDFI)	7,78,77,542	10.38
d	Any other (Clearing Members & Trusts)	15,10,224	0.20
	Sub-Total (B2)	17,26,55,336	23.02
	GRAND TOTAL (A+B1+B2)	75,00,00,044	100.00

List of Shareholders Holding More than 1% of Equity Capital as on 31st March, 2015

Name	No. of Shares Held	% of Shareholding
Promoter's Holding		
Bharat Petroleum Corporation Ltd.	9,37,50,000	12.50
GAIL (India) Ltd.	9,37,50,000	12.50
Indian Oil Corporation Ltd.	9,37,50,000	12.50
Oil & Natural Gas Corporation Ltd.	9,37,50,000	12.50
Non-promoters Holding		
GDF International	7,50,00,000	10.00
T. Rowe Price International Growth and Income Fund	2,57,16,449	3.43
Government pension fund global	2,48,85,247	3.32
Franklin templeton investment funds	1,09,34,992	1.46
Smallcap world fund, inc	1,04,60,000	1.39
Clsa (mauritius) limited	90,10,479	1.20



PETRONET LNG LIMITED

Detail of Unclaimed Shares as on 31st March, 2015 issued pursuant to Initial Public Offer (IPO)

S. No.	Particulars	Cases	No. of Shares
1	Aggregate Number of shareholders and the outstanding shares in the suspense account (i.e. KCL ESCROW ACCOUNT PETRONET LNG IPO-OFFER) lying at the beginning of the year i.e. 1 st April, 2014.	643	130900
2	Number of shareholders who approached for transfer of shares from suspense account during the year.	10	2000
3	Number of shareholders to whom shares were transferred from suspense account during the year.	10	2000
4	Aggregate number of shareholders and outstanding shares in the suspense account at the end of year i.e. 31 st March, 2015.	633	128900

Code of Conduct for Board Members & Senior Management Personal

The Board of Directors of the Company approved Code of Conduct for Board Members & Senior Management Personnel and the same was made effective from 1st April, 2006. Copy of the same has also been hosted/ placed at the website of the Company. A confirmation from the Managing Director & CEO regarding compliance with the said Code by all Board Members and Senior Management Personnel is as below:

I confirm that all Board Members and Senior Management Personnel have affirmed compliance with Code of Conduct for Board Members & Senior Management Personnel for the year ended 31st March, 2015.

*Dr. A. K. Balyan,
MD & CEO*

Familiarisation Programme for Independent Directors

Familiarization Program for Independent Directors of Petronet LNG Ltd aims to provide insights into the Company to enable the Independent Directors to understand its business in-depth and contribute significantly to the Company. Familiarization Program for Independent Directors is available at the following link :

<http://petronetlng.com/PDF/FAMILIARISATION-PROGRAMME-FOR-INDEPENDENT-DIRECTORS.pdf>

CEO/CFO Certification

A certificate from the Managing Director & CEO and Director (Finance) on the financial Statements of the Company in terms of Clause 49 of Listing Agreement was placed before the Board, who took the same on record.

Related Party Transactions

The details of all materially significant transactions with related parties are periodically placed before Audit Committee. However, in terms of provisions of Clause 49 of Listing Agreement, Companies Act, 2013 and rules made thereunder and also the relevant Accounting Standard, the promoters of the Company i.e. IOCL, BPCL, ONGC, and GAIL, PLL Joint Venture i.e. Adani Petronet Dahej Port Pvt. Ltd. and KMPs qualify as Related Party(s) of the Company. The Company enters in to transaction of sale of RLNG in ordinary course of business with BPCL, GAIL and IOCL, providing tolling capacity at a price which is at an arm's length basis. Therefore, Related Party Transactions have no potential conflict of interest with the Company. The Company has also obtained omnibus approval from Audit Committee for Related Party Transactions.

Reconciliation of Share Capital Audit

A qualified practicing Company Secretary carried out a Reconciliation of Share Capital Audit on quarterly basis to reconcile the total Share Capital with National Securities Depository Limited (NSDL), Central Depository Services Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid-up capital is in agreement with total number of shares in physical forms and total number of dematerialized shares held with NSDL & CDSL.

Non-Mandatory Requirements

The Company has complied with only mandatory requirements as stated in Clause 49 Listing Agreement.

The provisions of revised Clause 49 of Listing Agreement became applicable w.e.f. 1st October, 2014. Therefore, the Company is still in process of formulating various policies, procedures, reconstitution of various Board Committees.

Major Plant / Unit Location(s)

Dahej Plant Location

LNG Terminal, Dahej
GIDC Industrial Estate,
Plot No 7/A, Dahej Talukavagra
Distt. Bharuch, GUJARAT – 392130
Tel : 02641-300300/301/305
Fax: 02641-300306/300310

Kochi Plant Location

Survey No. 347,
Puthuvypu (Puthuypeeen SEZ)
P.O. 682508, Kochi
Tel: 0484-2502259/60
Fax : 0484-2502264

Address for Correspondence

Registered & Corporate Office:

Petronet LNG Limited World Trade Centre, First Floor,
Babar Road, Barakhamba Lane,
New Delhi – 110 001
Tel: 011- 23472525, 23411411
Fax: 011- 23472550
Email: investors@petronetlng.com

Registrar & Share Transfer Agent

M/s Karvy Computershare Pvt. Limited
Karvy Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda,
Hyderabad – 500 032
Tele: 040- 67161571
Fax: 040- 23420814
Toll Free No.:1800-345-4001
Email: inward@karvy.com

Debenture Trustee

SBICAP Trustee Company Ltd.
6th Floor, Apeejay House
3, Dinshaw Road,
Church gate, Mumbai- 400 020
Tel: 022- 43025521, 42025503
Email: ajit.joshi@sbicaptrustee.com
Website: www. sbicaptrustee.com



PETRONET LNG LIMITED

**AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS
OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENTS**

To the Shareholders of Petronet LNG Limited

1. We have examined the compliance of conditions of Corporate Governance by Petronet LNG Limited ("the Company") for the year ended March 31st, 2015 as stipulated in Clause 49 of the Listing Agreements of the said with Stock Exchanges in India.
2. The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to the review of procedures and implementation thereof, adopted by the Company or ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that except for the matters referred to in (a), (b) and (c) below, the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement:
 - a) The composition of Board of Directors was less than the required number as per under Clause 49 of the listing agreement.
 - b) The number of members audit committee were less than the required number as per Clause 49 of listing agreement; however, the number of members of audit committee were increased to the required number as on 31st March, 2015.
 - c) The Chairman of Stakeholder Relation Committee is an executive directors instead of non-executive directors.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For T. R. Chadha & Co.
Firm Registration No. 006711N
Chartered Accountants

Sd/-
Neena Goel
Partner
Membership No. 057986

Place: New Delhi
Date: 15th July 2015

BUSINESS RESPONSIBILITY REPORT

Section A: General Information about the Company

1. Corporate Identity Number (CIN):	L74899DL1998PLC093073
2. Name of the Company	Petronet LNG Ltd.
3. Registered Address	World Trade Centre, First Floor, Babar Road, Barakhamba Lane, New Delhi – 110 001
4. Website	http://www.petronetlng.com
5. Email id	investors@petronetlng.com
6. Financial Year reported	April 2014- - March 2015
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	Oil and Gas – LNG

Industrial Group

1110

Description

Extraction of petroleum and natural gas including liquefaction of natural gas for transportation

As per National Industrial Classification – Ministry of Statistics and Programme Implementation

8. List three key products / services that the Company manufactures / provides (as in balance sheet):	1. Regasified Liquefied Natural Gas
9. Total number of locations where business activity is undertaken by the Company	3
Number of International Locations (Provide details of major 5)	--
Number of National Locations	3
10. Markets served by the Company - Local / State / National / International	National

Section B: Financial Details of the Company

1. Paid up capital (INR)	: 750 crore
2. Total turnover (INR)	: 39500.95 crore
3. Total profit after taxes (INR)	: 882.52 crore
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):	During the year, an amount of ₹ 4.24 crore was spent on CSR activities. This represents 0.48% of profit after tax spends on CSR activities during the financial year 2014-15.
5. List of activities in which expenditure in 4 above has been incurred:	
1) Art & Culture	
2) Ensuring environment sustainability	
3) Measures for benefit of Armed Forces	
4) Promoting education/enhancing vocational skills/livelihood enhancement projects	
5) Promoting preventative healthcare and sanitation	
6) Rural development projects	

PETRONET LNG LIMITED
Section C : Other Details
1. Does the Company have any Subsidiary Company / Companies?

Petronet LNG Limited (PLL) does not have any subsidiary Company.

2. Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s).

Not Applicable

3. Do any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities?

No, none of the entity / entities with whom Company does business participates in the BR initiatives of the Company. Company's Offtakers of Gas i.e. GAIL, IOCL and BPCL, are required to and undertake BR activities and release their own dedicated BR reports.

Section D: BR Information
1. Details of Director / Directors responsible for BR:
a) Details of the Director / Directors responsible for implementation of the BR policy / policies:

DIN Number : 00793181
 Name : Dr. A. K. Balyan
 Designation : MD&CEO

b) Details of the BR Head:

DIN Number : 00793181
 Name : Dr. A. K. Balyan
 Designation : MD&CEO
 Telephone no. : 011-23472503 / 04
 e-mail id : md.ceo@petronetlng.com

2. Principle-wise (as per NVGs) BR Policy / policies (Reply in Y / N):

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility.

Principle 1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
Principle 2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
Principle 3	Businesses should promote the well-being of all employees
Principle 4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
Principle 5	Businesses should respect and promote human rights
Principle 6	Businesses should respect, protect, and make efforts to restore the environment
Principle 7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
Principle 8	Businesses should support inclusive growth and equitable development.
Principle 9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy / policies for...	Y	N#	Y	N#	Y	Y	Y	Y	N#
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Y*	NA	Y*	NA	Y*	Y*	Y*	Y*	NA
3.	Does the policy conform to any national / international standards? If Yes, specify? (50 words)	Y (Ref A)	NA	Y (Ref B)	NA	Y (Ref C)	Y (Ref D)	Y (Ref E)	Y (Ref F)	NA
4.	Has the policy being approved by the Board? If yes, has it been signed by MD / Owner / CEO / appropriate Board Director?	Y	NA	Y	NA	Y	Y	Y	Y	NA
5.	Does the Company have a specified committee of the Board/Director / Official to oversee the implementation of the policy?	Y	NA	Y	NA	Y	Y	Y	Y	NA
6.	Indicate the link for the policy to be viewed online?	Ref \$	NA	Ref &	NA	Ref &	Ref &	Ref &	Ref &	NA
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	NA	Y	NA	Y	Y	Y	Y	NA
8.	Does the Company have in-house structure to implement the policy/policies?	Y	NA	Y	NA	Y	Y	Y	Y	NA
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	NA	Y	NA	Y	Y	Y	Y	NA
10.	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	Y	NA	Y	NA	Y	Y	Y	Y	NA

PLL is in the niche business of Transportation, Storage and Regasification of LNG, and supplies its product to a few select customers including GAIL, IOCL and BPCL. Considering the nature of Company's business, these aspects are not as critical for us as probably for certain other sectors and industries. Hence, Company does not have dedicated policies regarding these aspects. However, PLL does not take these aspects lightly, and has sufficient focus on these aspects. The Company is taking appropriate actions as and when required to address them comprehensively.

