

DIRECTORS' REPORT

Dear Shareholders,

On behalf of the Board of Directors, it is our privilege and honour to present the 23rd Annual Report along with Audited Standalone and Consolidated Financial Statements and Auditors' Report thereon for the financial year ended 31st March, 2021.

COVID-19

During the year 2020-21, the world at large suffered with Novel Coronavirus (COVID-19). The Novel Coronavirus (COVID-19) has infected more than billion people in more than 220 countries – a scourge confronting all of humanity, impacting lifestyles, businesses, economies and the assumption of common well-being that all of us have largely taken for granted. Despite adverse circumstances, the Company continued to deliver its best in its operations and also effectively contributed towards the society at large by undertaking various activities under corporate social responsibility.

PHYSICAL PERFORMANCE

The financial year 2020-21 saw the Company operating its Dahej Terminal at 16.40 million tonnes throughput as compared to 17.25 million tonnes in the previous financial year 2019-20. The demand for LNG decreased during the year due to nation-wide lockdown restrictions owing to COVID-19 pandemic situation in the country. During the financial year 2020-21, the Dahej Terminal handled 254 LNG Cargoes and supplied 849.23 TBTUs of RLNG as compared to 263 LNG cargoes during financial year 2019-20 wherein supplies were 885.06 TBTUs of RLNG. During the financial year 2020-21, 2852 LNG Road Tankers from Dahej Terminal and 376 LNG Road Tankers from Kochi Terminal were also loaded and dispatched. The utilization of Kochi Terminal increased during 2020-21 owing to commissioning of Mangalore section of GAIL's Kochi Mangalore pipeline network for gas evacuation. 14 LNG Cargoes were handled at the Kochi Terminal during the financial year 2020-21 as compared to 12 LNG Cargoes during the year 2019-20. During the year 2020-21, Kochi terminal supplied 46.92 TBtus of RLNG as compared to 42.78 TBtus in financial year 2019-20.

SHIPPING ARRANGEMENTS

Your Company imports 7.5 MMTPA of LNG from Ras Laffan, Qatar on Free On Board (FOB) basis through its three long term chartered LNG vessels namely Disha, Raahi and Aseem. The duration of the charter is 25 years for each vessel. These vessels are owned by a consortium of M/s NYK Line, M/s K-Line, M/s MOL and M/s Shipping

Corporation Ltd. (SCI). The technical management, manning and operations are carried out by SCI. The ships operate on a long-term time charter basis with Petronet as the charterer.

The fourth LNG vessel 'Prachi' was delivered on 30th November 2016. The duration of this long term charter is 19 years. Besides Japanese Companies NYK, MOL and K-Line, SCI is also an equity partner in the ship-owning company. Your Company has taken 26% equity in this LNG ship. As is the case with the above mentioned first three ships, the fourth ship is also being manned, managed, maintained and operated by SCI.

Supply of LNG from Gorgon, Australia is now on Delivery Ex Ship (DES) basis and under this agreement our fourth long term chartered LNG vessel "Prachi" has been novated to Exxon Mobil.

During FY 2020-21, the overall shipping operations have run smoothly and the jetty utilization has been optimized without any downtime. LNG vessel Disha had a machinery breakdown and the repairs were delayed due to pandemic Covid-19 as a result vessel was out of service (off hired) for about eight months. However, your Company didn't incur any downtime or commercial loss due to non-availability of LNG vessel Disha, as all her scheduled cargoes were lifted and transported by timely hiring of substitute LNG vessels at competitive market rates.

DAHEJ LNG TERMINAL

Dahej Terminal, having 17.5 MMTPA nameplate capacity, operated at about 16.40 MMTPA capacity utilization during the FY 2020-21. Dahej Terminal is now catering higher gas demand and its share of gas supplies has consequently increased in the energy mix of India. Capacity utilization was impacted due to National lockdown on account of COVID-19 in first quarter. Your Company is in process of adding two LNG storage tanks (i.e. seventh and eighth LNG Tanks), which are in tendering stage. Feasibility study for third jetty along with facilities to unload ethane and propane is under progress which will not only enhance reliability of LNG ship receiving but will also open business opportunity for your Company in the field of ethane and propane handling. Your company is also evaluating the expansion of Dahej LNG Terminal capacity from 17.5 to 22.5 MMTPA.

LNG Dispensing facility is functional to fill LNG in bus for own employees use.

LNG supplies continued with trucks to various consumers not connected with RLNG pipeline.



KOCHI LNG TERMINAL

Kochi Terminal, having 5 MMTPA nameplate capacity, operated at increased capacity utilization of about 0.9 MMTPA in FY 2020-21 on completion of GAIL RLNG evacuation pipeline connectivity to Mangalore. Currently, your Kochi terminal is operating at 25% capacity utilization and expected to increase further after completion of GAIL pipeline up to Bangalore. LNG supplies continued with trucks to various consumers not connected with RLNG pipeline. LNG Dispensing facility is also functional in Kochi to fill LNG in bus for own employees use. Also trial run of marine fishing boat on dual fuel (that is LNG + Diesel) is also going on.

During FY 2020-21, off-take of RLNG from Kochi Terminal increased due to completion of RLNG evacuation pipeline connecting Mangalore. The said increase occurred mainly due to start of RLNG supply to MCFL, OMPL, MRPL during second half of 2020-21. ‘Taral’ LNG supplies continued with trucks to various consumers not connected to pipeline.

