

**REPORT ON CORPORATE GOVERNANCE FORMING PART OF DIRECTORS' REPORT****Company's Philosophy on Corporate Governance**

The Philosophy of the Company for Corporate Governance is to ensure transparency, 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 details of the total strength of the Board as on 31<sup>st</sup> March, 2018 is detailed herein below:

S No	Name	Designation	Category (Whole-time / Non-executive / Independent)
1	Shri K. D. Tripathi	Chairman	Non-executive
2	Shri Prabhat Singh	Managing Director & CEO	Whole-time
3	Shri Rajender Singh	Director (Technical)	Whole-time
4	Shri Shashi Shanker	Director, Nominee of ONGC	Non-executive
5	Shri D. Rajkumar	Director, Nominee of BPCL	Non-executive
6	Shri G. K. Satish	Director, Nominee of IOCL	Non-executive
7	Shri Subir Purkayastha	Director, Nominee of GAIL	Non-executive
8	Dr. T. Natarajan	Director, Nominee of GMB	Non-executive
9	Dr. Jyoti Kiran Shukla	Director	Independent

The Company is in the process of appointing sufficient numbers of Independent Directors in order to comply with the statutory provisions in this regard.

**Number of Board Meetings**

S. No	Date of Meeting	Place	Board Strength	No. of Directors present
1.	09.05.2017	New Delhi	13	13
2.	10.08.2017	New Delhi	12	10
3.	08.11.2017	New Delhi	11	11
4.	08.02.2018	New Delhi	9	6

**Attendance records of Directors at Board Meetings and Annual General Meeting**

Attendance of each Director at the Board Meetings and at the last Annual general Meeting held during the Financial year 2017-18 is given below:

Name of Directors	Designation	Board Meetings held	Board Meetings attended	Attendance at last AGM held on 15 <sup>th</sup> Sep., 2017
<b>Executive Directors</b>				
Shri Prabhat Singh	Managing Director & CEO	4	4	Yes
Shri R. K. Garg (upto 19 <sup>th</sup> July, 2017)	Director (Finance)	4	1	NA
Shri Subhash Kumar (w.e.f. 5 <sup>th</sup> August, 2017 upto 31 <sup>st</sup> January, 2018)			2	Yes
Shri Rajender Singh	Director (Technical)	4	4	Yes
<b>Non-Executive Directors</b>				
Shri K. D. Tripathi	Chairman	4	4	No
Shri Subir Purkayastha	Nominee Director of GAIL	4	3	No

Name of Directors	Designation	Board Meetings held	Board Meetings attended	Attendance at last AGM held on 15 <sup>th</sup> Sep., 2017
Shri D. K. Sarraf (upto 30 <sup>th</sup> September, 2017) Shri Shashi Shanker (w.e.f. 17 <sup>th</sup> October, 2017)	Nominee Director of ONGC	4	2 1	No NA
Shri D. Rajkumar	Nominee Director of BPCL	4	3	No
Shri G. K. Satish	Nominee Director of IOCL	4	4	No
Mr. Eric Ebelin (upto 12 <sup>th</sup> June, 2017)	Nominee Director of GDF International	4	1	NA
Dr. T. Natarajan	Nominee Director of GMB	4	2	No
<b>Non-Executive Independent Directors</b>				
Shri Arun Kumar Misra (upto 13 <sup>th</sup> August, 2017)	Independent Director	4	2	NA
Shri Sushil Kumar Gupta (upto 14 <sup>th</sup> January, 2018)	Independent Director	4	3	Yes
Dr. Jyoti Kiran Shukla	Independent Director	4	4	No

**Detail of Directorship / Membership / Chairmanship on the Board / Committees of the other Companies as on 31<sup>st</sup> March, 2018**

Name	No. of other Companies in which Directorship / Chairmanship is held		No. of Membership / Chairmanship held in Committees in other Companies*		No. of Shares held in the Company
	Directorship	Chairmanship	Membership	Chairmanship	
Shri K. D. Tripathi	1	1	NIL	NIL	NIL
Shri Prabhat Singh	2	1	NIL	NIL	NIL
Shri Rajender Singh	NIL	NIL	NIL	NIL	NIL
Shri D. Rajkumar	1	3	NIL	1	800
Shri Shashi Shanker	NIL	7	NIL	NIL	NIL
Shri Subir Purkayastha	4	NIL	1	1	200
Shri G. K. Satish	3	1	NIL	NIL	NIL
Dr. T. Natarajan	6	3	4	NIL	NIL
Dr. Jyoti Kiran Shukla	1	NIL	NIL	NIL	NIL

\* The Membership / Chairmanship of Committee is considered only for Audit Committee and Stakeholders' Relationship Committee

None of the Directors on the Board is a member of more than 10 Committees or Chairman of more than 5 Committees across all the listed companies in which they are a Director. All the Directors have made requisite disclosures regarding Directorship / Committee position occupied by them in other companies.