* Relevant internal and external stakeholders were consulted, as deemed appropriate, during the formulation of the policies. Policies are signed by either MD & CEO or other senior management personnel such as Presidents, Senior Vice Presidents, and Vice Presidents or released as 'office orders' upon approval by the Board.

A: Code of Conduct for Board Members and Senior Management Personnel

B: Human Resources Policies including Recruiting and Employment Policy, Leave Policy, Medical and Hospitalization Policy

C: Sexual Harassment Policy

D: QHSE Policy

E: Insider Trading Policy

F: CSR Policy

\$: PLL Code of Conduct: <http://www.petronetlng.com/code-conduct.aspx>

&: Policy is not available in public domain. Policy is available on Company's internal intranet portal and can be accessed by Company employees.

PETRONET LNG LIMITED

3. Governance related to BR:

- **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.**

Being in the energy sector, PLL realizes the importance of sustainable growth and need for judiciously utilizing the planet's depleting natural resources. In this regard, PLL has received high corporate values from its principle promoters including GAIL, ONGC, IOCL and BPCL, who are all amongst the leading sustainability champions in India. PLL's Board constitutes of representatives from all these institutions which puts sustainability high on the Board agenda. Our Board reviews Company's sustainability performance on continual basis, at least once annually.

- **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

PLL has been publishing its Sustainability Report since FY 2012-13, highlighting upon Company's triple bottom line performance. PLL developed and released its last sustainability report for the period FY 2013-14 which can be found at: <http://petronetlng.com/PDF/LNG-Petronet-Sustainability-Report-2013-14.pdf>. FY 2014-15 sustainability report is under development and will be released shortly.

Further, since FY 2012-13, in line with the SEBI mandate, PLL has been releasing its Business Responsibility Report. The previous report was released for FY 2013-14 and formed part of the Company's Annual Report 2013-14. The same can be assessed as standalone or as part of Annual Report at following links respectively:

http://www.petronetlng.com/PDF/Business_Responsibility_Report_2013-14.pdf,

http://www.petronetlng.com/pdf/annual_report_2013-14.pdf

Section E: Principle-wise Performance

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. *Does the policy relating to ethics, bribery and corruption cover only the Company? Does it extend*

to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

PLL's Code of Conduct and Business Ethics policies are applicable for Company's management employees only. However Company has checks and balances in place for ensuring ethical business conduct across its operations.

Company's Code of Business Conduct and Ethics are laid out for Board members and Senior Management personnel. Board members and Senior Management personnel affirm compliance to the code on annual basis, including during last financial year. This highlights PLL's commitment to ethical and transparent corporate governance practices. The philosophy of PLL in relation to Corporate Governance is to ensure transparent disclosures and reporting that conforms fully to laws, regulations and guidelines, and to promote ethical conduct throughout the organisation with the primary objective of enhancing shareholders' value while being a responsible corporate citizen.

PLL has been member of the Global Compact Network (GCN) since the last five years and has been strictly following and disclosing performance against GCN principles covering aspects of human rights, labour practices, and anti-corruption beside others. To strengthen Company's commitment against workplace harassment, PLL has also come out with sexual harassment order in line with the sexual harassment of women at workplace act 2013.

In addition to this, PLL has safeguards in place which discourages bidders to engage in any corrupt practices during tendering process.

Further, in terms of provisions of Section 177 of Companies Act, 2013 and Clause 49 of Listing Agreement, the Board of Directors of the Company has approved and implemented a Vigil Mechanism for Directors and employees of the Company to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the policy. The same has also been hosted at the website of the Company.

2. *How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.*

PLL received 1358 shareholder complaints during the FY 2014-15, one complaint was pending from previous financial year. 1358 complaints were successfully resolved during the year while one complaint was pending as on 31st March 2015.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. *List up to three of your products or services whose designs have incorporated social or environmental concerns, risks and/or opportunities.*

At PLL, our primary and only product portfolio includes Import, Storage and Regasification of Liquefied Natural Gas. We are not involved in manufacturing of any product and, hence, the environmental impacts emerging from our activities are minimal. Further, our product is transported through massive tanker ships and gas pipelines thus reducing transport related environmental footprint. However, we are still committed to ensure responsible handling and marketing of our product, and hence have in place state of the art product handling equipment at our facilities. Also, we comply with all existing regulations of the concerned land.

2. *For each such product, provide the following details in respect of resource use (energy, water, raw material and so on) per unit of product (optional):*

- i. Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain.

PLL operated terminals, Dahej and Kochi, apply state of the art technology for ensuring safe and efficient operations. PLL has strong focus on managing and reducing its energy, water and waste footprint, and is in constant lookout for improvement opportunities. Some interventions taken in this regard during the previous financial year included use of condensate water from operations for gardening purposes, use of chilled water from plant operations for air conditioning in the building and use of food waste generated on site for vermin-composting.

- ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

PLL believes that increasing the share of natural gas in the country's energy mix will lead to a transition to a low carbon growth. This belief comes from the fact that natural gas and renewable energy sources are often considered to be complementing each other. Natural gas, which is the major product of PLL, does not produce significant amounts of solid waste, air emissions in form of nitrogen oxides and carbon

dioxide are also of lower quantities than those produced from coal or oil. Emissions from natural gas in form of sulphur dioxide and mercury are negligible. These characteristics make LNG a cleaner fuel and helps PLL and consumers in reducing their carbon footprint.

Further, PLL has started the supply of LNG to customers through road transportation. The approach would be suited for customers not connected through gas pipelines, and with medium to small requirements. The hubs developed for these purposes can further be used for supplying PNG and CNG to customers. PLL markets this product under the brand name "Taral Gas".

3. *Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Besides, provide details thereof in about 50 words or so.*

The Company does not has dedicated policy or procedures for sustainable sourcing, however efforts are being made for promoting sustainable practices across various functions with the organization, wherever feasible, including procurement.

Majority of PLL's raw material is transported from Qatar through large tanker ships to Company terminals in Dahej while the final regasified product is transported to customers through installed pipelines. Both these modes of transportation are considered highly clean and sustainable. The product has the least carbon emission amongst fossil fuels.

4. *Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve the capacity and capability of local and small vendors?*

PLL's procurement approach is based on least price tendering mechanism. Company selects its vendors based on carefully designed evaluation criteria set for each good and service to be procured. In this regard, competent local vendors are given equal preference as any other, and as applicable they are invited for the tendering process. PLL considers India as local.

5. *Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling them (separately as <5%, 5-10%, >10%)? Besides, provide details thereof in about 50 words or so.*

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As our facilities are not manufacturing centres but storage and regasification terminals, our operations consume minimal raw materials and resources and generate minimal waste. As a result there are no formal written mechanisms for recycling products and waste generated, however we proactively ensure proper disposal of waste and reuse of other resources wherever applicable. In this regard, all hazardous waste from our facilities is responsibly disposed through authorized waste recyclers. On similar lines, condensate water generated from our air-heaters is used for gardening purposes, and also as back up source for fire emergencies.

Principle 3: Businesses should promote employee well-being

1. Please indicate the total number of employees

As on 31st March, 2015, total number of employees were 461 excluding three Whole Time Directors .

2. Please indicate the total number of employees hired on temporary / contractual / casual basis

Category of employees	No of employees
Sub-contracted employees (For the calendar year 2014, As per Form 12)	3270*

* Includes Dahej and Kochi Terminal contract employees

3. Please indicate the number of permanent women employees : 28 (as on 31st March, 2015)
4. Please indicate the number of permanent employees with disabilities : Nil
5. Do you have an employee association that is recognised by the Management? : No
6. What percentage of your permanent employees is member of this recognised employee association? : N.A.
7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending as on the end of the financial year.

S. No.	Category	No of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1	Child Labour	Nil	Nil
2	Forced Labour	Nil	Nil

S. No.	Category	No of complaints filed during the financial year	No. of complaints pending as on end of the financial year
3	Involuntary Labour	Nil	Nil
4	Sexual Harassment	Nil	Nil

8. How many of your under-mentioned employees were given safety and skill up-gradation training in the last year?

Category	Safety (No. of employees)	Skill Upgradation (No. of employees)
Permanent employees	351*	449#
Permanent women employees	8*	18#
Casual / Temporary / Contractual employees	3072^	Currently not being tracked
Employees with disabilities	N.A.	N.A.

* Represents number of permanent employees who underwent safety and fire trainings at Dahej and Kochi Terminal during FY 2014-15;

Represents number of permanent employees who underwent functional and behavioural trainings at Dahej and Kochi Terminal during FY 2014-15;

^ Represents number of contract employees who underwent safety training at Dahej and Kochi Terminal during FY 2014-15. Headcount figure includes repetition of individuals as some employees underwent multiple safety trainings.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

1. Has the Company mapped its internal and external stakeholders? Yes / No

Yes, the Company has mapped its key internal and external stakeholders. Of these, during FY 2014-15, PLL engaged with its internal stakeholders, i.e. employees, in a structured process to map key material issues as seen by these stakeholders.

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders?

The Company has mapped disadvantaged, vulnerable and marginalized stakeholders, and is actively working with them towards inclusive growth. As part of PLL's CSR initiatives, Company is running education, healthcare and community infrastructure development projects for marginalized communities.

3. *Are there any special initiatives undertaken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.*

Having identified the need of the communities spread around PLL's significant area of operations, Company is running infrastructure development, education, and healthcare services programs for the marginalized and disadvantaged stakeholders.

As part of infrastructure development initiatives, during the financial year, PLL developed roads, culverts, storm water drains, solar lights, constructed community and school toilets, etc. Similarly, as part of education and empowerment, skill development of BPL youth with assured employment, entrance coaching to aspirant brilliant children for medical/engineering courses etc. As part of healthcare and sanitation, organized eye check-up camps, constructed hospital wards, deployed two ambulances in rural areas, deployed two lifter trucks for "Swacch Bharat Abhiyan" etc. Also, during the year Company contributed towards disaster relief activities.

Principle 5: Businesses should respect and promote human rights

1. *Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures /Suppliers / Contractors / NGOs / Others?*

Yes, Company Policy on human rights is all-encompassing and thorough, and all contractors and suppliers are expected to follow them comprehensively. PLL is an equal opportunity employer and does not discriminate based on gender, caste, race, sexual orientation or religion.

2. *How many stakeholder complaints were received in the past financial year and what percent was satisfactorily resolved by the Management?*

There have been no complaints regarding breach of human rights aspects in the reporting period.

Principle 6: Businesses should respect, protect, and make efforts to restore the environment.

1. *Do the policies related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?*

PLL's Quality, Health, Safety and Environment (QHSE) Policy is applicable to all employees and stakeholders involved in PLL's business. The senior management pays focused attention on reviewing all parameters related to HSE Standard. The Contractors are also required to monitor report and take strict actions on all such issues. The Company also regularly conducts audits through third party and enforces compliance to Audit findings.

2. *Does the Company have strategies / initiatives to address global environmental issues, such as climate change, global warming, and others? If yes, please give hyperlink for webpage and so on.*

PLL is committed to environmental protection and understands its role and responsibility in mitigating the effects of climate change. In this regard Company's biggest contribution is in the form of its products, natural gas, which is a cleaner form of fuel compared to fossil fuels, i.e. coal and petroleum products. Besides, Company is in constant lookout for opportunities for reducing its own operational environmental footprint. Company's Dahej terminal is ISO 9001, ISO 14001 and OHSAS 18001 certified. Further, PLL is now actively exploring renewable opportunities and has already floated tender for development of a 40 MW wind farm. PLL is using cold energy of LNG to further reduce its energy foot-print.

