Petronet LNG Limited

ANNUAL REPORT 2016 – 2017

Board of Directors

Shri K. D. Tripathi	Chairman
Shri Prabhat Singh	Managing Director & CEO
Shri Rajender Singh	Director (Technical)
Shri Subhash Kumar	Director (Finance)
Shri D. K. Sarraf	Director
Shri D. Rajkumar	Director
Shri G. K. Satish	Director
Shri Subir Purkayastha	Director
Dr. T. Natarajan	Director
Shri A. K. Misra	Director
Shri Sushil Kumar Gupta	Director
Dr. Jyoti Kiran Shukla	Director

Company Secretary

Shri K. C. Sharma

Bankers and Financial Institutions

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

Statutory Auditor

M/s T. R. Chadha & Co.

Cost Auditor:

M/s K. L. Jaisingh & Co.

Secretarial Auditor

M/s A.N. Kukreja & Co.

Debenture Trustee

M/s SBICAP Trustee Company Ltd.

Registrar & Share Transfer Agent

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

Registered Office:

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

Dahej LNG Terminal:

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

Kochi LNG Terminal:

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

PETRONET LNG LIMITED
NEW DELHI

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

NOTICE OF 19TH ANNUAL GENERAL MEETING – 2017

NOTICE is hereby given that the 19th (Nineteenth) Annual General Meeting of the Members of Petronet LNG Limited (PLL) will be held on Friday, the 15th day of September, 2017 at 10:00 A.M. at Manekshaw Centre, Khyber Lines, Delhi Cantonment, New Delhi, 110010 to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt Financial Statements and Report of Board of Directors and Auditors thereon for the financial year ended 31st March, 2017.

2. To declare a dividend for the financial year ended 31st March, 2017.

3. To appoint a Director in place of Shri K. D. Tripathi (DIN 07239755) who retires by rotation and being eligible offers himself for re-appointment.

4. To appoint a Director in place of Shri Subir Purkayastha (DIN 06850526) who retires by rotation and being eligible offers himself for re-appointment.

5. To appoint a Director in place of Shri D. K. Sarraf (DIN 00147870) who retires by rotation and being eligible offers himself for re-appointment.

6. To appoint Statutory Auditors, fix their remuneration and in connection therewith, to pass with or without modification(s) the following resolution:

   RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013, and Rules made there under M/s T.R. Chadha & Co. LLP, Chartered Accountants (Regn. No. 006711N), New Delhi, be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting at a remuneration of Rs. 10.50 Lac (Rupees Ten Lac and Fifty Thousand) plus out of pocket expenses and applicable service tax."

SPECIAL BUSINESS

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

7. **"RESOLVED THAT** pursuant to provisions of Article 106 of Articles of Association and Section 149, 152, 160 and other applicable provisions, If any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other rules, if any, Shri G. K. Satish (DIN 06932170), Nominee Director of Indian Oil Corporation Ltd. (IOCL), who has been appointed on 21st September, 2016 as Additional Director of the Company by Board of Directors under Section 161 of Companies Act, 2013 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation."

8. **"RESOLVED THAT** pursuant to provisions of Article 106 of Articles of Association and Section 149, 152, 160 and other applicable provisions, If any, of the Companies Act, 2013 read with the Companies

(Appointment and Qualification of Directors) Rules, 2014 and other rules, if any, Dr. T. Natarajan (DIN 00396367), Nominee Director of Gujarat Maritime Board (GMB), who has been appointed on 21st September, 2016 as Additional Director of the Company by Board of Directors under Section 161 of Companies Act, 2013 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation."

9. **"RESOLVED THAT** pursuant to provisions of Article 106 of Articles of Association and Section 149, 152, 160 and other applicable provisions, If any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other rules, if any, Shri D. Rajkumar (DIN 00872597), Nominee Director of Bharat Petroleum Corporation Ltd. (BPCL), who has been appointed on 1st October, 2016 as Additional Director of the Company by Board of Directors under Section 161 of Companies Act, 2013 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation."

10. **"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, and Other Rules, if any, remuneration of 99,990/- plus out of pocket expenses and applicable tax to M/s K. L. Jaisingh & Co., Cost Accountants (Regn. No. 00182), New Delhi, Cost Auditor of the Company for the financial year 2017-18, as recommended by the Audit Committee and approved by the Board, be and is hereby ratified."

11. **"RESOLVED THAT** pursuant to the provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the applicable provisions of the Companies Act, 2013 (including any statutory modification(s) thereof for the time being in force), Rules made thereunder and Related Party Transactions Policy of the Company, approval of the Members of the Company be and is hereby accorded to the Board of Directors for contracts/ arrangements/transactions entered/ to be entered with the related parties i.e. promoter(s)/subsidiary/associate(s)/joint venture(s) (viz IOCL, BPCL, GAIL, ONGC, Adani Petronet (Dahej) Port Pvt. Ltd., Petronet LNG Foundation, Indian LNG Transport Co. (No. 4) Pvt. Ltd. Singapore etc.) during the financial year 2017-18 for supply of goods or service in the ordinary course of business and on arm's length basis, which may exceed the materiality threshold limit i.e. exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

    RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, matters, deeds and things and give all such directions as it may in its absolute discretion deem necessary, expedient or desirable, in order to give effect to this resolution."

12. **"RESOLVED THAT** pursuant to provisions of Article 111 of Articles of Association of the Company and Section 149, 152, 196, 197, Schedule V and all other applicable provisions, If any, of the Companies Act, 2013 and Rules made there under subject to the approval of the Central Government, if required and such alterations / modifications, if any, that may be affected by the above mentioned body in that behalf, approval of the Members be and is hereby accorded to the appointment of Shri Subhash Kumar (DIN 07905656) as Director (Finance) for a period of five years w.e.f. the date of joining i.e. 5th August, 2017 on the terms and conditions as stated in Explanatory Statement, with liberty to the Board of Directors to alter and vary the terms and conditions of appointment and/or remuneration, subject to

the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof."

13. **"RESOLVED THAT** pursuant to provisions of Article 111 of Articles of Association of the Company and Section 149, 152, 196, 197, Schedule V and all other applicable provisions, If any, of the Companies Act, 2013 and Rules made there under, subject to the approval of the Central Government, if required, and such alterations / modifications, if any, that may be affected by the above mentioned body in that behalf, approval of the Members be and is hereby accorded to the extension of tenure of Shri Rajender Singh (DIN 06435374) as Director (Technical) for a further period till he attains the age of 60 years i.e. upto 19th July, 2019 w.e.f. 14th November, 2017 on the existing terms and conditions, with liberty to the Board of Directors to alter and vary the terms and conditions of extension and/or remuneration, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof."

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

14. **"RESOLVED THAT** pursuant to the provisions of the Foreign Exchange Management Act, 1999 (FEMA), the Foreign Exchange Management (Transfer or issue of Security by a Person Resident Outside India) Regulations, 2000 and all other applicable Acts, Laws, Rules, Regulations, Circulars, Directions, Notifications, Press Notes and Guidelines (including any statutory modifications or re-enactment thereof for the time being in force, approval of the Members of the Company be and is hereby accorded to permit Foreign Institutional Investors (FII's) registered with the Securities and Exchange Board of India (SEBI) to acquire and hold on their own account and on behalf of each of their SEBI approved sub-accounts or Foreign Portfolio Investors by whatever name called, to make investment in any manner in the equity shares of the Company upto an aggregate limit of 40% (Forty percent) of the paid up equity Share Capital of the Company, provided, that the shareholding of each FII on its own account and on behalf of each of their SEBI approved sub-accounts in the Company shall not exceed such limit as are applicable or may be prescribed, from time to time, under applicable Acts, Laws, Rules and Regulations (including any statutory modifications or re-enactment thereof from time to time).

RESOLVED FURTHER THAT the Company Secretary be and is hereby authorised to do all such acts, deeds, things and take all such steps as he may think fit and proper for giving effect to this resolution and for matters connected therewith or incidental thereto including raising limit from 30% to 40% without requiring to secure any further approval of the Members of the Company."

By Order of the Board
For Petronet LNG Limited

Place : New Delhi
Date : 14th August, 2017

(K. C. Sharma)
Company Secretary

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Item No. 7 to 14 as set out above is annexed hereto.

2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND THE MEETING, INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY SHALL NOT HAVE ANY RIGHT TO SPEAK AT THE MEETING AND SHALL NOT VOTE EXCEPT ON A POLL. A PERSON APPOINTED AS PROXY SHALL ACT ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN AGGREGATE NOT MORE THAN TEN PERCENT**

(10%) OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. FURTHER, A MEMBER HOLDING MORE THAN TEN PERCENT, OF THE TOTAL SHARE OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR MEMBER.

3. The instrument appointing the proxy must be deposited at the registered office of the Company not less than 48 hours before the commencement of the Annual General Meeting.

4. The Company had issued a Postal Ballot Notice dated 19th May, 2017 for obtaining Shareholder's approval by way of Special Resolution(s) in respect of the following item:

    - Increase of Authorised Share Capital of the Company including Alteration of Clause V of Memorandum of Association of the Company.
    - Issue of Bonus Shares by way of Capitalisation of Reserves.

    The Result of the Postal Ballot were declared on 20th June, 2017 and Special Resolution(s) as set out in the Postal Ballot Notice have been passed by the Members with an overwhelming majority as more than 90% of votes were casted in favour of Resolution(s) as per Scrutnizer's Report and the results of Postal ballot were also hosted at the website of the Company

5. In case of Joint holders attending the Meeting, only such Joint holder, who is higher in the order of names will be entitled to vote.

6. All documents referred to the accompanying Notice and the Explanatory Statement(s) are open for inspection at the Registered Office of the Company during office hours on all working days except Saturday and Sunday between 11.00 A.M. to 1.00 P.M. up to the date of the Annual General Meeting.

7. Members / Proxies should bring the Attendance Slip duly filled for attending the Meeting.

8. Members are requested to bring their copies of the Annual Report to the Meeting.

9. Members holding Shares in physical mode are requested to notify the change in their Address / Bank Account/update E-mail ID to M/s Karvy Computershare Pvt. Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032, the Registrar & Share Transfer Agent (R & T Agent) of the Company.

10. Members holding shares in De-mat mode are requested to notify the change in their Address / Bank Account/update E-mail ID to their respective Depositary Participant(s) (DPs).

11. Members must quote their Folio Number / De-mat Account No. in all correspondence with the Company / R&T Agent.

12. **No gifts, gift coupons, or cash in lieu of gifts shall be distributed to Members at or in connection with the Annual General Meeting in term of Clause 14 of Secretarial Standard (SS) 2 pertaining to distribution of Gifts at Annual General meeting.**

13. The Register of Members and Share Transfer Books of the Company will remain closed from 9th September, 2017 to 15th September, 2017 (Both days inclusive). The dividend on equity shares, as recommended by the Board of Directors, subject to the approval of Members in the Annual General Meeting, will be paid on and after 3rd October, 2017 to the Members or their Mandates whose name appear on the Company's Register of Members on 9th September, 2017 in respect of physical Shares and in respect of Dematerialized Shares, the dividend will be payable to the beneficial owner of the shares whose name appear in the statement of beneficial ownership furnished by NSDL and CDSL at close of business hours on 9th September, 2017.

14. In order to avail the facility of Electronic Clearing System (ECS) for receiving direct credit of dividend to his / their respective account with Bank(s), the Members holding equity shares in Physical Mode are requested to provide their Bank Account details to M/s Karvy Computershare Pvt. Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032, the Registrar & Share Transfer Agent (R & T Agent) of the Company.

15. Pursuant to SEBI circular, Members holding shares in dematerialize form are requested to provide/ update their Bank Account details to their respective Depository Participants (DP) with whom maintain their demat account.

16. Entry to the Auditorium will be strictly against entry slip available at the counters at the venue and against exchange of Attendance Slip.

17. Any briefcase / bags / eatables will not be allowed to be taken inside the Auditorium.

18. Annual Listing Fee and Custody fee for the year 2017-18 have been paid to all Stock Exchanges, wherein Shares of the Company are listed, as well as Custodian i.e. NSDL & CDSL respectively.

19. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of Board Resolution authorizing their representative to attend and vote on their behalf in the Meeting.

NOTE ON TRANSFER OF DIVIDEND AMOUNT TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

20. Pursuant to the provisions of Section 124 of the Companies Act, 2013, the Company has deposited the amount lying in Unpaid/Unclaimed Dividend account for the financial year 2006-07, 2007-08, 2008-09 & 2009-10 to Investor Education and Protection Fund.

E-voting Facility

21. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is offering a facility to its Members to cast their vote by electronic means in respect of the above mentioned businesses to be transacted at the Eighteenth Annual General Meeting.

    Notice of Annual General Meeting together with E-voting process has been sent to all the Shareholders separately. A Shareholder can apply for duplicate E-voting instruction Form together with AGM Notice through an e-mail at raju.sv@karvy.com, if so required.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO: 7

Pursuant to the Article 113 A of the Articles of Association of the Company and in terms of Section 161 of the Companies Act, 2013 and Rules made thereunder, Shri G. K. Satish Nominee Director of Indian Oil Corporation Ltd., was appointed as Additional Director w.e.f. 21st September, 2016 on the Board of the Company and he holds office as Director up to the date of this Annual General Meeting. The Company has received a notice under Section 160 of the Companies Act, 2013, from a Shareholder proposing the name of Shri G. K. Satish as Director of the Company.

A brief resume of Shri G. K. Satish as required in terms of Regulation 36 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is enclosed with the notice. Your Directors recommend the resolution for approval of the Shareholders.

Shri G. K. Satish is interested in the resolution to the extent of his appointment as Director.

The Directors or Key Managerial Personnel(s) or their relatives do not have any concern or interest, financial or

otherwise, in passing of the said resolution.

ITEM NO: 8

Pursuant to the Article 113 A of the Articles of Association of the Company and in terms of Section 161 of the Companies Act, 2013 and Rules made thereunder, Dr. T. Natarajan Nominee Director of Gujarat Maritime Board (GMB), was appointed as Additional Director w.e.f. 21st September, 2016 on the Board of the Company and he holds office as Director up to the date of this Annual General Meeting. The Company has received a notice under Section 160 of the Companies Act, 2013, from a Shareholder proposing the name of Dr. T. Natarajan as Director of the Company.

A brief resume of Dr. T. Natarajan as required in terms of Regulation 36 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is enclosed with the notice. Your Directors recommend the resolution for approval of the Shareholders.

Dr. T. Natarajan is interested in the resolution to the extent of his appointment as Director.

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

ITEM NO: 9

Pursuant to the Article 113 A of the Articles of Association of the Company and in terms of Section 161 of the Companies Act, 2013 and Rules made thereunder, Shri D. Rajkumar Nominee Director of Bharat Petroleum Corporation Ltd. (BPCL), was appointed as Additional Director w.e.f. 1st October, 2016 on the Board of the Company and he holds office as Director up to the date of this Annual General Meeting. The Company has received a notice under Section 160 of the Companies Act, 2013, from a Shareholder proposing the name of Shri D. Rajkumar as Director of the Company.

A brief resume of Shri D. Rajkumar as required in terms of Regulation 36 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is enclosed with the notice. Your Directors recommend the resolution for approval of the Shareholders.

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

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

ITEM NO: 10

M/s K. L. Jaisingh & Co., Cost Accountants (Regn. No. 00182), were reappointed as the Cost Auditors of the Company by Board of Directors in its meeting held on 9th May, 2017 in terms of Section 148 of the Companies Act, 2013 for the financial year 2017-18.

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

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

ITEM NO: 11

As per provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 188 read with Rules made there under and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder and Related Part Transactions Policy of the Company, all material Related Party Transactions shall require approval of the Shareholders of the Company and the Related Party shall abstain from voting on such resolutions.

Further, a transaction with a Related Party shall be considered material if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, **exceeds ten percent of the annual consolidated turnover** of the Company as per the last audited financial statements of the Company.

Further, in terms of provisions Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also the relevant Accounting Standard, the promoter(s)/subsidiary/associate(s)/joint venture(s) (viz. IOCL, BPCL, GAIL, ONGC, Adani Petronet (Dahej) Port Pvt. Ltd., Petronet LNG Foundation, Indian LNG Transport Co. (No. 4) Pvt. Ltd. Singapore etc.) and KMPs qualify as Related Party(s) of the Company and the Company has existing and continuing contracts/ arrangements in the ordinary course of business and on arm's length basis with the related parties which will continue to exist beyond 31st March, 2017 in addition to the new Contract(s)/transaction(s) to be entered into. It is difficult to specifically assess the total value of such transactions at this stage, however, it is expected that the aggregate value of all such transactions together would be beyond the threshold limit of materially as specified above.

Therefore, the approval of the Shareholders is being sought in respect of the proposed material transactions with related parties in a proactive manner.

Your Directors recommend the resolution for approval of the Shareholders of the Company.

The Directors or Key Managerial Personnel(s) or their relatives do not have any concern or interest, financial or otherwise, in passing of the said resolution except to the extent of their shareholding in the Company.

ITEM NO: 12

Shri Subhash Kumar was appointed as Director (Finance) on 5th August, 2017, for a period of five years. The appointment of Whole-time Director is required to be approved by the Shareholders in the General Meeting. The terms and conditions of the appointment are as under.

1. **Salary:** Basic pay has been fixed at Rs. 166700/- p.m. with an annual increment of 5%.

2. **Perquisites**

   a. **Housing:** Rent free furnished accommodation along with the benefits of gas, fuel, water, electricity (Rs. 2000/- per month), telephone internet and fax as also upkeep and maintenance of company's furnished accommodation.

   Or

   House Rent Allowance (HRA) limited to the 60% of Basic salary or if you offer a house in your own name/spouse, the same may be taken on lease limited to 60% of the basic salary.

   b. **Medical Reimbursement:** Reimbursement of medical expenses for self and family including dependent parents at actual.

   c. **Leave Travel Allowance:** Leave Travel Allowance will be paid by the Company for self and family once in a year subject to a ceiling of one and half month's salary.

   d. **Club Fees:** Reimbursement of club fees, subject to maximum of two clubs.

   e. **Personal Accident Insurance Policy:** The Company subject to a maximum premium of Rs. 4000 /- p.a., will provide Personal Accident Insurance Cover as applicable to you.

   f. **Furniture at residence** upto Rs. 3 lacs subject to recovery of Rs. 100/- p.m. and payment of 10% maintenance allowance on self-certification basis with option to repurchase at book value after 7 years or on retirement whichever is earlier.

3. **Other benefits**

   a. Contribution to Provident Fund, Superannuation Fund/Annuity Fund in accordance with the rules of the Company.

   b. Gratuity as per the Gratuity Act.

   c. A Company owned car with an on-road price upto Rs. 10 Lacs with services of a driver to be provided by the Company for official use. The permissible limit for personal use would be 1000 KMs per month with an annual ceiling of 12000 KM against a monthly deduction of Rs. 2000/- p.m.

d. Telephone/Fax/Internet facility – at actual.

e. Leave/Leave Salary as per the rules of the Company.

f. Commission on profit, if any decided by the Board on yearly basis, subject to and within the ceiling as may be approved by the Shareholders.

g. The performance incentive would be decided by the Nomination & Remuneration Committee as constituted by the Board on year to year basis based on the performance of the Company.

h. Any and all allowances, perquisites and benefits under the appropriate schemes and rules applicable generally to the officers of the Company provided however that the total remuneration shall be within the ceiling prescribed under Schedule V of the Companies Act, 2013.

i. The appointment will be subject to termination by three-month notice in writing on either side.

The tenure of appointment is for a period of 5 years from the date of taking over the charge of Director (Finance).

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

Shri Subhash Kumar will not be paid any sitting fees for attending the meetings of the Board or any Committee thereof.

Shri Subhash Kumar is interested in the resolution to the extent of his appointment as Director (Finance).

Your Directors recommend the resolution for approval of the Shareholders.

No other Directors or Key Managerial Personnel(s) or their relatives have any concern or interest, financial or otherwise, in passing of the said resolution except to the extent of their shareholding in the Company.

ITEM NO: 13

Shri Rajender Singh was appointed as Director (Technical) on 14th November, 2012, for a period of five years. The Board of Directors in its meeting held on 9th May, 2017, extended the tenure of Shri Rajender Singh for a further period till he attains the age of 60 years w.e.f. 14th November, 2017 on the existing terms and conditions as approved by the Shareholders in the 15th Annual General Meeting held on 4th July, 2013. As per the requirement of the Companies Act, 2013, the appointment or re-appointment of Whole-time Director is required to be approved by the Shareholders in the General Meeting. Your Directors recommend the resolution for approval of the Shareholders.

Shri Rajender Singh is interested in the resolution to the extent of extension of his tenure as Director (Technical).

No other Directors or Key Managerial Personnel(s) or their relatives have any concern or interest, financial or otherwise, in passing of the said resolution.

ITEM NO: 14

Present paid up Equity Share Capital of the Company is Rs. 1500 crore out of which 50% is being held by our four promoters i.e. GAIL, IOCL, BPCL and ONGC and rest 50% is being held by public including FIIs. Present holding of FIIs/FPIs in PLL is more than 23% which may reach above the threshold limit, approved by shareholders in its meeting held on 24th September, 2015, of 30% of paid up capital in the times to come. The limit of 30% may be increased upto 40% i.e. Sectoral Cap / Statutory Ceiling by passing a Resolution by the Board and followed by passing a Special Resolution to that effect by the Shareholders in the General Meeting.

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

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

By Order of the Board
For Petronet LNG Limited

Place : New Delhi
Date : 14th August, 2017

(K. C. Sharma)
Company Secretary

BRIEF BIOGRAPHY OF DIRECTORS PROPOSED TO BE APPOINTED/REAPPOINTED AS REQUIRED IN TERMS OF (LISTING OBLIGATION & DISCLOSURE REQUIREMENTS) REGULATIONS 2015 (LODR).

Shri K. D. Tripathi

Shri K. D. Tripathi is an officer belonging to the Indian Administrative Service. He did his Post Graduation in Physics from the University of Allahabad in 1978. He also did Masters of Business Administration in the year 1994 from University of Ljubljana, Slovenia.

He has an experience of more than 37 years in the Public Administration. He has held important positions in Government of India in various Ministries/Departments like Rural Development; Steel & Mines; Tourism; Chemicals, Petrochemicals and Pharmaceuticals; Public Enterprises, etc. He also served as Secretary in the Central Vigilance Commission, which is premier Integrity Institution of the Country.

Presently, he is Secretary to the Government of India in the Ministry of Petroleum & Natural Gas. His portfolio include formulation and implementation of policies and projects in upstream, midstream and downstream activities in the sector.

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

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

Name of the Company	Position Held
Indian Strategic Petroleum Reserves Ltd.	Chairman
Oil Industrial Development Board	Chairman

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

Shri Subir Purkayastha

Shri Subir Purkayastha is Director (Finance) in GAIL (India) Limited and a nominee Director of GAIL on the Board of Petronet LNG Ltd. Shri Subir Purkayastha is a Chartered Accountant and Company Secretary by professional qualification and having a rich experience of more than 31 years in the areas of Corporate Finance and Treasury including Forex Risk Management, Capital Budgeting, Corporate Budgets, Corporate Accounts, Finalization of Long Term LNG and Gas Agreements, Liquefaction and Regasification Terminal Service Agreement, Shareholders Agreements and Joint Ventures Agreement etc.

Prior to his appointment as Director (Finance), he held the position of Executive Director (Finance & Accounts) in GAIL. He is holding the additional position of Chairman in GAIL Global (Singapore) Pte. Ltd. and Director in GAIL China Gas Global Energy Holdings Limited, Brahmaputra Cracker & Polymer Limited and GAIL Gas Ltd. Shri Subir Purkayastha also hold the position of Director in GAIL Gas (USA) Inc., Ratnagiri Gas and Power Pvt. Ltd (RGPPL) and TAPI Pipeline Company Limited.

He joined GAIL in 1985 as a Finance Officer and rose to the position of Executive Director. Having joined in the early stages of the Company, he was part and parcel of the growth trajectory of the Company.

Shri Subir Purkayastha holds 100 shares in the Company.

Shri Subir Purkayastha holds Directorship/Chairmanship in the following other Companies:

Name of the Company	Position Held
GAIL Global (Singapore) Pte. Ltd.	Chairman
GAIL China Gas Global Energy Holding Limited	Director
Brahmaputra Cracker & Polymer Ltd.	Director
GAIL Gas Ltd.	Director
GAIL (India) Ltd.	Director

Shri Subir Purkayastha is a Member/Chairman of Committees of Board of Directors of the following Companies –

Name of the Company	Name of Committee	Position Held
GAIL Gas Ltd.	Audit Committee	Chairman
Brahmaputra Cracker & Polymer Ltd.	Audit Committee	Chairman

Shri D. K. Sarraf

Shri D. K. Sarraf is the Chairman & Managing Director of Oil and Natural Gas Corporation Ltd (ONGC). He is also a nominee Director of ONGC on the Board of Petronet LNG Ltd. He is also Chairman of Mangalore Refinery & Petrochemicals Ltd (MRPL) and four other ONGC Group Companies (OPaL- ONGC Petro-additions Ltd, OMPL - ONGC Mangalore Petrochemicals Ltd, MSEZ- Mangalore SEZ Ltd and OTPC - ONGC Tripura Power Company Ltd).

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

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

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

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

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

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

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

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

Shri G. K. Satish

Shri G. K. Satish is the Director (Planning & Business Development) of Indian Oil Corporation Ltd. (IOCL) and is also a nominee Director of IOCL on the Board of Petronet LNG Ltd. As the Director (Planning & Business Development), Shri Satish is in charge of Indian Oil's Petrochemicals, Natural Gas, Exploration & Production, Overseas Business and Renewable Energy business verticals, besides Corporate Planning. He is a Graduate in Mechanical Engineering from the National Institute of Technology, Surat, and a Post-Graduate in Management from the Management Development Institute, Gurgaon.

Shri Satish has over 31 years' experience in IndianOil in the areas of Marketing, Operations, Logistics, Shipping, Business Development, International Trade, Natural Gas Business and Human Resources.

