

## SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2022

(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 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 31<sup>st</sup> March, 2022** 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 **31<sup>st</sup> March, 2022** 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, 2015;

- (c) The Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021\*;
- (d) 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;
- (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (f) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018\*;
- (g) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021\*;
- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021\*;  
and
- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018\*.

\*SEBI Regulations listed at sub-para (v) above, Sl. Nos. (c), (f), (g), (h) and (i) above are not applicable, as there were no corporate decisions/actions during the year under report, attracting these regulations.

- (vi) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed there under.
- (vii) 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, 1958;
  - (h) The Electricity Act, 2003.
2. We have also examined the compliances with the applicable laws listed under Sl. No. (vii) above on test check basis, and Regulations/Standards of the following:

- (i) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 SEBI (LODR) Regulations, 2015 / Circulars and listing agreements with Bombay Stock Exchange Ltd and the National Stock Exchange of India Ltd;
  - (ii) Secretarial Standards issued by the Institute of Company Secretaries of India.
3. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.
- 3A. we further report that the Company is implementing its Corporate Social Responsibility Policy/Activities as specified in Schedule VII to the Act read with Section 135 of the Act through Petronet LNG Foundation, a Section 8 Company under the Act.
4. We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-executive Directors, Independent Directors and an Independent Woman Director, except as indicated below:

- (a) The Board did not have independent woman director w.e.f. 31.3.2021 to 12.08.2021 resulting in non-compliance with the provisions of Regulation 17 (1) (a) of SEBI (LODR) Regulations, 2015. BSE and NSE have separately levied fines of Rs. 2,53,700/- including taxes for non-compliance of Regulation 17(1)(a) of SEBI (LODR) Regulations, 2015 under Standard Operating Procedure of SEBI. The Company has complied with the requirements of above regulation with the appointment of Amb. Bhaswati Mukherjee, Independent Woman Director on 13.08.2021 and also paid fine of Rs. 2,53,700/- to BSE and NSE separately.
- (b) The Board did not have the required number of independent directors during the periods from 31.3.2021 to 12.8.2021 and from 2.11.2021 to 8.2.2022 resulting in non-compliance with the provisions of Regulation 17(1) (a) & (b) of SEBI (LODR) Regulations, 2015 during the periods from 31.3.2021 to 12.8.2021 and from 2.11.2021 to 8.2.2022.

BSE vide their email dated 20.5.2022 and NSE vide letter No. NSE/List-SOP (COMP/Fines/0823 dated May 20, 2022 have each levied fine of Rs. 41,300/- including taxes for non-compliance of Regulation 17(1) of SEBI (LODR) Regulations, 2015 for the period from 2.11.2021 to 8.2.2022. The Company has complied with the requirement of above regulations with the appointment of Shri Sanjeev Mitla and Shri Sundeep Bhutoria, Independent Directors on 09.02.2022 and also paid the above fines to both BSE and NSE on 03.06.2022.

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, no major decisions having a bearing on Company's affairs in pursuance of the above referred laws, rules, regulations and guidelines, were taken by the Company **except** the following:
  - (a) The Company has formed a wholly owned subsidiary on 7<sup>th</sup> March 2022 under the name Petronet LNG Singapore Pte. Ltd. has been incorporated to carry out business/activities, including but not limited to purchase of LNG on long, spot and short-term basis and sale of LNG, trading of LNG to Indian and foreign companies, optimization and diversion of LNG under its portfolio, carry out hedging, purchase of LNG under LNG SPAs, sale of LNG to customers, investments in overseas ventures etc. The registered office of the subsidiary is at Singapore and its issued and paid-up share capital is USD 500 (500 shares of US dollar 1 each).
  - (b) The Company conducted Postal Ballot vide notice dated 25.02.2022 for approval of following Special Business by giving facility of remote e- voting to shareholders to cast their votes:
    - (i) Appointment of Shri Pankaj Jain (DIN: 00675922) as Director and Chairman (non-executive) of the Company liable to retire by rotation, by ordinary resolution, passed by requisite majority.
    - (ii) Appointment of Dr. (Ms.) Alka Mittal (DIN: 07272207) as Nominee Director (ONGC) liable to retire by rotation, by ordinary resolution, passed by requisite majority.
    - (iii) Appointment of Shri Sanjeev Mitla (DIN:

00160478) as Independent Director for 3 years with effect from 9.2.2022, not liable to retire by rotation, by Special Resolution passed by requisite majority, as per terms and conditions given in the explanatory statement to the Postal Ballot notice dated 25.02.2022.