3. *Does the Company identify and assess potential environmental risks?*

PLL has highly limited environmental footprint compared to many other industries owing to the nature of its business. Company does not have significant process emissions or waste generation, and is generating condensate water as part of regasification of LNG process which is being used for gardening activities.

Further, being active in the coastal belt of Dahej, Gujarat, PLL has identified with the benefits of mangrove plantation in the highly salty and muddy waters found in the region, i.e. Gulf of Khambat. Some of the benefits associated with mangrove plantation in coastal belts include its ability to bind soil and prevent erosion, its ability to act as natural wind and tsunami barrier for underlying villages and industries, and its ability to harbour, promote other flora and fauna in harsh coastal conditions and serve as indirect employment generative to local community. PLL has so far signed MoUs with the Gujarat Ecology Commission and Forest Department, Government of Gujarat for undertaking mangrove plantation in the region, with total commitment of covering 1150 hectares.

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Till previous financial year Company had already undertaken plantation covering over 1100 hectares and another 50 hectares plantation in ongoing.

4. *Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof in about 50 words or so. Besides, if yes, mention whether any environmental compliance report is filed?*

No

5. *Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy and so on? If yes, please give hyperlink to web page and others.*

PLL is conscious of its environmental footprint and is taking proactive steps to mitigate impact of its operations. In this regard, Company is undertaking measures for protecting marine ecology in the area of its operations. Here, mangrove plantation has been taken up near Dahej Terminal in consultation with Gujarat Ecology Commission, and the Forest Department, Government of Gujarat.

Cold energy of LNG is being used for HVAC system and Nitrogen Generation which helps in reducing overall energy consumption. Waste heat of GTG (Gas Turbine Generator) is being utilized for LNG regasification. Additionally, the Company is planning to set up 40 MW power project in Gujarat.

Water and waste management are other important aspects on PLL's agenda. Although water is not an operational requirement, efforts are being made for reducing and reusing water to the maximum extent possible. In this regard, condensate water from air-heaters is used for gardening purposes, and as back up source for fire emergencies. Details of PLL's sustainability initiatives can be found in Company's maiden sustainability report at: <http://www.petronetlng.com/PDF/LNG-Petronet-Sustainability-Report-19032014.pdf>

6. *Are the emissions/waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year under review?*

Yes, all of Company's emissions/waste generated is within regulatory limits.

7. *Number of show cause / legal notices received from CPCB / SPCB, which are pending (i.e. not resolved to satisfaction) as at the end of the financial year.*

There were no show cause /legal notices from CPCB / SPCB received by PLL during the previous financial year.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. *Is your Company a member of any trade and chambers or association? If yes, name only those major ones that your business deals with.*

PLL is member of various trade and chambers or association, where senior management of the Company represent PLL and engage on discussions across various topics. Some of these associations include:

- International Group of Liquefied Natural Gas Importers (GIIGNL)
- International Gas Union (IGU)
- PetroFed
- Natural Gas Society (NGS)

2. *Have you advocated / lobbied through the above associations for the advancement or improvement of public good?*

Yes / No; if yes, specify the broad areas (drop box: governance and administration, economic reforms, inclusive development polices, energy security, water, food security, sustainable business principles and others).

No. Company's Senior Management represents the Company in various industry forums. They understand their responsibility while representing PLL in such associations, and while they engage in constructive dialogues and discussions they refrain from influencing public policy with vested interests.

Principle 8: Businesses should support inclusive growth and equitable development.

1. *Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes, provide details thereof.*

PLL's primary focus, from CSR perspective, is on education, healthcare services, community infrastructure development and environment sustainability activities. All activities undertaken are as per the list of activities specified in Schedule VII of the Companies Act 2013. Some key initiatives taken in these areas during the previous financial year are as following:

Healthcare and Sanitation

- Luvara Village near our Dahej Terminal has been adopted by the Company for all round development. The Company is supporting the community in the areas of infrastructure,



Free Eye Check up Camp in New Delhi.

sanitation, drinking water, Primary Health Care, solar lights, education, skill development, women empowerment etc.

- 4 eye screening and cataract operation camps organized benefitting 1521 patients, 850 spectacles distributed, 819 patients given medicines & 196 cataract surgeries performed in Delhi/National Capital Region.
- Operating Primary Health Centre at Luwara village, Dahej including providing medical equipments.
- Two ambulances deployed in PHC of Pahkajan village, Dahej and in NCR Delhi.
- 800 cataract operations performed through Shri Chaitanya Seva Trust in village Barsana, Mathura Distt(U.P)
- Two rooms constructed in Government Ayurvedic Hospital, Kochi, Kerala



Construction of Girl's Toilet in Assam.

- Cancer screening of 1000 BPL persons performed in East Delhi slums



Cancer Screening in East Delhi Slums.

- Blood bank refrigerator and blood transfusion charges for one year for Thalassemia patients in Kolkata
- 3 blood collection monitors and 2 bench top sealers for Rotary Blood Bank, New Delhi.
- Purchase of ultra sound equipment, construction of canteen and a rainbasera for General Hospital through DC, Bharuch
- 25 household toilets constructed for 25 BPL families in Puthuvypeen, Kochi, Kerala.
- 172 household toilets to be constructed to achieve 100% sanitation in Luwara village, Dahej
- 13 toilets under construction in Government School, Luwara, Gujarat.
- 8 toilets renovated in Rajkiya Madhmik Vidyalaya, village Lakarpur, Haryana.
- Two lifter trucks purchased for Bharuch Municipality for "Green Bharuch Clean Bharuch" campaign under "Swacch Bharat Abhiyan".
- Construction of 16 Toilets in progress in 8 Schools taken up in Ernakulam District under Swacch Bharat Abhiyan.

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- Constructed 5000 litres x 2 nos. above ground horizontal sintex tanks water facility within village Luvara, Dahej to facilitate drinking water.

Education & Empowerment

- Distributed school uniforms to 210 visually impaired children of Blind School, New Delhi.
- Special environment awareness program for students of National Institute for Visually Handicapped, Dehra Dun, Uttarakhand.
- For empowerment of BPL youth, skill development programs conducted for over 350 persons with assured employment in Delhi.
- Sponsored entrance coaching to poor aspirant brilliant children for medical/ engineering in Kochi, Kerala.
- Partnership with Delhi Government for Shelter home for destitute children.

Environment Sustainability

- Installed 65 solar lights in Puthuvypeen village, Kochi, 10 in prominent places in village Luvara, Dahej, Gujarat and another 17 at Goshree Junction, Kochi.
- 500 trees planted and water harvesting system installed in Vocational Centre, Gurgaon.



PET bottle crushing machine

- PET bottle crushing machine installed at Ahmedabad Railway Station.
- Over 1100 hectares of mangrove plantation completed in collaboration with Gujarat Ecology Commission and Forest Department, Government of Gujarat.
- Installation of drainage crossings to remove accumulated water at 4 locations within the village Luvara, Dahej, Gujarat



- Storm water drainage at Shravan Chokdi, Bharuch, Gujarat to mitigate flooding of the area.

Miscellaneous projects

- **Disaster Management**
 - 500 blankets distributed to J&K Flood Relief victims at Srinagar
- **Measures for benefit of Armed Forces**
 - Contributed fund for healthcare, education, rehabilitation of disabled soldiers on Armed Forces Flag Day.
- **Rural Development projects.**

PLL undertakes community development projects mainly near our terminals for the benefit of the community at large and to have the maximum positive impact on the society. Some of the activities undertaken are:

- Puthuvypeen area adjacent to Kochi Terminal has been identified for infrastructure development mainly roads, culverts, storm water drains, solar lights etc. in partnership with DC , Ernakulam and village Panchayat.



Free Student Home

During the previous year some progress has been made in these areas.

- Contribution to Gujarat PCPIR Society for the development of villages under Dahej PCPIR.
- Construction of approach road in village Lakhigam , Dahej, Gujarat.

- Construction of Community washing facility for 35 ladies simultaneously in Luwara village in Gujarat.
2. *Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organisation?*
 3. *CSR is part of PLL's business strategy, as the Company is dedicated to inclusive growth and betterment of the community. Socio-economic development programs are planned and undertaken by the internal teams spearheaded from the top. Our MD & CEO undertakes responsibility for overall management and supervision of CSR activities including spend allocation for a particular year. At Corporate level, the Head HR, in consultation with Executive Committee (EC), is responsible for the formulation of plans and strategies, fund allocation, monitoring and evaluation of activities, documentation, and CSR involvement at corporate level. At Terminals, Dahej and Kochi, CSR activities are headed by Plant Heads, who are responsible for identifying needs on the ground, in consultation with executive in the field, and deciding on appropriate schemes for implementation. PLL also engages credible NGOs, trusts, and government agencies for implementing activities, projects and programs. Further, PLL constantly motivates its employees to engage in the CSR schemes of the Company and participate through philanthropic contributions or by volunteering their time.*

4. *Have you done any impact assessment of your initiative?*

PLL engages in regular conversation with community members during and post CSR project implementation, and undertakes timely assessments of implemented projects for ensuring their desired impact and continued sustenance. Here, PLL ensures that community members are kept involved in entire project lifecycle, including identification, development, execution and maintenance, and are treated as project owners, which ensures maximum impact achieved from each CSR intervention.

5. *What is the Company's direct contribution to community development projects? Provide the amount in INR and the details of the projects undertaken?*

₹ 4.24 crore was spent during the financial year 2014-15. This represents 0.48% of profit after tax spends on CSR activities during the previous financial year.

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Details of some key projects undertaken during the year are as following:

S. No.	CSR project or activity identified	Sector in which the project is covered	Amount spent on the projects or programs
1	Online encyclopedia on Indian culture and heritage	Art & Culture	10.31
2	Tree/mangrove plantation, solar lights, water harvesting, garbage collection vehicles	Ensuring Environment Sustainability	113.78
3	Support for Armed Forces Flag Day	Measures for benefit of Armed Forces	25.00
4	Renovation of School Building, Education for specially challenged children, BPL students, Skill development with assured employment, Free student home and educational equipments	Promoting education/Enhancing vocational skills/Livelihood enhancing projects	90.04
5	Construction of toilets, Medical equipments, Potable water, Cataract operations and Primary health centres	Promoting preventive healthcare and sanitation	82.28
6	Enhancement of road infrastructure	Rural Development projects	103.00
			424.41

6. *Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in around 50 words.*

Company undertakes need assessment surveys in villages before undertaking CSR initiatives. Community needs are understood and evaluated and their views are taken before project plans are finalized and executed. Community members are kept in loop and continuously consulted with during implementation of initiatives. Further, PLL ensures that community members participate in the initiatives being undertaken / implemented, and that they take responsibility for maintenance and sustenance of projects in future. Such commitments are taken in writing from the village 'Panchayat' Head, and progress of implemented projects is regularly monitored for ensuring the commitments are kept by community members.

The mentioned inclusive approach to CSR project identification and implementation has ensured high acceptability and desired impact of CSR initiatives taken by the Company.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

1. *What percentage of customer complaints/consumer cases is pending, as at the end of the financial year?*

There have been no cases of customer complaints / consumer case in the reporting period.