Shri Satish is the Chairman of Green Gas Ltd., which operates the City Gas Distribution (CGD) networks in Agra & Lucknow and is also a Director on the Boards of Indian Oil's associate companies overseas viz IndOil Global BV (Netherlands), IndOil Montney Ltd. (Canada), Tass India Pte. Ltd. (Singapore) and Vankor India Pte. Ltd. (Singapore), which have been setup for handling Indian Oil's upstream assets in Canada and Russia respectively.

Shri G. K. Satish holds NIL share in the Company.

Shri G. K. Satish holds Directorship/Chairmanship in the following other Companies:

Name of the Company	Position Held
Green Gas Ltd.	Chairman
Indian Oil Corporation Ltd.	Director
TAAS India Pte. Ltd.	Director
Vankor India Pte. Ltd.	Director
Indoil Montney Ltd.	Director
Indoil Global B.V.	Director

Shri G. K. Satish is not a Member/Chairman of Committees of Board of Directors in any other Company.

Dr. T. Natarajan

Dr. T. Natarajan, IAS is B.E. (Mining Engineering) and an MBA (Finance & Marketing). He also holds Doctorate in Management. Dr. T. Natarajan, IAS served as Joint Managing Director of Gujarat Narmada Valley Fertilizers & Chemicals Limited. He worked in Industrial Finance Corporation for 2 years and has also held distinguished positions in the Government of Gujarat including Commissioner, Technical Education, Commissioner, Geology & Mining as well as Secretary, Economic Affairs, Finance Department. He has served as a Director of Gujarat Mineral Development Corporation Limited, Gujarat Industrial Development Corporation Limited, Gujarat Urban Development Company Limited, Gujarat State Electricity Corporation Limited and Bhavnagar Energy Co. Ltd. Dr. T. Natarajan, IAS is presently Joint Managing Director on the Board of Directors the Gujarat State Petroleum Corporation Limited and Gujarat State Petronet Limited.

Dr. T. Natarajan holds NIL share in the Company.

Dr. T. Natarajan holds Directorship / Chairmanship in the following other Companies:

Name of the Company	Position Held
Gujarat State Energy Generation Limited	Chairman
Guj Info Petro Limited	Chairman
Sabarmati Gas Limited	Chairman
Gujarat State Petroleum Corporation Limited	Joint Managing Director
Gujarat State Petronet Limited	Joint Managing Director
Gujarat Gas Limited	Director
GSPC Pipavav Power Company Limited	Director
GSPL India Gasnet Limited	Director
GSPL India Transco Limited	Director

Dr. T. Natarajan is a Member of the following Committees of Board of Directors in other Companies :

Name of the Company	Name of Committee	Position Held
Gujarat State Petroleum Corporation Limited	Audit Committee	Member
Gujarat State Petronet Limited	• Audit Committee • Stakeholders' Relationship Committee	Member
Gujarat Gas Limited	Audit Committee	Member

Shri D. Rajkumar

Shri D. Rajkumar, Chairman & Managing Director of Bharat Petroleum Corporation Ltd (BPCL) is also a nominee Director of BPCL on the Board of Petronet LNG Ltd. He has B. Tech. from IIT, Madras and

Management degree from IIM, Bangalore. Prior to his appointment as Chairman & Managing Director, BPCL, he held the post of Managing Director of Bharat PetroResources Ltd. He has 32 years of experience out of which close to 15 years of Board experience as Managing Director of BPCL's Joint Venture / Subsidiary Companies. His work experience span across areas of marketing function, pipeline projects to integrated upstream and downstream oil sector. He has global exposure of working closely with international majors and multinational companies. He also has extensive exposure to fiscal, legal, contractual and political regimes in foreign countries.

Shri D. Rajkumar holds 400 shares in the Company.

Shri D. Rajkumar holds Directorship/Chairmanship in the following other Companies:

Name of the Company	Position Held
Bharat Petroleum Corporation Ltd.	Chairman & Managing Director
Numaligarh Refinery Ltd.	Chairman
Bharat Oman Refineries Limited	Chairman
Bharat Petro Resources Limited	Director

Shri D. Rajkumar is a Member/Chairman of Committees of Board of Directors of the following Company(s):

Name of the Company	Name of Committee	Position Held
Bharat Petro Resources Limited	Audit Committee	Member

Shri Subhash Kumar

Shri Subhash Kumar is Fellow Member of ICWAI and also Associate Member of ICSI. He also an alumni of Punjab University, Chandigarh where from he obtained his Masters degree in Commerce with Gold Medal. Shri Subhash Kumar joined ONGC in 1985 as Finance & Accounts Officer (F&AO).

He has had a long stint at ONGC Videsh, the overseas arm of ONGC. During his tenure with ONGC Videsh, he has worked inter-alia as Head Business Development Finance & Budget, ONGC Videsh from April, 2010 to March, 2015, after as Head Treasure Planning & Portfolio Management Group, ONGC Videsh. During September 2006 to March 2010, he was Cheif Financial Officer of Mansarovar Energy Colombia limited, an equally held joint venture between ONGC Videsh and Sinopec of China.

Prior joining Petronet, he was working as Chief Commercial & Head Treasury since July, 2016. Commercial Group in ONGC is responsible for key components of ONGC's topline and also deals with various oil and gas related taxes, levies and impost.

Shri Subhash Kumar holds NIL shares of the Company.

Shri Subhash Kumar is not a Director / Chairman of any other Company.

Shri Rajender Singh

Shri Rajender Singh has taken over the charge of Director (Technical) of Petronet LNG Limited on 14th November, 2012. He has completed his B.Sc. (Engineering) – Civil from NIT (formerly REC), Kurukshetra in 1981. He has rich experience in handling various oil & gas projects from conceptualization to commissioning in ONGC at Ankleshwar, Gandhar, Assam and Hazira. He has been associated with Petronet LNG Ltd. since 2001 as a part of Project Management Team of ONGC for construction of LNG Terminal Dahej phase-I. Shri Singh joined Petronet LNG Limited in 2006 as VP (Plant Head) - Dahej. Later he took the responsibilities of Sr. VP (Dahej & Kochi).

Shri Rajender Singh holds NIL shares in the Company.

Shri Rajender Singh does not hold Directorship / Chairmanship in any other Company.

DIRECTORS' REPORT

Dear Shareholders,

On behalf of the Board of Directors, it is our privilege and honour to present the nineteenth Annual Report and the Audited Accounts of your Company for the financial year ended 31st March, 2017.

PHYSICAL PERFORMANCE

The financial year 2016-17 saw the Company operate its Dahej Terminal at 13.13 million tonnes throughput as compared to 10.96 Million tonnes in the previous year. The demand for LNG was robust.

During the financial year 2016-17, the Dahej Terminal handled 217 LNG Cargoes and supplied 714.25 TBTUs of RLNG. 2840 LNG Road Tankers were also loaded and dispatched.

The utilisation of Kochi Terminal remained extremely low in the absence of pipeline network for gas evacuation. 5 Cargoes (including reload) were handled at the Kochi Terminal during the full year similar to 5 Cargoes during the last year.

FINANCIAL PERFORMANCE

During the financial year 2016-17, your Company achieved a turnover of Rs. 24,616 Crore as against Rs. 27,134 Crore in 2015-16. Inspite of an increase in quantity, the reduction of turnover in value terms is primarily due to reduction in LNG prices and increase in regas service cargoes. The net profit during the year stood at Rs. 1,706 Crore as against Rs. 913 Crore in the previous year. A summary of the comparative financial performance in the fiscal 2016-17 and 2015-16 is presented below:

(₹ in Crore)

Particulars	**2016-17**	**2015-16**
Revenue from operations	24,616	27,134
Other Income	347	173
Total Revenue	**24,963**	**27,307**
Cost of LNG imports	21,417	25,076
Gross Margin	**3,546**	**2,231**
Salary & other operating expenses	607	471
Finance charges	210	239
Depreciation	369	322
Profit before Tax	**2,360**	**1,199**
Tax expenses, including deferred tax	654	286
Profit after Tax	1,706	913
Earnings (Rs.) per Share	22.74	12.18

DIVIDEND

Keeping in view the financial performance and dividend policy of the Company, the Directors are pleased to recommend a dividend of 50% on the paid-up share capital of the Company for the year ending 31st March, 2017 as compared to 25% in the previous year. The Board of Directors have also approved the issue of bonus share in the ratio of 1:1 i.e. one new bonus equity share for each existing share considering the sound financial position of the Company.

FINANCING OF PROJECTS

Given the strong cash flows of the Company, the expansion of the Dahej project and other capital expenditure was funded entirely with the internal accruals without the need to draw any debt. The relationship with the existing lenders continues to be good.

Your Company has been rated by domestic as well as international agencies. During the year, the Company saw an improvement in its credit metrics leading to an enhancement in its rating outlook from "Stable" to "Positive" by CRISIL and ICRA. The International Rating Agency, Moody's also rated your Company at Baa3 and pegged it to the sovereign rating of India.

LNG SOURCING

The year past saw the start of supplies from yet another long-term contract that your Company had signed with Mobil Australia Resources Company (MARC) for supplies from the Gorgon project in Australia. Two cargoes were supplied under this agreement during the year and the volumes will ramp up to full capacity during the next year. Although these LNG volumes are primarily destined for the Kochi terminal, MT Prachi carried the volumes from Gorgon and brought these to Dahej as per the requirement of the offtakers.

Supplies under the two long-term contracts with RasGas Liquefied Natural Gas Company (RasGas) of Qatar continued without interruption. A total of 8.50 MMTPA of LNG is contracted under these agreements.

Your Company maintains excellent relationship with LNG suppliers across the world and buys volumes on spot and short-term basis as per the requirement of its offtakers and other market players.

EXPANSION OF THE DAHEJ TERMINAL

Your Company has completed the ongoing expansion project at Dahej by expanding the name plate capacity of the Terminal from 10 MMTPA to 15 MMTPA in the last quarter of 2016. Two storage tanks with a capacity of 1,70,000 (net) m3 each and regasification unit of 5 MMTPA were added in this expansion process. The project was completed at a total cost of Rs. 1999.10 Crore without raising any external debt.

LNG Terminal at Dahej

FURTHER EXPANSION OF DAHEJ TERMINAL

Your Company is in the process of further expansion of Dahej LNG Terminal from 15 MMTPA to 17.5MMTPA and has awarded the EPC Contract for Regasification facilities in July 2016. This project is proceeding as per schedule and is likely to be commissioned in first quarter of 2019.

SHIPPING ARRANGEMENTS

Three LNG ships, namely ‘Disha’, ‘Raahi’ and ‘Aseem’ carry the entire LNG volumes from RasGas under a long-term contract to Dahej. Besides Japanese companies, Shipping Corporation of India (SCI) is also an equity partner in the ship-owning companies. All these ships are manned, managed, maintained and operated by SCI. The ships operate on a long-term time charter basis with Petronet as the charterer.

During FY 2016-17, the overall shipping operations at Dahej LNG terminal have run smoothly and the jetty utilization has been very good without any downtime.

LNG Ship

The fourth LNG vessel “Prachi” was delivered on 30th November 2016. Besides Japanese Companies NYK, MOL and K-Line, Shipping Corporation of India (SCI) is an equity partner in the ship-owning companies. PLL has taken 26% equity in this LNG ship. The ship is currently being used to transport LNG from Gorgon, Australia to Dahej / Kochi.

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

LNG TERMINAL AT KOCHI

During the year, the Kochi terminal continued to operate at a very low capacity utilization due to lack of evacuation pipelines to Bangalore and Mangalore. BPCL-Kochi Refinery was the only major consumer throughout the year and the other customer FACT consumed R-LNG intermittently.

Kochi LNG Terminal

The average capacity utilization during the year was 5.67 %. R-LNG off-take by BPCL is expected to increase in 2017-18 in view of the ongoing commissioning of integrated refinery expansion project.

Other specialized services like cooling down of LNG vessels and storage / reload services were provided by the Kochi terminal during the year. 'Taral' LNG supplies also continued throughout the year with trucks to HLL Lifecare Ltd., Trivandrum.

It is understood that GAIL, the executing agency for the pipelines, has made significant progress in the Kochi - Mangalore section of the pipelineworks and has started work on pipeline laying in a few sections.

NEW BUSINESS INITIATIVES

LNG TERMINAL AND POWER PLANT AT SOUTH ANDAMAN

Your Company has signed a Memorandum of Understanding (MoU) with Andaman and Nicobar Administration for establishment of small scale floating LNG Receiving, Storage and Regasification Terminal and Gas based Power Plant at South Andaman. Your Company has initiated pre-project studies like environment impact assessment, geo-technical investigations, marine studies including navigational studies etc., output of which will be used to prepare the detailed feasibility report.

All the above studies are in progress and your Company shall submit a commercial proposal to Andaman and Nicobar Administration for their consideration thereafter.

LNG TERMINAL AT BANGLADESH PROJECT

Your Company has signed a MoU with Petrobangla of Bangladesh for cooperation / collaboration to set up a land based 7.5 MMTPA LNG Receiving, Storage and Regasification Terminal at Kutubdia Island. In continuance of the Memorandum of Understanding (MOU), your Company and Petrobangla have also signed a non-binding Heads of Understanding (HoU) on LNG Terminal Use, during the recent visit of Hon'ble Prime Minister of Bangladesh to Delhi.

Your Company has initiated pre-project studies such as geotechnical investigations both for land and marine area, marine studies, bathymetry study etc. Also Engineers India Limited has been engaged for preparation of Detailed Feasibility Report (DFR). All the above studies are currently in progress. After completion of above studies and DFR, your Company shall submit a commercial proposal along with terms and conditions to Petrobangla, for their consideration.

LNG TERMINAL AT SRI LANKA

Ministry of Petroleum and Natural Gas and Ministry of External Affairs officials are in discussion with Sri Lankan Authorities for cooperation/collaboration for development of LNG/NG infrastructure in Sri Lanka. Your Company is looking forward to any positive development in this regard.

LNG AS AN AUTOMOTIVE FUEL

Having gained extensive experience in LNG handling capabilities, the Company is taking steps to develop a small scale LNG market in the Country.

As a responsible corporate citizen and in a step towards meeting India's commitment at COP 21, your Company

First LNG Bus

had taken up an initiative to develop the small scale LNG markets in the Country and has been promoting the environmental friendly "LNG" as a fuel in Road transportation. With the support from the authorities and Government of India, the first LNG fuelled bus was introduced in Kerala in the month of November 2016.

Your Company has been in discussions with the Ministry of Road Transport and Highways (MoRTH) for formation of rules for establishing LNG as an automotive fuel. Union Minister for Road Transport and Highways has announced the approval for usage of LNG as an automotive fuel and final notification in this regard is expected soon. Discussions with oil marketing companies (OMC's) are underway to have a collaborative approach for development of the LNG dispensing infrastructure jointly.

LNG AS MARINE FUEL – In relation to water transportation, Petronet plans to provide LNG as marine fuel to LNG powered inland waterway barges, especially for National Waterway 1.

TRAINING CENTER AT KOCHI

LNG is expanding its footprint as a fuel of choice in the Indian sub-continent and, going forward, there will be a huge demand for skilled and trained manpower in this niche technological area. Therefore, your Company is planning to set up a Centre of Excellence in LNG Training at Kochi, one of its kind in this part of the World to develop a talented and skilled pool of professionals.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

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

DETAILS OF JOINT VENTURES / ASSOCIATE COMPANIES

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.

PERFORMANCE AND FINANCIAL POSITION OF SOLID CARGO JOINT VENTURE (JV) COMPANY

(₹. in Lacs)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Revenue	32,516	34,091
Profit/ (loss) from continuing operations	6,715	5,613
Other comprehensive income	(656)	144
Total comprehensive income	6,059	5,757
Company's share of total comprehensive income (26%)	1,575	1,497

Petronet also owns 3% equity in the vessel MT Aseem which carries LNG from Qatar to Dahej under a long term agreement. During the year, your Company also took a 26% equity stake in the vessel MT Prachi which is on a long term time charter for the Gorgon volumes. India LNG Transport Co. (No. 4) Pvt. Ltd. ('ILT4') is joint venture in which the Company has joint control and a 26% ownership interest. It is one of the Company's strategic investments and is primarily engaged in transportation of LNG from Gorgon, Australia to Kochi & Dahej terminals through a LNG cargo vessel. The joint venture has the principal place of business in Singapore.

The Company has made an investment in the equity of India LNG Transport Co. No.(4) Pvt. Ltd. (ILT4) on 13th February, 2017. For the purpose of consolidation, the differential of the acquisition value and fair value of ILT4 (as on the acquisition date) has been accounted as capital reserve. The financial statements of the ILT4 were not available for the period 13th February, 2017 to 31st March, 2017 hence the share of the Company in the profit/ loss of ILT4 for the said period has not been included in the consolidated financial statement as it is not expected to be material.

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

All possible measures have been undertaken successfully by your Company to achieve the desired objective of energy conservation and technology upgradation. In order to ensure optimum conservation of energy and absorption of technology, your Company's engineers have been interacting with industry peers, technology providers and EPC Contractors. They have also been nominated to important national and international seminars. A team has closely worked with Project Consultant and EPC Contractors in all phases of designing and construction of Dahej and Kochi LNG Terminals.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Your Company has incurred outgo in foreign exchange to the extent of Rs. 20,510.07 Crore during the year under review. Foreign exchange earnings during the year were Rs. 62.23 Crore.

EXTRACT OF THE ANNUAL RETURN

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company fully understands its responsibility towards the society and has been constantly contributing its bit towards various causes. In its endeavour to be more focused towards its social goals, the Company is developing a more structured approach to enhance access

Kashmir Super 30

to quality healthcare, enrich the lives of people in the rural communities, environmental causes and enhance the educational quotient in the Country.

Students of Kashmir Super 30 Programme

The Company is in the process of finalizing short-term, medium-term and long-term strategy to channelize the resources in a manner so as to derive maximum socio-economic impact from targeted approach. In line with its social goals as enumerated above, the Company has already identified several projects in the areas of Healthcare, Education, Environment, River Surface Cleaning, Agriculture, Swatch Bharat etc. where your

Company will spend the annual CSR budget in a progressive manner.

Clean Ganga Project

In terms of provisions of Companies Act, 2013, an amount of Rs. 21.60 Crore was required to be utilized on CSR activities. However, only Rs. 4.38 Crore was utilized on account of CSR activities during the financial year. The Company has been transitioning and adopting the new CSR policies / guidelines which have lead to the lower expenditure. The disclosure as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached herewith as Annexure B and form part of Board Report.

Further, Petronet LNG Foundation, a Company Limited by Guarantee, has been incorporated on 31st March, 2017 by Petronet LNG Limited as a promoter of the Company under the provisions of Section 8 of the Companies Act, 2013 and the rules made thereunder. This Company will facilitate the promoter to comply with its Corporate Social Responsibility (CSR) under provisions of Section 135 of Companies Act, 2013 and rules made thereunder.

CSR Activities

DIRECTORS

1. A) Changes in Directors and Key Managerial Personnel

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

Directors Resigned	
Name	**Date of Resignation**
Shri Debasis Sen, Nominee of IOCL	31st August, 2016
Shri S. Varadarajan, Nominee of BPCL	30th September, 2016
Mr. Philip Olivier, Nominee of GDFI	3rd February, 2017
Mr. Eric Ebelin, Nominee of GDFI	8th June, 2017
Shri R.K. Garg	19th July, 2017

Superannuation of Shri R.K. Garg, Director Finance

The Board placed on record its appreciation for the contributions made by Shri Debasis Sen, Shri S. Varadarajan, Mr. Philip Olivier and Mr. Eric Ebelin.

Directors Appointed	
Name	**Date of Appointment**
Shri G. K. Satish, Nominee of IOCL	21st September, 2016
Shri D. Rajkumar, Nominee of BPCL	1st October, 2016
Shri T. Natarajan, Nominee of GMB/GOG	21st September, 2016
Mr. Eric Ebelin, Nominee of GDFI	13th February, 2017
Shri Subhash Kumar	5th August, 2017

Welcome of Shri Subhash Kumar New Director Finance

2. B) Declaration by Independent Directors

Declaration by all the Independent Director(s) has been obtained stating that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

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

3. C) Formal 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.

4. D) INDEPENDENT DIRECTOR's MEETING

A meeting of the Independent Directors was held on 22nd March, 2017 without the attendance of Non-independent Directors and members of the management. The Independent Directors reviewed the performance of the Non-independent Directors and the Board as a whole, the performance of the Chairperson of the Company, taking into account the views of executive Directors and Non-executive Directors and assessed the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

KEY MANAGERIAL PERSONNEL

Shri Prabhat Singh, MD&CEO, Shri Subhash Kumar, Director (Finance) and Shri K. C. Sharma, Company Secretary are the Key Managerial Personnel of the Company in terms of Section 203 of the Companies Act, 2013.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the year, five Board Meetings were held on 16th May, 2016, 8th July, 2016, 5th September, 2016, 17th November, 2016 and 3th February, 2017. The intervening 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.

AUDIT COMMITTEE

The Company has duly constituted an Audit Committee of the Board. The Audit Committee comprises the following Directors as on 31st March, 2017:

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

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

The Chairman of the Audit Committee also attended the last Annual General Meeting of the Company.

NOMINATION AND REMUNERATION COMMITTEE

In terms of provisions of Section 178 of Companies Act, 2013 as well as the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors has constituted a Nomination and Remuneration Committee. As on 31st March, 2017, the Nomination and Remuneration Committee comprises of the following Directors:

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

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

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 Compnies 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.

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

Compensation Policy

A Compensation Benchmarking Survey is 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.

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

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

Insurance

The Company has taken appropriate insurance for all assets against foreseeable perils.

Significant and Material orders passed by 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

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

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

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

SECRETARIAL AUDIT REPORT

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

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

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

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

During the year ended 31st March, 2017, no complaint(s) of Sexual Harassment has been received by the Company.

CORPORATE GOVERNANCE CERTIFICATE

As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Report on Corporate Governance, together with Auditors' Certificate regarding

Compliance of the SEBI Code of Corporate Governance, is annexed herewith.

MANAGEMENT DISCUSSION AND ANALYSIS

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

INDUSTRIAL RELATIONS

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

RISK MANAGEMENT POLICY

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

DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

The Board of Directors of the Company has approved the Vigil Mechanism in terms of provisions of Section 177 of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for Directors and employees of the Company to report, to the management, concerns about unethical behavior, actual or suspected fraud or violation of the policy. The same has also been hosted on the website of the Company. During the year ended 31st March, 2017, no complaint has been received under Vigil Mechanism.

DIRECTORS' RESPONSIBILITY STATEMENT

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

(a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

(c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the directors have prepared the annual accounts on a going concern basis;

(e) the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

(f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

DEPOSITS

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

STATUTORY AUDITORS

M/s T. R. Chadha & Co., Chartered Accountants, will retire at the ensuing Annual General Meeting (AGM) of your Company and, your Board of Directors has recommended appointment of M/s T.R. Chaddha, Chartered Accountants LLP, as the Statutory Auditors for the financial year 2017-18 subject to the approval of the Members. The appointment will have to be approved by Ordinary Resolution as required under Section 139 of Companies Act, 2013.

Ariel View of Kochi LNG Terminal

AUDITORS' REPORT

The Auditors have submitted an unqualified report for the financial year 2016-17.

COST AUDITOR

The Board of Directors has appointed M/s K. L. Jaisingh & Co., Cost Accountants (Regn. No. 00182) as the Cost Auditor of the Company for the Financial Year 2017-18.

The Cost Audit Report for the year 2015-16 has been filed under XBRL mode on 29th September, 2016.

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, Engie (erstwhile GDF Suez), RasGas, Exxon Mobil and other LNG suppliers, gas off-takers and consumers of re-gasified LNG, Auditors, Lenders and the Employees of the Company for their whole-hearted co-operation and unstinted support. The Directors want to express their deep-felt thanks and best wishes to all the Shareholders for the continued support and the trust they have reposed in the Management. The Directors look forward to a better future and further growth of your Company.