FINANCIAL PERFORMANCE

During the financial year 2020-21, your Company achieved a turnover of Rs.26,023 Crore as against Rs.35,452 Crore in 2019-20. The net profit during the year stood at Rs.2,949 Crore as against Rs. 2,698 Crore in the previous year. A summary of the comparative financial performance in the fiscal year 2020-21 and 2019-20 is presented below:

(Rs. in crore)

Particulars	2020-21	2019-20
Revenue from operations	26,023	35,452
Other Income	388	373
Total Revenue (A)	26,411	35,825
Salary & Other operating expenses	21,323	31,463
Finance Charges	336	403
Depreciation	784	776
Total Expenses (B)	22,443	32,642
Profit before exceptional item and tax	3,968	3,183
Exceptional Items	-	72
Tax expenses, including deferred tax	1,019	413
Profit after tax	2,949	2,698
Earnings (Rs.) per Share	19.66	17.98

DIVIDEND

The Board of Directors of your Company has recommended a final dividend of Rs. 3.50 per equity share of Rs. 10/- each i.e. 35% of the paid-up Share Capital of the Company as on 31st March, 2021. This is in addition to Special Interim Dividend of Rs. 8 per equity share of Rs. 10/- each paid by the Company in December 2020. This is the 15th consecutive year for which your Company has recommended payment of dividend.

The final dividend shall be paid to the members, whose

names appear in the Register of Members as well as the Beneficial Ownership Position provided by NSDL/CDSL as at the close of business hours on 2nd July, 2021 (Record date).

The Board of your Company has formulated a Dividend Distribution Policy (“The Policy”). The Policy is annexed to this Report and is also available on our website at https://www.petronetlng.in/PDF/Dividend_Policy.pdf

CHANGES IN SHARE CAPITAL

There was no change in the Share Capital of the Company during the year. The Company has Authorised Share Capital of the Company of Rs. 30,00,00,00,000/- (Rupees Three Thousand Crore) divided into 3,00,00,00,000 (Three Hundred Crore) Equity Shares of face value of Rs. 10/- (Rupees Ten) each and Paid-up Share Capital of Rs. 15,00,00,00,880/- (Rupees One Thousand Five Hundred Crore Eight Hundred Eighty) divided into 15,00,00,00,88 (One Hundred Fifty Crore Eighty Eight) Equity Shares of face value of Rs. 10/- (Rupees Ten) each.

FINANCING OF PROJECTS

The Balance sheet of your Company is robust enough to raise required debt at reasonable rate of interest through foreign currency loans, Terms Loans, Issuance of Corporate Bonds or any other debt instrument depending on market conditions at appropriate time. Your Company’s Balance Sheet can be easily leveraged to service the loan required to meet the future capex.

NEW BUSINESS INITIATIVES

SETTING UP OF COMPRESSED BIO GAS (CBG) PLANTS

Your company is committed towards providing a cleaner and greener economy. With this objective, your company has embarked upon a new business activity of setting up of CBG plants across India, which shall also contribute to Government of India’s (GoI’s) innovative initiative titled SATAT (Sustainable Alternative Towards Affordable Transportation). Your company has signed MoU with Ministry of Petroleum & Natural Gas (MoPNG), GoI, for setting up and commissioning of 100 Nos. of CBG plants across India. CBG being a renewable business is gaining momentum and may turn out to be a game changer for Indian economy. This would not only bring in reduction in carbon emissions but also reduce the import dependence on fossil fuels and contribute towards the upliftment of rural economy.

Your company’s Board has also accorded in-principle approval to initially set-up/ finance/ acquire 4-5 CBG projects under SATAT scheme at a total financial implication of INR 250 crores. In this direction, PLL has applied against 27 EOIs floated by different Oil & Gas Marketing Companies under

PETRONET LNG LIMITED

SATAT and also received multiple Letter of Intent (LOIs) against the same. We have already shortlisted 4 sites in Haryana for the project and are in advance stage of negotiations with the local authorities for allocation of suitable Land for the CBG Project.

FORMATION OF PETRONET ENERGY LIMITED (PEL), A 100% WHOLLY-OWNED SUBSIDIARY OF PLL

Your company envisages to be an integrated energy company and has thereby incorporated a wholly-owned subsidiary company 'Petronet Energy Limited' (PEL) with an authorised share capital of Rs 500 Crore to establish itself as a key player in the growing Asian gas bunkering market. PEL is planned to offer LNG Bunkering services, allied services like Gassing Up and Cooling Down operations and other value-added services in LNG and Marine sector in phased manner. The necessary regulatory compliances and unit formation at Puthuvypeen Special Economic Zone, Kochi is under progress. The strategic location of Kochi terminal is expected to spur bunkering activity in the region at competitive price. With LNG-fuelled tonnage set to increase in Asia in the coming months, Kochi LNG terminal is expected to provide a potentially valuable refuelling point for East-West trade.

PETROCHEMICAL COMPLEX AT PLL DAHEJ TERMINAL

Your company is embarking upon a major diversification drive to broad base its business activity and is exploring to have an ethane/ propane import facility at Dahej Terminal. Your company has also planned for setting up of a Petrochemical complex based on imported propane at Dahej LNG Terminal. The foray into Petrochemicals would be a forward integration of our strategy as the same planned to get synchronised with our upcoming third jetty project and available land bank at Dahej.