2. *Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information).*

Product information labelling is not applicable to our product, as PLL deals primarily with transportation, storage and regasification of LNG. However, adherence to all laws pertaining to product handling, branding and distribution is of utmost significance to the Company, and PLL ensures full compliance to these aspects.

3. *Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as at the end of the financial year? If so, provide details thereof, in about 50 words or so.*

No

4. *Did your Company carry out any consumer survey / consumer satisfaction trends?*

Our principle customers are our primary promoters as well, i.e. GAIL, IOCL and BPCL, with whom we interact and engage on regular basis. Representatives of these organizations are present on PLL's Board ensuring constructive dialogue and sound decision making, thus removing scope for conflicts.

INDEPENDENT AUDITOR'S REPORT

To the Members of Petronet LNG Limited

1. Report on the Financial Statements

We have audited the accompanying financial statements of Petronet LNG Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion the financial statements.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

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5. Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

As required by Section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of written representations received from the Directors as on 31st March, 2015, taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2015, from being appointed as a Director in terms of Section 164 (2) of the Act.
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 27B and 28 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts, for which there were any material foreseeable losses; Refer Note 27 A (b) to the financial statements.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For T.R. Chadha & Co.

Chartered Accountants

(Firm Registration No. 006711N)

Sd/-

Neena Goel

Partner

M.N. 057986

Place: New Delhi

Date: 25th April 2015

Annexure referred to in paragraph 5 of our report of even date.

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) The management has physically verified the fixed assets at the year end, the frequency of which, in our opinion, is reasonable. No material discrepancies were noticed on such verification.
2. (a) The stock of raw materials and stores have been physically verified by the management at regular intervals. In our opinion, the frequency of such physical verification is reasonable.
(b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) The Company is maintaining proper records of inventory. No material discrepancies were noticed on physical verification of the same.
3. The Company has not granted any loans, secured or unsecured, to Companies, firms or other parties in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of clause 3 (iii) (a) and (b) of the Companies (Auditors Report) Order, 2015 are not applicable.
4. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business with regard to the purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control systems of the Company.
5. The Company has not accepted any deposits from the public within the provisions of sections 73 to 76 or any other relevant provisions and the Rules framed thereunder. Accordingly, the provisions of Clause 3 (v) of the Order are not applicable to the Company.
6. We have broadly reviewed the books of accounts maintained by the Company pursuant to Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been maintained.
7. (a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Wealth Tax, Service tax, Custom Duty, value added tax and other material statutory dues applicable to it. There were no arrears of undisputed statutory dues as at 31st March 2015, which were outstanding for a period of more than six months from the date they became payable. We are informed that there is no liability towards Employees State Insurance, Cess and Excise Duty for the year under audit.
(b) According to the information and explanations given to us, and the records of the Company examined by us, the particulars of dues of Service Tax, Custom Duty and Income Tax as at March 31, 2015 which have not been deposited on account of a dispute is as follows:

S. No.	Name of the Statute	Nature of the Dues	(₹ in lac)	Period to which the amount relates	Forum where dispute is pending
1	Service Tax	Service Tax and Interest	65	FY 2003-04 to 2007-08	CESTAT, Delhi
2	Service Tax	Service Tax and Interest	377	FY 2006-07 to 2010-11	Commissioner Adjudication, Delhi
3	Service Tax	Service Tax and Interest	31	FY 2011-12	CESTAT, Delhi
4	Service Tax	Service Tax and Interest	2	FY 2012-13	Additional Commissioner, Delhi
5	Service Tax	Service Tax and Interest	1	FY 2013-14	Additional Commissioner, Delhi
6	Custom Act, 1962	Custom Duty	882	FY 2012-13 & 2013-14	Commissioner of Custom Appeals
7	Income Tax Act, 1961	Income Tax and Interest	1,244	FY 2007-08	Order received on 20.03.2015, appeal pending to be filed with CIT (Appeals)



PETRONET LNG LIMITED

- (c) We have not observed any delay in transferring the amount required to be transferred to Investor Education Protection Fund in accordance with the relevant provisions of the Companies Act , 1956 (1 of 1956) and rules made thereunder.
8. The Company does not have accumulated losses as at 31st March, 2015. Further, the Company has not incurred cash losses during the current financial year and in the immediately preceding financial year.
 9. The Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
 10. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from the bank or financial institutions.
 11. In our opinion and according to the information and explanations given to us and the records of the Company examined by us, term loans were utilized for the purposes for which they were obtained.
 12. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For T.R. Chadha & Co.

Chartered Accountants

(Firm Registration No. 006711N)

Sd/-

Neena Goel

Partner

M.N. 057986

Place: New Delhi
Date: 25th April 2015

Balance Sheet as at 31st March, 2015

₹ in lac

	Note No	As at 31.03.2015	As at 31.03.2014
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	2	75,000	75,000
Reserves and surplus	3	4,93,863	4,23,612
		5,68,863	4,98,612
Non Current Liabilities			
Long term borrowings	4	2,37,381	2,64,774
Deferred tax liabilities (net)	5	72,700	55,300
Other long term liabilities	6	90,000	30,000
Long term provisions	7	428	380
		4,00,509	3,50,454
Current Liabilities			
Short term borrowings	8	-	24,872
Trade payables	30	32,089	1,88,684
Other current liabilities	9	91,475	1,01,739
Short term provisions	10	18,932	26,907
		1,42,496	3,42,202
Total		11,11,868	11,91,268
ASSETS			
Non Current Assets			
Fixed Assets			
- Tangible assets	11	6,93,202	6,26,127
- Intangible assets	11	1,057	377
- Capital work in progress	12	74,690	87,993
Non current investments	13	9,000	9,000
Long term loans and advances	14	67,389	35,769
		8,45,338	7,59,266
Current Assets			
Current investments	15	-	4,988
Inventories	16	88,263	95,569
Trade receivables	17	1,34,277	2,01,569
Cash and Bank Balances	18	36,409	1,23,273
Short term loans and advances	19	7,544	5,205
Other current assets	20	37	1,398
		2,66,530	4,32,002
Total		11,11,868	11,91,268

Significant Accounting Policies

1

Other Notes on Accounts

27 to 40

As per our report of even date

For T.R. Chadha & Co.
Chartered Accountants
ICAI Firm Regn. No. 006711N

For and on behalf of Petronet LNG Limited

Sd/-
Neena Goel
Partner
Membership No - 057986

Sd/-
Dr. A. K. Balyan
MD & CEO

Sd/-
R K Garg
Director - Finance

Place : New Delhi
Dated : 25th April, 2015

Sd/-
K C Sharma
Company Secretary

PETRONET LNG LIMITED

Statement of Profit and Loss for the year ended 31st March, 2015

₹ in lac

	Note No	Year ended 31.03.2015	Year ended 31.03.2014
INCOME			
Revenue from operations	21	39,50,095	37,74,758
Other income	22	15,478	8,375
		39,65,573	37,83,133
EXPENSES			
Cost of materials consumed		37,61,086	35,84,949
Employee benefit expenses	23	5,710	4,662
Finance costs	24	29,349	21,958
Depreciation and amortisation expense	11	31,538	30,810
Other expenses	25	39,400	35,302
		38,67,083	36,77,681
Profit for the Year before taxation		98,490	1,05,452
Less : Tax expense	36		
- Current Year		20,800	21,800
- Earlier Year		(6,700)	(940)
		14,100	20,860
Less MAT Credit Entitlement			
- Current tax		13,600	2,800
- Earlier Year		7,662	-
Net Current tax		(7,162)	18,060
Deferred tax		17,400	16,200
Total Tax Expense		10,238	34,260
Profit for the year after taxation		88,252	71,192
Basic/Diluted Earnings per share in ₹ (face value of ₹ 10/- each)	26	11.77	9.49

Significant Accounting Policies

1

Other Notes on Accounts

27 to 40

As per our report of even date

For T.R. Chadha & Co.

For and on behalf of Petronet LNG Limited

Chartered Accountants

ICAI Firm Regn. No. 006711N

Sd/-

Sd/-

Sd/-

Neena Goel

Dr. A. K. Balyan

R K Garg

Partner

MD & CEO

Director - Finance

Membership No - 057986

Sd/-

Place : New Delhi

K C Sharma

Dated : 25th April, 2015

Company Secretary

Cash Flow Statement for the year ended 31st March, 2015

₹ in lac

	Year ended 31.03.2015	Year ended 31.03.2014
A		
Cash Flow from Operating Activities		
Net Profit before tax	98,490	1,05,452
Adjustment for :-		
Depreciation	31,538	30,810
Loss on the sale of fixed asset	6	21
Profit on sale of current Investment	(6,059)	(1,160)
Amortization of Forward Premium	1,346	1,662
Interest Expense	28,003	20,295
Interest Income	(4,957)	(4,305)
Dividend Income	(3)	(1,883)
Operating Profit Before Working Capital Changes	1,48,364	1,50,892
Movements in working capital :-		
Increase / (Decrease) in Long Term Provisions	60,000	43
Increase / (Decrease) in Long Term Provisions	48	7,900
Increase / (Decrease) in Short Term Provisions	(7,688)	(41,051)
Increase / (Decrease) in Trade Payables	(1,56,595)	1,875
Increase / (Decrease) in Other Current Liabilities	(16,471)	(5,959)
(Increase)/ Decrease in Long Term Loans and Advances	3,939	10,060
(Increase) / Decrease in Inventories	7,305	30,000
(Increase)/ Decrease in Trade Receivables	67,293	(32,587)
(Increase)/ Decrease in Short Term Loans and Advances	(2,340)	(5,548)
Cash Generated From Operations	1,03,855	1,15,625
Less : Income Tax Paid (net of refunds)	(20,879)	(19,268)
Net Cash From Operating Activities	82,976	96,357
B.		
Cash Flow from Investment Activities		
Net proceeds / (purchase) of Mutual Fund units	4,988	-
Profit on sale of current Investment	6,059	1,160
Interest received	5,199	4,287
Dividend Received	3	1,883
Net proceeds / (purchase) of Fixed Asset	(82,787)	(87,607)
Net Cash Used In Investing Activities	(66,538)	(80,277)
C.		
Cash Flow from Financing Activities		
Net proceeds/(Repayment) of Long Term Borrowings	(36,410)	(1,594)
Net proceeds/(Repayment) of Short Term Borrowings	(24,872)	22,091
Interest Expense Paid	(24,571)	(18,212)
Dividend paid	(17,549)	(21,937)
Net Cash Used in Financing Activities	(1,03,402)	(19,652)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(86,964)	(3,572)
Cash and Cash Equivalents at the beginning of the year	1,22,747	1,26,319
Cash and Cash Equivalents at the end of the year	35,783	1,22,747
	(86,964)	(3,572)

Notes :

- 1) The above Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard-3 on Cash Flow Statements.
- 2) Cash & Cash equivalents includes cash in hand and bank balances including fixed deposits.