For and on behalf of the Board of Directors

Place : New Delhi (K.D. Tripathi)
Date : 8th August, 2017 Chairman

Annexure A

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2017
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i	**CIN**	L74899DL1998PLC093073
ii	**Registration Date**	2nd April, 1998
iii	**Name of the Company**	Petronet LNG Limited
iv	**Category / Sub-Category of the Company**	Company Limited by Shares
v	**Address of the Registered office and contact details**	World Trade Centre, First Floor, Babar Road, Barakhamba Lane, New Delhi - 110001 Tel : 011-23472527 Fax : 011-23472550 Email : kcsharma@petronetlng.com
vi	**Whether listed company Yes / No**	Yes
vii	**Name, Address and Contact details of Registrar and Transfer Agent, if any**	M/s Karvy Computershare Pvt. Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 Tele: 040- 67162222 Fax: 040- 23420814 Toll Free No.:1800-345-4001 Email: inward@karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Sale of RLNG	1110	97.69%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Adani Petronet (Dahej) Port Pvt. Ltd.	U63012GJ2003PTC041919	Associate	26%	2(6)
2.	Petronet LNG Foundation	U85320DL2017NPL315422	Subsidiary	Company Limited by Guarantee	2(87)
3.	India LNG Transport Co. (No. 4) Pvt. Ltd., Singapore	Foreign Company	Associate	26%	2(6)

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

1. i) Category-wise Share Holding

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 31/03/2016				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2017				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(A)	**PROMOTER AND PROMOTER GROUP**									
(1)	**INDIAN**									
(a)	Individual /HUF	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Central Government/State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	375000000	0	375000000	50.00	375000000	0	375000000	50.00	0.00
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(1) :	**375000000**	**0**	**375000000**	**50.00**	**375000000**	**0**	**375000000**	**50.00**	**0.00**
(2)	**FOREIGN**									
(a)	Individuals (NRIs/Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(2) :	0	0	0	0.00	0	0	0	0.00	0.00
	Total A=A(1)+A(2)	375000000	0	375000000	50.00	375000000	0	375000000	50.00	0.00
(B)	**PUBLIC SHAREHOLDING**									
(1)	**INSTITUTIONS**									
(a)	Mutual Funds /UTI	45793438	0	45793438	6.11	57421824	0	57421824	7.66	-1.55
(b)	Financial Institutions /Banks	135925	0	135925	0.02	321968	0	321968	0.04	-0.02
(c)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 31/03/2016				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2017				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(f)	Foreign Institutional Investors	161706752	0	161706752	21.56	145694255	0	145694255	19.43	2.13
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(1) :	**207636115**	**0**	**207636115**	**27.68**	**203438047**	**0**	**203438047**	**27.13**	**0.56**
(2)	**NON-INSTITUTIONS**									
(a)	Bodies Corporate	12171163	1	12171164	1.62	21122703	1	21122704	2.82	-1.19
(b)	Individuals									
	(i) Individuals holding nominal share capital upto Rs.1 Lac	67906700	62132	67968832	9.06	65235143	54973	65290116	8.71	0.36
	(ii) Individuals holding nominal share capital in excess of Rs.1 Lac	6388714	0	6388714	0.85	6415631	0	6415631	0.86	0.00
(c)	Others									
	Clearing Members	3267531	0	3267531	0.44	661937	0	661937	0.09	0.35
	NBFC	64645	0	64645	0.01	54014	0	54014	0.01	0.00
	Non Resident Indians	2219236	105000	2324236	0.31	1658050	105000	1763050	0.24	0.07
	NRI Non-Repatriation	0	0	0	0.00	615787	0	615787	0.08	-0.08
	Overseas Corporate Bodies	0	75000000	75000000	10.00	0	75000000	75000000	10.00	0.00
	Trusts	178807	0	178807	0.02	638758	0	638758	0.09	-0.06
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(2) :	**92196796**	**75167133**	**167363929**	**22.32**	**96402023**	**75159974**	**171561997**	**22.87**	**-0.56**
	Total B=B(1)+B(2) :	**299832911**	**75167133**	**375000044**	**50.00**	**299840070**	**75159974**	**375000044**	**50.00**	**0.00**
	Total (A+B) :	**674832911**	**75167133**	**750000044**	**100.00**	**674840070**	**75159974**	**750000044**	**100.00**	**0.00**
(C)	Shares held by custodians, against which Depository Receipts have been issued									
(1)	Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
(2)	Public	0	0	0	0.00	0	0	0	0.00	0.00
	GRAND TOTAL (A+B+C) :	**674832911**	**75167133**	**750000044**	**100.00**	**674840070**	**75159974**	**750000044**	**100.00**	**0.00**

ii) Shareholding of Promoters

S. No.	Shareholder's Name	No. of shares held as on 1st April, 2016			No. of shares held as on 31st March, 2017			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1.	Indian Oil Corporation Limited	9,37,50,000	12.50	-	9,37,50,000	12.50	-	NIL
2.	Bharat Petroleum Corporation Ltd	9,37,50,000	12.50	-	9,37,50,000	12.50	-	NIL
3.	Gail (India) Limited	9,37,50,000	12.50	-	9,37,50,000	12.50	-	NIL
4.	Oil and Natural Gas Corporation Limited	9,37,50,000	12.50	-	9,37,50,000	12.50	-	NIL
	Total	37,50,00,000	50.00	-	37,50,00,000	50.00	-	NIL

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

There is no change in Promoters' Shareholding.

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

S. No.	Name of the Share Holder	Shareholding at the beginning of the year (April 1, 2016)		Shareholding at the end of the year (March 31, 2017)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	GDF International*	7,50,00,000	10.00	7,50,00,000	10.00
2	T. Rowe Price International Growth and Income Fund*	2,71,25,383	3.62	19617063	2.62
3	Government Pension Fund Global*	1,47,28,406	1.96	6407659	0.85
4	Smallcap World Fund, Inc*	10460000	1.39	10460000	1.39

5	Fidelity Investment Trust Fidelity Series Emerging Markets Fund*	7377096	0.98	5987168	0.80
6	ICICI Prudential Value Discovery Fund*	6715637	0.90	6715637	0.90
7	HDFC Trustee Company Ltd - A/C HDFC Mid – Cap Opportunities Fund*	5095000	0.68	5250000	0.70
8	Swiss Finance Corporation (Mauritius) Limited#	5113406	0.68	2185247	0.29
9	Credit Suisse (Singapore) Limited#	4507437	0.60	3817323	0.51
10	FIL Investments (Mauritius) Ltd#	4465587	0.60	0	0
11	Stichting Depositary APG Emerging Markets Equity Pool@	118329	0.01	7951365	1.06
12	Franklin Templeton Investment Funds@	0	0	6300000	0.84
13	Kotak Select Focus Fund@	2858149	0.38	4925000	0.66

* Common top 10 shareholders as on 1st April, 2016 and as on 31st March, 2017.

Top 10 shareholders as on 1st April, 2016.

@ Top 10 shareholders as on 31st March, 2017.

v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Name of the Directors and Key Managerial Personnel	Shareholding at the beginning of the year (April 1, 2016)		Shareholding at the end of the year (March 31, 2017)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Shri R. K. Garg (KMP)	5300	0.00071	5300	0.00071
2	Shri Subir Purkayastha	100	0.00001	100	0.00001
3	Shri D. Rajkumar	NA	NA	400	0.00005

vi. INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	Rs. 38,588 Lac USD 140 Million NIL Rs. 9 Lac USD 0.01 Million	Rs. 130,000 Lac NIL Rs. 5,857 Lac	NIL	Rs.168,588 Lac USD 140 Million NIL Rs. 5,866 Lac USD 0.01 Million
Total (i+ii+iii)	Rs. 38,597 Lac USD140.01Million	Rs. 135,857 Lac	NIL	Rs.174,454 Lac USD140.01Million
Change in Indebtedness during the financial year • Addition • Reduction	NIL (Rs. 11,628 Lac) (USD 40 Million)	NIL NIL	NIL NIL	NIL (Rs. 11,628 Lac) (USD 40 Million)
Net Change	(Rs. 11,628 Lac) (USD 40 Million)	NIL	NIL	(Rs. 11,6288 Lac) (USD 40 Million)
Indebtedness at the end of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	Rs. 26,960 Lac USD 100 Million NIL Rs. 6 Lac USD 0.01 Million	Rs. 130,000 Lac NIL Rs. 5,855 Lac	NIL	Rs. 156,960 Lac USD 100 Million NIL Rs. 5861 Lac USD 0.01 Million
Total (i+ii+iii)	Rs. 26,966 Lac USD100.01Million	Rs. 135,855 Lac	NIL	Rs. 162,821 Lac USD100.01Million

Note: Foreign Currency Loans are fully hedged as on 31-Mar-2017.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager					Total Amount
		Prabhat Singh	Dr. A K Balyan	R. K. Garg	Rajender Singh	K. C. Sharma	
		MD & CEO and KMP	MD & CEO and KMP Upto 15th July, 2015	Director and KMP	Director	Company Secretary & KMP	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7,032,999	520,732	5,573,671	5,408,157	3,813,679	22,349,238
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,267,256	-	905,761	645,680	467,154	3,285,851
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-		-	-	-	-
2.	Stock Option	-	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-	-
4.	Commission Payable	2,000,000	-	2,000,000	2,000,000	-	6,000,000
5.	Others, please specify	512,707	-	444,264	414,686	329,957	1,701,614
	Total	10,812,962	520,732	8,923,696	8,468,523	4,610,790	33,336,703
	Ceiling as per the Act*						

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

B. **Remuneration to other Directors:**

Particulars of Remuneration	**Name of Directors**			**Total Amount in ₹**
Independent Directors	**A. K. Misra**	**Sushil Kumar Gupta**	**Jyoti Kiran Sukla**	
• Fee for attending board / committee meetings	3,40,000	3,60,000	1,40,000	**8,40,000**
• Commission	7,50,000	7,50,000	7,50,000	**22,50,000**
• Others, please specify	-	-	-	-
Total (1)				
Other Non-Executive Directors				
· Fee for attending board/ committee meetings	-	-	-	-
· Commission	-	-	-	-
· Others, please specify	-	-	-	-
Total (2)	-	-	-	-
Total (B)=(1+2)	-	-	-	-
Total Managerial Remuneration	-	-	-	-
Overall Ceiling as per the Act*				

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

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

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

Annexure B

Corporate Social Responsibility (CSR)

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

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

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

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

Petronet Kashmir Super 30

2. The Composition of the CSR Committee : Shri A.K. Misra, Chairman - Independent Director, Shri Prabhat Singh - M.D. & CEO, Shri Sushil Kumar Gupta- Independent Director, Shri R.K. Garg - Director (Finance), Shri Rajender Singh – Director (Technical).

3. Average net profit of the Company for last three financial years : Rs. 1080 crore

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) : Rs. 21.60 crore

5. Details of CSR spent during the financial year: Rs. 4.38 crore

   (a) Total amount to be spent for the financial year : Rs. 21.60 crore

   (b) Amount unspent, if any : Rs. 17.22 crore

   (c) Manner in which the amount spent during the financial year is detailed below.

   Details attached at **Annexure - 1**.

In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

(i) In terms of provisions of Companies Act 2013 the amount of Rs. 21.60 Crore is required to be spent on CSR activities. However, only Rs.4.38 Crore was utilized on account of various CSR activities during the financial year. The guidelines for the expenditure on CSR activities are fairly recent and the Company had been transitioning and undertaking some CSR projects/activities which lead to lower expenditure. The Company has already identified and positioned people to ensure that CSR areas receive its due attention and form a strong basis for its effectiveness.

(ii) The Company has been finalizing short term, medium term and long term CSR strategies to channelize the resources in a manner so as to drive maximum socio-economic impact from the targeted approach. The Company is designing integrated framework for the development, implementation, monitoring and impact assessment of CSR Projects/Programs to contribute to the sustainable development of the society and the environment.

(iii) The Company has already identified several projects in the areas of health care, education, environment sustainability, river surface cleanliness, sanitation, Swachh Bharat etc. where Company will spend CSR budget in a progressive manner.

(iv) Petronet LNG Foundation, a Company Limited by Guarantee, has been incorporated on 31st March, 2017 by Petronet LNG Limited as a promoter of the Company under the provisions of Section 8 of the Companies Act, 2013 and the rules made thereunder. This Company will facilitate the promoter to comply with its Corporate Social Responsibility (CSR) under provisions of Section 135 of Companies Act, 2013 and rules made thereunder.

6. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

The CSR projects/activities are being implemented and monitored in compliance with the CSR Policy of the Company.

sd/-	**sd/-**
(Managing Director & CEO)	**(Chairman CSR Committee)**

Details of CSR Expenditure incurred during 2015-16

S. No.	CSR project or activity identified	Sector in which project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs undertaken	Amount spent on the project or programs Rs. in Lac	Amount spent : Direct or through implementing agency
1	• Petronet Kashmir Super-30-Imparting coaching to the students of J&K for Engineering Entrance Examination to facilitate admissions in IITs/IIITs / NITs/State Govt's Institutions. • Project Vidhyagam : Petronet Classroom Library • Skill development through training program. • Project Velicham: providing Insurance cover to the 25000 students in 71 schools. • Petronet DRI skill development Project.	**Promoting education/enhancing vocational skills/livelihood enhancing projects**	Srinagar (Jammu and Kashmir) Bharuch, Luvara , Lakhigam, Dahej,Ambheta, Jageshwar, VagraTaluka, Distt. Por,Vadodara, Vypeen, Ernakulam, Balrampur District (UP)	90.77	Centre for Social responsibility and leadership, Indian Army, Direct IL &FS (SEEDS) Elamkunnapuzha Gram Panchayat Deendayal Research Institute
2	• Supporting the Clean Ganga Mission of the GOI through Contribution in Clean Ganga Fund • Petronet PET Bottle Recycle Project	**Ensuring Environment Sustainability**	Varanasi, Allahabad, Kanpur, Mathura-Vrindavan, Patna Dahej (Gujarat) Gandhinagar	155.94	National Mission for Clean Ganga, M/s. Biocrux India Pvt Ltd M/s. Dev Blades & Machine Pvt Ltd

3	• Supporting/Running PrimaryHealth Centres. • Blood Donation Camps, • Eye Screening and Check Up Camps , • Swachh Bharat Abhihyaan Activities: Cleanliness drive, • Supporting the Construction of Causality Complex at Hospital in Kerala	**Eradicating hunger, poverty, malnutrition, Promoting Preventive Healthcare and sanitation**	Luvara, Bharuch Bharuch Delhi / Dahej Vilavoorkal Gram Panchayat, Trivandrum, Kerala Delhi, Dahej, Ernakulam, Kakkanad	**42.10**	**Direct** **Nav Durga Charitable Trust & Red Cross Society, Wockhardt Foundation** **Arvind Eye care hospital** **Direct** **Direct through Thrikakara Municipal Cooperative Hospital**
4	• Providing roofing items, Electrification and Water Connection near Crematoriums • Construction of rural infrastructure facilities like pathways, inter village roads, culverts, drainage facilities	**Rural Development Projects**	Luvara Village, Dahej Elamkunnapuzha Grama Panchayat in Kerala	119.08	Direct through Lakhigam Panchayat Elamkunnapuzha Gram Panchayat through District Collector
	Total			**407.89***	

*__Note__: The total amount spent on Capacity Building on CSR was 29.97 Lacs as per clause 6 of PLL CSR policy. Thus, total amount spent on CSR for the FY 2016-2017 is 437.86 Lacs.

Annexure C

Form No. AOC-2

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

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

None

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

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

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

(b) Nature of contracts/arrangements/transactions

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

(c) Duration of the contracts/arrangements/transactions

Long term, Short Term and spot basis.

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

Long Term Sale Contract are materially back to back in terms of quantity, price etc. with long-term LNG Purchase Contract. In addition, Petronet provides Regasification services on long term commitment basis, Spot/Short Term, sale and service, which are based on market prices on arms length basis.

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

16th May, 2016

(f) Amount paid as advances, if any

Nil

For & on behalf of the Board of Directors

	sd/-	
Place : New Delhi	**(R. K. Garg)**	**(Prabhat Singh)**
Date : 10th August, 2017	**Director (Finance)**	**Managing Director& CEO**

Annexure D

PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 197 OF THE COMPANIES ACT, 2013 AND READ WITH RULE NO. 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONEL) RULES, 2014.

Name of the Employee S/Sh.	Remuneration Received in Rs.	Nature of employment whether Permanent or Contractual	Whether such and employee is a relative of any Director of the Company	Designation	Qualification & Experience of the employee	Date of commencement employment	Age of the employee	% of Equity Shares held i.e. 2% and above of paid up share capital	The last Employment held by such employee before joining the company
Prabhat Singh	10,812,962	Contractual (Five years w.e.f. 14th September, 2015)	NO	MD & CEO	B. Tech. (IIT, Kanpur) Exp. – 37 years.	14th September, 2015	61	No	GAIL (India) Ltd.
R. K. Garg	8,923,696	Contractual (Six years w.e.f. 20th July, 2011)	NO	Director (Finance)	Chartered Accountant and Company Secretary Exp. – 38 years.	27th September, 2001	61	No	Steel Authority of India Ltd.
Rajender Singh	8,468,523	Contractual (Five years w.e.f. 14th November, 2012)	NO	Director (Technical)	B.Sc. (Engineering) - Civil Exp. – 36 years.	10th March, 2006	57	No	ONGC Ltd.
Pushp Khetarpal	6,504,693	Permanent	NO	President (O & M)	B.E. (Chemical) Exp. – 35 years.	22nd February, 2007	57	No	Kribhco Shyam Fertilizers
Sudarshan Baitalik	6,239,624	Permanent	NO	VP (Projects), Dahej	AMIE (Chemical) Exp. – 40 years.	22nd March, 2003	60	No	Reliance Industries Ltd

Name of the Employee S/Sh.	Remuneration Received in Rs.	Nature of employment whether Permanent or Contractual	Whether such and employee is a relative of any Director of the Company	Designation	Qualification & Experience of the employee	Date of commencement employment	Age of the employee	% of Equity Shares held i.e. 2% and above of paid up share capital	The last Employment held by such employee before joining the company
Sanjay Gupta	5,715,613	Permanent	NO	Sr. VP (Shipping)	Master F.G. Exp. – 38 years.	1st December, 2006	57	No	The Shipping Corp. Of India
Avnit Kumar Chopra	5,487,894	Permanent	NO	Sr. VP (HR & CC)	MBA, LLB Exp. – 36 years.	1st September, 2006	58	No	IOCL
Samar Bahadur Singh	4,986,141	Permanent	NO	VP (Plant Head), Dahej	B.E. (Chemical) Exp. – 29 years.	19th March, 2003	53	No	Indo Gulf Fertilizers Limited
Rajeev Agrawal	4,985,577	Permanent	NO	President (Projects)	B.E. (Mechanical) Exp. – 32 years.	30th April, 2012	56	No	ONGC
Sanjay Kumar	4,665,997	Permanent	NO	VP (O & M), Kochi	B.E. (Chemical) Exp.- 32 years	4th April, 2005	53	No	National Fertilizers Limited

Annexure E

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017

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

To,

The Members of

Petronet LNG Limited.

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

Based on our verification of the Petronet LNG Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the **financial year ended on 31st March, 2017** complied with statutory provisions listed hereunder and also that the company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by Petronet LNG Limited for the financial year ended on **31st March, 2017** according to the provisions of:

   (i) The Companies Act, 2013 (the Act) and the rules made there under;

   (ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made there under;

   (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

   (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.

   (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-

      (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

      (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

      (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(f) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009*;

(g) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014*;

(h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009*; and

(i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998*.

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

(vi) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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

(a) The Explosives Act, 1884

(b) Petroleum and Natural Gas Regulatory Board Act, 2006

(c) The Petroleum Act, 1934

(d) The Oil Industry (Development) Act, 1974

(e) Indian Boilers Act, 1923.

(f) The Territorial Waters, Continental Shelf, Exclusive Economic Zone and Other Maritime Zones Act, 1976

(g) Merchant Shipping Act, 1983

(h) The Electricity Act, 2003

(i) Essential Commodities Act, 1955

2. We have also examined the compliances with the applicable Regulations/Standards of the following:

(i) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and listing agreements with Bombay Stock Exchange Ltd and the National Stock Exchange of India Ltd;

(ii) Secretarial Standards issued by the Institute of Company Secretaries of India.

3. During the period under review the company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

(a) The requirement of Section 149(4) of the Companies Act, 2013 read with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is not met as regards Independent Directors. The composition of the Board should comprise of 5 Independent Directors as against the number of 3 for the financial year 2016-17.

(b) The Company spent Rs.4.38 crores as against the eligible amount of Rs.21.60 crores on Corporate Social Responsibility measures during the year 2016-17.

(c) The Company has incorporated on 31-03-2017 "Petronet LNG Foundation" a 'Section 8 company' under the Companies Act, 2013 with objects to carry on Corporate Social Responsibility Activities as specified in Schedule VII to the Act read with Section 135 of the Act and Companies (Corporate Social Responsibility Policy) Rules, 2014.

4. We further report that:

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

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

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

5. We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

6. We further report that during the audit period, no major decisions having a bearing on Company's affairs in pursuance of the above referred laws, rules, regulations and guidelines, were taken by the members.

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

For A.N.Kukreja & Co
Company Secretaries

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

Place: New Delhi
Date: 9 June, 2017

Annexure 'A'

To,
The Members of
Petronet LNG Limited

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

For A.N.Kukreja & Co
Company Secretaries

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

Place: New Delhi
Date: 9 June, 2017

Annexure F

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

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

S. No.	Name	Ratio
1	Dr. A. K. Balyan (upto 15th July, 2015)**	0.5:1
2	Shri Prabhat Singh (w.e.f. 14th September, 2015)	9.9:1
3	Shri R. K. Garg	8.2:1
4	Shri Rajender Singh	7.8:1

** Remuneration includes incentive paid in 2016-17 for the year 2015-16 only.

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

The percentage increase in remuneration of each Whole Time Director, CFO, CEO and Company Secretary ranges from 13% to 16%.

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

There has been no increase in the median remuneration of the employees in the Financial Year.

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

The total number of employees on the rolls of the Company as on 31st March, 2017 was 477 excluding three Whole Time Directors.

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

- Average percentage increase in remuneration of Key Managerial Personnel during the Financial Year has been in the range of 13% to 16%.
- Average percentage increase in remuneration of all employees other than Key Managerial Personnel has been around 3%.

  Every year, Company grants to each employee, including the three Whole Time Directors, an annual increment of 5% on the basic salary. However, the average change in remuneration of employees is lower due to employees with higher experience and therefore higher CTC leaving the Company and new employees joining at lower, starting CTC.

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

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

Management Discussion and Analysis

Role of Natural Gas in energy consumption

The world is currently facing two major issues with regard to energy use. One, is the need to produce energy to satisfy the constantly growing demand, specially in the developing countries of the world like China and India. The other is to balance the need for growing energy use with the environmental issues that this consumption of energy brings about. Even though renewables are a part of the solution, they face various technological hurdles. The intermittent nature of renewables, like solar and wind, which are the mainstay of the renewable energy supply, means that for continuous and secure supply, traditional non renewables will still be required in the long term. Due to issues with cost and safety of nuclear energy and the detrimental impact on the environment by coal and liquid fuels, natural gas is not only a bridging fuel for the short and medium term, but will also remain a secure supply source in the long term.

Natural gas is a clean, affordable, reliable, efficient and secure energy source and is the responsible choice for achieving a sustainable energy future. As gas surplus countries try and monetize their gas assets through international trade via pipelines where possible and through the LNG route where long distance pipelines are not possible due to economic, political and geological considerations, the gas industry has shown that it can be very versatile in the long run to meet the changing requirements of global energy demand and environmental concerns.

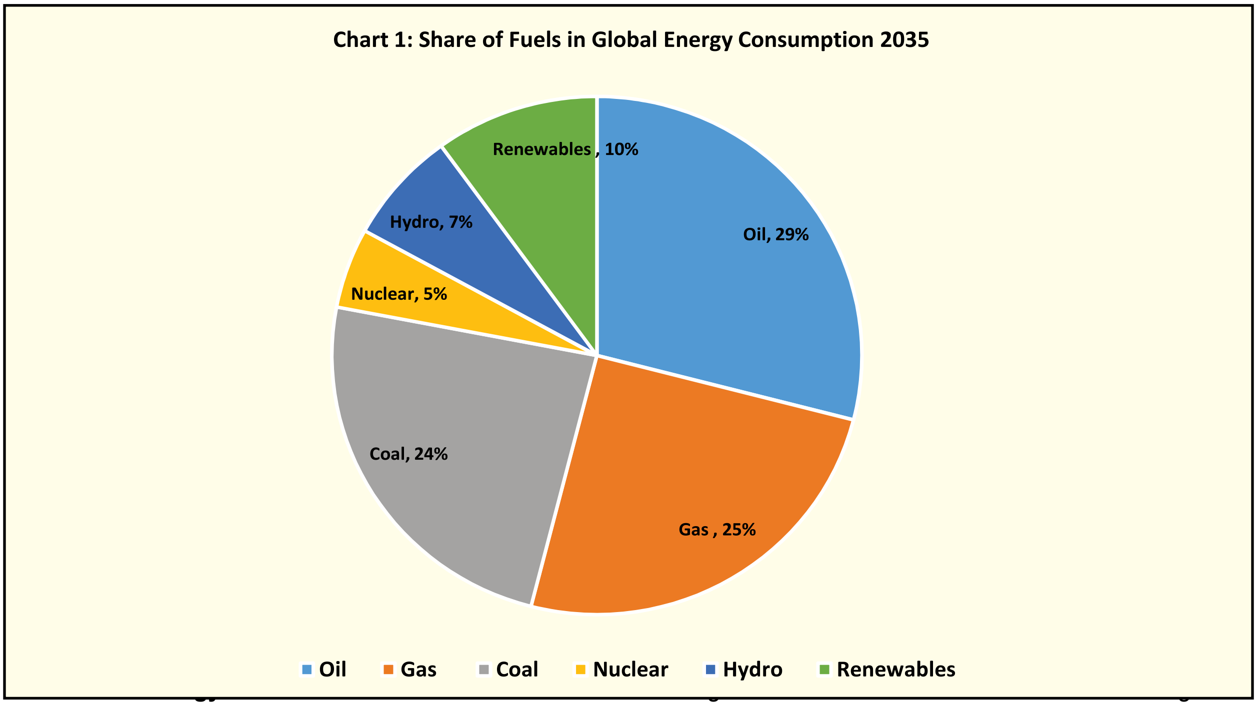
According to the BP Energy Outlook published in February 2017, globally natural gas consumption will remain steady at about 24% of primary energy consumption and will eventually rise incrementally to 25% by the year 2035. As shown in Table 1 below, the traditional sources of energy, coal and oil are projected to decline by 5% and 3% respectively. Hydro is expected to stay the same at 7%, while gas is set to increase by 1% and renewables by 7%. While gas already has a large consumption base to start from in 2015 of 3135 Mtoe (millions tonnes of oil equivalent) (Source BP statistics 2016) unlike renewables which had a consumption of 365 Mtoe in 2015, the rate of growth for renewables will be significantly faster than compared to gas till 2035, if the global commitment to climate change does not weaken and the international community remains committed to reducing carbon emissions. On the other hand, by 2035, oil and coal share in the energy mix will decline from 61% to 53%, while renewables (including Hydro) and gas will rise from 34% to 42%.