HARNESSING THE COLD ENERGY FROM REGASIFICATION PROCESS AT TERMINALS

Your company is exploring the possible business opportunities from harnessing the cold energy from our regasification terminals at Dahej and Kochi. Harnessing LNG's cold energy not only maximises regasification terminals' potential but also offers an opportunity to cut emissions in cold ware housing chain simultaneously adding value and improving energy efficiency.

LNG STORAGE AND REGASIFICATION TERMINAL AT EAST COAST OF INDIA

Your company has successfully established its presence in the Southern & Western part of the Country, with Dahej terminal being the busiest terminal in the world. Now your company plans to set up of a Floating LNG terminal at Gopalpur port in Odisha with a strategic vision to establish its

presence in the Eastern coast of India. The LNG terminal will help meet the increasing gas demand of the eastern and central part of the country. Your company has already completed the pre-project studies and are in process of preparing the Detailed Feasibility Report (DFR) for a 4 MMTPA floating storage & regasification (FSRU) terminal followed by a PFR for 5 MMTPA land-based terminal in future. Your company has signed MOU with Gopalpur ports limited and is in discussion with them to finalise the key technical and commercial terms of the agreements. Your company is in process of obtaining final investment decision for the project.

LNG AS AN AUTOMOTIVE FUEL

As a responsible corporate citizen and in a step towards meeting India's COP-21 commitment, your Company is taking up initiatives to develop the small scale LNG market in the Country and has been promoting the environment friendly LNG as a fuel in Road transportation. Your Company had done discussions and deliberation with Ministry of Road Transportation and Highways (MORTH) and Ministry of Commerce and Industries (MOCI) for inclusion of LNG as an automotive fuel in Central Motor Vehicle Rules (CMVR) and for inclusion of LNG dispensing stations development regulation in Static and Mobile Pressure vessel rules (SMPV). With the efforts of your Company both these regulations are in place now and a new doorway is opened in Indian market for LNG as a cleaner transportation fuel. Your company has deliberated with PNGRB for keeping LNG fuelling stations out of purview of PNGRB act. With the efforts of your company PNGRB has issued clarification that any entity can now set up LNG dispensing stations irrespective of Geographical areas Authorizations. This clarification by PNGRB on setting up of LNG dispensing stations in various CGD Geographical Areas will pave the way for creation of LNG corridors across the country.

Your Company has commissioned India's first LNG dispenser stations inside Dahej and Kochi LNG terminals and has also commissioned the first commercially approved and registered LNG powered buses of the Country for employee's movement at both places. Your Company has prepared a business plan based on traffic study on Indian Roads and decided to develop LNG corridors covering major National Highways of India. Your Company is developing western and southern highways expeditiously in the initial stage. Your Company has partnered up with various CGD players and OMCs to jointly develop these LNG/LCNG dispensing stations in their area. Your company has awarded the work of five (5) LNG stations for co-development of these stations.



BUSINESS OPPORTUNITIES OVERSEAS

In Pursuit to go global, your company is exploring increment opportunities in overseas LNG projects and is also in dialogue with various LNG suppliers for ushering into LNG trading business.

HEALTH, SAFETY & ENVIRONMENT (HSE)

Dahej and Kochi terminals continued to operate safely throughout the year. Your Company is committed to conduct business with a strong environment conscience, ensuring sustainable development, safe workplaces, enrichment of the quality of life of its employees, customers and the community at large. Company has inducted Asset Management System in both terminals to increase reliability of terminal operations. Compliance with safety systems, procedures and environmental laws are proactively monitored by the Company. The Company is having well defined policy for Health, Safety, Environment and Asset Management.

Your Company is committed to fight against novel COVID-19 virus. Your Company has taken numerous steps both at Company and community levels including sanitization works, quarantine cycles for employees / contract workers. Employees at Corporate Office are allowed to work from home during pandemic. Your team is taking various initiatives to interact with the employees in both plants and employees under quarantine at hotel / home. Your Company is extending every support to its employees and their families in this difficult time. Motivational speech and addresses are being imparted by eminent personalities which your company can complement like Dr. C.B. Satpathy. Medical consultancy and awareness sessions from allopathic and Ayurveda doctors are organized. A group of employees have been assigned the responsibility of interacting with employees or spouses of employees/ relatives for inquiring their well-being and offering medical support / assistance.

As a step towards conservation of water, a 300 kLD water treatment plant, based on in-house studies, has been built to produce potable water from Air Heater Condensate water (which is a by-product of LNG Re-gasification process) by using required treatments and mineralization. This unit is operational and after successful operation of this Plant, your Company will look forward to scaling up this technology and be pioneer to provide services to other similar terminals too.

DETAILS OF SUBSIDIARY/ JOINT VENTURES / ASSOCIATE COMPANIES

1) Adani Petronet (Dahej) Port Private Ltd.