A brief resume of the Directors, who are being appointed / re-appointed at the forthcoming Annual General Meeting, is given in the notice of the AGM.

**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 web link : [https://www.petronetlng.com/Familiarisation\\_Programme.php](https://www.petronetlng.com/Familiarisation_Programme.php)

**Annual Evaluation of the Board**

The Board adopted a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including Chairman of the Board. An exercise is being carried out through a structured evaluation process considering various aspects of the Board's functioning such as composition of Board and Committees, experience and competencies, performance of specific

duties and obligations, contribution at the meetings and otherwise, independent judgment, governance issues etc. The Company is in process of adopting all the requirements as stated in SEBI (LODR) Regulations, 2015.

**Succession for appointments to the Board and Senior Management**

The Company has well defined plans for orderly succession for appointment to the MD & CEO and Whole-time Directors on the Board as well as Senior Management.

**Separate meeting of Independent Directors**

As per statutory requirements, the Company arranges for separate meeting of Independent Director every year. During the year, though the Independent Directors discussed separately on the matters as per the statutory requirements such as assessing the quality, quantity and timelines of the information necessary for Board to effectively and reasonable perform their duties, before the Board Meeting scheduled, however, no formal record could be made in respect of those meetings of Independent Directors.

**Disclosure of relationship amongst Directors**

There is no inter-se relationship amongst Directors of the Company.

**Compliance Reports**

The Company is complying with all the applicable laws as on date except the composition of Board of directors with regard to Independent Directors, Board evaluation and formal meeting of Independent Director(s). The Board has reviewed Compliance Report of all the Laws applicable to the Company and the steps taken by the Company to rectify instances of non-compliances.

**Code of Conduct for Board Members & Senior Management Personnel**

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 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:

**Compliance with Code of Conduct for Board Members & Senior Management Personnel**

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 31<sup>st</sup> March, 2018.

(Prabhat Singh)

MD&CEO

**Compensation Policy**

A Compensation Benchmarking Survey is periodically done to assess the competitiveness of total remuneration which is being paid to Directors, Key Managerial Personnel and Senior Management.

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.

**Nomination and Remuneration Committee (NRC)**

In terms of provisions of Section 178 of Companies Act, 2013 as well as SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination and Remuneration Committee (NRC) comprises of the following Members during the year ended 31<sup>st</sup> March, 2018:

1. Dr. Jyoti Kiran Shukla, Independent Director, Chairperson (w.e.f. 12th September, 2017)
2. Shri Arun Kumar Misra, Independent Director, Chairman, (upto 13th August, 2017)
3. Shri D. K. Sarraf, Nominee Director (ONGC), Member (upto 30th September, 2017 )
4. Shri G. K. Satish, Nominee Director (IOCL), Member (w.e.f. 8th November, 2017)
5. Shri Sushil Kumar Gupta, Independent Director, Member (upto 14th January, 2018)

The Company Secretary is the Secretary of the Committee.

The Detail of Meetings of Nomination and Remuneration Committee held during the financial year 2017-18 and the attendance of the Members is given below:

S No	Date of meeting	Name of Members	Category	Attendance
1.	9.05.2017	Shri Arun Kumar Misra	Non-Executive (Independent), Chairman	Present
		Shri D. K. Sarraf	Non-Executive (Nominee), Member	Present
		Shri Sushil Kumar Gupta	Non-Executive (Independent), Member	Present
2.	31.05.2017	Shri Arun Kumar Misra	Non-Executive (Independent), Chairman	Present
		Shri D. K. Sarraf	Non-Executive (Nominee), Member	Present
		Shri Sushil Kumar Gupta	Non-Executive (Independent), Member	Present
3.	18.09.2017	Shri Sushil Kumar Gupta	Non-Executive (Independent), Chairman	Present
		Shri D. K. Sarraf	Non-Executive (Nominee), Member	Not Present
		Dr. Jyoti Kiran Shukla	Non-Executive (Independent), Member	Present
4.	03.11.2017	Shri Sushil Kumar Gupta	Non-Executive (Independent), Chairman	Present
		Shri Shashi Shanker	Non-Executive (Nominee), Member	Not Present
		Dr. Jyoti Kiran Shukla	Non-Executive (Independent), Member	Present
5.	20.11.2017	Shri Sushil Kumar Gupta	Non-Executive (Independent), Chairperson	Present
		Dr. Jyoti Kiran Shukla	Non-Executive (Independent), Member	Present
		Shri G. K. Satish	Non-Executive (Nominee), Member	Not Present
6.	08.02.2018	Dr. Jyoti Kiran Shukla	Non-Executive (Independent), Chairperson	Present
		Shri G. K. Satish	Non-Executive (Nominee), Member	Present
7.	20.02.2018	Dr. Jyoti Kiran Shukla	Non-Executive (Independent), Chairperson	Present
		Shri G. K. Satish	Non-Executive (Nominee), Member	Present

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 also ensuring diversity of directors and recommend to the Board a policy relating to the remuneration for the directors, Key Managerial Personnel (KMP) and other employees.

#### Remuneration paid to MD & CEO, Whole-time Directors and Non - executive Directors during the year ended 31<sup>st</sup> March, 2018

Remuneration to MD&CEO and other 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 Rupees)

S No	Name Shri	Designation	Salaries & Allowances	Contribution to PF & Gratuity Fund	Other Benefits & Perks	Commission on Profit payable for the year 2017-18	Total
1	Prabhat Singh	Managing Director & CEO	8,190,403	380,851	827,204	2,250,000	11,648,458
2	Rajender Singh	Director (Technical)	6,105,605	277,934	741,958	2,250,000	9,375,497
3	Subhash Kumar	Ex-Director (Finance)	2,008,062	117,443	382,900	1,109,589	3,617,994
4	R. K. Garg	Ex-Director (Finance)	3,507,233	93,026	3,944,614	678,082	8,222,955

The remuneration to Non-executive Directors and Independent Directors is being paid in the form of sitting fee. However, Commission of Profits of the Company is also being paid to the Independent Directors as decided by the Board based on their performance.

The details of the sitting fees paid to Non-executive Directors or their nominated Organization / Company during the year ended 31<sup>st</sup> March, 2018 is as detailed below:

S. No.	Name	Sitting Fees paid during 2017-18 (Rs.)
1	MoPNG, Government of India	80,000
2	Bharat Petroleum Corporation Ltd.	80,000
3	Oil & Natural Gas Corporation Ltd.	2,40,000
4	Indian Oil Corporation Ltd.	1,80,000
5	GAIL (India) Ltd.	1,20,000
6	Gujarat Maritime Board (GMB)	40,000
7	GDFI	20,000
8	Shri Arun Kumar Misra	2,20,000
9	Shri Sushil Kumar Gupta	3,40,000
10	Dr. Jyoti Kiran Shukla	2,60,000

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 2017-18 (Rs.)
1	Shri Arun Kumar Misra	3,14,384
2	Shri Sushil Kumar Gupta	6,73,014
3	Dr. Jyoti Kiran Shukla	8,50,000

#### **Terms of appointment of Directors**

The Company has the following Whole - time Directors including MD & CEO during the year ended 31<sup>st</sup> March, 2018:

1. Shri Prabhat Singh, Managing Director & CEO
2. Shri Rajender Singh, Director (Technical)
3. Shri R. K. Garg, Director (Finance) (upto 19<sup>th</sup> July, 2017)
4. Shri Subhash Kumar, Director (Finance), (w.e.f. 5<sup>th</sup> August, 2017 and upto 31<sup>st</sup> January, 2018)

#### **Policy on Whole-time 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 provisions 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 for the position under consideration and the notification for the vacant position is circulated in advance. Based on the suitability of the candidates, the Search Committee of the Board shortlists candidates for personal interaction and recommends potential candidates in order of merit to the Nomination and Remuneration Committee which in turn makes its recommendations 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.

The initial tenure of MD & CEO and 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 of Board as well as Members of the Company.

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

The tenure of Nominee Directors is not certain as they are being nominated by their respective organizations. However, in case of Independent Directors, the initial tenure of appointment is three years.