Table 1: Change in the Primary Energy Mix and Rate of Change from 2015 -2035 GLOBAL

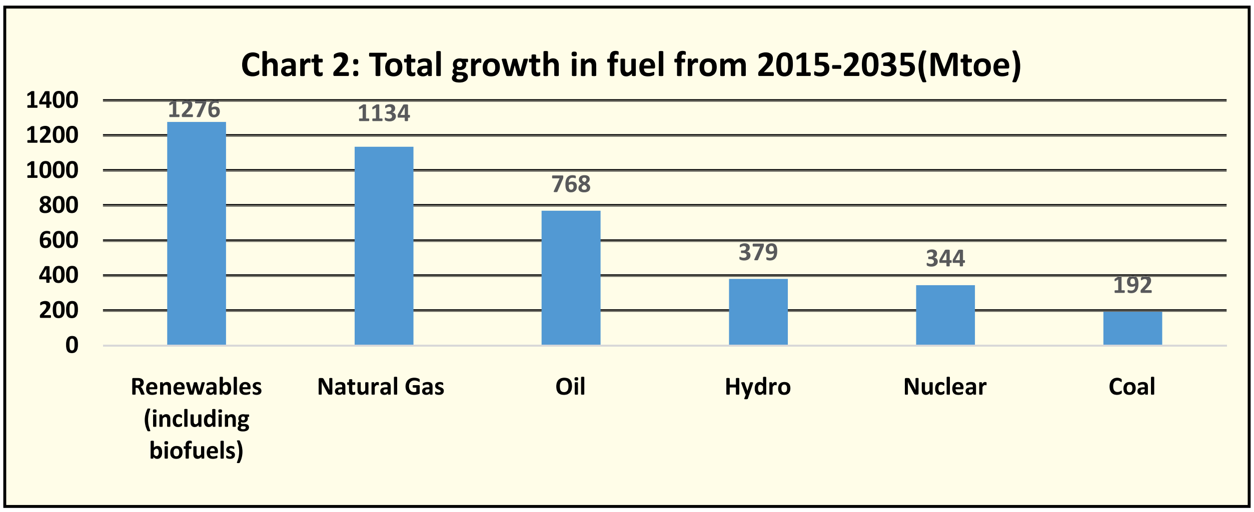
Year	2015	2035	Change	CAGR*
Oil	32%	29%	-3%	0.70%
Gas	24%	25%	1%	1.60%
Coal	29%	24%	-5%	0.20%
Renewables	3%	10%	7%	7.10%
Hydro	7%	7%	Nil	1.80%
Nuclear	4%	5%	1%	2.30%

Source: BP Energy Outlook 2017 (***CAGR – Compounded Annual Growth Rate from 2015 to 2035**)

As far as annual growth rate (CAGR) of all the energy sources is concerned from 2015 to 2035, renewables will grow the fastest at 7% followed by nuclear at 2.3%, hydro at 1.8% and finally gas in the fourth place at 1.6%. It is important to note that in spite of rapid growth of renewable from 2015 to 2035, it still is projected to remain less than half of natural gas's share of the primary energy consumption basket. Natural gas will be the second largest fuel in the energy basket, consumption wise in 2035, from the third largest in 2015.



The one percent increase in natural gas consumption by 2035 will translate to about 1134 Mtoe increase over a span of 20 years. The seven percent increase in renewables will be a 1276 Mtoe increase, the largest from 2015 to 2035 of all the energy sources. Coal will be the least, but that is conditional on following global environmental agreements on reducing carbon foot print of energy consumption.



Source: BP Energy Outlook 2017

In conclusion, all these projections will in the end depend on what actually happens on the ground when it comes to issues like climate change. Both US and China have never been parties to various climate change treaties, but have now signed up to the Paris Agreement, which has the objective to control temperature rise due to greenhouse gases by holding the increase in the global average temperature to below 2 °C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5 °C above pre-industrial levels. But the change in administration after elections in the US have thrown into doubt on whether US will follow through on this agreement. Meanwhile, China has announced its energy policy to achieve greater reduction in carbon emissions than mandated by the Paris Agreement, which if China manages to succeed, may offset to some extent the negative impact of US not sticking to its emission reduction plan. The current developments in the US which show a tilt away from environmentalism of the last administration, to a more industrial oriented policy in which environmental policy and regulations will take a back seat, show that various optimistic projections about increase in renewables in the global energy consumption may not hold true. Therefore as before, natural gas may have to play an increasingly important role in the future of global energy as it is the greenest of the hydrocarbon fuels available. New technological development in the gas industry and increase in shale gas production and exploration in various countries, as well as growth of the LNG industry will, to some extent, offset carbon emissions by more polluting hydrocarbon fuels and compensate for a slower renewable energy growth.

Developments in the LNG industry over 2016

Supply Side Developments

For the LNG industry, 2016 was an eventful year and for Buyers the scales have been tilted further in their favor. A total of 8 liquefaction trains have been commissioned in 2016. The projects commissioned are mainly in the US and Australia and one is in Malaysia.

Table 2: LNG Trains commission in 2016

Sr. No.	Projects	Start of Operations	Capacity
1	Sabine Pass Train 1	Feb-16	4.5
2	Sabine Pass Train 2	Sep-16	4.5
3	AP LNG Train 1	Jan-16	4.5
4	AP LNG Train 2	Sep-16	4.5
5	GLNG Train 1	May-16	3.6
6	Gorgon Train 1	Mar-16	5.2
7	Gorgon Train 2	Oct-16	5.2
8	MLNG Train 9	Sep-16	3.6
Total			35.6

Source: Wood Mackenzie

As shown above in table two, majority of the capacity in commissioned in 2016 is in Australia with 5 out of 8 trains being commissioned there. The total capacity commissioned is 35.6 MMTPA and out of that 23 MMTPA is coming from Australia. According to Wood Makenzie LNG supply grew to 264 MMT in 2016 and was up by 5.5% from 2015 supply numbers. Naturally the trains that have been commissioned in 2016 will take time to ramp up and therefore the actual quantity added to LNG supply was much lower than what the nameplate capacity would otherwise suggest. Further, technical issues at the Gorgon project also caused supply disruption during the year. Other operational plants like Angola LNG also suffered supply disruptions through the year, which affected supply.

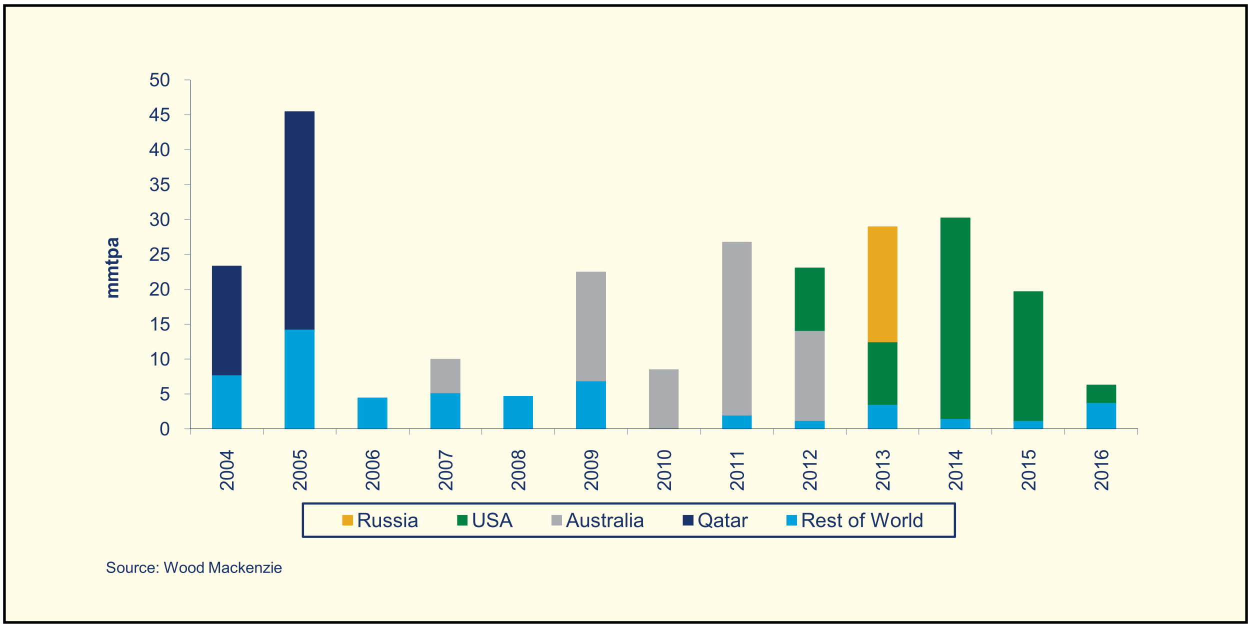
Since 2009, 14 LNG trains achieved financial closure in Australia and so far 8 have been commissioned. Australian exports went up by 47% to 45 MMT in 2016 from 2015. Meanwhile Petronas, apart from starting a new LNG train number 9 at the Bintulu project, also started technical operations and produced LNG for the first time from the world's first Floating LNG plant in December 2016. The FLNG Satu project is expected to be fully commissioned by the 2nd half of 2017.

Apart from Gorgon and Angola, there were other plants that were facing challenges in production. In the Atlantic Basin, Trinidad and Tobago's Atlantic LNG faced feed gas shortage and were producing at 10 MMTPA which is approximately 30% below their 15 MMTPA capacity. Another LNG project facing feed gas constraints was Nigeria LNG due the security situation in that region. There was disruption in the feedgas pipeline due to attacks in that region.

Delay in Project sanctioning

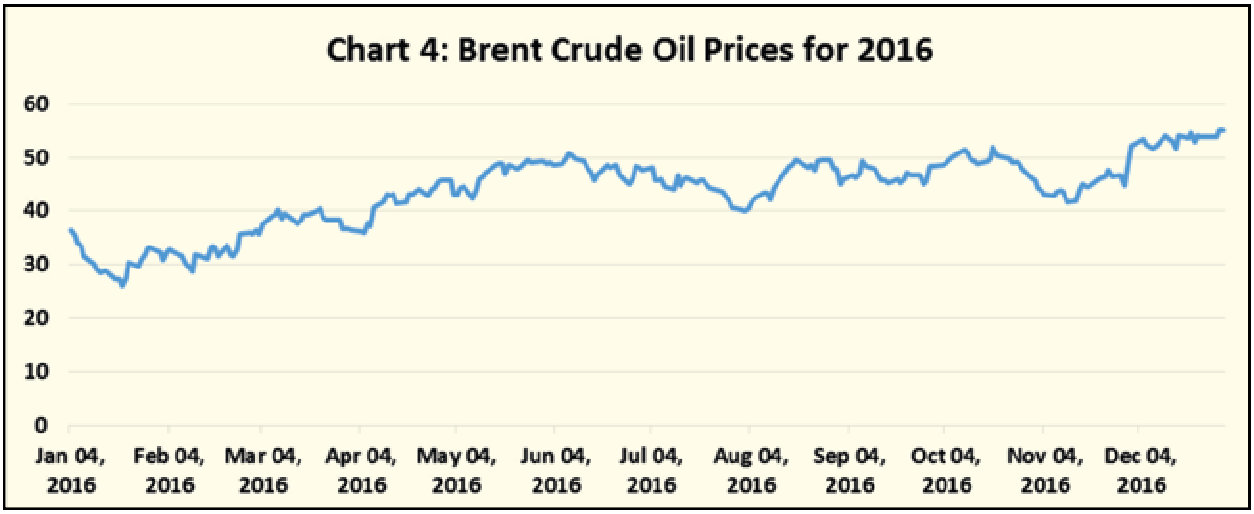
When it comes to LNG projects getting to financial closure or getting sanction, only 2 projects totaling about 6 MMTPA of capacity achieved that in 2016, thereby making 2016 the lowest FID rate since 2006. The first FID was taken by British Petroleum for the Tangguh Train 3 in July 2016, which already showed that 2016 would be a slow year for project approvals.

Chart 3 Capacity of LNG project taking Final Investment Decisions by Year



Source Wood Mac LNG FID tracker Q4 2016

The above chart shows FIDs achieved year wise from 2004 to 2016. The average for the last 5 years (2011 to 2015) was about 25 mmtpa. Therefore one has to go back a decade to 2006, to find the last time the supply side of the business was in a similar state. Even in 2008, FID rate was very low and this was due to the financial crisis which took place in the global market and lead to a steep plunge in the price of crude oil. There were many projects in the pipeline but they were large scale and very expensive, as the capital expenditure would have been very high, so they were deferred to a later date till the project developers could have a better idea of the market after the massive Australian LNG supply wave and US volumes enter the market. Sustained low oil and LNG prices continue to test the competitiveness of many LNG projects as margins become compressed and impact project economics. In chart 4 below, the Brent crude oil spot market prices are shown for 2016 and it can be seen that from the beginning of the year, they were at a low of $26/bbl and then rose steadily throughout the year and by December end was around the mid $50/bbl range, which is more than double from January price levels. So over the year there has been some recovery in oil prices.



Source EIA Brent Crude Spot Prices

Demand Side Developments

On the Demand side, new countries are joining the LNG buyers' club. Panama and Chile have both commenced construction of onshore Regas Terminals in Latin America. Brazil is also adding more regasification capacity through an integrated power –LNG project at Sergipe. The 1,516 megawatt power station will be the largest thermal power station in South America and will commence operation in 2020.

In Europe, Malta also joined the LNG supply chain when it commissioned an FSRU in October 2016. Poland in 2016 received its first LNG cargo form Qatar in June 2016 for its Regas Terminal. Turkey also added another Regas Terminal, an FSRU to augment imports into the country.

In the Asian region, Pakistan has finalized two FSRU terminals on charter basis, one for 15 years and the other for 20 years. Bangladesh is also going the same route; the government there has awarded an FSRU contract under 15 year deal for gas supply as they are facing domestic gas shortage. Existing Regas Terminals at Dahej, India and Samcheck, Korea went through expansion, while in China and Japan more new Regas Terminals were commissioned. In Thailand they have finalized plans to build an FSRU and to expand their single existing regas terminal to double its capacity. Korea is also commissioning another regas Terminal in 2017 in a short while, which will allow the two energy companies SK E&S and GS Energy to import LNG directly rather than rely on Kogas for gas supplies.

Also there are FSRU projects under development on the West coast of Africa. Ghana has already got an FSRU from Golar LNG, but the onshore gas pipeline connections have not been built and there is a competing project lead by Quantum Power to commission an FSRU by 2018. TOTAL of France also has a plan to commission an FSRU by mid-2018 in Ivory Coast. South Africa is also planning to commission 2 FSRUs for power generation and the final Request for Proposal for these projects will be issued by 2017.

In the Middle East, Kuwait will be the first country to set up an onshore Regas Terminal. Right now, imports into the country are done via an FSRU. Bahrain is also going the Floating Storage Unit (FSU) route with regasification equipment being onshore. Interestingly an LNG exporting country Abu Dhabi has also installed an FSRU in August of 2016 and receives LNG volumes from the AdGas LNG project and this makes it one of the shortest LNG trade routes in the world. The reason is as domestic demand for gas soars, AdGas has to abide by its contractual LNG supply commitments and they cannot divert production of gas from LNG exports to domestic use. Therefore they have to import LNG separately.

Developments in Floating Storage and Regasification Units (FSRU)

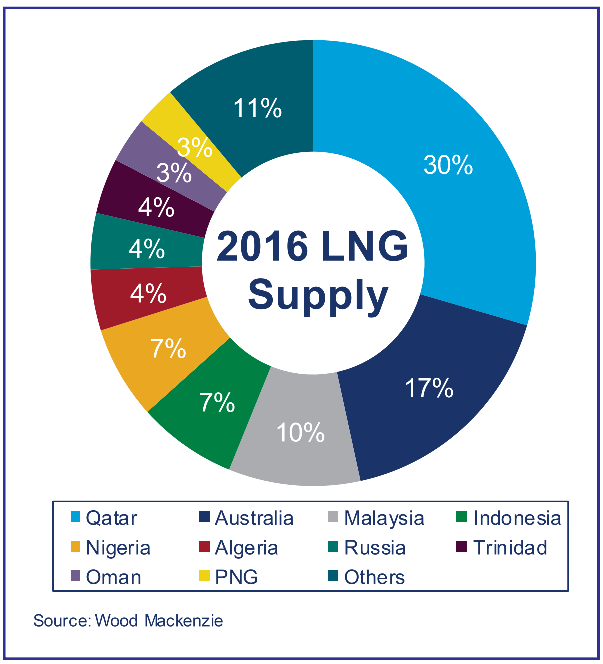
As can be seen for the above project activity, out of all the Regasification projects being developed in 2016, FSRUs were dominant. Out of the 7 Regasification Terminals being commissioned this year, 5 are FSRUs. FSRUs are being basically designed to tap into new markets, as the traditional markets like Japan and Korea are facing declining demand, due to nuclear restarts in Japan, which over time will substitute LNG power based generation as well as slower growth of the economy due to China and USA having sluggish GDP growth rates. FSRUs can be set up and commissioned faster than land based terminals and require less cumbersome approval process and financing arrangements as compared to land based terminals. There are various countries which have adopted the FSRU route and this will help in some way to absorb the surplus LNG volumes coming online.

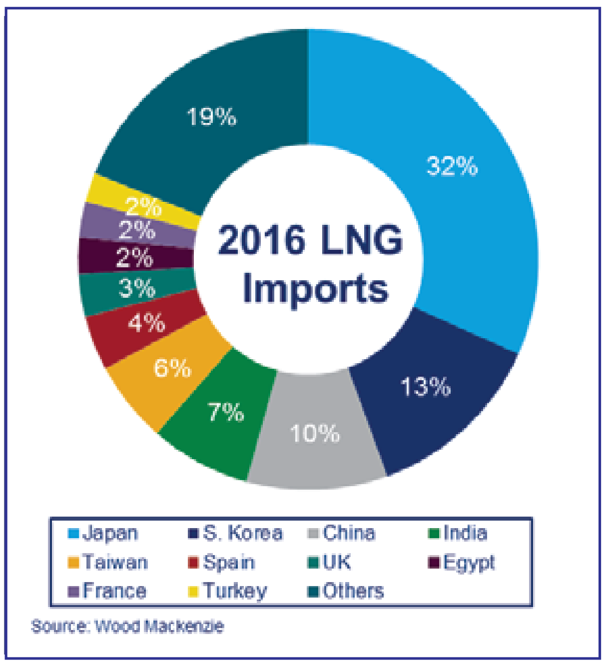
LNG Trade

Initial estimates are pegging LNG trade at about 264 MMTPA, which is a 5.5% increase over 2015 levels. On the supply side Chart 5 below shows that almost half of the LNG exports are accounted for by 2 countries alone i.e. Qatar and Australia. Australia is ramping up rapidly as more LNG trains are coming online and is expected to overtake Qatar as the world's largest exporter by 2020. In the meanwhile another wave of LNG will come from the US and it is expected that it will overtake Australia to eventually become the largest producer of LNG sometime in the 2020s

Most of the volume growth in 2016 came from Australia and US. Australian output in 2016 went up by 47% and US LNG exports also commenced this year. There were supply disruptions from Yemen, as it was shut the entire year due to security issues. As mentioned above, Nigeria and Trinidad were facing declining LNG exports due to security concerns and declining gas production profile respectively.

Chart 5 Export and Import countries in 2016



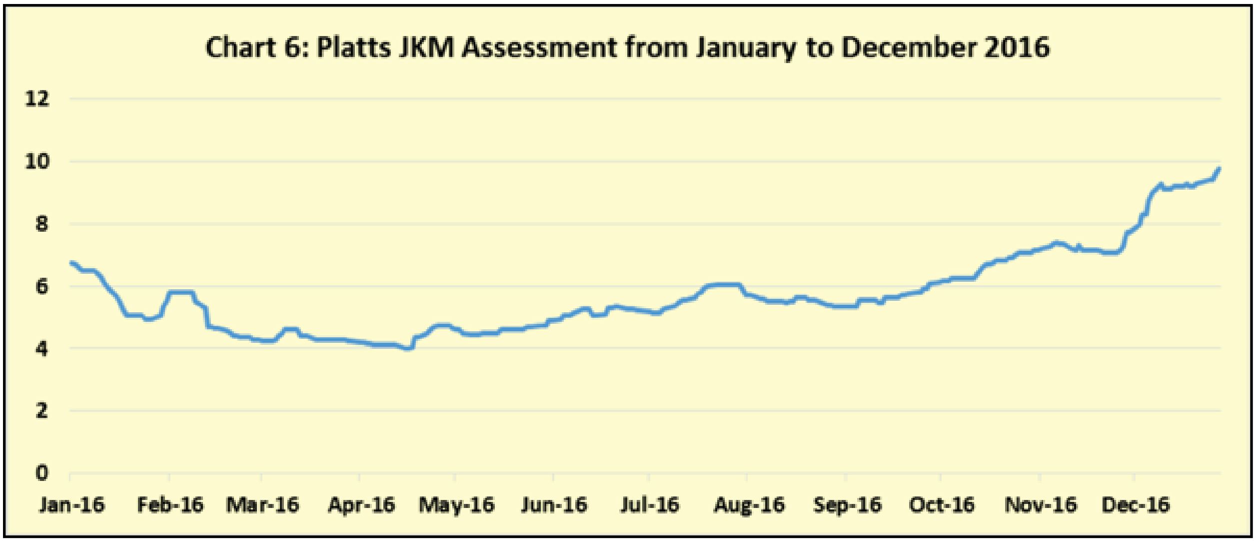


On the demand side the again currently two countries dominate the import side. Japan and Korea between them account for 45% of the total LNG imports as shown by Chart. But as these countries are already highly industrialized and are becoming more energy efficient with more focus on renewables and with lower GDP growth forecast, LNG demand growth has all but stopped and is facing decline, specially in Japan as the nuclear plants come online after the 2011 earthquake. New entrants using the FSRU route will counter this decline and growing economies of China and India will also support demand growth in LNG as they are still energy deficit and want to increase gas's share in the energy mix.

China had a sharp uptick in demand for LNG which was up by 30% (6 mtpa) in 2016, from 2015. Due to low LNG spot prices in the 1st half of the year, as shown in Chart 6 which gives the Japanese Korea Marker (JKM) pricing assessment of Platts, which was touching a low of $4/ mmbtu, then rose to above oil parity levels due to strong seasonal winter demand and some projects outages during that time like Gorgon and Angola.

FSRU terminals imported 32% more LNG in 2016 than in 2015 and were responsible for about 11% of the total global LNG imports, allowing surplus LNG to find a new home.

In 2016 due to netback economics and LNG and gas hub pricing, US LNG exports were limited to the Middle East, Latin America and India. But in January of 2017 as netback economics improved in light of Asian LNG spot prices rising, US LNG volumes started to be exported to Asian markets. Therefore with new supply and demand being created new trade patterns are being created and they displace old trade routes or entirely create new one.



Global Outlook of LNG from 2017 and Beyond

The biggest development in 2016 was the commencement of LNG supplies from the US and US LNG being exported for the first time to the Pacific Basin (Japan and Korea) in January of 2017. Thereby export of US LNG and it reaching other basins in the world leads to US domestic gas market connecting with other gas markets and hubs internationally. An increase in LNG supply in 2017 and the volume of LNG that is not under any supply contract will increase in 2017 and this will be in the buyer's favor. According to Wood Mackenzie estimates, LNG volumes not under term contracts will rise to 31% to 42 mmtpa and will double by 2021. This will exert downward pressure on LNG prices in the spot and as well as term contracts will also be at lower linkages to oil. In 2016, buyers from Asia were reported to have signed LNG supply contract at linkages to oil at around 11.5% and in 2017 some project that new deals could be done below the 11% level, in spite of increasing crude oil prices. Also this un-contracted LNG in 2017 will increase trading activity by portfolio players and move LNG towards more liquidity and commoditization.

There are concerns that reduced shale gas production due to low prices in the past few years have led to decline is production levels in the US and will push gas prices in the US to record highs as more LNG starts to get exported and other gas consumption industries like petrochemicals come online and increase demand. There will be a time lag between price rise and production reposing to that and during this period Henry Hub prices can peak to record highs. Weather conditions in the US will now also determine how much LNG is exported, as if there is warmer than usual summer or colder than usual winter then due to higher heating or cooling demand, domestic gas prices in the US will rise and reduce the arbitrage between domestic gas prices and international gas and/or LNG prices. As the projection for Henry Hub prices is that they will increase in 2017 to higher levels than in 2016, it is expected that buyers will not push for gas linked LNG supply contracts.

In conclusion the year 2017 will be a Buyer's market with LNG liquidity at an all-time high and new markets playing a major role in supporting demand and FSRUs will also be supplementing this demand to a significant degree. This will make LNG more cost competitive to other liquid fuels and encourage others to adopt it more rapidly.

Energy Scenario in India

Overview

India is one of the fastest growing countries in the world and as India's economy continues to grow, its energy needs, including demand for natural gas, will also grow rapidly. India's economy is expected to grow 5 times by 2040,. (Source. Congressional Research Service USA Feb 2017) Its population is expected to surpass China as the world's largest by 2022, reaching approximately 1.4 billion people, creating greater demand for energy. In 2015 India accounted for 5.3% of global primary energy consumption, while China was the largest consumer with 22.9%. India is heavily dependent on energy imports and imports almost seventy (70) percent of its energy needs. (Source Congressional Research Service USA Feb 2017)

India is expected to remain the fastest growing G20 economy in 2017-2018, with an annual projected growth rate of 7.5%. By 2050, India has the potential to overtake the United States as the world's second largest economy in terms of purchasing power parity (PPP). (Source PricewaterhouseCoopers LLP, The World in 2050, February 2017)

Natural gas makes up about 7% of India's total energy consumption, well behind coal and oil. Similarly, natural gas accounts for 6% of China's energy mix, though China uses almost four times as much natural gas as India. (Source BP Energy Outlook 2015 - 2035)

Table 3: Change in the Primary Energy Mix and Rate of Change from 2015 -2035 India

Year	2015	2035	Change	CAGR*
Coal	58%	52%	105%	3.60%
Oil	28%	27%	121%	4.00%
Nuclear	2%	8%	712%	11.00%
Gas	7%	7%	162%	4.90%
Hydro	4%	3%	97%	3.50%
Renewables	1%	2%	317%	7.40%

BP Energy Outlook 2017 (*CAGR – Compounded Annual Growth Rate from 2015 to 2035)

The above table shows the BP Energy Outlook's (published in February 2017) estimates for the Primary Energy mix for India. From 700 mtoe in 2015 to 1600 mtoe by 2035, in 20 years BP project that India's gas consumption will rise by 162%. Though the government is keen on increasing the share of gas in the energy mix of India to up to 15% in a few years, according to the BP projections, gas will maintain a steady share at 7%. This could be due three main reasons. Firstly due to domestic gas supply shortage in the Country which caps the amount of gas that can be used, secondly India being too dependent on imports of gas via LNG and the high cost of LNG curtailing demand and thirdly an inadequate gas network in the Country. In 2015 gas has a third place in the energy mix at 7% and by 2035 it will actually slide to 4th place as nuclear energy overtakes it. Currently gas consumed in 2015 is about 49

Mtoe (148 MMCSMD) and by 2035 it will be 112 Mtoe (341 MMSCMD).

Gas Consumption

The projections by BP Energy Outlook are very conservative as compared to the demand estimates by the Hydrocarbon Vision 2030 study prepared by PNGRB. PNGRB study has forecast that, by 2030, the demand for gas in India could reach up to 746 MMSCMD. Some may argue that this seems to be a highly optimist projection and does not take into account the price sensitivity of gas demand. Even then it is a widely agreed view that demand for gas in India will be large and over time will only increase, as pipeline networks expand and increase consumer connectivity.