Your Company has a 26% equity in Adani Petronet (Dahej) Port Private Ltd., and the balance equity is held by the Adani group, to import/export bulk products like coal, steel and fertilizer. The Performance and Financial Position of the Company is given below:

(Rs. In Lakhs)

Particulars	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Revenue from operations	29,231	32,889
Profit/ (loss) from continuing operations	8,681	7,772
Other comprehensive income	(157)	(177)
Total comprehensive income	8,524	7,595
Company's share of total comprehensive income (26%)	2,216	1,974

2) 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. The Performance and Financial Position of the Company is given below:

(Rs. In Lakhs)

Particulars	For the year ended 31 st Dec., 2021	For the year ended 31 st Dec., 2021
Revenue from operations	24,834	16,671
Profit/ (loss) from continuing operations	(1400)	(2097)
Other comprehensive income	-	-
Total comprehensive income	(1400)	(2097)
Company's share of total comprehensive income (26%)	(364)	(545)

3) Petronet LNG Foundation

Petronet LNG Foundation, a Company Limited by Guarantee, has been promoted by the Company under the provisions of Section 8 of the Companies Act, 2013 and the rules made thereunder as a wholly owned subsidiary of the Company. Petronet LNG Limited undertakes to contribute to the assets of the company in the event of its being wound up while it is a member or within one year afterwards, for payment of the debts or liabilities of the company contracted before it ceases to be a member and of the costs, charges and expenses of winding up, not exceeding a sum of Rs 1,00,00,000/- (Rupees One Crore Only).

Petronet LNG Foundation is facilitating the Promoter to

comply with its requirement of Corporate Social Responsibility (CSR) under provisions of Section 135 of Companies Act, 2013 and rules made thereunder

4) Petronet Energy Limited

Petronet Energy Limited (PEL) is incorporated as a wholly-owned subsidiary company of Petronet LNG Ltd on 26th February, 2021 with authorized Share Capital of Rs 500 Crore divided into 50 Crore Equity Shares of face value of Rs 10/- each and Paid-up Share Capital of Rs 10 Crore divided into 1 Crore Equity Shares of face value of Rs 10/- each. PEL has its registered office at New Delhi and is incorporated to undertake the businesses/ activities, including but not limited to Gassing up and/ or Cool down and supply of heel quantity to LNG vessels, LNG bunkering, Training, Consultancy, other value-added marine, transport, LNG services etc

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

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, a team has closely worked with Project Consultant and EPC Contractors in all phases of designing and construction of Dahej and Kochi LNG Terminals.

Conservation of Energy

1. Plants are using best technology and optimization practices for energy conservation.
2. Plant cold energy is being used for air conditioning of buildings and cooling in Nitrogen Generation Plant.

Company has installed rooftop mounted solar panels at Dahej and Kochi terminals to reduce carbon footprints and contribute to renewable energy drive of India.

Research & Development

With a view to explore and promote the use of LNG (which is one of the cleanest hydrocarbons) as a fuel in new segments, your company has undertaken field trials in the fishing boat segment and in the road transportation sector.

As a first in the country, one diesel fishing boat at Kochi has been converted into dual fuel i.e. LNG and diesel, in association with Kerala Development and Innovation Strategy Council and ICAR- Central Institute of Fisheries Technology, Kochi. Requisite approval from PESO have also been obtained and the trial runs are expected to commence shortly. This innovation is likely to open up a huge opportunity for introduction of cleaner fuels in the vast fisheries sector and other marine applications.

In addition to the ongoing trials of two LNG buses at Dahej, two more LNG fuelled buses were pressed into service at Kochi, also on trial basis. Based on the initial analysis and results, talks have been initiated with KSRTC, to ramp up the scale of trial runs.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Your Company's foreign exchange earning was Rs. 38.86 crore (Rs. 13 crore during the FY 2019-20) and foreign exchange outgo was Rs.19,957.46 crore (29,254 crore during the FY 2019-20) during Financial Year 2020-21.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

Your Company has well defined Internal Financial Control system whereby each process owner access and certify the compliance of the relevant processes and controls on periodical basis. Further, audits and reviews are conducted by independent agencies including internal and statutory auditors. Their reports are being reviewed by the management and Audit Committee and corrective actions wherever required are carried out in the existing system on regular basis.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company fully understands its responsibility towards the society and has been constantly striving and trying its level best for contributing its bit towards causes leading to Social Development. In its endeavour to be more focused towards its social goals, the Company is developing a more structured approach to enhance access to quality healthcare, enrich the lives of communities in need, welfare of the war widows, environmental causes and enhance the educational facilities across geographies in the Country.

The Company is implementing short-term, medium-term and long-term strategy to channelize the resources in an organized manner so as to derive maximum socio-economic impact from the targeted approach. In line with its social goals as enumerated above, the Company has already identified several projects in the areas of Healthcare, Education, Welfare of the War Widows, Skill Development, Environment, Sports, Swachh Bharat, etc. where your Company will spend the annual CSR budget in a progressive and sustainable manner.

In terms of provisions of Companies Act 2013 an amount of Rs 6,342 Lakh is required to be spent on CSR activities in Financial Year 2020-21, against that company has spent total of Rs 1,900 Lakh including 5 % of administrative cost. Further, an amount of Rs 3,187 Lakh will be transferred to unspent CSR account within 30 days from the end of the financial year 2020-21, in accordance with the Companies Act, 2013 read with the CSR Amendment Rules and the unspent and non-committed amount of Rs 1,255 Lakh has been earmarked for transferring to Schedule VII fund by 30th Sept'21 as per Companies Act 2013.