As per our report of even date

For T.R. Chadha & Co.
Chartered Accountants
ICAI Firm Regn. No. 006711N

For and on behalf of Petronet LNG Limited

Sd/-
Neena Goel
Partner
Membership No - 057986

Sd/-
Dr. A. K. Balyan
MD & CEO

Sd/-
R K Garg
Director - Finance

Place : New Delhi
Dated : 25th April, 2015

Sd/-
K C Sharma
Company Secretary



PETRONET LNG LIMITED

Significant Accounting Policies and Notes on Accounts for the year ended 31st March 2015

Company Overview

Petronet LNG Limited referred to as “PLL” or “the Company” was formed by Bharat Petroleum Corporation Limited (BPCL), GAIL (India) Limited (GAIL), Indian Oil Corporation Limited (IOC) and Oil and Natural Gas Corporation Limited (ONGC) primarily to develop, design, construct, own and operate Liquefied Natural Gas (LNG) import and regasification terminals in India. PLL was incorporated on April 2, 1998 under the Companies Act, 1956 and received certificate of commencement of business on June 1, 1998. The Company is involved in the business of import and regasification of LNG and supply to BPCL, GAIL, IOCL and others. Presently the Company owns and operates LNG Regasification Terminal with the name plate capacity of 10 MMTPA at Dahej, in the State of Gujarat. The Company has also commissioned another LNG terminal with a name plate capacity of 5 MMTPA at Kochi, in the State of Kerala.

1. Significant Accounting Policies

1.01 Basis of preparation of financial statements

The financial statements are prepared under historical cost convention, on a going concern basis and in accordance with the applicable accounting standards prescribed in the Companies (Accounting Standards) Rules, 2014 issued by the Central Government and as per relevant provisions of the Companies Act, 2013. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

1.02 Use of Estimates

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. Differences between actual results and estimates are recognized in the period in which they materialise.

1.03 Fixed Assets, Intangible Assets and Capital Work-in-progress

Fixed Assets are stated at cost less accumulated depreciation and impairment loss, if any. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use, including borrowing cost and incidental expenditure during construction incurred upto the date when the assets are ready to use and share issue expenses related to funds raised for financing the project. Capital work in progress includes cost of assets at sites, construction expenditure and interest on the funds deployed. Intangible Assets are stated at cost less accumulated amortization and impairment loss, if any.

1.04 Depreciation / Amortisation

Tangible Assets -

- (a) Depreciation on fixed asset is calculated on Straight Line Method (SLM) using the rates arrived at based on the estimated useful lives given in Schedule II of the Companies Act, 2013. Useful life of the assets, required to be transferred under Concession Agreement have been restricted up to the end of Concession Agreement.
- (b) Cost of leasehold land is amortized over the lease period.

Intangible Assets-

- (c) Intangible assets are amortized on straight line method basis over the estimated useful life. Estimated useful life of the Software/Licenses are considered as 3 years.

1.05 Investments

Trade investments are the investments made to enhance the Company's business interests. Investments are either classified as current or long term, based on Management's intention at the time of purchase. Current investments are carried at the lower of cost and fair value of each investment individually. Overseas investments are recorded at the exchange rate prevailing on the date of investment. Long term investments are carried at cost after deducting provision, where the decline in value is considered as other than temporary in nature.

1.06 Inventories

Raw material, stores and spares are valued at lower of cost or net realizable value. Cost of stores and spares is determined on weighted average cost. Cost of raw material is determined on FIFO basis for respective categories of supplies.

1.07 Sale / Revenue Recognition

Revenue is primarily derived from Sale of RLNG and is net of sales tax. Revenue from sales is recognised at the point of dispatch, when risk and reward of ownership stand transferred to the customers.

Services are net of service tax. Revenue from services is recognised when services are rendered and related costs are incurred.

Interest income is recognised on time proportion basis.

Dividend income is recognised, when the right to receive the dividend is established.

1.08 Foreign Currency Transactions

- (a) Foreign currency transactions are recorded at the exchange rate prevailing on the date of the transaction.
- (b) Monetary items denominated in foreign currencies (such as cash, receivables, payables etc.) outstanding at the year end, are translated at exchange rates applicable on year end date.
- (c) Non-monetary items denominated in foreign currency, (such as fixed assets) are valued at the exchange rate prevailing on the date of transaction and carried at cost.
- (d) Any gains or losses arising due to exchange differences arising on translation or settlement are accounted for in the Statement of Profit and Loss.
- (e) In case of forward exchange contracts, the premium or discount arising at the inception of such contracts, is amortised as income or expense over the life of the contract.

1.09 Employee Benefits

Provision for leave encashment is made on the basis of actuarial valuation at the end of the year. Actuarial gains or losses are recognized in the Statement of Profit and Loss. Contribution to Provident Fund and Superannuation is accounted for on accrual basis. Liabilities with respects to gratuity are determined by actuarial valuation as on the balance date, based upon which the Company contributes the ascertained liabilities to the insurer (LIC).

1.10 Borrowing Costs

Borrowing cost (net of any income on the temporary investments of those borrowings) attributable to acquisition, construction or production of qualifying assets are capitalised as part of the cost till the assets are ready for use. Other borrowing costs are recognized as expense in the period in which these are incurred.

1.11 Taxes on Income

Provision is made for deferred tax for all timing differences arising between taxable income and accounting income at currently enacted or substantially enacted tax rates.

Deferred tax assets are recognized, only if there is reasonable / virtual certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.

1.12 Provisions, Contingent Liabilities and Contingent Assets

Provisions, involving substantial degree of estimation in measurement, are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the Notes to Accounts. Contingent assets are neither recognized nor disclosed in the financial statements.

1.13 Impairment of Assets

An asset is treated as impaired, when the carrying cost of asset exceeds its recoverable value. An impairment loss, if any, is charged to Statement of Profit and Loss, in the year in which an asset is identified as impaired.

PETRONET LNG LIMITED**Notes to Financial Statements for the year ended 31st March 2015**

	As at 31.03.2015	₹ in lac As at 31.03.2014
2 Share Capital		
Authorised		
1,200,000,000 (previous year 1,200,000,000) equity shares of ₹ 10 each	1,20,000	1,20,000
Issued, subscribed and fully paid		
750,000,044 (previous year 750,000,044) equity shares of ₹ 10 each	75,000	75,000
The Company has only one class of shares referred to as equity shares each having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share		
The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting		
During the year ended March 31, 2015, the amount of dividend per share recognized as distribution to equity shareholders is ₹ 2/- (previous year ₹ 2/-). The total dividend appropriation for the year ended March 31, 2015 amounted to ₹ 15,000 lac. (previous year ₹ 15,000 lac) and corporate dividend tax of ₹ 3,000 lac (previous year ₹ 2,549 lac)		
Reconciliation of the number of shares	No. of Shares	No. of Shares
Outstanding at the beginning of the year	75,00,00,044	75,00,00,044
Outstanding at the end of the year	75,00,00,044	75,00,00,044
Details of shareholders holding more than 5% shares		
Promoters' Holding	% of Holding	No. of Shares
Bharat Petroleum Corporation Ltd.	12.50%	9,37,50,000
GAIL (India) Ltd.	12.50%	9,37,50,000
Indian Oil Corporation Ltd.	12.50%	9,37,50,000
Oil & Natural Gas Corporation Ltd.	12.50%	9,37,50,000
Non-promoter Holding		
GDF International	10.00%	7,50,00,000
Asian Development Bank (5.20% shareholding as on 31.03.2014)	-	3,90,00,000
3 Reserves and Surplus		
A) Securities Premium Account	15,546	15,546
B) Debenture Redemption Reserve	9,334	1,500
C) General Reserve		
Balance as per last balance sheet	54,700	47,500
Add: Transfer from surplus balance in the statement of Profit & Loss	8,900	7,200
	63,600	54,700
D) Surplus in the statement of Profit & Loss		
Balance as per last Financial Statement	3,51,865	3,06,923
Add : Profit for the year after taxation as per statement of Profit and Loss	88,252	71,192
	4,40,117	3,78,115
Less : Appropriations		
Transfer to General Reserve	8,900	7,200
Transfer to Debenture Redemption Reserve	7,834	1,500
Dividend / Proposed Dividend	15,000	15,000
Tax on Dividend	3,000	2,550
	4,05,383	3,51,865
Total (A+B+C+D)	4,93,863	4,23,612

PETRONET LNG LIMITED

	As at 31.03.2015	₹ in lac As at 31.03.2014
4 Long-Term Borrowings		
Non- Convertible Bonds - Unsecured	1,30,000	30,000
Term loans - Secured		
- from banks	-	1,09,410
- from other parties	1,35,411	1,62,412
	<u>2,65,411</u>	<u>3,01,822</u>
Less : Current maturities of long-term debts shown in other current liabilities (Refer Note 9)	<u>28,030</u>	<u>37,048</u>
	<u>2,37,381</u>	<u>2,64,774</u>

Note:

- 1 Non-Convertible Bonds Series I-2013, Series I-2014 and Series II-2014 are unsecured, non convertible debenture, repayable at par starting from financial year 2017-18.
- 2 Term Loans are secured by first ranking mortgage and first charge on pari passu basis on all movable and immovable properties, both present and future including current assets except on trade receivables on which second charge is created on pari passu basis.
- 3 Term of repayment and interest are as follows :

Loan from	Repayment Frequency	No of instalments	Year of Maturity	Amount Outstanding	Amount Outstanding
		left			
Indian Banks*	Quarterly		2017	-	39,408
Indian Banks*	Quarterly		2020	-	70,002
Bajaj Allianz Life Insurance Company Ltd.*	Quarterly		2017		2,900
IFC (Washington)	Half yearly	15	2022	22,080	23,000
IFC (Washington)	Half yearly	8	2019	48,489	56,801
Asian Development Bank	Half yearly	6	2018	27,337	35,775
Proparco, France	Half yearly	8	2019	37,505	43,936
Bonds - 8.35% Debenture	Bullet		2018	30,000	30,000
Bonds - 9.00% Debenture	Bullet		2017	40,000	
Bonds - 9.05% Debenture	Bullet		2019	60,000	-
				<u>2,65,411</u>	<u>3,01,822</u>
Less : Shown in current maturities of Long term debt				<u>28,030</u>	<u>37,048</u>
Balance shown as above				<u>2,37,381</u>	<u>2,64,774</u>

* Loans to Indian Banks including Bajaj Allianz have been repaid during the year.

The external commercial borrowings from International Finance Corporation (Washington), Asian Development Bank & Proparco, France are borrowed at an average cost of 8.87% p.a (inclusive of hedge cost).

- 4 In respect of external commercial borrowings from International Finance Corporation Washington D.C.,USA and Proparco, France, the Company has entered into derivative contracts to hedge the loan amount including interest. This has the effect of freezing the Rupee equivalent of this liability as reflected under the Borrowings. Consequently, there is no restatement of the loan taken in foreign currency and there is no impact in the Statement of Profit & loss, arising out of exchange fluctuation for the duration of the loan. The interest payable in Indian Rupees on the derivative contracts is accounted for in the Statement of Profit & Loss.