Table 4 and Chart 7 below show the actual gas consumption in the country and the break up. Total gas consumed in 2016 was 135.87 MMSCMD up from 133.37 MMSCMD in 2015.

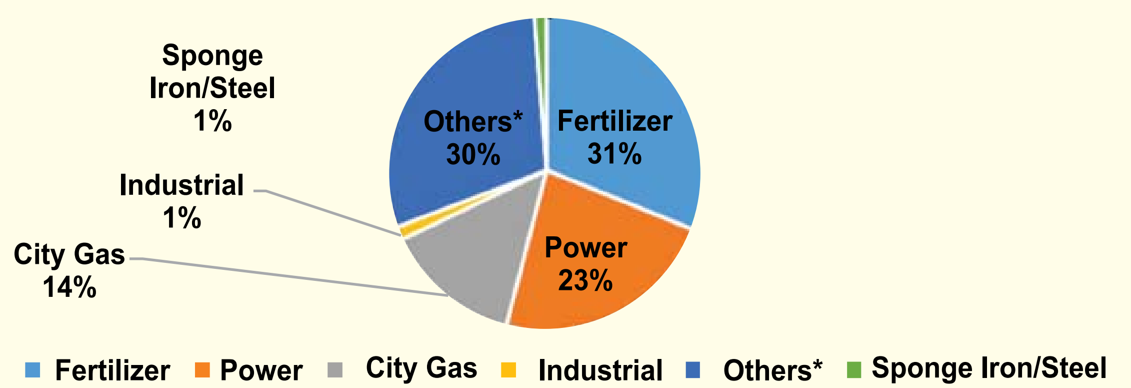
Table 4: Domestic and R-LNG consumption for 2016 (MMSCMD)

Sectors	Domestic gas consumption	R-LNG consumption	Total Consumption (Domestic gas +RLNG)
Fertilizer	21.79	20.48	42.27
Power	23.57	7.60	31.17
City Gas	10.89	7.94	18.84
Industrial	0.49	1.32	1.81
Others*	10.00	30.08	40.08
Sponge Iron/Steel	0.22	1.48	1.71
Total	66.96	68.91	135.87

(*Petrochemicals/Refineries/Internal consumption/LPG Shrinkage/Manufacture/ Miscellaneous) Source: Infraline, PPAC

Gas consumption has risen marginally from 2015 to 2016. In 2011, gas's share on India's primary consumption had reached above 10%, but since then it has been in a steady decline.

Chart 7: Gas Consumption for 2016 Secterwise



(*Petrochemicals/Refineries/Internal consumption/LPG Shrinkage/Manufacture/ Miscellaneous) Source: Infraline, PPAC

If we look at Table 4 and Chart 7, we see the power and fertilizer sectors dominate gas consumption and account for 54% of the total gas consumed in the Country. Petrochemical, Refineries, manufacturing etc. account for 30% of the total gas consumption making it the 2nd largest consumption group. R-LNG supply account for a massive 51% of the total gas consumed in the Country, showing India's growing dependence on LNG.

Infrastructure status and development

The only reason gas consumption in India is so limited is due to a limited pipeline network and last mile connectivity issues. There are enough regasification terminals coming up as shown in Table 7, but laying of gas pipelines is a great challenge, as there are various issues that need to be resolved and permissions that have to be received, like right of way permits for those areas of land where the gas pipelines are going to pass through.

The existing pipeline network in India is 16121 km with a design capacity of 383 MMSCMD and flow of gas from April to Sept 2016 was 154.80 MMSCMD which means that the average utilization rate is at about 40%. Another 13,821 Km of gas pipeline is under construction in India under 12 pipeline projects with only three projects that have commenced laying of the pipeline and only one project has been completed which is awaiting commissioning. The total design capacity of these pipelines will be about 550 MMSCMD. The low utilization rate is due to domestic production declining as the expected output from the KG Basin D6 RIL basin could not fructify due to technical issues and no major discoveries could be made or brought online since then. LNG is the only other alternative and India being a cost sensitive market has an economic limit to how much it can absorb.

Currently gas consumption in the Country is very uneven, as 80% of the gas consumed is in the Northern and Western region, while Southern and Eastern region account for a minuscule amount as they do not have the gas pipeline network required. The current gas transmission projects in India will establish this network in the east and south to encourage gas consumption.

Table 5 below shows the number of Regasification Terminals in operation, under development and planning. The total capacity of all these terminals at various stages of development is 70.5 MMTPA. The operational terminals are four with a total capacity of 30 MMTPA. But Kochi LNG terminal due to lack of sufficient pipeline connectivity is grossly underutilized, while Dhabol Terminal, due to lack of break water, cannot berth LNG vessels during monsoon season which also impacts its utilization for the year. Two terminals are totaling 10 MMTPA are being developed. One is in Mundra in Gujarat and the other is Ennore on the East Coast. A few FSRUs have been proposed and though they have not achieved financial closure yet, they have achieved several milestones in term of design finalization, initial approvals and permits and MOUs with sellers and buyers of LNG. The total capacity of these 3 FSRUs is 11.5 MMTPA. On the East Coast, Dharma LNG, an onshore terminal which is being considered with a 5 MMTPA capacity and on the West Coast two FSRUs and an onshore terminal is also in the initial planning stages with a combined capacity of 14 MMTPA.

Table 5: List of Regas Terminals –Operational, Under Construction, Proposed and Possible

Operating	MMTPA	Start-Up	Owners	Status
Operational				
Dahej	15	-	Petronet	Being expanded 17/MMTPA
Hazira	5	-	Shell, Total	Plans to expand to 7.5 MMTPA
Kochi	5	-	Petronet	Under-utilized due to lack of pipeline connectivity
Dabhol	5	-	RGPPL (GAIL & NTPC)	Dabhol currently handles lower volumes due to absence of breakwater
Under Construction				
Mundra (West Coast)	5	Early 2018	GSPC, Adani	Likely commissioning in about one year

Ennore (East Coast)	5	2019-2020	IOC	EPC awarded to Black & Veatch
Proposed				
East Coast				
Kakinada FSRU	3.5	2018-2019	Engie Shell, APGDC	FID originally planned in 2H 2016 but project remains in Feed stage
Digha FSRU	3	Q3 2019	Hirandani	Won gas pipeline bid from PNGRB
West Coast				
Jafrabad FSRU	5	2019-2020	Swan/Exmar	GSPC, IOC, ONGC, BPCL are the offtakers for the project
Possible				
East Coast				
Dhamra, Odisha	5	2020	IOC/Adani	
West Coast				
Jaigarh FSRU	4	Dec-18	Hiranadani	Start of jetty construction works
Chhara	5	NA	HPCL/SP Ports	50:50 Joint venture between HPCL and SP Ports
Hazira FSRU	5	NA	Essar Group/Essar Ports	Essar Steel and Essar Power are main offtakers for the proposed project

Source: Poten -LNG in the World Market June 2016

FSRUs seem to have a bright future in India's LNG import scenario as they are considered less challenging to setup than land based terminals as land procurement is a major issue. Additionally they can be commissioned faster than land based terminals. So there will be enough competition in the regasification market and utilization of this regasification capacity will become an issue depending on the number of regasification terminals setup and the extent of coverage of the gas pipelines.

Government policy for gas

The government is keen on increasing the share of gas in India's overall energy basket and not just because of it's ratification of the Paris Agreement on Climate Change, which obligates countries to limit carbon emissions, but also due to air pollution in its cities which has now become a major health hazard. Also the government's target to reduce crude oil imports by 10% by 2020 will further encourage gas use. The government is also planning to double gas consumption in India in the next 5 years. This requires significant investments in infrastructure and exploration policy to induce gas production. The government has launched a Gas4India campaign to promote the use of gas in the Country.

Natural Gas Pricing Guidelines

The government in October 2014 adopted a new domestic gas pricing policy to augment domestic exploration and production (E&P) activity. The gas price in this policy is calculated based on prices at various international gas hubs like the US Henry Hub, Mexico, Canada, Europe and Russia. The prices are fixed for a 6 months period. Table 6 below shows the domestic gas price for the last 3 years from November 2014 to September 2017. The new pricing system started with \$5.05/mmbtu and now is at \$2.48/mmbtu till September 2017.

This domestic gas pricing methodology adopted by the current government does not look attractive to the oil and gas industry. The concern is that E&P activity is going be impacted and this pricing system will not be able to induce more domestic gas supply in the immediate future.

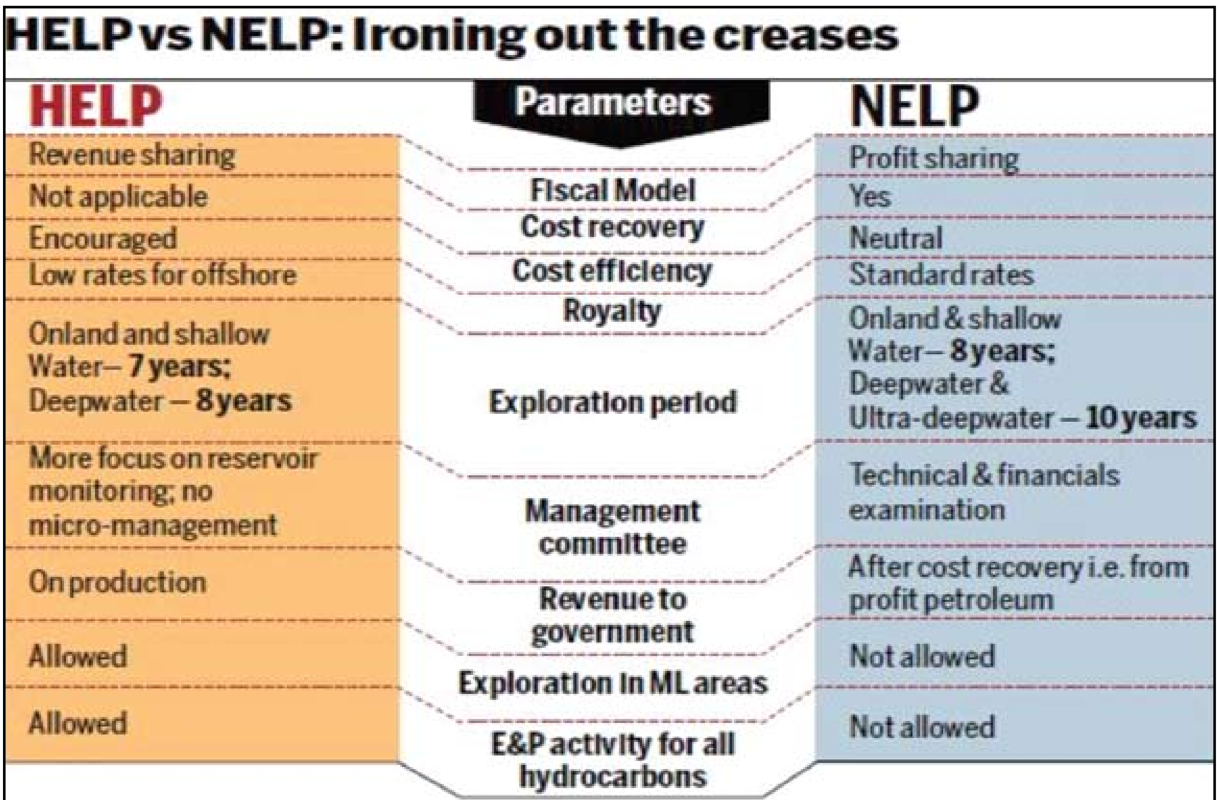
Table 6: Gas Pricing in India for existing and new discoveries

Domestic Natural Gas Price		Gas Price for Deep Water, Ultra Deep Water and High Temperature and High Pressure Fields		
USD/MMBTU (GCV)	Period	Sr.	USD/MMBTU (GCV)	Period
5.05	Nov. 14 to Mar. 15	1	6.61	Apr. 16 to Sept. 16
4.66	Apr. 15 to Sept. 15			
3.82	Oct. 15 to Mar. 16			
3.06	Apr. 16 to Sept. 16	2	5.30	Oct. 16 to Mar. 17
2.50	Oct. 16 to Mar. 17			
2.48	Apr. 16 to Sept. 17	3	5.56	Apr. 16 to Sept. 17

Source: PPAC

Exploration and Production Policy - Discovered Small Field Policy

In an effort to improve gas supply in the country, the government initiated the Marginal Field Policy (MFP) or, as it is now known as, Discovered Small Field Policy, in October 2015. The objective was to cover oil and gas blocks given on nomination basis to oil PSUs for E&P activities, which those companies had not carried as they



HELP vs NELP: Ironing out the creases

HELP	Parameters	NELP
Revenue sharing	Fiscal Model	Profit sharing
Not applicable	Cost recovery	Yes
Encouraged	Cost efficiency	Neutral
Low rates for offshore	Royalty	Standard rates
Onland and shallow Water– **7 years**; Deepwater – **8 years**	Exploration period	Onland & shallow Water– **8 years**; Deepwater & Ultra-deepwater – **10 years**
More focus on reservoir monitoring; no micro-management	Management committee	Technical & financials examination
On production	Revenue to government	After cost recovery i.e. from profit petroleum
Allowed	Exploration in ML areas	Not allowed
Allowed	E&P activity for all hydrocarbons	Not allowed

ource: Financial Express, KPMG India -Anish De

were considered to hold oil and gas reserves which were not considered economical. The total amount of reserves of oil and gas is equivalent to about 85 MMT of Oil and Oil Equivalent Gas. The government has approved 69 marginal fields for offer under Discovered Small Fields Policy. Out of these, 67 Discovered Small Fields were clubbed into 46 contract areas and put on offer through online international competitive bidding. A total of 47 companies submitted their bid for the same. Out of these companies, 30 are first time players, which bodes well for the oil and gas industry in India. The entry of small nimble players who can settle for smaller margins in oil and gas E&P activity will add to the flexibility of the energy sector. Energy exploration projects, which were considered uneconomic by the large National Oil Companies in India, may now be taken up by smaller players who will have lower cost and lower expectation of returns.

Exploration and Production Policy - From NELP to HELP

The government issued the Hydrocarbon Exploration and Licensing Policy (HELP) on 30 March 2016. This new policy was issued by the government to resolve the issues that NELP had been causing between the government and the contractor for the various oil and gas blocks they were doing E&P activity on. This new E&P policy will provide a uniform licensing for all hydrocarbon production like oil, gas, CBM, Shale oil and gas. The other features are the option to select the oil and gas blocks available for bidding at any time rather than wait for the government to offer them for bidding. Also there is now a shift from a profit sharing model to a revenue sharing model which is easy to administer and there is no auditing and approval by government of the costs incurred by the block operator or a perverse incentive to gold plate its E&P costs.

Source: Financial Express, KPMG India -Anish De

Open Acreage Licensing Policy (OALP)

In order to accelerate oil and gas E&P activities in India, the government introduced Open Acreage Licensing Policy (OALP) in March of 2016 and this policy gives an option to a company looking for exploring hydrocarbons to select the exploration blocks on its own, without waiting for the formal bid round from the Government. Under OALP, a bidder intending to explore hydrocarbons like oil and gas, coal bed methane, gas hydrate etc., may apply to the Government seeking exploration of any new block. The Government will examine the Expression of Interest and justification. If it is suitable for award, Government will call for competitive bids after obtaining necessary environmental and other clearances.

Till 2016, exploration was confined to blocks which have been put on tender by the Government. There are situations where exploration companies may themselves have information or interest regarding other areas where they may like to pursue exploration. Currently, these opportunities remain untapped, until and unless Government brings them to bidding at some stage.

What distinguishes OALP from NELP of 1997 is that under OALP, oil and gas acreages will be available round the year instead of cyclic bidding rounds as in NELP. Potential investors need not have to wait for the bidding rounds to claim acreages.

Successful implementation of OALP requires building of National Data Repository on geo-scientific data. The aim is to consolidate and store all the geo-scientific data available in the country and to create a knowledge base for OALP which companies can use to request for blocks they view as having potential.

Fiscal policy impact on gas

Goods and Service Tax

The Good and Services Tax in the biggest and most important indirect tax reform in the history of Indian taxation. GST is set to replace the plethora of indirect taxes both at the Central (excise duty, CST, etc.) as well as State Government's level (VAT, entry tax, etc.), reducing the cascading effect of taxes, simplifying the tax compliances and administration and creating a common market. But the gas industry, unfortunately will not be part of this monumental indirect tax reform. So there will be additional compliance cost in the gas industry, as they will have to file tax returns under the current indirect tax regime and as well as the new GST regime. Today, the oil & gas sector is governed by a complex, multi-layered tax system at the Central and State levels. If natural gas were included in GST it would mean that existing taxes would be discontinued. There would be free flow of credits for suppliers of natural gas under the proposed GST regime. It can only be hoped that sooner than later gas is also included in the GST regime.

Customs Duty

The government has in this year's budget reduced the basic import duty on liquefied natural gas (LNG) to 2.5 per cent from the current 5 per cent. This will make the fuel cheaper by about 20-25 cents per mmbtu. This cut was considered by most in the industry as marginal and this will not result in any meaningful reduction in gas prices for transport sector (CNG) , city gas (CGD) or industrial use. Factoring in the deprecating Indian rupee to the US dollar, the marginal impact of the customs duty reduction on LNG is further reduced. The power producers association were demanding a complete wavier of customs duty to get some respite.

Conclusion- LNG role and challenges it faces

The challenges to natural gas will only come from renewables because price of power generated by renewables like solar and wind have dropped below gas based power plants and are now nearing coal based power plants in India. The first wind power auction was held in India in 2017 and the lowest tariff bid was Rs. 3.46/kwh, while for solar it was Rs. 2.97/kwh. For solar equipment from last year input prices have fallen by 25%. The solar tariffs given by bidders is also lower than greenfield coal based power plants which require a tariff of Rs.5/kwh. Existing coal plants will require a power tariff between Rs. 2to 3 /kwh. So the only issue is reliability of renewable energy due to its intermittent nature. As there is no cost effective way of storing power in a large scale manner industrially, non-renewable fuel based power plants like gas, coal, nuclear, etc. will be required to provide some base load power and peaking power. In spite of this, renewables like solar and wind with its declining costs and better economics than gas based power does indeed pose a challenge and since power is one of the main consumers of gas, this can in the future impact gas consumption in the power sector.

In conclusion, it seems that looking at the domestic gas supply scenario in the country with declining production and very little in terms of new supply coming online and no progress in any transitional pipeline project, that LNG will be the only option for meeting the gas supply deficit in the country in the near future. Coupled with more infrastructure investment in the South and Eastern parts of the country for pipeline networks and various land based and FSRU projects coming up or under planning on the East and West coast, gas demand is projected to rise sharply from current levels. The current LNG scenario for the next few years will also be favorable to LNG buyers, as there is a massive supply of LNG entering the market and prices are under pressure. LNG contracts for sale and purchase are being signed for shorter duration and at lower linkages to oil as competition heats up amongst Seller trying to get market share. The entry of America in the LNG exporters club will also fundamentally alter LNG trade. In the given scenario any LNG importer will be spoilt for choices and will do well to leverage that, specially in India's case which is projected to become a major gas consumer.

Threat from Competition

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

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

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

Segment wise or Product wise Performance

Presently, PLL primarily deals only in one segment, i.e. Import and Re-gasification of Liquefied Natural Gas (LNG). During the year 2016-17, --------- TBTUs of re-gasified LNG was delivered to off-takers and customers.

Risk and Concerns

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

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

Risk of Competition

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

PLL LNG sourced under long-term contract linked to crude oil prices, is currently facing price challenge from alternate fuels. Further, spot LNG prices moving away from crude linkage also puts the Long Terms crude linked contracts under threat. This may have an impact in the near growth of PLL.

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

In addition to the contracts with RasGas of 8.50 MMTPA, PLL has also another long-term contract with the Australian entity of Exxon Mobil for supply of around 1.44 MMTPA of LNG from its Gorgon project. This will meet the requirement of the LNG Terminal in Kochi.

PLL also provide regas services to third parties who import LNG directly. PLL has executed 8.25 MMTPA equivalent contracts to provide long- term regas services to GAIL, IOCL, BPCL GSPC/GSPL and Torrent from for existing and expansion plans of Dahej.

Internal Control Systems and their Adequacy

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

Financial Performance

The turnover during the financial year ended 31st March, 2017, was Rs. 24,693 Crore including other income as against Rs. 27,307 Crore in FY 2015-16. The net profit during the financial year ended 31st March, 2017, was Rs. 1706 Crore as against Rs. 913 Crore in 2015-16.

Human Resources

The Company maintained harmonious and cordial industrial relations. No man days were lost due to strike or lock-out. As on 31st March, 2017, there were 478 employees excluding three Whole-time Directors.

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

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

REPORT ON CORPORATE GOVERNANCE FORMING PART OF DIRECTORS' REPORT

A Brief Statement on Company's Philosophy on Code of Corporate Governance

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

Board of Directors:

The details of the total strength of the Board as on 31st March, 2017 is detailed herein below:

S No	Name	Designation	Category (Whole-time / Non-executive / Independent)
1	Shri K. D. Tripathi	Chairman, Secretary, Govt. of India, (MOP&NG)	Non-executive
2	Shri Prabhat Singh Dhunt	Managing Director & CEO	Whole-time
3	Shri R. K. Garg	Director (Finance)	Whole-time
4	Shri Rajender Singh	Director (Technical)	Whole-time
5	Shri D. K. Sarraf	Director, Nominee of ONGC	Non-executive
6	Shri D. Rajkumar	Director, Nominee of BPCL	Non-executive
7	Shri G. K. Satish	Director, Nominee of IOCL	Non-executive
8	Shri Subir Purkayastha	Director, Nominee of GAIL	Non-executive
9	Dr. T. Natarajan	Director, Nominee of GMB/GOG	Non-executive
10 10A	Mr. Eric Ebelin Shri Uday Kiran Akaram	Director, Nominee of GDFI Alternate Director	Non-executive Non-executive
11	Shri Arun Kumar Misra	Director	Independent
12	Shri Sushil Kumar Gupta	Director	Independent
13	Dr. Jyoti Kiran Shukla	Director	Independent

The Company is in the process of appointing two more Independent Directors to have the requisite number of Independent Directors on the Board of the Company in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Board Meetings

During the year, five Board Meetings were held on 16th May, 8th July, 5th September, 17th November, 2016 and 13th February, 2017. The attendance of each Director in the Board Meetings and the last Annual General Meeting is detailed herein below:

Name of Directors	Designation	Number of Board Meetings held during the year 2016-17	Number of Board Meetings attended during the year 2016-17	Attendance at last Annual General Meeting held on 21st September, 2016
Executive Directors				
Shri Prabhat Singh	Managing Director & CEO	5	5	Yes
Shri R. K. Garg	Director (Finance)	5	5	Yes
Shri Rajender Singh	Director (Technical)	5	5	Yes
Non-Executive Directors				
Shri K. D. Tripathi	Chairman	5	5	No
Shri Subir Purkayastha	Nominee Director of GAIL	5	4	No
Shri D. K. Sarraf	Nominee Director of ONGC	5	5	No
Shri S. Varadarajan (upto 30-09-2016)	Nominee Director of BPCL	5	1	No
Shri D. Rajkumar (w.e.f. 1-10-2016)			0	NA
Shri Debasis Sen (upto 31-08-2016)	Nominee Director of IOCL	5	2	NA
Shri G. K. Satish (w.e.f. 21-09-2016)			3	No
Mr. Philip Olivier (upto 03-02-2017)	Nominee Director of GDF International	5	3	Yes
Mr. Eric Ebelin (w.e.f. 13-02-2017) *(Three Board Meetings and Annual General Meeting attended Mr. Eric Ebelin as Alternate Director)			1	
Dr. T. Natarajan (w.e.f. 21-09-2016)	Nominee Director of GMB/ GOG	5	2	No
Non-Executive Independent Directors				
Shri Arun Kumar Misra	Independent Director	5	5	Yes
Shri Sushil Kumar Gupta	Independent Director	5	5	Yes
Dr. Jyoti Kiran Shukla	Independent Director	5	4	Yes

Detail of Directorship / Membership / Chairmanship on the Board / Committees of the other Companies as on 31st March, 2017

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	NIL	2	NIL	NIL	NIL
Shri Prabhat Singh	2	1	NIL	NIL	NIL
Shri R. K. Garg	4	NIL	NIL	NIL	5300
Shri Rajender Singh	NIL	NIL	NIL	NIL	NIL
Shri D. Rajkumar	1	3	1	NIL	400
Shri D.K. Sarraf	NIL	7	NIL	NIL	NIL
Shri Subir Purkayastha	4	1	NIL	2	100
Shri G. K. Satish	5	1	NIL	NIL	NIL
Dr. T. Natarajan	6	3	4	NIL	NIL
Mr. Eric Ebelin	NIL	NIL	NIL	NIL	NIL
Shri Arun Kumar Misra	NIL	NIL	NIL	NIL	NIL
Shri Sushil Kumar Gupta	1	NIL	NIL	NIL	NIL
Dr. Jyoti Kiran Shukla	NIL	NIL	NIL	NIL	NIL

* As per Regulation 26 (1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the above details are required to be disclosed only for the Audit Committee and Stakeholders' Relationship Committee.

Remuneration paid to Whole-time Directors and to Non - executive Directors during the year ended 31st March, 2017

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 ₹)

S No	Name	Designation	Salaries & Allowances	Contribution to PF & Gratuity Fund	Other Benefits & Perks	Commission payable on Profit for the year 2016-17	Total
1	Shri Prabhat Singh	Managing Director & CEO	6790404	362707	1659851	2000000	**10812962**
2	Shri R. K. Garg	Director (Finance)	5641788	294264	987644	2000000	**8923696**
3	Shri Rajender Singh	Director (Technical)	5500062	264686	703775	2000000	**8468523**
4	Dr. A K Balyan	Ex-Managing Director & CEO	520732	0	0	0	**520732**

The remuneration to Non-executive 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 31st March, 2017 is as detailed below:

S. No.	Name	Sitting Fees paid/payable during 2016-17 (Rs.)
1	Government of India	100000
2	Bharat Petroleum Corporation Ltd.	20000
3	Oil & Natural Gas Corporation Ltd.	220000
4	Indian Oil Corporation Ltd.	120000
5	GAIL (India) Ltd.	140000
6	GMB	40000
7	GDFI	120000
8	Shri A. K. Misra	340000
9	Shri Sushil Kumar Gupta	360000
10	Dr. Jyoti Kiran Shukla	140000

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 2016-17 (Rs.)
1	Shri Arun Kumar Misra	7,50,000
2	Shri Sushil Kumar Gupta	7,50,000
3	Dr. Jyoti Kiran Shukla	7,50,000

Terms of appointment of Directors

The Company has the following MD&CEO and other Whole - time Directors as on 31st March, 2017:

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

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

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

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.