Due to the sudden outbreak of COVID-19 pandemic and restrictions of lockdown for several months across the country, major ongoing rural development and skill development projects got affected. Many of the identified or approved projects had to be shelved. Also the identification

and evaluation of new projects was found to be a challenging task due to the pandemic.

Nevertheless, your Company has been making constant efforts to reach optimum level of CSR expenditure resulting in tangible positive impact on society and has made commendable improvements over the previous years in terms of both spending as well as number of CSR projects taken up. Also, the company has stood by the nation against the unprecedented crisis due to the outbreak of the COVID - 19 by taking up several initiatives time to time. The disclosure as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached herewith as **Annexure I** and form part of the Directors' Report.

Further, Petronet LNG Foundation (PLF), a Company Limited by Guarantee, has been incorporated on 31st March, 2017 by Petronet LNG Limited (PLL) as a promoter of the Company under the provisions of Section 8 of the Companies Act, 2013 and the rules made thereunder, and acts as the CSR Arm of PLL. 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. It has already taken up some high impact projects and is in the process of finalizing projects/programmes with higher project cost and impact. While all CSR projects have been carefully chosen giving utmost importance to quality of spending instead of just spending, some projects have been outstanding in their impact.

'Petronet Kashmir Super-30' is one such outstanding CSR project which prepares underprivileged students of Kashmir to overcome various social and other disadvantages and helps them to compete with the best for admission into the premier engineering institutions like IITs and NITs by providing quality coaching and guidance. In the Healthcare front, in association with All India Institute of Medical Sciences (AIIMS), Bhubaneswar, PLF aims in transforming the Trauma & Emergency Care landscape in Odisha by extending support to construct a state-of-the art Level-I Trauma Care center at AIIMS Bhubaneswar and ensure best possible healthcare facility for the people of Odisha.

In addition, PLF in association with Artificial Limbs Manufacturing Corporation of India (ALIMCO) is extending the support with Aid and Assistive devices such as motorized tricycles, tricycles, Smart phone, smart cane, BTE hearing aids, etc. for the Persons with Disabilities with an objective to empowering them in Delhi/ NCR, Bharuch (Gujarat) and Kochi (Kerala). Under Education, 'Petronet Samkalp Super 30' is a programme which prepares underprivileged students for Civil Services Examinations by providing free quality coaching and guidance in Delhi.

Further, in collaboration with CIPET, PLF is imparting skill development programme for local underprivileged youth in Gujarat, Kerala, Haryana & Himachal Pradesh by helping them be confident enough to find gainful employment. The company stood by the Nation to combat the COVID-19

pandemic by supporting underprivileged people and medical care workers through various ration & PPE distribution drives across Delhi, Kerala & Gujarat.

The Corporate Social Responsibility Policy of the Company is available at the website of the Company at the following weblink: https://petronetlng.in/PDF/CSR_Policy_27042015.pdf

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP) **Inductions and Cessation**

The following Directors were inducted on the Board/ceased to be Directors on the Board of the Company:

1. Dr. M.M. Kutty, ceased to be the Director and Chairman of the Company w.e.f. 1st May, 2020 as he ceased to be Secretary, Ministry of Petroleum & Natural Gas, Government of India consequent upon attaining the age of superannuation.
2. Shri Tarun Kapoor, Secretary, Ministry of Petroleum & Natural Gas, Government of India was appointed as Additional Director and Chairman of the Company w.e.f. 11th May, 2020 and his appointment was regularized at the 22nd Annual General Meeting held on 10th September 2020.
3. Shri Manoj Jain, (Nominee Director of GAIL) was appointed by the Board of Directors as Additional Director w.e.f. 6th May, 2020 and his appointment was regularized at the 22nd Annual General Meeting held on 10th September 2020.
4. Dr. Ashutosh Karnatak (Nominee Director of GAIL) ceased to be a Director w.e.f. 6th May, 2020 consequent upon change of nomination by GAIL.
5. Shri Sanjiv Singh (Nominee Director of IOCL) ceased to be Director w.e.f. 1st July 2020 consequent upon change in nomination by Indian Oil Corporation Limited due to his superannuation from the services of IOCL on 30th June, 2020.
6. Shri Shrikant Madhav Vaidya (Nominee Director of IOCL) was appointed by the Board of Directors as Additional Director w.e.f. 1st July 2020 and his appointment was regularized at the 22nd Annual General Meeting held on 10th September, 2020.
7. Shri D Rajkumar (Nominee Director of BPCL) ceased to be a Director w.e.f. 20th July, 2020 consequent upon change of nomination by BPCL.
8. Shri Arun Kumar Singh (Nominee Director of BPCL) was appointed by the Board of Directors as Additional Director w.e.f. 10th August, 2020 and his appointment was regularized at the 22nd Annual General Meeting held on 10th September 2020.
9. Shri Prabhat Singh ceased to be the MD & CEO of the Company w.e.f. 14th September 2020 consequent upon completion of his tenure of 5 years.
10. Shri Vinod Kumar Mishra, Director (Finance) was entrusted the additional charge of MD & CEO w.e.f. 14th

September 2020 consequent upon completion of tenure of Shri Prabhat Singh as MD & CEO on 13th September 2020. Accordingly, he ceased to be the CFO of the Company w.e.f. 14th September 2020. Shri Rakesh Chawla, GGM & President (Finance & Accounts) was designated as CFO of the Company w.e.f. 4th November, 2020 to 31st January 2021. Consequent upon joining of Shri Akshay Kumar Singh as MD & CEO of the Company w.e.f. 1st February 2021, the additional charge of MD & CEO entrusted to Shri Vinod Kumar Mishra ceased w.e.f. 1st February 2021. Shri Vinod Kumar Mishra was again designated as CFO (KMP) w.e.f. 1st February 2021.