#### **Details of Subsidiary and Joint Ventures**

##### **(i) Petronet LNG Foundation**

Petronet LNG Foundation, a Company Limited by Guarantee, has been incorporated on 31<sup>st</sup> March, 2017 by Petronet LNG Limited (PLL) as Promoter of the Company under the provisions of Section 8 of the Companies Act, 2013 and the rules made thereunder. Petronet LNG Foundation is facilitating the Promoter to comply with its CSR under provisions of Section 135 of Companies Act, 2013 and rules made thereunder.

**(ii) Adani Petronet (Dahej) Port Private Ltd.**

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

**(iii) India LNG Transport Co. (No. 4) Pvt. Ltd. ('ILT4')**

India LNG Transport Co. (No. 4) Pvt. Ltd. ('ILT4') is joint venture of your Company with 26% ownership interest. ILT4 is the owner of vessel MT Prachi and is primarily engaged in transportation of LNG. It is one of the Company's strategic investments and has the principal place of business in Singapore.

**Audit Committee**

The Audit Committee comprises of the following Directors during the year ended 31st March, 2018:

- 1 Dr. Jyoti Kiran Shukla, Independent Director, Chairperson (w.e.f. 12th September, 2017)
- 2 Shri Subir Purkayastha, Nominee Director (GAIL), Member (w.e.f. 8th November, 2017)
- 3 Shri Arun Kumar Misra, Independent Director, Chairman, (upto 13<sup>th</sup> August, 2017)
- 4 Shri Sushil Kumar Gupta, Independent Director, Member (upto 14<sup>th</sup> January, 2018)
- 5 Shri D. K. Sarraf, Nominee Director (ONGC), Member (upto 30th September, 2017)

The Company Secretary is the Secretary of the Committee.

The Detail of Meetings of Audit Committee held during the financial year 2017-18 and the attendance of the Members is given below:

S. No	Date of Meeting	Name of Members	Category	Attendance
1.	9.05.2017	Shri Arun Kumar Misra	Non-Executive (Independent), Chairman	Present
		Shri D. K. Sarraf	Non-Executive (Nominee), Member	Present
		Shri Sushil Kumar Gupta	Non-Executive (Independent), Member	Present
2.	15.06.2017	Shri Arun Kumar Misra	Non-Executive (Independent), Chairman	Present
		Shri D. K. Sarraf	Non-Executive (Nominee), Member	Not Present
		Shri Sushil Kumar Gupta	Non-Executive (Independent), Member	Present
3.	10.08.2017	Shri Arun Kumar Misra	Non-Executive (Independent), Chairman	Present
		Shri D. K. Sarraf	Non-Executive (Nominee), Member	Present
		Shri Sushil Kumar Gupta	Non-Executive (Independent), Member	Present
4.	08.11.2017	Dr. Jyoti Kiran Shukla	Non-Executive (Independent), Chairperson	Present
		Shri Sushil Kumar Gupta	Non-Executive (Independent), Member	Present
		Shri Shashi Shanker	Non-Executive (Nominee), Member	Not Present
5.	08.02.2018	Dr. Jyoti Kiran Shukla	Non-Executive (Independent), Chairperson	Present
		Shri Subir Purkayastha	Non-Executive (Nominee), Member	Present

**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.

**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;
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.

**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.

**Risk Management Committee**

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 MD & CEO and 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. During the year ended 31<sup>st</sup> March, 2018, the Risk Management Committee comprises of the following Directors:

1. Shri Prabhat Singh, MD & CEO, Chairman
2. Shri Rajender Singh, Director (Technical), Member
3. Shri R. K. Garg, Director (Finance), Member (upto 19<sup>th</sup> July, 2017)
4. Shri Sushil Kumar Gupta, Independent Director, Member (upto 14<sup>th</sup> January, 2018)
5. Shri Subhash Kaumar, Director (Finance), Member (w.e.f.10<sup>th</sup> August, 2017 and upto 31<sup>st</sup> January, 2018)

The Company Secretary is the Secretary of the Committee.