Disclosure of relationship amongst Directors

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

Succession for appointments to the Board

The Company has well defined plans for orderly succession for appointment to the Whole-time Directors on the Board and senior management.

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 exercise is 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 Independent Directors evaluated the performance of the entire Board.

Audit Committee

The Audit Committee comprises of the following Directors as on 31st March, 2017:

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

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

The Company Secretary is the Secretary of the Audit Committee.

Detail of Meetings of Audit Committee held during the year

Member	No. of Meetings Held	No. of Meeting Attended
Shri Arun Kumar Misra	5	5
Shri D. K. Sarraf	5	3
Shri Sushil Kumar Gupta	5	5

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.

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 comprises of the following Directors as on 31st March, 2017:

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

Detail of Meetings of Nomination and Remuneration Committee held during the year:

Member	No. of Meetings Held	No. of Meeting Attended
Shri Arun Kumar Misra	2	2
Shri D. K. Sarraf	2	1
Shri Sushil Kumar Gupta	2	2

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.

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 Whole-time Directors and an Independent Director 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. As on 31st March, 2017, the Risk Management Committee comprises of the following Directors:

1. Shri Prabhat Singh, Chairman
2. Shri Sushil Kumar Gupta, Member - Independent Director
3. Shri R. K. Garg, Member
4. Shri Rajender Singh, Member

Company Secretary is the Compliance Officer of the Company.

During the financial year 2016-17, no meeting of Risk Management Committee has been held.

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.

Stakeholders' Relationship Committee

In terms of provisions of Companies Act, 2013 as well as Listing Agreement, Board of Directors has renamed Shareholders'/Investors' Grievances Committee as Stakeholders' Relationship Committee. As on 31st March, 2017, the Stakeholders' Relationship Committee comprises of the following Directors:

Dr. Jyoti Kiran Shukla, Chairman - Independent Director

Shri R. K. Garg, Member

Shri Rajender Singh, Member

Company Secretary is the Compliance Officer of the Company.

Detail of Meeting of Stakeholders' Relationship Committee

Date of Meeting	Members	Meeting attended
13.02.2017	Dr. Jyoti Kiran Shukla	Yes
	Shri R. K. Garg	Yes
	Shri Rajender Singh	Yes

Details of Complaints received and redressed during the year ended 31st March, 2017

Nil complaint(s) was pending as on 1st April, 2016. 753 complaints were received and 752 complaints were resolved during the year. One complaint was pending as on 31st March, 2017.

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 with either NSDL or CDSL.

As on 31st March, 2017 the Company has following numbers of equity shares in physical and dematerialised form as per detail given here under:-

Nature of Holding	Records / No. of shareholders	No. of Shares	Percentage
Physical	10641	7,51,59,974	10.02
NSDL (Dematerialized)	207431	28,61,88,410	38.16
CDSL (Dematerialized)	59417	38,86,51,660	51.82
TOTAL	277489	75,00,00,044	100.00

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 only of Whole-time Directors namely;

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

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

Further, 89.98% 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.

Legal Compliance Reporting

As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board periodically reviews compliances of various laws applicable to the Company.

Annual General Meetings (AGMs)

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

Year	2013-14	2014-2015	2015-2016
Date & Time	18th September, 2014 at 10:00 AM	24th September, 2015 at 10.00 AM	21st September, 2016 at 10.00 AM
Venue	FICCI, K. K. Birla Auditorium, 1, Tansen Marg, New Delhi 110001	FICCI, K. K. Birla Auditorium, 1, Tansen Marg, New Delhi 110001	Manekshaw Centre, Khyber Lines, Delhi Cantonment, New Delhi-110010
Details of Special Resolutions	1). Increase in number of Director and amending Articles of Association	1). Approval to enter Related Party Transactions. 2). Approval to issue non-convertible debentures of Rs. 1000 crore. 3). 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/.	NIL
Special Resolutions passed through Postal Ballot	(i) Creation of Mortgage and / or Charge on all or any of the Movable and / or Immovable Properties of the Company. (ii) Increase in Borrowing Powers up to Rs. 20,000 Crore. (iii) Raising Funds up to Rs. 1,000 Crore through issue of Secured / Unsecured Non-convertible Debentures through Private Placement.	1). Alteration of Object Clause of Memorandum of Association of the Company.	NIL

Extra Ordinary General Meeting(s) (EGMs)

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

Disclosure

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

Vigil Mechanism

The Board of Directors of the Company has approved the Vigil Mechanism in terms of provisions of Section 177 of Companies Act, 2013 and 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

Compliance

There has been no non-compliance of the provisions/requirements of Stock Exchanges/SEBI except as stated in the certificate issued by M/s T. R. Chadha, LLP. No penalties/strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter relating to Capital Market.

Means of Communication

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

Day & Date	Friday, 15th September, 2017
Financial Year	2016-17
Time	10.00 AM
Venue	Manekshaw Centre, Khyber Lines, Delhi Cantt. New Delhi-110010
Date of Book Closure	9th September, 2017 to 15th September, 2017

Dividend Payment Date

The dividend, if approved by the Members of the Company will be paid on or after 3rd October, 2017.

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^{st} March, 2017 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, 2016	5^{th} September, 2016
July - September, 2016	17^{th} November, 2016
October-December, 2016	13^{th} February, 2017
Year Ended	
31^{st} March, 2017	9^{th} May, 2017

Listing on Stock Exchange(s)

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

The Company has paid the Listing Fee to all the Stock Exchanges, wherein the shares of the Company are listed.

Share Price - High and Low during each month in Last Financial Year

Month	BSE (in Rs.)		NSE (in Rs.)		BSE Sensex	
	High	Low	High	Low	High	Low
April, 2016	274.35	237.45	274.90	237.00	26,100.54	24,523.20
May, 2016	284.75	253.10	284.80	250.00	26,837.20	25,057.93
June, 2016	296.00	265.70	296.00	265.50	27,105.41	25,911.33
July, 2016	302.75	282.25	303.00	282.50	28,240.20	27,034.14
August, 2016	354.30	297.10	354.65	298.05	28,532.25	27,627.97
September, 2016	366.30	325.05	366.35	325.05	29,077.28	27,716.78
October, 2016	410.85	346.00	410.90	345.45	28,477.65	27,488.30
November, 2016	394.50	325.80	394.40	326.00	28,029.80	25,717.93
December, 2016	396.90	343.50	396.50	342.65	26,803.76	25,753.74
January, 2017	396.95	351.65	396.45	351.60	27,980.39	26,447.06
February, 2017	416.90	371.10	417.00	370.25	29,065.31	27,590.10
March, 2017	414.00	377.05	414.80	377.05	29,824.62	28,716.21

DISTRIBUTION SCHEDULE AS ON 31st March, 2017

Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount in Rs.	% of Amount
Upto – 5000	251733	90.72	36787766	367877660	4.91
5001 – 10000	16957	6.11	13240251	132402510	1.76
10001 – 20000	5400	1.95	7871018	78710180	1.05
20001 – 30000	1241	0.45	3165177	31651770	0.42
30001 – 40000	502	0.18	1800361	18003610	0.24
40001 – 50000	346	0.12	1637564	16375640	0.22
50001 – 100000	532	0.19	3825048	38250480	0.51
100001 & Above	778	0.28	681672859	6816728590	90.89
TOTAL	**277489**	**100.00**	**750000044**	**7500000440**	**100.00**

Shareholding Pattern of the Company as on 31st March, 2017

	Category	No. of Shares Held	% of Shareholding
A	**Promoter's holding**		
1	Promoters		
	- Indian Promoters	37,50,00,000	50.00
	- Foreign Promoters	Nil	Nil
	Sub- Total (A)	**37,50,00,000**	**50.00**
B1	**Non- Promoters holding**		
1	Institutional Investors		
a	Mutual Funds and UTI	57412100	7.65
b	Banks, Financial Institutions	321968	0.04
c	Insurance Companies / Central / State Govt. Institutions / Non-government Institutions / Venture Capital Funds	0	
d	FII's	145694255	19.43
	Sub-Total (B1)	**203428323**	**27.12**
2	Others	63738	0.01
a	Private Corporate Bodies	21122704	2.82
b	Indian Public including HUF and Foreign Nationals	71705747	9.56
c	NRI's / OCB's (Including GDFI)	77378837	10.32
d	Any other (Clearing Members & Trusts)	1300695	0.17
	Sub-Total (B2)	**171571721**	**22.88**
	GRAND TOTAL (A+B1+B2)	**750000044**	**100.00**

List of Shareholders Holding More than 1% of Equity Capital as on 31st March, 2017

Name	No. of Shares Held	% of Shareholding
Promoter's Holding		
Bharat Petroleum Corporation Ltd.	9,37,50,000	12.50
GAIL (India) Ltd.	9,37,50,000	12.50
Indian Oil Corporation Ltd.	9,37,50,000	12.50
Oil & Natural Gas Corporation Ltd.	9,37,50,000	12.50
Non-promoters Holding		
GDF International	7,50,00,000	10.00
T. Rowe Price International Growth and Income Fund	1,96,17,063	2.62
Stichting Depositary APG Emerging Markets Equity Pool	79,51,365	1.06
Smallcap world fund, inc	1,04,60,000	1.39

Detail of Unclaimed Shares as on 31st March, 2017 issued pursuant to Initial Public Offer (IPO)

S No	Particulars	Cases	No. of shares
1	Aggregate Number of shareholders and the outstanding shares in the suspense account (i.e. KCL ESCROW ACCOUNT PETRONET LNG IPO-OFFER) lying at the beginning of the year i.e. 1st April, 2016.	630	128200
2	Number of shareholders who approached for transfer of shares from suspense account during the year.	6	1400
3	Number of shareholders to whom shares were transferred from suspense account during the year.	6	1400
4	Aggregate number of shareholders and outstanding shares in the suspense account at the end of year i.e. 31st March, 2017.	624	126800

Code of Conduct for Board Members & Senior Management Personal

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

Compliance with Code of Conduct for Board Members & Senior Management Personal

I confirm that all Board Members and Senior Management Personnel have affirmed compliance with Code of Conduct for Board Members & Senior Management Personnel for the year ended 31st March, 2017.

Shri Prabhat Singh

MD&CEO

Familiarisation Programme for Independent Directors

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

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

CEO/CFO Certification

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

Related Party Transactions

The details of all materially significant transactions with related parties are periodically placed before Audit Committee. 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, 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. 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:

http://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.

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
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

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

Address for Correspondence

Registered & Corporate Office

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

Registrar & Share Transfer Agent

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

Debenture Trustee
SBICAP Trustee Company Ltd.
6th Floor, Apeejay House,
3, Dinshaw Wachha Road,
Churchgate, Mumbai- 400 020
Tel: 022- 43025521, 43025503
Email: ajit.joshi@sbicaptrustee.com
Website: www.sbicaptrustee.com

Business Responsibility Report

About the Report

The Securities and Exchange Board of India (SEBI) has mandated the top 500 listed entities (based on market capitalisation on the Bombay Stock Exchange and the National Stock Exchange as on 31st March, 2012) to publish a Business Responsibility Report (BRR) that discloses steps taken by the companies on the Environmental, Social and Governance aspects of the business. The said reporting requirement is in line with the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs)' notified by the Ministry of Corporate Affairs, Government of India, in July 2011. This Report provides general information about the Company and its business responsibility as required by SEBI. The report further provides an overview of activities carried out by the Company under each of the nine principles as outlined in the NVG.

Section A: General Information about the Company

1.	Corporate Identity Number (CIN)	L74899DL1998PLC093073
2.	Name of the Company	Petronet LNG Ltd.
3.	Registered Address	World Trade Centre, First Floor, Babar Road, Barakhamba Lane, New Delhi – 110 001
4.	Website	http://www.petronetlng.com
5.	Email id	investors@petronetlng.com
6.	Financial Year reported	April 2016-March 2017
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Oil and Gas – LNG

Industrial Group	Description
1110	Extraction of petroleum and natural gas including liquefaction of natural gas for transportation

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

8.	List three key products / services that the Company manufactures / provides (as in balance sheet):	RegasifiedLiquefied Natural Gas
9.	Total number of locations where business activity is undertaken by the Company	Total three locations: Corporate Office in New Delhi and Regasification Terminals in Dahej, Gujarat and Kochi, Kerala
	Number of International Locations (Provide details of major 5)	--
	Number of National Locations	Total three locations: Corporate Office in New Delhi and Regasification Terminals in Dahej, Gujarat and Kochi, Kerala
10.	Markets served by the Company - Local / State / National / International	National

Section B: Financial Details of the Company

1.	Paid up capital (INR)	750 Crore
2.	Total turnover (INR)	24,963 Crore
3.	Total profit after taxes (INR)	1,706 Crore
4.	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	0.26% i.e. Rs. 4.38 Crore
5.	List of activities in which expenditure in 4 above has been incurred	1. Environment sustainability 2. Education/ vocational skills/livelihood enhancement projects 3. Preventative healthcare and sanitation 4. Rural infrastructure development

Section C: Other Details

1.	Does the Company have any Subsidiary Company / Companies?	Petronet LNG Foundation (PLF) incorporated as Wholly Owned Subsidiary on 31st July, 2017.
2.	Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s).	NA
3.	Do any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities?	None of the entity / entities with whom Company does business participates in the BR initiatives of the Company. Further, the Company's principle promoters and offtakers of gas i.e. GAIL, ONGC, IOCL and BPCL, are required to and undertake separate BR activities and release their own dedicated BR reports.

Section D: BR Information

1. Details of Director / Directors responsible for BR

Details of the Director / Directors responsible for implementation of the BR policy / policies:

1.	DIN Number	00793181
2.	Name	Shri Prabhat Singh
3.	Designation	MD&CEO

Details of the BR Head:

1.	Name	Shri Prabhat Singh
2.	Designation	MD & CEO
3.	Telephone Number	011-23472503 / 04
4.	E-mail Id	md.ceo@petronetlng.com

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

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

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

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

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

PLL strictly adheres to all applicable labour laws and other statutory requirement in order to uphold human rights within its organizational boundary. Further, the Company has also formulated Sexual Harassment Policy under Sexual Harrassment of Women at Workplace (Prevention, Prohibition &Redressal) Act, 2013.

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

** The Company undertakes need-based advocacy on certain industry specific issues. The Company currently does not have a stated policy. However, it will continue to assess the evolving business and regulatory environment in future in this regard.

$ PLL has processes in place for customer engagement and grievance redressal. Further, the

Company gives the highest priority to responsibility towards its customers.

A: Code of Conduct for Board Members and Senior Management Personnel:http://www.petronetlng.com/code-conduct.aspx

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

C: QHSE Policy

D: CSR Policy: https://www.petronetlng.com/PDF/CSR_Policy_27042015.pdf

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

3. Governance related to BR:

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

  PLL realizes the importance of becoming a strong and sustainable organization. In this regard, PLL has received high corporate values from its principle Promoters including GAIL, ONGC, IOCL and BPCL, who are all amongst the leaders in sustainability spherein India.Further, PLL's Board constitutes of representatives from all our Promoter institutions, i.e. GAIL, ONGC, IOCL and BPCL, which all consider sustainability high on the Board agenda. As part of our compliance and risk mapping exercises, Company ensures regular evaluation of the sustainability performance and risks as well, which are all presented to our leadership and Board for their consideration and decision making. As a result, Company's business responsibility performance is reviewedannually on continual basis by Board.

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

  Since FY 2012-13, PLL has been assessing and publishing its sustainability performance through Sustainability Report on annual basis, highlighting upon Company's triple bottom line performance. These reports can be found at our website: https://www.petronetlng.com/SustainabilityReport.php. We are in the process of compilation of our sustainability performance for the FY 2016-17 via sustainability report and shall release the report soon.

Additionally, since FY 2012-13, PLL has been releasing its Business Responsibility Report in line with the SEBI mandate. The previous BR report was released for FY 2015-16 and formed part of the Company's Annual Report 2015-16. The same is available at our website: https://www.petronetlng.com/PDF/BusinessResponsibility.pdf

Further in addition to SEBI mandate, PLL is also a member of the Global Compact Network (GCN) from past five years and has been strictly following and disclosingperformance against GCN principles covering aspects of human rights, labour practices, and anti-corruption etc. Our performance during the previous financial year can be accessed through the mentioned web-link: https://www.unglobalcompact.org/system/attachments/cop_2016/295171/original/COP_2015-16.pdf?1466747658

Section E: Principle-wise Performance

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

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Does it extend to the Group / Joint Ventures / Suppliers / Contractors/ NGOs / Others?

   Matters of ethical conduct, transparency and accountability are fundamental to the way PLL conducts business. A culture of integrity and ethics is fostered throughout the Company by strong set of policies and guidelines.

   The Company's Code of Conduct and Business Ethics ensures compliance with the Company's standards of business conduct and ethics and also with regulatory requirements. The Board Members and Senior Management Personnel affirm compliance to the code on annual basis, including during last financial year. Further,the Company also haschecks and balances in place to ensure ethical business conduct across its operations.

   Also, PLL has safeguards in place which discourages bidders to engage in any corrupt practices during tendering process. The philosophy of PLL in relation to Corporate Governance is to ensure transparent disclosures and reporting that conforms fully to laws, regulations and guidelines, and to promote ethical conduct throughout the organisation with the primary objective of enhancing shareholders' value while being a responsible corporate citizen. In this regard, PLL has beenfollowing and disclosing performance against GCN principles covering aspects of human rights, labour practices, and anti-corruption etc. The most recent Communication on Progress (CoP) was released for FY 2015-16. The same can be accessed at: https://www.unglobalcompact.org/system/attachments/cop_2016/295171/original/COP_2015-16.pdf?1466747658

   Further, to strengthen Company's commitment against workplace harassment, PLL has come out with sexual harassment order in line with the sexual harassment of women at workplace act 2013, which is stringently governed and enforced across the organization. Furthermore, in terms of provisions of Section 177 of Companies Act, 2013 and Clause 49 of Listing Agreement, the Board of Directors of the Company has approved and implemented a Vigil Mechanism for Directors and employees of the Company to report to the management concerns about unethical behaviour, actualor suspected fraud or violation of the policy. The same has also been hosted at the website of the Company.

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

   PLL received 753 share holder Complaints during the FY 2016-17, while no complaint was pending from previous financial year. Out of the 753 complaints received, 752complaints were resolved successfully during the year while one complaint was pending as on 31st March 2017.

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

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

   At PLL, our primary and only product portfolio remains import, storage and regasification of Liquefied Natural Gas. We are not involved in manufacturing of any product contributing to minimal environments impacts from our activities.During the FY 2016-17 period, no change has transpired in our product and services portfolio, neither has there been any substantial change in our operational footprint. Further, our product is majorly transported through tanker ships and gas pipelines thus limiting the transport related environmental footprint. Further for supply to local vendors, PLL ensures that transportation does not pose unintended harm to the environment and to persons involved in road transportation. The Company is committed towards ensuring responsible handling and marketing of our product, and hence we possess state of the art product handling equipment at our facilities. Also, we diligently monitor and ensure compliance with all existing and applicable regulations of the concerned land on our operations and at our primary locations.

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

(i) Reduction during sourcing / production / distribution achieved since the previous year throughout the valuechain.

At PLL, state of the art technologies at our facilities ensure safe and efficient operations of our two terminals in Dahej, Gujarat and Kochi, Kerala. The Company has strong focus on managing and reducing its energy, water and waste footprint, and is in constant lookout for improvement opportunities. Some interventions taken in this regard includeimplementation ofISO 14001 and OHSAS 18001management systems at our Dahej terminal, reducing overall dependence on direct fuel consumption at our operational sites. Also, efforts such as use of condensate water from operations for gardening purposes, use of chilled water from plant operations for air conditioning in the buildingand use of food waste generated on site for vermin-compostinghave allowed us to improve upon our resource use efficiency.

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

Being in the energy sector, PLL believes that transition to a low carbon growthis possible by increasing the share of natural gas in the Country's energy mix. This belief comes from the fact that natural gas and renewable energy sources are often considered to be complementing each other. Natural gas, which is the major product of PLL, does not produce significant amounts of solid waste. Also, the air emissions in form of nitrogen oxides and carbon dioxide are of lower quantities than those produced from coal or oil. Emissions from natural gas are in the form of sulphur dioxide and mercury are negligible. These distinctive characteristics makes LNG a cleaner fuel and eventually helps PLL and consumers in reducing their carbon footprint.Further, PLL has started the supply of LNG to customers through road transportation to cater small and mid-segment customers who are not connected though gas pipelines.

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

PLL's majority of raw material is transported from international supplier's sites through large tanker ships to Company's terminals in Dahej, Gujarat and Kochi, Kerela. The final regasified product is transported to customers in India through installed pipelines.In addition to applicable maritime and other regulations, procedures and practices are strictly followed and monitored throughout the product transport and supply phases.

Further, wherever feasible and applicable, including procurement of indirect materials and services besides raw materials etc., PLL is taking efforts to promote sustainable practices across functions of the Company. Although, currently the Company does not has dedicated policy for sustainable sourcing.

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

Yes, goods and services are procured from small/ local vendors by PLL.We consider India as local. Hence, PLL's procurement approach is based on least price tendering mechanism. The Company selects its vendors based on carefully designed evaluation criteria set for each goods and service to be procured.

In this regard, competent local vendors are given equal preference as any other,and as applicable,vendors are invited for the tendering process.

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

   At PLL, our primary and only product portfolio remains import, storage and regasification of Liquefied Natural Gas. As a result, our operations consume minimal raw materials and resources and generate minimal waste. Hence, there are no formal written mechanisms for recycling products and waste generated.We proactively ensure proper disposal of waste and reuse of other resources wherever applicable. Further, there is no hazardous or inert solid waste generated from any of our plant locations. However, some quantities of used oily wasteis generated annually during periodic maintenance of various equipment, i.e. waste oil, oil contaminated cloth, oil drums etc. Some quantities of paint and biomedical waste is also generated. All this generated waste is properly collected, stored and disposed through authorized agencies on regular intervals. Also, it is pertinent to mention here that while carrying out our operations, there is no waste water generation. Furthermore, reject condensate water generated fromour air-heaters is used for gardening purposesand also used as back up source for fire emergencies.

Principle 3: Businesses should promote employee well-being

1. Please indicate the total number of employees: 481Permanent Employees (as on 31st March, 2017)

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

Category of employees	Number of employees
Sub-contracted employees	3588

3. Please indicate the number of permanent women employees : 30 (as on 31st March, 2017)

4. Please indicate the number of permanent employees with disabilities : One

5. Do you have an employee association that is recognised by the Management? :

   At present, PLL does not have any employee association.

6. What percentage of your permanent employees is member of this recognised employee association? : N.A.

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending as on the end of the financial year.

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

8. How many of your under-mentioned employees weregiven safety and skill up-gradation training in the lastyear?

Category	Safety (No. of employees)	Skill Upgradation (No. of employees)
Permanent employees	350	354
Permanent women employees	5	7
Casual / Temporary / Contractual employees	5024*	Currently not being tracked
Employees with disabilities	One	One

* Headcount figure includes repetition of individuals as some employees underwent multiple safety trainings.

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

and marginalised.

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

   The Company has identified and mapped its key internal and external stakeholders. PLL employs various mechanisms and practices for engaging with stakeholders for fruitful dialogue and continued relationship. The Company engages with them to understand theirneeds and concerns, and under takes action to address them. We recognise the importance of constant, continued and collaborative engagement with individuals involvedin or impacted by our operations, i.e. Dahej, Gujarat and Kochi, Kerala. The learnings from these interactions are used for better designing of Company's CSR projects for ensuring their optimal benefits to communities. The community stakeholder groups include those falling under disadvantaged, vulnerable and marginalized.

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

   The Company has mapped disadvantaged, vulnerable and marginalized stakeholders, and is actively working with them towards inclusive growth. In this regard, we have also identified various projectsaimed at benefitting the community from the low socio economic strata. For instance, for marginalized communities, PLLis running education, healthcare and community infrastructure development projects. Furthermore, we have projects solely targeted at improving the quality of life of persons with disabilities who are marginalized, vulnerable and disadvantaged.

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

   Having identified the need of the communities spread around PLL's significant area of operations, PLL is running infrastructure development, skill and livelihood development, education, and healthcare services programs for the marginalized and disadvantaged stakeholders.PLL promoted skill development of below poverty line youth under Company's education and empowerment initiatives. Further, PLL has constructed and renovated toilets at local schoolsunder sanitation drives. The Company also organized free medical check-up and consultation campsunder healthcare drive, and contributed towards construction of healthcare infrastructure facilities. Furthermore, during financial year, PLL developed roads, culverts, storm water drains, solar lights, constructed community and school toilets, etc.under infrastructure development initiatives.

Principle 5: Businesses should respect and promote human rights

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

   The Company currently does not have a policy on human rights, however the Company respects and complies with internationally recognized humanrights, at all locations and is committed to making certain that it is not complicit in human rights abuses.We believe in equality to all human beings, whatever their nationality, place of residence, sex, nationalor ethnic origin, colour, religion, language, or any other status.

   To ensure that Human Rights are not violated in any way at PLL, a well organised and effective Grievance Redressal System is designed to provide prompt and orderly resolution of complaints or disputes arising in the course of employment.

   For prevention of woman from sexual harassment at workplace by unwelcome sexually determined behaviour whether directly or by implication such as Physical contact and Advances, demand and request for sexual favour, sexually coloured remarks, showing pornography and any other unwelcome physical, verbal or non-verbal conduct of sexual nature, an Internal Committee has been created at eachlocation, headed by woman employees including a representative from an NGO, after approval ofCompetent Authority.

   Further, the Company does not involve in forced or compulsory labour. Employment is voluntary and weensure compliance with local minimum wage laws and non-involvement in child labour.