PETRONET LNG LIMITED

	As at 31.03.2015	₹ in lac As at 31.03.2014
5 <u>Deferred Tax Liabilities (Net)</u>		
Deferred Tax Liability		
Difference between carrying amount of fixed assets in the financial statements and as per income tax act.	73,300	55,438
Deferred Tax Asset		
On leave encashment provision / other expenses	600	138
	72,700	55,300
6 <u>Other Long Term Liabilities</u>		
Advance from customers		
Related Parties (See Note No 34(b)(12))	75,000	25,000
Others	15,000	5,000
	90,000	30,000
(adjustable against charges on regasification services from Dahej Phase III Expansion)		
7 <u>Long-term Provisions</u>		
Provision for employee benefits		
- Leave encashment (See Note 33)	428	380
	428	380
8 <u>Short-term Borrowings</u>		
(Unsecured - payable on demand)		
Buyers Credit from banks	-	24,872
	-	24872
9 <u>Other Current Liabilities</u>		
Current maturities of long-term debt		
- from banks	-	12,347
- from other parties	28,030	24,701
Interest accrued but not due on borrowings	5,865	2,205
Advance from customers		
- from related party (See Note No 34(b)(12))	1,764	-
- from others	52	-
Unpaid dividend	626	526
Other payables for :		
- Statutory dues	25,062	43,707
- Security deposits / Retention money	1,836	1,636
- Capital goods	27,602	16,138
- Others	638	479
	91,475	1,01,739
10 <u>Short-term provisions</u>		
Provision for employee benefits		
- Leave encashment (See Note 33)	40	26
- Incentives	892	803
Provision for taxation(Net of advance tax payment)	-	737
Proposed dividend	15,000	15,000
Tax on proposed dividend	3,000	2,549
Provision for purchase price adjustment of LNG.	-	7,792
	18,932	26,907

11 Fixed Assets

(Refer Note no. 1.03 and 1.04)

(₹ in lac)

Particulars	Gross Block				DEPRECIATION / AMORTISATION			NET BLOCK			
	As on 31.03.2014	Additions	Interest Cost	Deductions	As on 31.03.2015	Upto 31.03.2014	For the year	written back	Upto 31.03.2015	As on 31.03.2015	As on 31.03.2014
(A) Tangible Assets											
Leasehold Land	1,213	6,323	-	-	7,536	(382)	(79)	-	(461)	7,075	831
Buildings	38,326	2,082	-	-	40,408	(3,534)	(1,336)	-	(4,870)	35,538	34,792
Plant & Equipments	7,36,476	87,518	2,141	-	8,26,135	(1,47,000)	(29,396)	-	(1,76,396)	6,46,739	5,89,476
Office Equipments	1,384	165	-	(43)	1,506	(954)	(269)	36	(1,187)	319	430
Furniture & Fixtures	567	64	-	(15)	616	(184)	(90)	7	(267)	349	353
Speed Boat	68	-	-	-	68	(25)	(5)	-	(30)	38	43
Vehicles	276	32	-	(43)	265	(104)	(35)	17	(121)	144	172
	7,78,310	96,184	2,141	(101)	8,76,534	(1,52,183)	(31,209)	60	(1,83,332)	6,93,202	6,26,127
(B) Intangible Assets											
Licenses/Softwares	1,148	1,009	-	-	2,157	(771)	(329)	-	(1,100)	1,057	377
	1,148	1,009	-	-	2,157	(771)	(329)	-	(1,100)	1,057	377
Grand Total (A+B)	7,79,458	97,193	2,141	(101)	8,78,691	(1,52,954)	(31,538)	60	(1,84,432)	6,94,259	6,26,504
Previous Year	3,57,957	3,67,110	54,455	(64)	7,79,458	(1,22,169)	(30,810)	25	(1,52,954)	6,26,504	2,35,788

Note:

- 1) Plant & Equipment includes Jetty & Trestle having gross value of ₹ of 1,67,169 lac (₹ 1,28,738 lac {Dahej Phase 1 & additional Jetty} & ₹ 38,431 lac (Kochi)). As per agreement, the ownership of Jetty & Trestle (Dahej Phase 1) would be transferred to the Gujarat Maritime Board in the year 2035. The additional Jetty at Dahej would also be transferred to Gujarat Maritime Board as per the yet to be executed concession agreement. The ownership of Jetty & Trestle (Kochi) would be transferred to Cochin Port Trust in the year 2039.
- 2) The Company has adopted new rates of depreciation w.e.f 1st April 2014 as per provisions of The Companies Act, 2013. This has resulted in a lower depreciation amounting to ₹ 12,303 lac during the year ended 31st March 2015.

PETRONET LNG LIMITED

	₹ in lac	
	As at 31.03.2015	As at 31.03.2014
12 Capital Work in Progress		
Kochi Project:		
- Engineering / project construction	1,716	3,273
- Buildings	3,384	2,428
Additional Jetty at Dahej:		
- Engineering / project construction	-	71,539
- Interest and finance Charges	-	2,062
Dahej Ph-III 15MMTPA	68,891	6,820
Others	699	1,871
	74,690	87,993
13 Non Current Investments		
Trade investments - Unquoted		
<u>Investments in Equity Instruments</u>		
9,00,00,000 Equity Shares (previous year 9,00,00,000) of ₹ 10 each, fully paid up in Adani Petronet (Dahej) Port Pvt. Ltd., - a Joint Venture *	9,000	9,000
300 Ordinary Shares (previous year 300) of US\$ 1 each, fully paid up in India LNG Transport Company (No. 3) Limited, Malta ** (₹ 13,476)	-	-
	9,000	9,000
* Under lock in for a period of 5 years from the date of commercial operation (i.e. 01.09.2010) of the investee Company as per the Dahej LNG Port Terminal Concession Agreement dated 20th December 2005 with Gujarat Maritime Board.		
** Pledged with Sumitomo Mitsui Banking Corporation		
14 Long-term loans and advances		
(Unsecured- Considered Good unless otherwise stated)		
Capital advances	21,257	13,004
Security deposits		
- Government authorities	994	977
- Others	508	3,019
MAT Credit Recievable	24,063	2,800
Other loans and advances -		
- Shareholders' loan to India LNG Transport Company (No. 3) Limited, Malta	1,776	1,644
- Employees	37	39
Income Tax payment (net of provision for tax)	9,759	3,717
Taxes and Duties recoverable {See Note 27(B)-(c),(d),(h)}	8,995	10,569
	67,389	35,769

* Capital Advances includes advances of ₹ 10,677/- lac paid to the Delhi Development Authority against allotment of the land to the Company, conveyance deed for which is yet to be executed.

PETRONET LNG LIMITED

	As at 31.03.2015	₹ in lac As at 31.03.2014
15 Current Investments		
Investments in Government Securities		
- Central Govt. Securities (Face value ₹ 5000 lac)	-	4,988
	<u>-</u>	<u>4,988</u>
16 Inventories		
(Refer Note 1.06 on valuation)		
Raw materials	83,102	67,074
Raw materials in transit	-	24,521
Stores and spares	4,930	3,960
Stores and spares in transit	231	14
	<u>88,263</u>	<u>95,569</u>
17 Trade Receivables		
(Unsecured - Considered good)		
Outstanding for a period exceeding six months from the due date	2,418	-
Others	1,31,859	2,01,569
	<u>1,34,277</u>	<u>2,01,569</u>
18 Cash and Bank Balances		
A) Cash and cash equivalents		
Balances with banks		
- In current accounts	328	418
- In term deposits	35,454	1,22,328
Cash on hand	1	1
	<u>35,783</u>	<u>1,22,743</u>
B) Other balances with Bank		
In earmarked accounts		
- Unclaimed dividend account	626	526
	<u>36,409</u>	<u>1,23,273</u>
The deposits maintained by the Company with the banks and a financial institution comprise of time deposits, which can be withdrawn by the Company at any time without prior notice or penalty on the principal.		
19 Short-term loans and advances		
(Unsecured - Considered good)		
Advances recoverable in cash or kind	6,300	3,860
Prepaid Expenses	1,238	1,345
	<u>7,544</u>	<u>5,205</u>
20 Other current assets		
(Unsecured - Considered good)		
Unamortised premium on forward contracts	-	1,119
Interest accrued		
- on Bank Deposits	37	203
- on Others	-	76
	<u>37</u>	<u>1,398</u>


PETRONET LNG LIMITED

	Year ended 31.03.2015	₹ in lac Year ended 31.03.2014
21 Revenue from Operations		
(Refer Note 1.07 on revenue recognition)		
Sales	39,09,283	37,54,451
Regasification Services	40,812	20,307
	39,50,095	37,74,758
22 Other Income		
Interest Income		
- on bank deposits	4,754	3,820
- on investments	50	304
- on shareholders' loan to India LNG Transport Company (No. 3) Limited, Malta	153	151
- on fixed deposit with Financial Institutions	-	13
- on others	6	17
Dividend Income (on current investment - non trade)	3	1,883
Profit on sale of current Investments	6,059	1,160
Foreign exchange fluctuations (net)	41	-
Excess provision/ liability written back	3,341	-
Miscellaneous income	1,071	1,027
	15,478	8,375
23 Employee benefit expenses		
(Refer Note 1.09 on employee benefits)		
Salaries and wages*	4,866	3,992
Contribution to provident and other funds	547	446
Staff welfare expenses	297	224
	5,710	4,662
*includes Commission to the Whole-time Directors ₹ 45 lac (previous year ₹ 45 lac)		
24 Finance costs		
Interest on long term loans	26,478	18,903
Interest on short term loans	221	238
LC charges and other interest cost	1,304	1,155
Amortisation of forward premium	1,346	1,662
	29,349	21,958

PETRONET LNG LIMITED

	₹ in lac	
	Year ended 31.03.2015	Year ended 31.03.2014
25 Other Expenses		
Consumption of stores and spare parts	1,390	1,891
Power & Fuel	19,227	18,646
Repairs & Maintenance		
- Machinery	671	437
- Building	315	554
- Others	3,387	1,179
Rent	858	705
Rates & taxes	1,280	1,274
Insurance	1,934	1,958
Travelling & Conveyance	1,466	1,395
Legal, Professional & Consultancy Charges	1,788	1,073
Directors' Sitting fees	13	12
Directors' Commission (other than whole time Directors)	8	12
Charity & Donation	19	32
Loss on sale/write off of Fixed Assets (net)	6	21
Wealth Tax	2	2
Foreign Exchange fluctuations (net)	-	731
Corporate Social Responsibility	424	317
Other Expenses	6,612	5,063
	39,400	35,302
26 Earning Per Share		
Net Profit / (Loss) after current and deferred tax	88,252	71,192
Weighted average number of equity shares of ₹10/- each (In lac)	7,500	7,500
EPS (₹) - Basic and Diluted	11.77	9.49

PETRONET LNG LIMITED

Other Notes to Accounts

27. Contingent Liabilities and commitments (to the extent not provided for)

A. Commitments

- (a) Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for ₹ 1,08,476 lac (previous year 1,83,213 lac).
- (b) The Company has long term LNG purchase commitments against which back to back sale agreements have been made, for which there are no foreseeable losses as on the Balance Sheet date.
- (c) Outstanding Bank guarantees as on 31st March 2015 ₹ 5,12,667 lac (previous year 4,30,046 lac) issued to LNG suppliers against long term purchase agreement.