The Detail of Meeting of Risk Management Committee held during the financial year 2017-18 and the attendance of the Members is given below:

S. NO	Date of Meeting	Name of Members	Category	Attendance
1.	16.10.2017	Shri Prabhat Singh	Chairman	Not Present
		Shri Sushil Kumar Gupta	Chairman	Present
		Shri Subhash Kumar	Member	Present
		Shri Rajender Singh	Member	Present

**Stakeholders' Relationship Committee**

In terms of provisions of Companies Act, 2013 as well as SEBI (Listing and Obligation Disclosure Requirement), Board of Directors has renamed Shareholders'/Investors' Grievances Committee as Stakeholders' Relationship Committee. During the year ended 31<sup>st</sup> March, 2018, the Stakeholders' Relationship Committee comprises of the following Directors:

- 1 Dr. Jyoti Kiran Shukla, Independent Director, Chairman
- 2 Shri Rajender Singh, Director (Technical), Member
- 3 Shri R. K. Garg, Director (Finance), Member (upto 19<sup>th</sup> July, 2017)
- 4 Shri Subhash Kaumar, Director (Finance), Member (w.e.f.10<sup>th</sup> August, 2017 and upto 31<sup>st</sup> January, 2018)

The Company Secretary is the Secretary of the Stakeholders' Relationship Committee.



The Details of Meetings of Stakeholder's Relationship Committee held during the financial year 2017-18 and the attendance of the Members is given below:

S No	Date of Meeting	Name of Members	Category	Attendance
1.	20.11.2017	Dr. Jyoti Kiran Shukla	Non-Executive (Independent), Chairperson	Present
		Shri Subhash Kumar	Executive, Member	Present
		Shri Rajender Singh	Executive, Member	Present

#### **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 MD & CEO and Whole-time Directors namely;

- 1 Shri Prabhat Singh, Chairman
- 2 Shri Rajender Singh, Member
- 3 Shri R. K. Garg, Member (upto 19th July, 2017)
- 4 Shri Subhash Kaumar, Member (w.e.f.10<sup>th</sup> August, 2017 and upto 31<sup>st</sup> January, 2018)

Shri Prabhat Singh, Managing Director & CEO is the Chairman of the Committee.

Further, 99.98% of the equity shares of the Company are in electronic form. Transfer of these shares are done through the depositories with no involvement of the Company. As regards transfer of shares held in physical form the transfer documents can be lodged with Registrar and Share Transfer Agent (R&TA) i.e. M/s Karvy Computershare Pvt. Ltd. Transfer of shares in physical form is normally processed within ten to fifteen days from the date of receipt, if the documents are complete in all respects.

#### **Accounting Treatment**

The Financial Statements have been prepared as per generally accepted accounting principles and in accordance with the prescribed Accounting Standards.

#### **Commodity price risk or Foreign Exchange Risk and hedging activities**

The Company sells majority of its LNG volumes on pass through basis with respect to price, quantity and foreign exchange, thereby, having no major risk. Company has a Risk management Policy in place duly approved by its Board in respect of Foreign Currency transactions.

#### **CEO/CFO Certification**

A certificate from the Managing Director & CEO and Director (Finance) on the financial Statements of the Company in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 was placed before the Board, who took the same on record. The said certificate is annexed and forms part of this report.

#### **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 Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. It is hereby affirmed that no personnel has been denied access to the Audit Committee in connection with the use of Vigil Mechanism.

#### **Details of Complaints received and redressed during the year ended 31<sup>st</sup> March, 2018**

In terms of Regulation 13 (3) of SEBI (LODR) Regulations, 2015, the details of Investors' Complaints for the year ended 31st March, 2018 are as follows –

Particulars	No. of Complaints
Complaints pending as on 1 <sup>st</sup> April, 2017	1
Complaints received during the year	1147
Complaints redressed during the year	1148
Complaints pending as on 31 <sup>st</sup> March, 2018	NIL

### Dematerialization of Shares

The shares of the company are under compulsory demat list of SEBI and the Company has entered into Agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for dematerialization of Company's shares. Shareholders can get their shares dematerialised either with NSDL or CDSL.

As on 31<sup>st</sup> March, 2018, the Company has following numbers of equity shares in physical and dematerialised form as per details given here under:-

Nature of Holding	Records / No. of shareholders	No. of Shares	Percentage (%)
Physical	4,961	3,10,553	0.02
NSDL (Dematerialized)	2,31,918	7082,74,067	47.22
CDSL (Dematerialized)	88,843	7914,15,468	52.76
<b>TOTAL</b>	<b>3,25,722</b>	<b>15000,00,088</b>	<b>100.00</b>