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

No stakeholder complaints regarding breach of human rights aspects were received during the FY 2016-17.

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

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

   The policies related to Principle 6 cover only to the Company and do not extend to the entity/entities with whom PLL does business. PLL's Quality, Health, Safety and Environment (QHSE) Policy is applicable to all employees and select stakeholders involved in PLL's business. The senior management provide focused attention while reviewing all parameters related to HSE Standards. The contractors are also required to monitor report and take strict actions on all such cases. The Company regularly conducts audits through third party and enforces compliance to Audit findings.In order to further improve upon our environment and safety practices, we have acquired ISO Certification under the Integrated Management System at Dahej and Kochi where the following standards are effectively adhered to in each and every process of the Company from housekeeping to the operation of the terminal. Further, we carry out Environment, Health and Safety (EHS) risk assessments regularly at Dahej and Kochi.

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

   PLL is aware that climate change is becoming top priority across world.PLL also understands its role and responsibility towards mitigating the effects of climate changewhile committing to environment protection.

   In this regard Company's biggest contribution is in the form of its product, i.e. natural gas, which is a cleaner form of fuel compared to fossil fuels, i.e. coal and petroleum products. Further, by improving natural gas availability, PLL contributes not only in serving country's energy needs but also attempts to minimize the impact on environment.

   Furthermore, majority of PLL's raw material is transported from our international supplier's sites through large tanker ships to Company terminals in Dahej and Kochi, while the final re-gasified product is transported to customers throughout India through installed pipelines. Both these modes of transportation are considered highly clean and sustainable which in return are contributing towards minimal carbon footprint.

   Besides, Company is looking out for constant opportunities on reducing its own operational environmental footprint. We have taken various initiatives contributing to environmental protection like conserving water, biodiversity etc. The details about Company's efforts and initiatives in the areas of environment protection and climate change management can be found in our previous sustainability reports available on website.

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

   PLL has highly limited environmental footprint compared to many other industries owing to the nature of its business. As a precautionary approach towards the various environmental challenges, during our pre-project activities for setting up terminals at various locations we carry out studies to validate base line three season data as recommended by MOEF. Appropriate measures and systems to suppress NOx emissions, dust suppression by watering to restrict dust emission etc. are put inplace.

   The Company does not have significant process emissions or waste generation, and is generating condensate water as part of regasification of LNG process which is being used for productive internal activities like gardening. Further, being active in the coastal belts of Dahej, Gujarat and Kochi, Kerala, PLL has identified benefits of mangrove plantation in the regions of highly salty and muddy waters. Mangrove is a halophyte, which is known as salt tolerant forest ecosystem. Some more benefits associated with mangrove plantation in coastal belts include its ability to act as natural wind and tsunamibarrier for underlying villages and industries, its ability to bind soil and preventerosion, andits ability to harbour, promote other flora and fauna in harsh coastal conditions and most importantly serves as indirect employment generative to local community. Further, these can grow in waterlogged clayey/ marshy soils, specifically in coastal intra tidal zones / river banks. Realizing their benefits, mangrove plantation has been taken up near Dahej and Kochi Terminals.

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

   No. Currently no projects related to Clean Development Mechanism have been taken up by PLL. However, we are in constant lookout for opportunities in this regard.

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

   PLL is conscious of its environmental footprint and is taking proactive steps to mitigate impact of its operations. In this regard, Company is undertaking measures for protecting marine ecology in the area of its operations. Here, mangrove plantation has been taken up near Dahej and Kochi Terminals in consultation with Gujarat Ecology Commission, and the Forest Department, Government of Gujarat and Centre for Water Resources Development and Management (CWRDM) in Kerala.

   As part of in-plant initiatives, cold energy of LNG is being used for HVAC system, Nitrogen Generation, and Air compressor which helps in reducing overall energy consumption. Further, waste heat of GTG(Gas Turbine Generator) is being utilized for LNG regasification, and process condensate water generated during the re-gasification process is being used for in-plant uses such as gardening.

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

   Yes, all of Company's emissions/waste generated during the reporting period was within the regulatory defined limits.

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

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

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

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

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

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

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

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

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

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

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

   PLL, as a responsible Corporate has been undertaking Socio-Economic Development Projects / Programs and also supplementing the efforts of the local institutions / NGOs / local Government / implementing agencies in the field of Education, Healthcare, Community Development, Entrepreneurship etc. to meet priority needs of the marginalized and underserved communities with the aim to help them become self-reliant. These efforts are being undertaken preferably in the local area and areas around our work centers/ project sites. The Company's primary focus, from CSR perspective, is on education, healthcare services, community infrastructure development and environment sustainability activities. All activities undertaken are as per the list of activities specified in Schedule VII of the Companies Act 2013. Some of the key initiatives taken in these areas during the previous financial year are as following:

Healthcare and Sanitation

- Amega Eye Check-up camp comprising of Screening, identification of patients for Cataract surgery, Distribution of Spectacles & Medicines, Refractive disorders correction, etc. was organised partnering with Arvind Eye care hospital at Vilavoorkal Gram Panchayat, Trivandrum, Kochi.

- On the occasion of World Sight Day (WSD) Eye Screening Camp for contractual labour at the Dahej and Delhi Company premises in association with Wockhardt foundation.

- Blood Donation Camp was organized in Bharuch in association with the NavDurga Charitable Trust & Red Cross Society wherein PLL Employees also participated and donated blood for the cause.

- PLL is assisting Thrikakara Municipal Cooperative Hospital in construction of the casualty complex by providing financial support. The Hospital is providing affordable treatment the migrant labourers, fisherman community as well as local residents of the nearby areas.

- Swachh Bharat Pakhwada from 16th-30th June 2016. Under this fortnightly Cleanliness and Sanitation drive was carried out by Petronet LNG Limited employees at various locations and nearby schools and villages.

Education and Empowerment

- Petronet Kashmir Super- 30 programme under which Petronet LNG Limited sponsored 40 under privileged students (35 boys in Srinagar & 5 girls in Delhi) under Petronet Kashmir Super 30 programme in association with Indian Army -19 Artillary Brigade, Baramullah& CSRL to imparting coaching for Engineering Entrance Examination and to facilitate admissions in IITs/IIITs / NITs/State Govt's Institution etc.

- Project Velicham, an educational initiative to create a talented, motivated and healthy future generation, PLL support was in the form of JeevanSuraksha/ Insurance to the approximately 25000 Students in the 71 schools.

VP Plant Head handing over the support to Dr Renu Raj (Assistant Collector, Ernakulam)

- Project Vidhyagam was organized in Luwara Primary School wherein a classroom library for students class was setup.

- Petronet DRI Skill Development Project wherein PLL and Deendayal Research Institute (DRI) has entered an agreement to undertake vocational skill development programme to bring about improvement in the occupational skills and technical knowledge of the Tharu youths of Balrampur District (UP) along with bringing down the unemployment among the underprivileged youths of Nepal border through vocational training.

Rural Development

- Several rural development and infrastructure activities at the Elankunnapuzha Gram Panchayat in Kerala were undertaken. The activities included construction of drainage system along the road, culverts to avoid the water overflow and water logging in rainy season etc.

- Roofing items were provided to the Gram Panchayat Office of Luwara Village in Gujarat for construction of houses for tribal families living below the poverty line.

Environment Sustainability

- PLL under its Corporate Social Responsibility and environment sustainability initiative contributed Rs 1.5 Crore in the Clean Ganga Fund corpus set up by Government of India.
- To conserve environment through effective waste management, PLL has taken up plastic bottle recycle project name "Petronet PET" at Gujarat.

Miscellaneous projects

- Trainings were imparted to the CSR candidates as well as they were sent to attend workshops for capacity building.

2. Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organisation?

   CSR is integral part of PLL's business strategy, as the Company is dedicated to inclusive growth andbetterment of the community. PLL has been undertaking Socio-Economic Development Projects / Programs and also supplementing the efforts of the local institutions / NGOs / local Government / implementing agencies in the field of Education, Healthcare, Community Development, Entrepreneurship etc. to meet priority needs of the marginalized and underserved communities with the only aim to help them become self-reliant. These efforts are being undertaken preferably in the local area and areas around our work centers/ project sites. To effectively manage, monitor and implement CSR initiatives of the Company, and in terms of provisions of Companies Act, 2013, the Board of Directors have constituted a Corporate Social Responsibility (CSR) Committee as a sub-committee to the Board. PLL also engages credible NGOs, trusts, and government agencies for implementing activities, projects and programs. Further, PLL constantly motivates its employees to engage in the CSR schemes of the Company and participate through philanthropic contributions or by volunteering their time.

3. Have you done any impact assessment of your initiative?

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

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

   INR 4.38 crores was spent during the financial year 2016-17. This represents 0.26% of profit after tax spends on CSR activities during the previous financial year.

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

S. No.	Initiative(s)	Amount Spent (in Rs. Lac)
1.	Healthcare and Sanitation	42.10
2.	Education and Empowerment	90.77
3.	Environment Sustainability	155.94
4.	Rural Development	119.08
5.	Miscellaneous Projects	29.97

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

   Company on regularly basis undertakes need assessment surveys in villages before undertaking CSR initiatives. Community needs are understood and evaluated through detailed conversations and their views are given consideration before project plans are finalized and executed. Community members are kept in loop and continuously consulted with during the entire life cycle of the initiative. Further, PLL ensures that community members participate in the initiatives being undertaken / implemented, and that they take full responsibility for maintenance and sustenance of projects in future.Such commitments are taken inwriting from the village 'Panchayat' Head, and progressof implemented projects is regularly monitored forensuring the commitments are kept by communitymembers.

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

1. What percentage of customer complaints / consumer cases ispending, as atthe end of the financial year?

   There have been nocases of customer complaints / consumer case in the reporting period.

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

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

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

   No case has been filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last financial year.

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

   At PLL, we believe in engaging in seamless constructive dialogue and flawless decision making, thus eliminating scope for potential conflicts with our stakeholders. We, therefore, continuously interact and engage with our customers to seek their inputs or concerns and addressing them. This practice is engrained in our culture and system since the time of institutionalization of PLL.

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Members of Petronet LNG Limited

1. Report on the Consolidated Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Petronet LNG Limited ("the Parent Company") and its joint venture (collectively referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31 March 2017, the Consolidated statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Change in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

2. Management's Responsibility for the Consolidated Financial Statements

The Parent Company's Board of Directors is responsible for the preparation of the consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated state of affairs (financial position), consolidated profit or loss (financial performance including other comprehensive income), consolidated cash flows and change in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 (hereinafter referred to as "the Act") read with relevant rules issued thereunder.

The respective Board of Directors of the Companies included in the group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent Company, as aforesaid.

3. Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidatedInd AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Parent Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Parent Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of other auditor on separate Ind AS financial statement and on the other financial information of joint venture, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs (financial position) of the Group as at 31st March, 2017, and their consolidated profit (financial performance including other comprehensive income), their consolidated cash flows and change in equity for the year ended on that date.

5. Other Matters

a) The comparative financial information of the Group for the year ended 31st March 2016 and the transition date opening Balance Sheet as at 1st April 2015 prepared in accordance with Ind AS included in these Consolidated Ind AS financial statements are based on previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standard) Rules, 2006 audited by us whose report for the year ended March 31, 2016 and March 31, 2015 dated 16th May, 2016 and 25th April, 2015 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS which have been audited by us.

   Our opinion is not modified in respect of the above matter.

b) The consolidated financial statement includes the Group's share of net profit of Rs. 17.46 crores and Other Comprehensive Income of Rs. 1.71 crores for the year ended 31st March 2017, as considered in the consolidated financial results, in respect of its joint venture namely Adani Petronet (Dahej) Port Pvt. Ltd. (APPPL), whose financial statements / financial information have not been audited by us. Further, the Company had made an investment in the equity of its Joint Venture namely India LNG Transport Co No (4) Pvt. Ltd (ILT4) as on 13th February 2017; the financial results for which are not available for the period 13th Feb'17– 31st Mar'17 and therefore the Group's share of profit for post-acquisition period has not been considered in the consolidated financial statements. The financial statements of APPPL have been audited by other auditor whose report has been furnished to us by the management and our opinion, in so far as it relates to amounts and disclosures included in respect of such Joint venture entity, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid jointly controlled entity, is based solely on the report of the other auditor.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor and the financial statement / financial information certified by the management.

6. Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on consideration of report of the other auditor on separate financial statement and other financial information of the joint venture, as noted in 'other matter' paragraph we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

b. In our opinion, proper books of account as required by law relating to the preparation of the consolidated financial have been kept so far as it appears from our examination of those books and the report of the other auditor;

c. The consolidated Balance Sheet, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), consolidated Cash Flow Statement and Statement of Change in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

d. In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant Rule issued thereunder.

e. On the basis of written representations received from the directors of the Parent Company as on 31st March, 2017, taken on record by the Board of Directors of the Parent Company and the reports of the statutory auditors of its joint venture incorporated in India, none of the directors of the Group companies is disqualified as on 31st March, 2017, from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A".

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statement as also the other information of the joint venture, as noted in 'Other Matter' paragraph:

    i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 37B to the consolidated financial statements;

    ii. The Company did not have any long-term contracts including derivative contracts, for which there were any material foreseeable losses - Refer Note 37A (b) to the consolidated Ind AS financial statements;

    iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent Company.

    iv. The Company has provided requisite disclosures in Note no.14 in its consolidated Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016. Based on the audit procedures and relying on the management representation, we report that the disclosures are in accordance with the books of accounts and records maintained by the Company.

T R Chadha & Co LLP
Chartered Accountants
Firm Regn No. 006711N / N500028

sd/-
Neena Goel
(Partner)
M.N. 057986

Date : 9 May 2017
Place : New Delhi

“Annexure A”as referred to in paragraph 6(f) of our report of even date

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“The Act”)

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of Petronet LNG Limited (“the Parent Company”) and its joint venture entity incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The Respective Board of Directors of the Parent Company and its joint venture entity, which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

a. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

b. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

c. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Parent Company and its joint venture entity, which are incorporatedin India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to Joint venture company, which is a company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

T R Chadha & Co LLP
Chartered Accountants
Firm Regn No. 006711N / N500028

sd/-
Neena Goel
(Partner)
M.N. 057986

Date : 9 May 2017
Place : New Delhi

Consolidated Balance Sheet as at 31 March 2017

(All amounts are in Rupees lac, unless otherwise stated)

	Notes	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
ASSETS				
Non-current assets				
Property, plant and equipment	3	841,851	680,367	693,202
Capital work-in-progress	4	4,855	155,048	74,690
Intangible assets	5	453	687	1,057
Investments accounted for using equity method	6	24,887	13,849	12,352
Financial assets				
(i) Investments	7	0.13	0.13	0.13
(ii) Loans	8	2,267	1,866	1,776
(iii) Other non-current financial assets	9	17,284	27,228	28,111
Other non-current assets	10	9,499	9,827	30,252
Total non-current assets		**901,096**	**888,872**	**841,440**
Current assets				
Inventories	11	54,052	24,610	88,263
Financial assets				
(i) Investment	12	277,073	-	-
(ii) Trade receivables	13	121,079	98,852	134,277
(iii) Cash and cash equivalents	14	32,099	217,671	35,583
(iv) Bank balances other than (iii) above	15	635	618	626
(v) Other current financial assets	16	28	126	37
Current tax assets (net)	17	2,810	13,211	10,558
Other current assets	18	2,487	3,502	7,544
Total current assets		**490,263**	**358,590**	**276,888**
Total Assets		**1,391,359**	**1,247,462**	**1,118,328**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	19	75,000	75,000	75,000
Other equity	20	742,838	591,246	516,518
Total equity		**817,838**	**666,246**	**591,518**

	Notes	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Liabilities				
Non-current liabilities				
Financial liabilities				
(i) Borrowings	21	145,003	223,293	256,870
Long-term provisions	22	656	560	428
Deferred tax liabilities (net)	23(B)	73,018	58,858	49,326
Other non-current liabilities	24	138,576	140,000	90,000
Total non-current liabilities		**357,253**	**422,711**	**396,624**
Current liabilities				
Financial liabilities				
(i) Trade payables		94,460	77,213	32,091
(ii) Other financial liabilities	25	88,481	54,512	68,851
Other current liabilities	26	26,758	23,263	27,514
Short-term provisions	27	945	985	932
Current tax liabilities (net)	28	5,624	2,532	798
Total current liabilities		**216,268**	**158,505**	**130,186**
Total liabilities		**573,521**	**581,216**	**526,810**
Total Equity and Liabilities		**1,391,359**	**1,247,462**	**1,118,328**

The accompanying notes are an integral part of these financial statements
This is the Balance Sheet referred to in our report of even date

Significant Accounting Policies **2**
Other Notes on Accounts **37 to 49**

For T R Chadha & Co LLP
Chartered Accountants
ICAI Firm Regn. No. 006711N /N500028

For and on behalf of Petronet LNG Limited

Sd/-
Neena Goel
Partner
Membership No - 057986

Sd/-
Prabhat Singh
Managing Director & CEO

Sd/-
R K Garg
Director - Finance

Sd/-
K C Sharma
Company Secretary

Place : New Delhi
Date : 9 May 2017

Consolidated Statement of Profit and Loss for the year ended 31 March 2017

(All amounts are in Rupees lac, unless otherwise stated)

	Notes	For the year ended 31 March 2017	For the year ended 31 March 2016
Revenue			
Revenue from operations	29	2,461,603	2,713,343
Other income	30	34,664	17,334
Total revenue (a)		**2,496,267**	**2,730,677**
Expenses			
Cost of materials consumed	31	2,141,692	2,507,565
Employee benefits expense	32	7,386	7,106
Finance costs	33	20,965	23,875
Depreciation and amotization expense	34	36,907	32,160
Other expenses	35	53,298	40,047
Total expenses (b)		**2,260,248**	**2,610,753**
Share of profit of equity-accounted investees, net of tax		1,746	1,459
Profit/ (Loss) before tax (c = a-b)		**237,765**	**121,383**
Tax expense:			
Current tax	23(A)	51,288	19,044
Deferred tax	23(A)	14,164	9,554
Total tax expense (d)		**65,452**	**28,598**
Profit/ (loss) for the period (A) = (c-d)		**172,313**	**92,785**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans		(12)	(63)
Income tax relateing to remeasurement of defined benefit plans	23(A)	4	22
Equity-accounted investees – share of OCI		(171)	38
Total Other Comprehensive Income for the period (B)		**(179)**	**(3)**
Total Comprehensive Income for the period (A + B)		**172,134**	**92,782**
Earnings per equity share	36		
Basic		22.98	12.37
Diluted		22.98	12.37

The accompanying notes are an integral part of these financial statements
This is the Statement of Profit and Loss referred to in our report of even date

Significant Accounting Policies **2**
Other Notes on Accounts **37 to 49**

For T R Chadha & Co LLP
Chartered Accountants
ICAI Firm Regn. No. 006711N /N500028

Sd/-
Neena Goel
Partner
Membership No - 057986

Place : New Delhi
Date : 9 May 2017

For and on behalf of Petronet LNG Limited

Sd/-
Prabhat Singh
Managing Director & CEO

Sd/-
R K Garg
Director - Finance

Sd/-
K C Sharma
Company Secretary

Consolidated Statement of Cash Flows for the year ended 31 March 2017

(All amounts are in Rupees lac, unless otherwise stated)

		For the year ended 31 March 2017	For the year ended 31 March 2016
A.	**Cash flow from operating activities**		
	Net Profit before tax	237,765	121,383
	Adjustment for:		
	Depreciation	36,907	32,160
	Loss on the sale of fixed asset	11	13
	Profit on sale of current Investment	(7,161)	(9,406)
	Interest Expense	20,965	23,875
	Foreign exchange gain/ loss of financial liabilies	(8,631)	(520)
	Fair value losses on derivatives not designated as hedges	10,004	467
	Gain on fair value adjustment of Investments	(12,463)	-
	Share of profit of equity-accounted investees	(1,746)	(1,459)
	Interest Income	(1,893)	(2,540)
	Excess provision written back	(618)	-
	Provision for doubtful debts	4,142	-
	Operating profit before working capital changes	**277,282**	**163,973**
	Movements in working capital :-		
	(Increase)/ Decrease in loans	(401)	(90)
	(Increase)/ Decrease in inventories	(29,442)	63,654
	(Increase)/ Decrease in trade receivables	(26,369)	35,424
	(Increase)/ Decrease in other financial assets	(60)	417
	(Increase)/ Decrease in Other assets	3,297	4,512
	Increase / (Decrease) in trade payables	18,124	45,354
	Increase / (Decrease) in other financial liabilities	10	(1,746)
	Increase / (Decrease) in provisions	44	122
	Increase / (Decrease) in other liabilities	2,071	45,749
	Cash Generated from (/ used in) operations	244,556	357,369
	Less: Income Tax Paid (net of refunds)	(37,797)	(19,966)
	Net Cash generated from (/ used in) operating activities (A)	**206,759**	**337,403**
B.	**Cash flow from investing activities**		
	Net proceeds / (purchase) of property, plant and equipment and capital work in progress	(54,419)	(97,141)
	Net proceeds / (purchase) of intangible assets	(177)	(100)
	Net proceeds / (purchase) of interest in equity accounted investees	(7,438)	-
	Net proceeds on sale of investment	(257,449)	9,406
	Interest received	1,992	2,450
	Net movement in fixed deposits	(16)	8
	Net Cash Generated from (/ used in) Investing Activities (B)	**(317,507)**	**(85,377)**

		For the year ended 31 March 2017	For the year ended 31 March 2016
C.	<u>**Cash Flow from Financing Activities**</u>		
	Net proceeds/(Repayment) of Long Term Borrowings	(31,284)	(28,027)
	Interest Expense Paid	(20,973)	(23,857)
	Dividend paid	(22,567)	(18,054)
	Net Cash generated from (/ used in) Financing Activities (C)	**(74,824)**	**(69,938)**
	Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	**(185,572)**	**182,088**
	Cash and cash equivalents at the beginning of the year	217,671	35,583
	Balance at the end of the year	**32,099**	**217,671**

The accompanying notes are an integral part of these financial statements
This is the Statement of Cash Flow referred to in our report of even date

For T R Chadha & Co LLP
Chartered Accountants
ICAI Firm Regn. No. 006711N /N500028

Sd/-
Neena Goel
Partner
Membership No - 057986

Place : New Delhi
Date : 9 May 2017

For and on behalf of Petronet LNG Limited

Sd/-
Prabhat Singh
Managing Director & CEO

Sd/-
R K Garg
Director - Finance

Sd/-
K C Sharma
Company Secretary

Conosolidated Statement of Changes in Equity for the year ended 31 March 2017

(All amounts are in Rupees lac, unless otherwise stated)

(a) Equity share capital

	As at 31 March 2017		As at 31 March 2016	
	No. of Shares	**Amount**	**No. of Shares**	**Amount**
Balance at the beginning of the year	750,000,044	75,000	750,000,044	75,000
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the reporting period	**750,000,044**	**75,000**	**750,000,044**	**75,000**

(b) Other equity

	Reserves & Surplus					OCI	Total
	Capital Reserve	**Securities Premium Account**	**Debenture Redemption Reserve**	**General Reserve**	**Retained earnings**	**Remeasurement of defined benefit plans**	
Balance at 1 April 2015	**-**	**15,546**	**9,334**	**63,600**	**408,735**	**-**	**497,215**
Impacts due to Ind AS Adjustments	-	-	-	-	19,303	-	19,303
Restated balance at the beginning of the reporting period	**-**	**15,546**	**9,334**	**63,600**	**428,038**	**-**	**516,518**
Profit for the year	-	-	-	-	92,785	-	92,785
Other comprehensive income/ (loss) for the year	-	-	-	-		(3)	(3)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**92,785**	**(3)**	**92,782**
(ii) Trade receivables							
Transfer to general reserve	-	-	-	9,200	(9,200)	-	-
Transfer to debenture redemption reserve	-	-	7,832	-	(7,832)	-	-
Dividend paid	-	-	-	-	(15,000)	-	(15,000)
Dividend distribution tax	-	-	-	-	(3,054)	-	(3,054)
Balance at 31 March 2016	**-**	**15,546**	**17,166**	**72,800**	**485,737**	**(3)**	**591,246**

	Reserves & Surplus					OCI	
	Capital Reserve	Securities Premium Account	Debenture Redemption Reserve	General Reserve	Retained earnings	Remeasurement of defined benefit plans	Total
Changes in accounting policy / prior period errors	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	**-**	**15,546**	**17,166**	**72,800**	**485,737**	**(3)**	**591,246**
Profit for the year	-	-	-	-	172,313	-	172,313
Other comprehensive income for the year	-	-	-	-	-	(179)	(179)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**172,313**	**(179)**	**172,134**
Transfer to general reserve	-	-	-	-	-	-	-
Transfer to debenture redemption reserve	-	-	7,834	-	(7,834)	-	-
Dividend paid	-	-	-	-	(18,750)	-	(18,750)
Dividend distribution tax	-	-	-	-	(3,817)	-	(3,817)
Purchase of interest in equity accounted investees	2,025						2,025
Balance at 31 March 2017	**2,025**	**15,546**	**25,000**	**72,800**	**627,649**	**(182)**	**742,838**

The accompanying notes are an integral part of these financial statements
This is the Statement of Changes in Equity referred to in our report of even date

For T R Chadha & Co LLP
Chartered Accountants
ICAI Firm Regn. No. 006711N /N500028

For and on behalf of Petronet LNG Limited

Sd/-
Neena Goel
Partner
Membership No - 057986

Sd/-
Prabhat Singh
Managing Director & CEO

Sd/-
R K Garg
Director - Finance

Sd/-
K C Sharma
Company Secretary

Place : New Delhi
Date : 9 May 2017

Notes to the Consolidated Financial Statements for the year ended 31 March 2017

1. Reporting Entity

Petronet LNG Limited referred to as "PLL" or "the Company" is domiciled in India. The Company's registered office is at World Trade Centre, 1st Floor, Babar Road, Barakhamba Lane, New Delhi – 110001.