B. Contingent Liability

- (a) The Collector of Electricity Duty, Gandhinagar (Gujarat) had issued notices classifying the business activities of the Company as "Storage(HTP-IIA)" instead of "Industrial Undertaking(HTP I)" and hence levied Electricity Duty @ 45% instead of 20% of the consumption charges and charging 70 paise per unit on the power generated by the Company for its own consumption. The Company has challenged the legality and validity of the notices by way of writ petitions before the High Court of Gujarat. Meanwhile Company continues to make payment of Electricity Duty @15%(Revised rate of HTP-I) on the basis of the stay order granted by the High Court. The High Court vide order dated 1.7.2014 has set aside the notice and quashed the supplementary bill/demand notice and remanded the case back to the Collector of Electricity Duty, Gandhinagar to decide the nature of undertaking of the Company. The Company has made it's oral and written submissions before the Collector of Electricity Duty, Gandhinagar and the order is awaited. The total contingent liability till March, 2015 calculated on the differential payable (25% Revised rates for "HTP-II A") as classified by GEB and what is actually paid by the Company on "HTP-I" rate (i.e. 15%) is ₹ 2,251 lac (Previous year ₹ 1,745 lac).
- (b) The Company has filed a writ petition before the Gujarat High Court challenging the legality and correctness of the notice dated April 1, 2006 from the Collector of Stamps, Bharuch stating that pursuant to the amendment to Section 24 of the Bombay Stamp Act, 1958, the Company is required to pay stamp duty @ Re.1 per ₹ 1000/ or part thereof of the value mentioned in the Delivery Order of the goods imported through ports in Gujarat. The Hon'ble High Court of Gujarat vide its order dated February 24, 2010 has quashed the notice issued by the Stamp Authorities. Stamp authorities have filed Special Leave Petition (SLP) in Supreme Court against the same and the case is pending as on 31st March 2015. The contingent liability from the effective date of amendment i.e. April 1, 2006 till March 31, 2015 on the CIF value is estimated to be ₹ 15,258 lac. (Previous year till March, 2014 ₹ 11,806 lac).
- (c) The Company has received refund of ₹ 112 lac, ₹ 284 lac and ₹ 346 lac from Customs Department vide CESTAT order dated November 7, 2013, September 9, 2011 and May 31, 2010 respectively mainly pertaining to custom duty on short landing of LNG. The Custom Authorities have filed appeal against the order of the CESTAT with the Hon'ble High court of Gujarat which is pending as on March 31, 2015. Further, differential custom duty amounting ₹ 2,455 lac is lying as recoverable in books as on 31st March 2015. (₹2,177 lac as on 31st March 2014) against the same.
- (d) Taxes and duties recoverable (Note 14) includes service tax of ₹ 4,005 lac on vessel hire charges (including interest of ₹ 297 lac) paid under protest for the period from May 16, 2008 to September 30, 2009 under section 65(105)(zzzzj) of the Finance Act, 1994 (as amended) – "Supply of Tangible Goods for Use". The Commissioner of the Service Tax, vide Order dated March 6, 2012 has confirmed the demand. Against the Order of the Commissioner, Service Tax, the Company has filed an appeal before CESTAT, Delhi on June 6, 2012. CESTAT Delhi has passed an order in favour of the Company on October 24, 2013, vide order no. ST/A/58706/2013-CU(DB), upholding Company's contention that Vessel Hire Charges are not subject to Service Tax. The department has initiated the process to file an appeal against the CESTAT order before

the Supreme Court. Refund application has been pending with the department since December 13, 2013 and no refund has been received by the Company till date.

- (e) Few cases are pending with Service Tax Department at various levels, pertaining to applicability of service tax on charges paid for External Commercial Borrowings taken from IFC, ADB & Proparco. Amount involved in such cases including penalty is ₹ 479 lac (approx).
 - (f) The DGCEI (Ahmedabad) has issued show cause notice dated 10th October 2014 claiming service tax of ₹ 1,416 lac on the boil off quantity of LNG during regasification process. The Company has adequately replied against the notice and no further query/demand has been raised by the department.
 - (g) During the year, the Company has received the assessment order for AY 2008-09, which was referred back to AO by ITAT for recalculation of 14A disallowance. The assessing officer has raised a demand of ₹ 1,244 lac vide it's order dated 20.03.2015. The Company is in the process of filing the appeal to CIT(A).
 - (h) The Company has filed Service Tax Refund Application for services availed in the Special Economic Zone for it's LNG Terminal at Kochi, amounting to ₹ 1,919 lac, out of which ₹ 774 lac is before the CESTAT level and ₹ 1,145 lac is at Assistant Commissioner level.
 - (i) Demand Order amounting to ₹ 882 lac raised by Dy. Commissioner of Customs, for inclusion of additional charges towards transportation in the Assessable value for Free on Board (FOB) cargoes and appeal for the same has been filled at Commissioner of Customs (Appeals).
 - (j) There are certain claims of ₹ 18,362 lac made by a Contractor against capital works for which the Company has also made certain counter claims. As per the terms of the contract, Independent expert's opinion is being sought and pending the settlement of liability, claims are not determinable and therefore no provision has been made in the books.
 - (k) Dahej Second Jetty Topside contract awarded to a consortium of two parties was terminated by the Company in July, 2012 because of the failure of the contractor to carry out the work as per schedule. Contractor invoked arbitration and claimed ₹ 15,156 lac. PLL has also filed counter claim of ₹ 11,671 lac as per the contract. Pending the outcome of arbitration proceedings, liability against the claims, if any, is not determinable and therefore no provision has been made in the books.
 - (l) The Company had entered into a lease agreement with Cochin port trust (CPT) for 33.4015 hectare of land for building and operating port and regasification facility at Kochi. CPT has raised demand for enhanced lease rent (almost 10 times), by quoting the order of Tariff Authority for Major Ports (TAMP) dated 10th June 2010. CPT has invoked arbitration and claimed ₹ 4,258 lac as on 31st March 2015. Further, an additional demand amounting ₹ 2,000 lac has been raised by CPT for usage of dredged sand by the Company. PLL has been contesting the increase in lease rent as well as dredging sand claims. As such, the matter has been referred to Arbitration. Pending the outcome of arbitration proceedings, liability against the claims, if any, is not determinable and therefore no provision has been made in the books.
28. Income Tax cases are pending at various appellate authorities/levels regarding addition of income at the time of Income Tax assessment. The Company has deposited ₹ 9,427 lac against the demand raised by the tax authorities. Pending the final outcome of the cases, demand raised by the tax authorities have been provided for in the books of account in the year of receipt of the demand.
29. Custom Duty on import of Project material / equipment has been assessed provisionally (current and previous years) and additional liability/refund, if any, on this account will be accounted for in books on final assessment.
30. The Company has not received any information from suppliers or service providers, whether they are covered under the "Micro, Small and Medium Enterprises (Development) Act, 2006. Disclosure relating to amount unpaid at the year-end together with interest payable, if any, as required under the said Act are not ascertainable.

31. Segment Reporting (Accounting Standard – 17)

Since the Company primarily operates in one segment – Natural Gas Business, segment reporting as required under Accounting Standard - 17 is not applicable. There is no reportable geographical segment either.

PETRONET LNG LIMITED
32. Disclosure in respect of Joint Venture (Accounting Standard – 27)

In terms of the provisions contained in the Dahej LNG Port Terminal Concession Agreement, the Company has developed a solid Cargo Port along with LNG Terminal under the joint venture Company named “Adani Petronet (Dahej) Port Pvt Ltd (APPPL), which is operational since 1st Sept 2010. The Company has acquired 26% Equity in APPPL. The disclosure as per AS-27 is as follows:

Name	:	Adani Petronet (Dahej) Port Pvt Ltd	
Description of Interest	:	Jointly Controlled Company	
Description of Job	:	To develop and operate Solid Cargo Port along with LNG Terminal at Dahej	
Country of Incorporation	:	India	
Financial interest		2014-15 (Audited)	2013-14 (Audited)
		(₹ in lac)	(₹ in lac)
Proportion of Ownership Interest Company's share of	:	26%	26%
Assets	:	33,049	29,602
Liabilities	:	20,698	19,474
Income	:	12,769	7,760
Expense	:	7,538	6,603

33. Employee Benefits (AS-15 revised)

Following information is based on report of Actuary :

Defined Benefit Plans

The principal assumptions used in actuarial valuation are as below:

Particulars	2014-15	2013-14
- Discount rate	7.75%	8.00%
- Expected rate of future salary increase	5.25%	5.50%
- Mortality	IALM (2006 - 08)	IALM (2006 - 08)

Changes in present value of obligation

(₹ In lac)

Particulars	2014-15		2013-14	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Present value of obligation at the beginning of the Year	316	405	270	367
Interest cost	24	32	22	29
Current Service Cost	56	78	50	72
Benefits paid	(12)	(58)	(27)	(58)
Net actuarial (gain)/loss on obligation	(2)	11	2	(5)
Present value of the defined benefit obligation at the end of the Year	382	468	316	405

Changes in Fair value of Plan Assets

(₹ In lac)

Particulars	2014-15		2013-14	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Fair Value of Plan Assets at the beginning of the year	384	-	267	-
Expected return of plan assets	34	-	25	-
Contribution by Employer	37	-	93	-
Recovered from LIC for Last year Benefit Paid	(28)	-	-	-
Benefits paid	(12)	-	-	-
Actuarial Gain/(Losses)	(2)	-	-	-
Fair Value of Plan Assets at the End of the year of the year	413	-	385	-

Reconciliation of Fair Value of Plan Assets and Defined Benefit Obligation

(₹ In lac)

Particulars	2014-15		2013-14	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Present value of the defined benefit obligation at the end of the year	382	468	316	405
Fair Value of Plan Assets at the end of the year	413	-	385	-
Amount recognized in Balance Sheet	31	(468)	70	(405)

Amount Recognized in Statement of Profit & Loss

(₹ In lac)

Particulars	2014-15		2013-14	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Current service cost	56	77	50	72
Past service cost	-	-	-	-
Interest cost	24	32	22	29
Expected return on plan assets	(34)	-	(25)	-
Net Actuarial (Gain) / Loss recognized during the year	1	12	2	(5)
Amount capitalized	-	-	(1)	(9)
Total Expense recognized in Statement of Profit and Loss	47	121	48	87

Net Assets/(liabilities) recognised in Balance Sheet (including experience adjustment impact)

(₹ In lac)

Particulars	2014-15		2013-14		2012-13		2011-12		2010-11	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Present value of obligation as at the end of period	382	468	316	405	270	367	205	284	172	250
Fair value of plan assets at the end of the period	413	-	385	-	267	-	-	-	-	-

PETRONET LNG LIMITED

Particulars	2014-15		2013-14		2012-13		2011-12		2010-11	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Surplus / (Deficit)	31	(468)	70	(405)	(3)	(367)	(205)	(284)	(172)	(250)
Experience adjustment on plan Liabilities (loss) / gain	2	(12)	(2)	5	(24)	(49)	(1)	(7)	(39)	(64)
Experience adjustment on plan Assets (loss) / gain	(2)	-	-	-	-	-	-	-	-	-

Major categories of plan assets (as percentage of total plan assets)

Particulars	2014-15	2013-14
Funds Managed by Insurer (investment with insurer)	100 %	100 %

Defined Contribution Plan

(₹ In lac)

Particulars	2014-15	2013-14
Amount recognized as expense in respect of defined Contribution Plans as under		
Contribution to Govt. Provident Fund	228	188
Contribution to Superannuation Fund	266	213

34. Transactions with Related Party:**a) Related Party****Related parties and their relationships****i) Joint Venturer (Promoters)**

Indian Oil Corporation Limited (IOCL)
 Bharat Petroleum Corporation Limited (BPCL)
 Oil and Natural Gas Corporation Limited (ONGC)
 GAIL (India) Limited (GAIL)

ii) Joint Venture

Adani Petronet (Dahej) Port Pvt. Ltd (APPPL).