- (iv) Appointment of Shri Sundeep Bhutoria (DIN: 00733800) as Independent Director for 3 years with effect 9.2.2022, not liable to retire by rotation, by Special Resolution passed by

requisite majority as per terms and conditions given in the explanatory statement to the Postal Ballot notice dated 25.02.2022.

The result of e-voting through Postal Ballot was announced on 5.4.2022, communicated to BSE and NSE and also uploaded on the website of the Company.

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.

**Date:** 07.06.2022  
**Place:** New Delhi

**For A.N. Kukreja & Co**

(A.N. Kukreja)  
Proprietor  
FCS 1070/ CP 2318.  
Peer Review Cert. 875/2020  
FRN: S1995DE014900  
UDIN: F001070D000468781

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 material 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.**

(A.N. Kukreja)  
Proprietor  
FCS 1070/ CP 2318  
Peer Review Cert 875/2020  
FRN: S1995DE014900

**Date:** 07.06.2022  
**Place:** New Delhi

**Management's Reply on the Secretarial Audit Report for the Financial Year 2021-22**

Observation of Auditor	Management's Reply
<p>(a) The Board did not have independent woman director w.e.f. 31.03.2021 to 12.08.2021 resulting in non-compliance with the provisions of Regulation 17(1)(a) of SEBI (LODR) Regulations, 2015. BSE and NSE have separately levied fines of Rs. 2,53,700/- including taxes for non-compliance of Regulation 17(1)(a) of SEBI (LODR) Regulations, 2015 under Standard Operating Procedure of SEBI. The Company has complied with the requirements of above regulation with the appointment of Amb. Bhaswati Mukherjee, Independent woman director on 13.08.2021 and also paid fine of Rs. 2,53,700/- to BSE and NSE separately.</p>	<p>The Company has complied with the requirements of Reg 17(1) (a) of SEBI (LODR) Regulations, 2015 with the appointment of Amb. Bhaswati Mukherjee, Independent woman director w.e.f. 13.08.2021 and also paid the requisite fine to BSE and NSE.</p>
<p>(b) The Board did not have the required number of independent directors during the periods from 31.03.2021 to 12.08.2021 and from 02.11.2021 to 08.2.2022 resulting in non-compliance with the provisions of Regulation 17(1)(a) &amp; (b) of SEBI (LODR) Regulations, 2015 during the periods from 31.03.2021 to 12.08.2021 and from 02.11.2021 to 08.02.2022.</p> <p>BSE vide their email dated 20.05.2022 and NSE vide letter no. NSE/List-SOP (COMP/Fines/0823) dated May 20, 2022 have each levied fine of Rs. 41,300/- including taxes for non-compliance of Regulation 17(1) of SEBI (LODR) Regulations, 2015 for the period from 02.11.2021 to 08.02.2022. The Company has complied with the requirement of above regulations with the appointment of Shri Sanjeev Mitla and Shri Sundeep Bhutoria, Independent Directors on 09.02.2022 and also paid the above fines to both BSE and NSE on 03.06.2022.</p>	<p>The Company has complied with the requirements of Regulation 17(1)(a) &amp; (b) of SEBI (LODR) Regulations, 2015 with the appointment of Amb. Bhaswati Mukherjee, Independent woman director w.e.f. 13.08.2021 and Shri Sanjeev Mitla and Shri Sundeep Bhutoria, Independent Directors w.e.f. 09.02.2022 and also paid the requisite fines to BSE and NSE.</p>