### Annual General Meetings (AGMs)

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

Year	2014-15	2015-2016	2016-2017
<b>Date &amp; Time</b>	24 <sup>th</sup> September, 2015 at 10.00 AM	21 <sup>st</sup> September, 2016 at 10.00 AM	15 <sup>th</sup> September, 2017 at 10.00 AM
<b>Venue</b>	FICCI, K. K. Birla Auditorium, 1, Tansen Marg, New Delhi 110001	Manekshaw Centre, Khyber Lines, Delhi Cantonment, New Delhi-110010	Manekshaw Centre, Khyber Lines, Delhi Cantonment, New Delhi-110010
<b>Details of Special Resolutions</b>	<ol style="list-style-type: none"> <li>Approval to enter Related Party Transactions.</li> <li>Approval to issue non-convertible debentures of Rs. 1000 crore.</li> <li>To increase FII investment limit in equity shares of the Company upto an aggregate limit of 30% of the paid up equity share capital of the Company/.</li> </ol>	NIL	1) To increase FII investment limit in equity shares of the Company upto an aggregate limit of 40% of the paid up equity share capital of the Company.
<b>Special Resolutions passed through Postal Ballot</b>	1). Alteration of Object Clause of Memorandum of Association of the Company.	NIL	<ol style="list-style-type: none"> <li>Approval to increase Authorised Share Capital of the Company.</li> <li>Approval to issue Bonus Shares by way of capitalisation of Reserves.</li> </ol>

### Extra Ordinary General Meeting(s) (EGMs)

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

### Means of Communication

The Company has its website 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](http://www.petronetlng.com). The Company also has dedicated e-mail ID i.e. [investors@petronetlng.com](mailto: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 e.g. Hindustan Times, Mint etc. in terms of SEBI (LODR) Regulations, 2015. Press Releases made by the Company from time to time are also displayed on the Company's website. Presentations made to the institutional investors and analysts after the declaration of the quarterly, half-yearly and annual results, if any, are also displayed on the Company's website. A Management Discussion and Analysis Report is a part of the Company's Annual Report.

**General Shareholders Information**

**Annual General Meeting (AGM)**

<b>Day &amp; Date</b>	Friday, 14 <sup>th</sup> September, 2018
<b>Financial Year</b>	2017-18
<b>Time</b>	10.00 a.m.
<b>Venue</b>	Siri Fort Auditorium, August Kranti Marg, Siri Institutional Area, New Delhi, 110049
<b>Date of Book Closure</b>	From 8 <sup>th</sup> September, 2018 to 14 <sup>th</sup> September, 2018 (both days inclusive)

**Dividend Payment Date**

The Board of Directors of the Company have recommended payment of Final Dividend of Rs. 4.50 per share (on the face value of Rs. 10/- each) for the financial year ended 31<sup>st</sup> March, 2018 subject to the approval of the shareholders in the ensuing AGM. The Dividend payment date for final dividend for financial year ended 31<sup>st</sup> March 2018 is Wednesday, 19<sup>th</sup> September, 2018. The dividend warrant will be posted on or after 19<sup>th</sup> September, 2018 and within stipulated period as per the statutory requirements.

**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 31<sup>st</sup> March, 2018 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, 2017	10 <sup>th</sup> August, 2017
July - September, 2017	8 <sup>th</sup> November, 2017
October - December, 2017	8 <sup>th</sup> February, 2018
Year Ended	
31 <sup>st</sup> March, 2018	21 <sup>st</sup> May, 2018

**Listing on Stock Exchange(s)**

<b>ISIN</b>	INE347G01014
<b>Scrip Code</b>	532522
<b>Scrip Symbol</b>	PETRONET

**Performance of PLL's Share Price in comparison to BSE Sensex during the financial year 2017-2018**

Month	BSE (in Rs.)		NSE (in Rs.)		BSE Sensex	
	High	Low	High	Low	High	Low
April, 2017	453.65	403.55	454.50	403.05	30,184.22	29,241.48
May, 2017	458.80	420.30	459.00	421.65	31,255.28	29,804.12
June, 2017	454.45	421.00	454.90	424.25	31,522.87	30,680.66
July, 2017	223.35	198.70	223.45	198.60	32,672.66	31,017.11
August, 2017	236.65	198.45	236.40	198.20	32,686.48	31,128.02
September, 2017	242.20	220.60	241.70	220.30	32,524.11	31,081.83
October, 2017	275.20	231.65	275.05	232.00	33,340.17	31,440.48
November, 2017	275.45	247.40	275.65	247.15	33,865.95	32,683.59
December, 2017	259.65	239.20	259.90	239.20	34,137.97	32,565.16
January, 2018	260.00	231.80	259.45	231.75	36,443.98	33,703.07
February, 2018	258.60	233.40	255.45	234.00	36,256.83	33,482.81
March, 2018	246.50	224.45	246.75	223.60	34,278.63	32,483.84