iii) Key Managerial Personnel (KMP)

Dr A K Balyan
 Sh. Rajender Singh
 Sh. R K Garg

b) Transactions with the above in the ordinary course of business

(₹ In lac)

S. No.	Nature of Transaction	Party Name	2014-15	2013-14
1.	Sale of RLNG	GAIL	18,60,666	18,36,025
		IOCL	14,25,280	12,98,285
		BPCL	5,00,839	5,32,501
		Total	37,86,785	36,66,811
2.	Regasification Services	GAIL	15,647	18,008
		IOCL	2,389	-
		BPCL	18	1,120
		Total	18,054	19,128
3.	Advances Received	GAIL	26,764	12,500
		IOCL	15,000	7,500
		BPCL	10,000	5,000
		Total	51,764	25,000
4.	Sitting Fees	GAIL	1.20	1.00
		IOCL	.40	0.60
		BPCL	.40	0.60
		ONGC	3.20	0.72
		Total	5.20	2.92
5.	Recovery of Expenses	GAIL	2961	7
		IOCL	5	-
		BPCL	14	-
		APPPL	3	-
		Total	2,983	7
6.	Reimbursement of expense to related party	IOCL	5	-
		APPPL	3	-
7.	Payment of Rent and related services	IOCL	482	436
8.	Remuneration to staff on deputation	BPCL	-	10
9.	Remuneration to Key Managerial Personnel		219	210
10.	Amount recoverable at year end	GAIL	60,159	1,05,632
		IOCL	40,160	61,863
		BPCL	15,120	25,504
		APPPL	3	-
11.	Amount Payable at year end	IOCL	36	2
		ONGC	1	-
12.	Advances Outstanding at year end	GAIL	39,264	12,500
		IOCL	22,500	7,500
		BPCL	15,000	5,000
		Total	76,764	25,000

PETRONET LNG LIMITED

35. There is no impairment loss of any assets that has occurred in terms of Accounting Standard 28.
36. The Company is eligible for deduction under section 80IA of the Income Tax Act, 1961, with respect to power generation and port undertakings at Dahej. Till previous year, provision for Income Tax has been made in the books without considering deduction under section 80IA, as the deduction was disallowed by the Income Tax Department at the time of assessment. During the year, the Company has been allowed deduction under Section 80IA for AY 2012-13 and therefore, tax benefits amounting to ₹ 12,314 lac has been accounted for in the books w.r.t. AY 2012-13 to AY 2014-15. Further, the Company has claimed Income tax deduction benefit of ₹ 2,048 lac under Section 32AC at the time of filing of Income Tax return for AY 2014-15 and the same has been accounted for in the books during the current year.

37. Other disclosures

(₹ in lac)

	Particulars	2014-15	2013-14
a)	Opening Stock of LNG	67,074	59,679
	Purchases of LNG	37,77,714	35,92,763
	Sales of RLNG	39,09,283	37,54,451
	Internal Consumption	37,720	28,207
	Closing Stock of LNG	83,102	67,074
b)	Raw Material (LNG) Consumed	37,61,086	35,84,949
c)	Value of Import of CIF Basis		
	Raw Material (LNG)	35,91,790	33,62,999
	Component and Spare Parts	164	361
	Capital Goods	12,736	5,467
d)	Expenditure In foreign Currency		
	Foreign Travel	78	161
	Professional/Consultant/Technical Fees	435	305
	Others(Including insurance and financing charges)	2,339	16,271
e)	Earnings in Foreign Currency		
	Interest Income	153	151
	Export Sales	43,916	--
f)	Dividend remitted in foreign currency to Non Residents		
	No. of share holder	1	1
	Number of shares held	7,50,00,000	7,50,00,000
	Net Amount of Dividend remitted in foreign currency	1,500	1,875

PETRONET LNG LIMITED

g)	Particulars	2014-15		2013-14	
		%	Amount	%	Amount
	Value of Imported and Indigenous Raw Material and Spare Parts Consumed				
	Raw Material				
	Imported	100%	37,61,086	100%	35,84,959
	Others	Nil	Nil	Nil	Nil
	Spare parts				
	Imported	24.32%	338	13.42%	250
	Others	75.68%	1,052	86.58%	1,618

38. Unhedged Foreign Currency Exposure of the Company

(₹ in lac)

Particulars	Currency	2014-15	2013-14
Import of Raw Material	USD	307	2,695
Payable to EPC Contractors	EUR	-	-
	USD	148	147
Others Payable	EUR*	-	-
	JPY	20	63
	USD*	-	-
	GBP*	-	-
Shareholder's Loan receivable	USD	29	28
Export Sale	USD	28	-

* EUR 35,625.18, USD 3790 (Previous year EUR 28,984.64, USD 23,610, GBP 5,982)

39. Remuneration to Auditor (exclusive of Service Tax)

(₹ in lac)

Particulars	2014-15	2013-14
Statutory Audit Fee (including limited review fees)	19	17
Tax audit and Audit U/s 80IA	7	7
Taxation Services	6	4
Fees for certification	8	11
Reimbursement of expenses	1	1
Total	41	40

40. Previous year figures have been regrouped/rearranged wherever necessary, to correspond to current year figures.

Annexure to our report on even date attached

For T.R. Chadha & Co.
Chartered Accountants
ICAI Firm Regn. No. 006711N

For and on behalf of Petronet LNG Limited

Sd/-
Neena Goel
Partner
Membership No - 057986

Sd/-
Dr. A. K. Balyan
MD & CEO

Sd/-
R K Garg
Director - Finance

Place : New Delhi
Dated : 25th April, 2015

Sd/-
K C Sharma
Company Secretary

PETRONET LNG LIMITED

NEW DELHI

Regd. Office: 1st Floor, World Trade Centre, Barakhamba Lane, Babar Road, New Delhi- 110 001

Tele: +91 11 23411411, 23472525 Fax: +91 11 23472550 Website: www.petronetlng.com

Email: webmaster@petronetlng.com, CIN: L74899DL1998PLC093073

Attendance Slip

PLEASE FILL ATTENDENCE SLIP AND HAND IT OVER AT THE ENTERANCE OF THE MEETING HALL.

DP. Id*	
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Client Id*	
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Folio No.	
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NAME AND ADDRESS OF THE SHAREHOLDER

Number of Share(s) held:

I certify that I/we are member/proxy for the member of the Company. I/we, hereby record my/our presence at the 17th (Seventeenth) Annual General Meeting of the Company to be held on Thursday, the 24th day of September, 2015 at 10.00 A.M. at FICCI, K. K. Birla Auditorium, 1, Tansen Marg, New Delhi 110001.

Signature of the shareholder(s) or Proxy

*Applicable for investor holding shares in electronic form.

PETRONET LNG LIMITED

NEW DELHI

Regd. Office: 1st Floor, World Trade Centre, Barakhamba Lane, Babar Road, New Delhi- 110 001

Tel: +91 11 23411411, 23472525 Fax: +91 11 23472550 Website: www.petronetlng.com

Email: webmaster@petronetlng.com, CIN: L74899DL1998PLC093073

Form No. MGT-11 Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s) :
Registered address :
E-mail Id :
Folio No/ Client Id :
DP ID :

I/We, being the member (s) of shares of the above named company, hereby appoint

- | | |
|----------------|----------------------------------|
| 1. Name: | E-mail Id: |
| Address: | Signature:, or failing him |
| 2. Name: | E-mail Id: |
| Address: | Signature:, or failing him |
| 3. Name: | E-mail Id: |
| Address:..... | Signature: |



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as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 17th (Seventeenth) Annual general meeting/ Extraordinary general meeting of the Company, to be held Thursday, the 24th day of September, 2015 at 10.00 A.M. at FICCI, K. K. Birla Auditorium, 1, Tansen Marg, New Delhi 110001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

- | | |
|----------|----------|
| 1 | 2 |
| 3 | 4 |
| 5 | 6 |
| 7 | 8 |
| 9 | 10 |
| 11 | 12 |
| 13 | 14 |
| 15 | 16 |

Signed this..... day of..... 20....

Signature of Shareholder _____



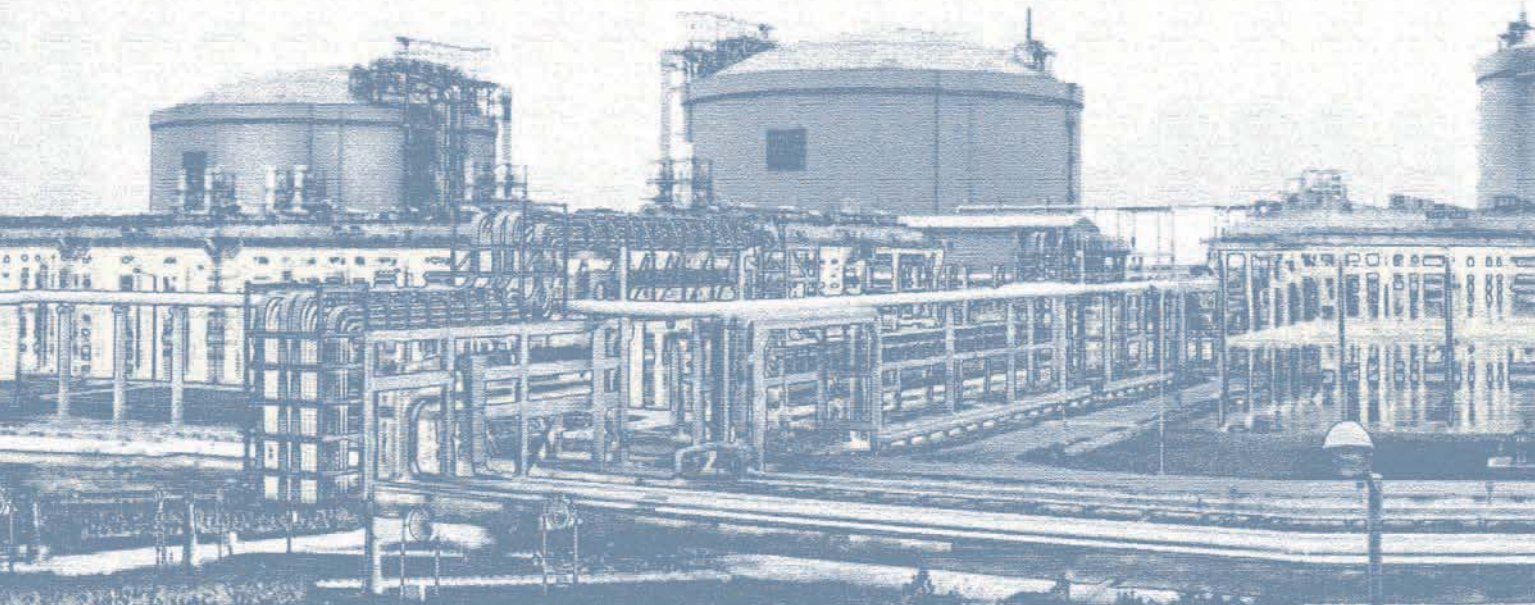
Signature of 1st Proxy holder

Signature of 2nd Proxy holder

Signature of 3rd Proxy holder

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Book Post



Petronet LNG Limited

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Tel: 011 - 23472525 Fax: 011 - 23472550

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