11. Shri Pramod Narang was appointed as Director (Technical) w.e.f. 26th November, 2020.
12. Shri Akshay Kumar Singh was appointed as MD & CEO of the Company w.e.f. 1st February 2021.
13. Dr. Jyoti Kiran Shukla ceased to be the Independent Director on the Board of the Company w.e.f. 31st March 2021 consequent upon completion of her second tenure of three years on 30th March 2021
14. Shri Shashi Shanker (Nominee Director of ONGC) ceased to be Director w.e.f. 1st April 2021 consequent upon change in nomination by Oil and Natural Gas Corporation due to his superannuation from the services of ONGC on 31st March 2021.
15. Shri Subhash Kumar (Nominee Director of ONGC) was appointed by the Board of Directors as Additional Director w.e.f. 9th April, 2021.
16. Amb. Bhaswati Mukherjee, was appointed as Additional Director in the capacity of Independent Director by the Board of Directors for a period of three years w.e.f. 13th August, 2021.

The Board placed on record its sincere appreciation for valuable services rendered and contribution made by Dr. M.M. Kutty, Dr. Ashutosh Karnatak, Shri Sanjiv Singh, Shri D Rajkumar, Shri Prabhat Singh, Dr. Jyoti Kiran Shukla and Shri Shashi Shanker, Members of the Board during their association with the Company.

Reappointment

In accordance with the Articles of Association of the Company and as per statutory requirements, Shri Sanjeev Kumar, Nominee Director, GMB/GOG and Shri Manoj Jain, Nominee Director, GAIL, would retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

In accordance of provisions of Companies Act, 2013, Shri Pramod Narang Director (Technical), Shri Akshay Kumar Singh, MD & CEO, Shri Subhash Kumar (Nominee Director of ONGC) and Amb. Bhaswati Mukherjee (Independent Director), who were appointed as Additional Directors of the Company after the date of last Directors' Report shall vacate their offices at the ensuing Annual General Meeting. Necessary notices have been received from the respective

directors under Section 160 of Companies Act, 2013 proposing their candidature for appointment. The same has also been given at website of the Company at www.petronetlng.in. The Board recommends their appointment and re-appointments. Brief resume of directors seeking appointment and reappointment together with the nature of their expertise in specific functional areas, disclosure of relationship between director inter-se, name of companies in which they hold membership/ chairmanship of committees of the Board alongwith their shareholding in company etc. as stipulated under SEBI (LODR) Regulations, 2015 and other statutory provisions are given in the annexure to the Notice of 23rd Annual General Meeting.

Key Managerial Personnel

Pursuant to Section 203 of Companies Act, 2013, the Key Managerial Personnel of the Company as on 31st March, 2021 were:

1. Shri Akshay Kumar Singh, MD&CEO
2. Shri V. K. Mishra, Director (Finance) and CFO
3. Shri Pramod Narang, Director (Technical)
4. Shri Rajan Kapur, CGM & Vice President – Company Secretary

Shri Pramod Narang was appointed as Director (Technical), a whole time Director of the Company w.e.f. 26th November, 2020 and Shri Akshay Kumar Singh appointed as the MD & CEO of the Company w.e.f. 1st February, 2021.

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. The evaluation of all the Directors, Committees, Chairman of the Board and the Board as a Whole was conducted based on 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.

COMPLIANCES WITH RESPECT TO INDEPENDENT DIRECTORS

Pursuant to Section 149(7) of Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, declaration(s) by all the Independent Director(s) have been obtained stating that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Independent Directors as appointed by the Board possess various skills / expertise which are required for the Directors in the context of the Company's business for

effective functioning such as Leadership, Technology & Operational experience, strategic planning, Financial Regulatory, Legal and Risk Management, Industry experience, Research & Development and Global business. Further, all the Independent Directors are complying with the provisions of Section 150 of the Companies Act, 2013 read with the Companies (Appointment and Qualifications of Directors) Rules, 2014.

FAMILIARIZATION PROGRAMME AND TRAINING OF INDEPENDENT DIRECTORS

All new Independent Directors inducted in to the Board attend an orientation programme. The Company has well-defined Training Program for training to Board Members which inter-alia include the various familiarization programs in respect of their roles, rights, responsibilities in the Company, nature of the industry in which Company operates, business model of the Company etc. Further, the same is also taken care during the various strategy meets of the Company and different presentations in the Board/Committee meetings. The details of such familiarization programs have also been posted on the website of the Company at https://www.petronetlng.in/Familiarisation_Programme.php. Further, at the time of the appointment of Independent Director, the Company issues a formal letter of appointment outlining his/her roles, responsibilities, functions, duties, remuneration and other terms and conditions. The format of the letter of appointment is available on the website of the Company.