### Distribution Schedule As on 31<sup>st</sup> March, 2018

Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount in Rs.	% of Amount
Upto – 5000	2,55,258	78.37	4,59,39,111	45,93,91,110	3.06
5001 – 10000	41,870	12.85	3,27,80,501	32,78,05,010	2.19
10001 – 20000	17,936	5.51	2,77,37,672	27,73,76,720	1.85
20001 – 30000	4,264	1.31	1,08,48,951	10,84,89,510	0.72
30001 – 40000	1,945	0.60	70,78,348	7,07,83,480	0.47
40001 – 50000	949	0.29	44,00,801	4,40,08,010	0.29
50001 – 100000	1,626	0.50	1,18,21,878	11,82,18,780	0.79
100001 & Above	1,874	0.57	1,35,93,92,826	13,59,39,28,260	90.63
<b>TOTAL</b>	<b>3,25,722</b>	<b>100.00</b>	<b>1,50,00,00,088</b>	<b>15,00,00,00,880</b>	<b>100.00</b>

### Shareholding Pattern of the Company as on 31<sup>st</sup> March, 2018

	Category	No. of Shares Held	% of Shareholding
<b>A</b>	<b>Promoter's holding</b>		
1	Promoters		
	- Indian Promoters	75,00,00,000	50.00
	- Foreign Promoters	Nil	Nil
	<b>Sub- Total (A)</b>	<b>75,00,00,000</b>	<b>50.00</b>
<b>B</b>	<b>Non- Promoters holding</b>		
1	Institutional Investors		
a	Mutual Funds	14,59,40,443	9.73
b	Banks, Financial Institutions	14,06,731	0.09
c	Insurance Companies / Central / State Govt. Institutions / Non-government Institutions / Venture Capital Funds	0	0.00
d	FII including FPI	37,65,80,933	25.11
	<b>Sub-Total (B1)</b>	<b>52,39,28,107</b>	<b>34.93</b>
2	Others		
a	Private Corporate Bodies	4,84,13,892	3.24
b	HUF and Foreign Nationals	49,69,512	0.33
c	Non Resident Indians (NRI) including Non Repatriable	60,41,579	0.40
d	IEPF	10,59,821	0.07
e	Resident Individuals	15,69,69,462	10.46
f	Alternate Investment Fund	19,99,370	0.13
g	NBFC	1,50,502	0.01
e	Any other (Clearing Members, Trusts)	64,67,843	0.43
	<b>Sub-Total (B2)</b>	<b>22,60,71,981</b>	<b>15.07</b>
	<b>GRAND TOTAL (A+B1+B2)</b>	<b>1,50,00,00,088</b>	<b>100.00</b>

### List of Shareholders Holding More than 1% of Equity Capital as on 31<sup>st</sup> March, 2018

Name	No. of Shares Held	% of Shareholding
<b>Promoters' Holding</b>		
Bharat Petroleum Corporation Ltd.	18,75,00,000	12.50
GAIL (India) Ltd.	18,75,00,000	12.50
Indian Oil Corporation Ltd.	18,75,00,000	12.50
Oil & Natural Gas Corporation Ltd.	18,75,00,000	12.50
<b>Non-promoters' Holding</b>		
Smallcap world fund, inc	2,29,20,000	1.53
Motilal Oswal Most Focused Multicap 35 Fund	1,95,19,388	1.30
Societe Generale	1,84,93,122	1.23
Franklin Temleton Mutual Fund A/c Franklin Indiahigh Growth Companies fund	1,82,00,096	1.21

Aditya Birla Sun Life Trustees Private Limited A/C Aditya Birla Sun Life Advantage Fund	1,56,43,872	1.04
Kotak Select Focus Fund	1,55,28,016	1.03

**Detail of Unclaimed Shares as on 31<sup>st</sup> March, 2018**

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 <sup>st</sup> April, 2017.	624	126800
2	Number of shareholders who approached for transfer of shares from suspense account during the year.	3	600
3	Number of shareholders to whom shares were transferred from suspense account during the year.	3	600
4	Aggregate number of shareholders and outstanding shares in the suspense account at the end of year i.e. 31 <sup>st</sup> March, 2018.	621	252400

**Liquidity**

The Company's shares are actively traded on National Stock exchange of India and BSE Limited.

**Transfer of amounts / securities to Investor Education and Protection Fund**

Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013 and Rules made thereunder, the Company has deposited the amount lying in Unpaid/Unclaimed Dividend account for the financial year 2006-07 to 2010-11 to Investor Education and Protection Fund. Detail of the same is available at website of the Company at the following link – <https://www.petronetlng.com/UnpaidDividend.php>

Further, pursuant to the provisions of Section 124(6) of Companies Act 2013, all the shares in respect of which dividend has not been paid or claimed for seven consecutive years or more were also transferred to IEPF Suspense Account. Detail of the same is available at website of the Company at the following link – <https://www.petronetlng.com/PDF/IEPFSuspense.pdf>

**Proceeds from Public Issues, Rights Issues and Preferential Issues**

The Company has not raised any money through Public Issue, Right Issues or any Preferential Issues during the financial year 2017-18. However, the Company issued bonus shares in the ratio of 1:1, i.e., one bonus share in the ratio of one share held during the financial year ended on 31<sup>st</sup> March, 2018. Consequently, the paid-up share capital increased from Rs. 750 crore to Rs. 1500 Crore.

**Related Party Transactions**

The details of all materially significant transactions with related parties are periodically placed before Audit Committee. In terms of provisions of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Companies Act, 2013 and also the relevant Accounting Standard, the promoters of the Company i.e. IOCL, BPCL, ONGC, and GAIL, Petronet LNG Foundation, PLL Joint Venture i.e. Adani Dahej Port Pvt. Ltd. and KMPs qualify as related party(s) of the Company. The Company enters in to transaction of sale of RLNG with BPCL, GAIL and IOCL, providing tolling capacity at a price which is at an arm's length basis as well as in ordinary course of business. 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 and all the related party transaction are placed before the Audit Committee on quarterly basis for its information. Related Party Policy is available at the following web link : <https://www.petronetlng.com/PDF/Related-Party-Policy-26052015.pdf>

**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.

**Disclosure**

1. Details of transactions between the Company and its subsidiaries, associates, key managerial personnel during the year 2017-18 are given in Financial Statement for the year ended 31<sup>st</sup> March, 2018. These transactions does not have any potential conflict with the interests of the Company at large.
2. There were no penalties or strictures imposed on the Company by any statutory authorities for noncompliance on any matter

related to capital markets, during the last three years.

3. It is always Company's endeavour to present unqualified financial statements.
4. Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has formulated a Code of Practice and Procedure for Fair Disclosure of Un-published Price Sensitive Information and Code of Conduct to Regulate, Monitor and Report Trading by its Employees and other Connected Persons. The details of the same have been posted on the website of the Company.

### Non-Mandatory Requirements

The Company has complied with only mandatory requirements as stated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### Major Plant / Unit Location(s)

Dahej Plant Location	Kochi Plant Location
LNG Terminal, Dahej GIDC Industrial Estate, Plot No. 7/A, Dahej, Taluka : Vagra Distt. Bharuch, GUJARAT – 392130 Tel : 02641-300300/301/305 Fax: 02641-300306/300310	Survey No. 347, Puthuvypu (Puthuypee SEZ) P.O. 682508, Kochi Tel: 0484-2502259/60 Fax : 0484-2502264
Registered & Corporate Office	Registrar & Share Transfer Agent
Petronet LNG Limited World Trade Centre, First Floor, Babar Road, Barakhamba Lane, New Delhi – 110 001 Tel: 011- 23472525, 23411411 Fax: 011- 23472550 Email: <a href="mailto:investors@petronetlng.com">investors@petronetlng.com</a> Website: <a href="http://www.petronetlng.com">www.petronetlng.com</a>	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: <a href="mailto:einward@karvy.com">einward@karvy.com</a>

### Debenture Trustee

**SBICAP Trustee Company Ltd.** 6<sup>th</sup> Floor, Apeejay House, 3, Dinshaw Wachha Road, Churchgate, Mumbai- 400 020 Tel: 022-43025521, 43025503 Email: [ajit.joshi@sbicaptrustee.com](mailto:ajit.joshi@sbicaptrustee.com) Website: [www.sbicaptrustee.com](http://www.sbicaptrustee.com)