Extra Ordinary General Meeting

During the year, an Extra Ordinary General Meeting was held on 15th March, 2021 through VC/OAVM and the following resolution were passed:

- 1) To consider and approve Material Related Party Transactions passed as an ordinary resolution and
- 2) To re-appoint Shri Sidhartha Pradhan (DIN: 06938830), as Independent Director of the Company passed as special resolution.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the year, Fifteen Board Meetings were held and the details of which are given in the Corporate Governance Report annexed to this Report which forms part of the Annual Report. The gap between the meetings was within the period prescribed under the Companies Act, 2013 and also as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. For further details regarding number of meetings of the Board and its committees, please refer Corporate Governance Report, annexed to this Report.

BOARD DIVERSITY

The Company recognizes and embraces the importance of a diverse board in its success. We believe that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural

and geographic backgrounds, age, ethnicity, race and gender that will help us retain our competitive advantage. The Board Diversity Policy adopted by the Board sets out approach to diversity. The policy is available at the website of the Company at <https://www.petronetlng.in/PDF/PolicyDiversity.pdf>

AUDIT COMMITTEE

The recommendations made by the Audit Committee during the year were accepted by the Board. The other details of Audit Committee like composition, terms of reference, meetings held are provided in the Corporate Governance Report annexed to this Report.

NOMINATION AND REMUNERATION COMMITTEE

The Company has a Nomination and Remuneration Committee and detailed disclosure in this regard has been given in the Corporate Governance Report which is annexed to this Report.

SEPARATE MEETING OF INDEPENDENT DIRECTORS

As per statutory requirements, the Company arranges for separate meetings of Independent Directors every year and detailed disclosure in this regard has been given in the Corporate Governance Report which is annexed to this Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

In compliance with the provisions of the Companies Act, 2013, the details of investments made and loans/guarantees provided as on 31st March, 2021 are given in the respective Notes to the financial statements.

INSURANCE

The Company has taken Directors and Officers liabilities insurance as well as appropriate insurance for all assets against foreseeable perils.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS

There are no significant and material orders passed by the Regulators, courts or Tribunals which would impact the going concern status and the Company's future operations.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES (RPTs)

In line with the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015, the Company has formulated a Policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions. The same has been posted on the website of the Company. The Company gives the disclosure regarding material transactions with related parties on quarterly basis along with the compliance report on Corporate Governance. As per requirements of Section 134 (3) of Companies Act, 2013 read with rule 8 of Companies (Accounts) Rule, 2014, particulars of contracts or arrangements with related parties as referred in section 188 (1) of the Companies Act, 2013 is

annexed as **Annexure II** and form part of the Directors' Report. Further, suitable disclosure as required by the Accounting Standards has been given in the Notes to the Financial Statements.

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 annexed as **Annexure III** and form part of the Directors' Report.

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 annexed herewith.

HUMAN RESOURCES

Your Company takes pride in its highly motivated and competent Human Resource that has contributed its best to bring the Company to its present heights. Employees are the driving force behind the sustained performance of your company over all these years. As a commitment towards your Company's core values, employees' participation in Management was made effective based on mutual respect, trust and a feeling of being a progressive partner in growth and success. Both employees and management complemented each other's efforts in furthering the interest of your Company as well as its stakeholders, signifying and highlighting overall harmony and cordial employee relations prevalent in your Company. No man days were lost due to strike or lock-out. As on 31st March, 2021 there were 532 employees including 3 Whole-time Directors.

SECRETARIAL AUDIT

M/s A. N. Kukreja, Practicing Company Secretary (M. No. FCS 1070, CP No. 2318), was appointed by Board of Director to conduct the Secretarial Audit of the Company for the financial year 2020-21 as required under Section 204 of Companies Act, 2013 and rules thereunder.

A Secretarial Audit Report for the Financial Year 2020-21 submitted by M/s A. N. Kukreja, a Company Secretary in practice, is annexed as **Annexure IV** to this report alongwith Management's Reply on the Secretarial Audit Report for the Financial Year 2020-21.

MANAGEMENT DISCUSSION AND ANALYSIS

The Annual Report contains a separate section on Management Discussion and Analysis annexed as **Annexure V** and form part of the Directors' Report.

CORPORATE GOVERNANCE

The Company is committed to good Corporate Governance and lays strong emphasis on transparency, accountability and integrity. As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Report on Corporate Governance, together with Auditors' Certificate regarding Compliance of conditions of corporate governance for the Financial Year 2020-21, is annexed as **Annexure VI** to this report along with Management's Reply on the Auditors' Report on the Corporate Governance Report for the Financial Year 2020-21.

BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report covering initiatives taken with environmental, social and governance perspective has been prepared in accordance with the directives of SEBI is annexed herewith as **Annexure VII** and form part of the Directors' Report.

ANNUAL RETURN

The Annual Return of the Company as on 31st March, 2021 is available on the Company's website and can be accessed at <https://www.petronetlng.in/annualreturn.php>.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by The Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

INDUSTRIAL RELATIONS

Your Company continued to enjoy cordial and smooth relations amongst all its employees at all locations of the Company.

RISK MANAGEMENT

The Company has well defined policies and procedures to inform the Members of the Board about the risk assessment and its minimization. A Risk Management Committee 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 an ongoing basis, risk prioritization, risk mitigation, monitoring plan and comprehensive reporting system.

This Risk Management Framework supports your Company's business strategy and operations. Risk Management Framework is constantly updated for new and emerging risks emanating from business expansion and interests. The risks are evaluated, quantified & prioritized and mitigation plans are reviewed & monitored at various stages. Corporate Level Risk Management Committee oversees the implementation of the Risk Management Policy and Procedures which are periodically reviewed and monitored by the Risk Management Committee and by the Audit Committee before presenting it to the Board.



In the changing business scenario and expansion of your Company into various other activities, business risk and their mitigation plans are assessed on regular basis.

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for Directors and employees of the Company to report, to the management, concerns about unethical behaviour, actual or suspected fraud or violation of the policy. The same has also been hosted on the website of the Company. During the year ended 31st March, 2021, no complaint was received under Vigil Mechanism and thus no complaint was pending as on 31st March, 2021.

CODE OF CONDUCT

The Company has formulated a Code of Conduct for Board Members and Senior Management Personnel. The confirmation of compliance of the same is obtained from all concerned on annual basis. All Board Members and Senior Management Personnel have given their confirmation of compliance for the year under review. A declaration duly signed by MD & CEO is given in the Report on Corporate Governance annexed to this Report. The Code of Conduct for Board Members and Senior Management Personnel is given on the website of the Company.

LISTING ON STOCK EXCHANGES

The Company’s equity shares are listed on the BSE Ltd. and National Stock Exchange of India Ltd.

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 2012-13 to Investor Education and Protection Fund. Detail of the same is available at website of the Company at the following link <https://www.petronetlng.in/cg.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. Details of the same is available at website of the Company at the following link – <https://www.petronetlng.in/cg.php>

ANNEXURES FORMING PART OF ANNUAL REPORT

The particulars of annexure forming part of this report are as under:

Particulars	Annexure
Annual Report on CSR Activities	I
Disclosure of Related Party Transactions in Form AOC-2	II
Particulars of Employees pursuant to Section 197 of Companies Act, 2013	III
Secretarial Audit Report in Form MR-3	IV
Management Discussion & Analysis	V
Report on Corporate Governance	VI
Business Responsibility Report for the year 2020-21	VII

OTHER DISCLOSURES

No disclosure or reporting is required in respect of the following items as either these were not applicable or there were no transactions on these items during the financial year 2020-21:-

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
4. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
5. The details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks of Financial Institutions.
6. Amount carried to reserves.
7. The details of application made or any proceeding pending under the insolvency and Bankruptcy code, 2016 during the year.

During the financial year 2020-21, there was no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and thus no case was pending as on 31st March, 2021. As a part of compliance to the above said act, Internal Complaints Committees (ICC) have been constituted to redress the complaints regarding sexual harassment.

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this report.

STATUTORY AUDITORS

M/s T. R. Chadha & Co., Chartered Accountants LLP, have been appointed by the Shareholders of the Company as Statutory Auditors for the financial year 2020-21.

AUDITORS' REPORT

The Auditors have submitted an unqualified report for the financial year 2020-21. No fraud has been reported by Auditors under sub-section (12) of section 143 of the Companies Act, 2013.

COST AUDITOR

As prescribed under the Companies (Cost Records and Audit) Rules, 2014, the Cost Accounting records are being maintained by your Company.

The Board of Directors has appointed M/s Chandra Wadhwa & Co., Cost Accountants (Regn. No. 000239) as the Cost Auditors of the Company for the Financial Year 2020-21. The Cost Audit Report for the year 2019-20 has been filed under XBRL mode on 8th January, 2021.

DIRECTORS' RESPONSIBILITY STATEMENT

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

GREEN INITIATIVES

Ministry of Corporate Affairs, through its Circulars dated 8th April 2020, 13th April 2020, 5th May 2020 and 13th January 2021 has allowed companies to conduct the general meetings through video conferencing (VC) or other audio

visual means (OAVM) and non-printing of annual reports during the calendar year 2020. SEBI, through Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12.05.2020 and through circular SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15.01.2021 has also relaxed certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in the wake of Covid-19 pandemic.

MCA circular dated 05.05.2020 requires that the Company should facilitate the manner in which the persons who have not registered their email addresses with the company can get the same registered with the company.

In light of the MCA Circulars and better Corporate Governance, the Company has provided facility to the shareholders through the depositories i.e. NSDL and CDSL and through its Registrar and Transfer Agent i.e. Bigshare Services Private Limited, to register their email addresses with the depositories or the Company for receiving the Annual Report for 2020-21 and other communications.

The shareholders are requested to write to the Company at investors@petronetlng.in or to the RTA of the company, i.e. Bigshare Services Private Limited at investor@bigshareonline.com. Accordingly, it is requested that members who have not registered their email addresses, may kindly register the same.

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 and Kerala, Promoters of the Company, RasGas, Exxon Mobil and other LNG suppliers, gas off-takers and consumers of re-gasified LNG, Auditors and Lenders for their whole-hearted co-operation and unstinted support.

The Directors of your company also convey their gratitude 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 of your Company.

The Board also appreciates the contribution of contractors, vendors and consultants in the implementation of various projects of the Company.

We wish to place on record our deep appreciation to employees at all levels for their hard work, dedication and commitment.

For and on behalf of the Board of Directors

(Tarun Kapoor)
Chairman

Place : New Delhi
Date : 25th August, 2021