The Company was formed by Bharat Petroleum Corporation Limited ('BPCL'), GAIL (India) Limited ('GAIL'), Indian Oil Corporation Limited ('IOCL') and Oil and Natural Gas Corporation Limited ('ONGC') primarily to develop, design, construct, own and operate a Liquefied Natural Gas ('LNG') import and regasification terminals in India. PLL was incorporated on 2 April 1998 under the Companies Act, 1956 and received certificate of commencement of business on 1 June 1998. The Company is involved in the business of import and regasification of LNG and supply to BPCL, GAIL, IOCL and others. Presently, the Company owns and operates LNG Regasification Terminal with name plate capacity of 15 MMTPA at Dahej, in the State of Gujarat. The Company has also commissioned another LNG terminal with name plate capacity of 5 MMTPA at Kochi, in the State of Kerala.

2. Significant Accounting Policies

The Company has consistently applied the following accounting policies to all periods presented in the financial statements.

i. Basis of preparation

These financial statements have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard ('Ind AS'), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder; or by the Institute of Chartered Accountants of India, as applicable and other accounting principles generally accepted in India.

The financial statement up to year ended 31 March 2016 were prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India and complied with the applicable accounting standards prescribed in the Companies (Accounting Standards) Rules, 2014 issued by the Central Government and as per relevant provisions of the Companies Act, 2013 read together with Paragraph 7 of The Companies (Accounts) Rules, 2014.

The financial statements for the year ended 31 March 2017 are the first financial statements of the Company prepared under Ind AS. An explanation of how the transition to Ind AS has affected the reported financial position, financial performance and cash flows of the Company is provided in note 47.

These financial statements were authorised for issue by the Board of Directors on 9 May 2017.

ii. Basis of measurement

The financial statements have been prepared on a historical cost basis except the following items, which are measured on alternative basis on each reporting date:

- Certain financial assets (including derivative instruments) which are measured at fair value
- Defined benefit liability/(assets): fair value of plan assets less present value of defined benefit obligation

iii. Principles of equity accounting

The consolidation financial statement of Petronet LNG Limited ('the Company') included financial statements of Adani Petronet (Dahej) Port Pvt. Ltd. and India Transport Co (No 4) Ltd ('the JV Company'), in both of which the Company owns 26% paid up share capital, collectively referred to as 'the Group'.

The consolidated financial statements have been prepared on the following basis:

Joint ventures

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

Equity accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the investee in profit andloss, and the Company's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.When the Company's share of losses in an equity-accounted investment equals or exceeds its interest in theentity, unless it has incurred obligations or made payments on behalf of the other entity.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in note (xiv) given below.

iv. Functional and presentation currency

These financial statements are presented in Indian National Rupee ('INR'), which is the Company's functional currency. All amounts have been rounded to the nearest lac, unless otherwise indicated.

v. Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

a. Judgements

Information about the judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements have been given below:

- Leases:Whether an arrangement contains a lease
- Classification of leases into finance and operating lease

- Classification of financial assets: assessment of business model within which the assets the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

b. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the financial statements for the year ended 31March 2017 is included below:

- Impairment test: key assumptions underlying recoverable amounts, including the recoverability of development costs;

- Useful life of property, plant & equipment

- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources

vi. Property, plant and equipment:

Recognition and measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss if any. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use including borrowing cost and incidental expenditure during construction incurred upto the date when the assets are ready to use. Capital work in progress includes cost of assets at sites, construction expenditure and interest on the funds deployed.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as a separate items (major components) of property, plant and equipment.

Any gain on disposal of property, plant and equipment is recognised in Profit and loss account.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Subsequent Measurement

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the company.

Depreciation

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

Cost of leasehold land is amortized over the lease period.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and changes, if any are accounted for prospectively.

vii. Intangible assets

Intangible Assets are stated at cost less accumulated amortization and impairment loss, if any. Intangible assets are amortized on straight line method basis over the estimated useful life. Estimated useful life of the Software/Licenses is considered as 3 years.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the company.

viii. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign exchange forward contracts, cross currency interest rate swaps, interest rate swaps and currency options; and embedded derivatives in the host contract.

Financial Assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Classifications

The company classifies its financial assets as subsequently measured at either amortised cost or fair value depending on the company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Business model assessment

The company makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Debt instruments at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met:

- it is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Debt instrument at fair value through Other Comprehensive Income (FVOCI)

Debt instruments with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets are classified to be measured at FVOCI.

Debt instrument at fair value through profit and loss (FVTPL)

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.

In addition, the company may elect to classify a debt instrument, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as ‘accounting mismatch’).

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

On initial recognition an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

All other Financial Instruments are classified as measured at FVTPL.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the company’s balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognize the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

With regard to trade receivable, the Company applies the simplified approach as permitted by Ind AS 109, Financial Instruments, which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of amortised cost, net of directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities measured at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

Derecognition of financial liabilities

The company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Modifications of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, the company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value.

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the company recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income.

Financial liabilities

The company derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

ix. Inventories

Raw material, stores and spares are valued at lower of cost or net realizable value. Cost of raw material is determined on first-in, first-out principle for respective agreements of LNG.

Cost of stores and spares is determined on weighted average cost.

x. **Revenue Recognition**

a. **Sale of goods**

Revenue is recognised when the significant risk and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates.

Revenue is primarily derived from Sale of RLNG and is net of sales tax. Transfer of risk and rewards for sale of RLNG is at the point of dispatch.

b. **Rendering of services**

Revenue from regasification services is recognised when services are rendered and related costs are incurredin accordance with agreements.

c. **Interest income**

Interest income is recognized using the Effective Interest Rate ('EIR') method. The EIR is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate to the net carrying amount of the financial asset. The EIR is computed basis the expected cash flows by considering all the contractual terms of the financial instrument. The calculation includes all fees, transaction costs, and all other premiums or discounts paid or received between parties to the contract that are an integral part of the effective interest rate.

d. **Dividend income**

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

xi **Foreign currency transactions**

a. Foreign currency transactions are recorded at the exchange rate prevailing on the date of the transaction.

b. Monetary items denominated in foreign currencies (such as cash, receivables, payables etc.) outstanding at the year end, are translated at exchange rates applicable on year end date.

c. Non-monetary items denominated in foreign currency, (such as fixed assets) are valued at the exchange rate prevailing on the date of transaction and carried at cost.

d. Any gains or losses arising due to exchange differences arising on translation or settlement are accounted for in the Statement of Profit and Loss.

xii **Employee benefits**

a. **Short term employee benefits**

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b. Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. The company has following defined contribution plans:

a) Provident Fund

b) Superannuation Fund

c. Defined benefit plans

The company has only one Defined benefit plan - Gratuity. The company net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

d. Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Re-measurements are recognised in profit or loss in the period in which they arise.

The company has following long term employment benefit plans:

Leave encashment

Leave encashment is payable to eligible employees at the time of retirement. The liability for leave encashment is provided based on actuarial valuation as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary.

xiii. Borrowing Cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

xiv. Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in Other Comprehensive Income

a. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Company:

a) Has a legally enforceable right to set off the recognised amounts; and

b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

b. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit nor loss.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

a) The entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

xv. Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication on impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units (CGU).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment loss in respect of assets other than goodwill is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

xvi. Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

xvii Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of directors of Petronet LNG Limited has been identified as being the chief operating decision maker by the Management of the company. Refer **note 38** for segment information presented.

xviii Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

xix. Recent accounting pronouncements

Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows'. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows'. The amendments are applicable to the Company from 1 April 2017.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

Notes to the Consolidated Financial Statements for the year ended 31 March 2017

(All amounts are in Rupees lac, unless otherwise stated)

3. Property, plant and equipment

Particulars	Gross Block				Depreciation				Net Block	
	As at 31 March 2016	Additions	Deletions	As at 31 March 2017	As at 31 March 2016	Additions	Deletions	As at 31 March 2017	As at 31 March 2017	As at 31 March 2016
Tangible Assets										
Freehold Land	10,778	-	-	10,778	-	-	-	-	10,778	10,778
Buildings*	39,815	9,035	-	48,850	1,514	1,758	-	3,272	45,578	38,301
Plant & Equipments*	653,157	188,346	-	841,503	29,830	34,326	-	64,156	777,347	623,327
Office Equipments	577	482	(28)	1,031	160	218	(20)	358	673	417
Furniture & Fixtures	453	100	(12)	541	60	67	(5)	122	419	393
Speed Boat	38	-	-	38	5	5	-	10	28	33
Vehicles	164	39	(17)	186	29	29	(9)	49	137	135
Assets taken on finance lease										
Leasehold Land	7,075	-	-	7,075	92	92	-	184	6,891	6,983
Total	**712,057**	**198,002**	**(57)**	**910,002**	**31,690**	**36,495**	**(34)**	**68,151**	**841,851**	**680,367**

Particulars	Gross Block				Depreciation				Net Block	
	As at 1 April 2015	Additions	Deletions	As at 31 March 2016	As at 1 April 2015	Additions	Deletions	As at 31 March 2016	As at 31 March 2016	As at 1 April 2015
Tangible Assets										
Freehold Land	-	10,778	-	10,778	-	-	-	-	10,778	-
Buildings*	35,538	4,277	-	39,815	-	1,514	-	1,514	38,301	35,538
Plant & Equipments*	649,739	3,418	-	653,157	-	29,830	-	29,830	623,327	649,739
Office Equipments	319	266	(8)	577	-	160	-	160	417	319
Furniture & Fixtures	349	116	(12)	453	-	60	-	60	393	349
Speed Boat	38	-	-	38	-	5	-	5	33	38
Vehicles	144	38	(18)	164	-	29	-	29	135	144
Assets taken on finance lease										
Leasehold Land	7,075	-	-	7,075	-	92	-	92	6,983	7,075
Total	**693,202**	**18,893**	**(38)**	**712,057**	**-**	**31,690**	**-**	**31,690**	**680,367**	**693,202**

Note:

* Plant & Equipment and Buildings includes Jetty & Trestle having gross value of Rs.130,409 (Dahej Phase 1 & additional Jetty) & Rs. 43,572 (Kochi). As per concession agreement, the ownership of Jetty & Trestle (Dahej Phase 1) would be transferred to the Gujarat Maritime Board in the year 2035. The additional Jetty at Dahej would also be transferred to Gujarat Maritime Board as per the yet to be executed concession agreement. The ownership of Jetty & Trestle (Kochi) would be transferred to Cochin Port Trust in the year 2039.

4. Capital Work-in-Progress

(All amounts are in Rupees lac, unless otherwise stated)

Particulars	As at 31 March 2016	Additions	Deletions	As at 31 March 2017	As at 1 April 2015	Additions	Deletions	As at 31 March 2016
Kochi Project:								
- Engineering / project construction	-	-	-	-	1,716	-	(1,716)	-
- Buildings	-	-	-	-	3,384	-	(3,384)	-
Dahej Ph-III 15MMTPA	154,622	42,652	(197,224)	50	68,891	85,731	-	154,622
Dahej Ph-III 17.5 MMTPA	-	3,983	-	3,983	-	-	-	-
Others	426	825	(429)	822	699	433	(706)	426
Total	**155,048**	**47,460**	**(197,653)**	**4,855**	**74,690**	**86,164**	**(5,806)**	**155,048**

5. Intangible Assets

Particulars	Gross Block				Depreciation				Net Block	
	As at 31 March 2016	Additions	Deletions	As at 31 March 2017	As at 31 March 2016	Additions	Deletions	As at 31 March 2017	As at 31 March 2017	As at 31 March 2016
Intangible Assets										
Licenses/Softwares	1,157	178	-	1,335	470	412	-	882	453	687
Total	**1,157**	**178**	**-**	**1,335**	**470**	**412**	**-**	**882**	**453**	**687**

Particulars	Gross Block				Depreciation				Net Block	
	As at 1 April 2015	Additions	Deletions	As at 31 March 2016	As at 1 April 2015	Additions	Deletions	As at 31 March 2016	As at 31 March 2016	As at 1 April 2015
Intangible Assets										
Licenses/Softwares	1,057	100		1,157	-	470	-	470	687	1,057
Total	**1,057**	**100**	**-**	**1,157**	**-**	**470**	**-**	**470**	**687**	**1,057**

(All amounts are in Rupees lac, unless otherwise stated)

		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
6	**Investments accounted for using equity method**			
	Investment in equity instruments (fully paid-up) (Unquoted)			
	Adani Petronet (Dahej) Port Pvt. Ltd., - a Joint Venture	15,424	13,849	12,352
	India LNG Transport Co No.(4) Pvt. Ltd. - a Joint Venture *	9,463	-	-
		24,887	**13,849**	**12,352**
	Aggregate book value of quoted investments	NIL	NIL	NIL
	Aggregate book value of un-quoted investments	24,887	13,849	12,352

* Pledged with Sumitomo Mitsui Banking Corporation

Interests in Joint venture (equity accounted)

A. Adani Petronet (Dahej) Port Pvt. Ltd. ('APPPL') is a joint venture in which the Company has joint control and a 26% ownership interest. It is one of the Company's strategic investments and is principally engaged in managing a Solid Cargo Port. The said Solid Cargo Port had commenced its Phase 1 operations from August 2010 at Dahej Port, India. Solid Cargo Port Terminal has facilities to import/export bulk products like coal, steel and fertilizer.

APPPL is structured as a separate vehicle and the Company has a residual interest in the net assets of APPPL. Accordingly, the Company has classified its interest in APPPL as a joint venture.

B. India Transport Co (No 4) Pvt. Ltd. ('ILT4') is joint venture in which the Company has joint control and a 26% ownership interest. It is one of the Company's strategic investments and is primarily engaged in transportation of LNG from Gorgon, Australia to Kochi & Dahej terminals through a cargo vessel. The joint venture has the principal place of business in Singapore.

ILT4 is structured as a separate vehicle and the Company has a residual interest in the net assets of ILT4. Accordingly, the Company has classified its interest in ILT4 as a joint venture.

Since both the joint venture companies are unlisted, the quoted market price is not available

Summarised financial information for joint ventures

The following table summarises the financial information of APPPL as included in its own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Company's interest in APPPL.

(All amounts are in Rupees lac, unless otherwise stated)

	31 March 2017	APPPL 31 March 2016	1 April 2015
Percentage ownership interest	**26%**	**26%**	**26%**
Non-current assets	123,526	128,020	118,150
Current assets (including cash and cash equivalents – 31 March 2017: Rs. 1,242, 31 March 2016: Rs. 271 and 1 April 2015: Rs. 669)	27,563	24,186	10,992
Non-current liabilities (including non-current financial liabilities excluding trade and other payables and provisions – 31 March 2017: Rs. (65,281), 31 March 2016: Rs. (68,003) and 1 April 2015: Rs. (64,305))	(65,281)	(68,003)	(64,305)
Current liabilities (including current financial liabilities excluding trade and other payables and provisions – 31 March 2017: Rs. (22,754), 31 March 2016: Rs. 27,052 and 1 April 2015: Rs. 14,188)	(25,515)	(29,969)	(16,360)
Net assets (100%)	**60,292**	**54,233**	**48,477**
Company's share of net assets (26%)	15,676	14,101	12,604
Goodwill	-	-	-
Adjustment on account of deemed cost exemption taken by Company	(252)	(252)	(252)
Carrying amount of interest in joint venture	**15,424**	**13,849**	**12,352**

	For the year ended 31 March 2017	For the year ended 31 March 2016
Revenue	32,516	34,091
Depreciation and amortisation	(6,963)	(6,851)
Interest income	602	677
Interest expense	(5,077)	(6,335)
Income tax expense	(3,765)	(3,382)
Profit/ (loss) from continuing operations	6,715	5,613
Other comprehensive income	(656)	144
Total comprehensive income	6,059	5,757
Company's share of profit / (loss) from continuing operations (26%) (A)	1,746	1,459
Company's share of other comprehensive income (26%) (B)	(171)	38
Company's share of total comprehensive income (26%) (A+B)	**1,575**	**1,497**
Dividends received by the Company	-	-

The company has made an investment in the equity of India LNG Transport Co No.(4) Pvt. Ltd. (ILT4) on 13 February 2017. For the purpose of consolidation, the differential of the acquition value and fair value of ILT4 (as on the acquisition date) has been accounted as capital reserve. The financial statements of the ILT4 are not available for the period 13 Feb'17 to 31 Mar'17 hence the share of the Company in the profit/loss of ILT4 for the said period has not been included in the consolidated financial statement as it is not expected to be material.

(All amounts are in Rupees lac, unless otherwise stated)

		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
7	**Non Current Financial Assets - Investments**			
	Investments carried at fair value through profit and loss account (Unquoted)			
	Investment in equity instruments (fully paid-up)			
	300 Ordinary Shares (previous year 300) of US$ 1 each, fully paid up in India LNG Transport Company (No. 3) Limited, Malta * (Rs. 13,476)	0.13	0.13	0.13
		0.13	**0.13**	**0.13**
	Aggregate book value of quoted investments	NIL	NIL	NIL
	Aggregate book value of un-quoted investments	0.13	0.13	0.13
*	Pledged with Sumitomo Mitsui Banking Corporation			
8	**Non Currrent Finacial Assets-Loans**			
	Unsecured, considered good			
	Loan to related parties (Refer note 42)	440	-	-
	Loan to others	1,827	1,866	1,776
		2,267	**1,866**	**1,776**
9	**Other non-current financial assets**			
	Unsecured, considered good			
	Derivative assets			
	- Cross current interest rate swaps	15,881	25,885	26,352
	Security deposits			
	- Government authorities	929	1,012	994
	- Others	243	102	528
	Employee advances	31	29	37
	Balances with banks in deposit accounts	200	200	200
		17,284	**27,228**	**28,111**
10	**Other non-current assets**			
	Unsecured, considered good			
	Capital advances	3,256	1,302	21,257
	Taxes and Duties recoverable (Refer note 37B)	6,243	8,525	8,995
		9,499	**9,827**	**30,252**

(All amounts are in Rupees lac, unless otherwise stated)

		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
11	**Inventories**			
	Raw materials	34,639	18,580	83,102
	Stock in transit	12,625	-	-
	Stores and spares	6,710	5,896	4,930
	Stores and spares in transit	78	134	231
		54,052	**24,610**	**88,263**
	(Refer note 2(ix) *on valuation)*			
12	**Current financial investments**			
	Investments carried at fair value through profit and loss account (Quoted)			
	Mutual funds	277,073	-	-
		277,073	**-**	**-**
	Aggregate book value of quoted investments	277,073	-	-
	Aggregate book value of un-quoted investments	NIL	NIL	NIL
13	**Trade receivables**			
	Unsecured and considered good			
	-from related parties	110,730	95,283	115,415
	-from others	10,349	3,569	18,862
	Unsecured and considered doubtful			
	-from related parties	4,142	-	-
	Less: Allowances for doubtful receivables	(4,142)	-	-
		121,079	**98,852**	**134,277**
	(Refer note 42B on related party)			
14	**Cash and cash equivalents**			
	Balance with banks:			
	- In current account	599	1,162	328
	- In term deposits	31,528	216,634	35,291
	Less: Interest accrued on term deposits	(28)	(126)	(37)
	Cash on hand	0.5	1	1
		32,099	**217,671**	**35,583**

(All amounts are in Rupees lac, unless otherwise stated)

Note:
As required by MCA notification number G.S.R. 308(E) dated 30 March 2017, the details of the Specified Bank Notes ('SBN') held and transacted during the period 8 November 2016 to 30 December 2016 as provided in the table below :-

(Amounts in ₹.)

	SBNs	**Other Denomination Notes**	**Total**
Closing cash in hand as on 8 November 2016	80,000	27,712	107,712
(+) Permitted reciepts	-	512,280	512,280
(-) Permitted payments	-	459,860	459,860
(-) Amount deposited in banks	70,500	-	70,500
Closing cash in hand as on 30 December 2016	**9,500**	**80,132**	**89,632**

		As at 31 March 2017	**As at 31 March 2016**	**As at 1 April 2015**
15	**Bank balances (other than above)**			
	In earmarked accounts			
	- Unclaimed dividend account	635	618	626
		635	**618**	**626**
16	**Other current financial assets**			
	Interest accrued on term deposits	28	126	37
		28	**126**	**37**
17	**Current tax assets (net)**			
	Advance tax (Net of provision for income tax of Rs.1,64,492) [As at 31 March 2016 - Rs.1,44,987, as at 1 April 2015 - Rs. 1,20,907]	2,810	13,211	10,558
		2,810	**13,211**	**10,558**
18	**Other current assets**			
	Advances to vendors	1,663	1,231	1,202
	Taxes and duties recoverable	75	73	-
	Prepaid expenses	722	1,210	1,238
	Purchase price adjustment of LNG	-	965	5,103
	Other Miscellaneous Advances	27	23	1
		2,487	**3,502**	**7,544**

(All amounts are in Rupees lac, unless otherwise stated)

		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
19	**Share capital**			
	Authorised:			
	1,200,000,000 (31 March 2016 - 1,200,000,000, 1 April 2015 - 1,200,000,000) equity shares of Rs.10/- each	120,000	120,000	120,000
	Issued, subscribed & fully paid up:			
	750,000,044 (31 March 2016 - 750,000,044, 1 April 2015 - 750,000,044) equity Shares of Rs.10/- each	75,000	75,000	75,000
		75,000	**75,000**	**75,000**

a. Terms and rights attached to equity shares

The Company has only one class of shares referred to as equity shares each having a par value of Rs. 10/- per share. They entitle the holder to participate in dividends, and to share in the proceeds of winding up of the company in proportion to the number of and amounts paid on the shares held. Every holder of equity shares present at a meeting in person or by proxy, is entitled to one vote per share.

b. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

c. Reconciliation of number of shares outstanding at the beginning and end of the year :

	Number of Shares	Amount
Outstanding at the 1 April 2015	750,000,044	75,000
Equity Shares issued during the year in consideration for cash	-	-
Outstanding at the 31 March 2016	750,000,044	75,000
Equity Shares issued during the year in consideration for cash	-	-
Outstanding at the 31 March 2017	**750,000,044**	**75,000**

d. Shareholders holding more than 5% shares in the company

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	No. of Shares	Percentage	No. of Shares	Percentage	No. of Shares	Percentage
Promoters' Holding						
Bharat Petroleum Corporation Ltd.	93,750,000	12.5%	93,750,000	12.5%	93,750,000	12.5%
GAIL (India) Ltd.	93,750,000	12.5%	93,750,000	12.5%	93,750,000	12.5%
Indian Oil Corporation Ltd.	93,750,000	12.5%	93,750,000	12.5%	93,750,000	12.5%
Oil & Natural Gas Corporation Ltd.	93,750,000	12.5%	93,750,000	12.5%	93,750,000	12.5%
Non-promoter Holding						
GDF International	75,000,000	10.0%	75,000,000	10.0%	75,000,000	10.0%
Asian Development Bank	-	-	-	-	39,000,000	5.2%

(All amounts are in Rupees lac, unless otherwise stated)

	As at 31 March 2017	As at 31 March 2016
20 Other equity		
a. Capital reserve		
Balance at the beginning of the year	-	-
Addition during the year	2,025	-
Balance at the end of the year	**2,025**	**-**
b. Securities premium account		
Balance at the beginning of the year	15,546	15,546
Addition during the year	-	-
Balance at the end of the year	**15,546**	**15,546**
c. Debenture redemption reserve		
Balance at the beginning of the year	17,166	9,334
Addition during the year	7,834	7,832
Balance at the end of the year	**25,000**	**17,166**
d. General reserve		
Balance at the beginning of the year	72,800	63,600
Add: Transfer from surplus balance in the statement of Profit & Loss	-	9,200
Balance at the end of the year	**72,800**	**72,800**
e. Retained earnings		
Balance at the beginning of the year	485,737	428,038
Add: Profit for the year after taxation as per statement of Profit and Loss	172,313	92,785
Less: Transfer to general reserves	-	(9,200)
Less: Transfer to debenture redemption reserves	(7,834)	(7,832)
Less: Dividend on equity shares	(18,750)	(15,000)
Less: Dividend distribution tax on equity shares	(3,817)	(3,054)
	627,649	**485,737**
f. Remeasurement of defined benefit plans		
Balance at the beginning of the year	(3)	-
Addition during the year	(179)	(3)
Balance at the end of the year	**(182)**	**(3)**
Total Equity (a+b+c+d+e+f)	**742,838**	**591,246**

(All amounts are in Rupees lac, unless otherwise stated)

Nature and purpose of other reserves

Capital reserve

Capital reserve has been generated on account of acquisition of interest in India LNG Transport Co No.(4) Pvt. Ltd. (ILT4), a joint venture.

Securities premium account

Securities premium account is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

Debenture redemption reserve

The Company appropriates a portion out of the profits available for payment of dividend to debenture redemption reserve(DRR) as per the Act (which requires creation of DRR upto 25% of the outstanding amount of the bonds during the tenure of bonds)

General reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purpose.

Remeasurement of defined benefit plans

Remeasurements of defined benefit plans represents the following as per Ind AS 19, Employee Benefits:

(a) actuarial gains and losses

(b) the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and

(c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset)

Dividend

	As at 31 March 2017	As at 31 March 2016
Cash dividends on equity shares declared and paid :		
Final dividend for the year ended 31 March 2016 Rs. 2.50 per share (31 March 2015: Rs. 2.00 per share)	18,750	15,000
Dividend Distribution tax on final dividend	3,817	3,054
	22,567	**18,054**
Proposed Dividends on Equity Shares :		
Proposed dividend for the year ended 31 March 2017 Rs. 5 per share (31 March 2016: Rs. 2.50 per share)	37,500	18,750
Dividend Distribution tax on final dividend	7,634	3,817
	45,134	**22,567**

Proposed dividends on equity shares are subject to approval at the annual general meeting and have not been recognised as liabilities (including DDT theron) as at 31 March.

(All amounts are in Rupees lac, unless otherwise stated)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
21 Borrowings			
Non-convertible bonds *(Unsecured)*	95,857	135,857	135,832
Term loans *(Secured)*			
- From other parties	55,020	93,318	126,903
	150,877	**229,175**	**262,735**
Less: Interest accrued	(5,874)	(5,882)	(5,865)
	145,003	**223,293**	**256,870**

a. Non-Convertible Bonds Series I-2013, Series I-2014 and Series II-2014 are unsecured, non convertible debenture, repayable at par starting from financial year 2017-18.

Term of repayment and interest are as follows :

Loan From	Repayment Terms	Year of Maturity	Effective Rate of Interest p.a.	Carrying Amount As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Series I - 2013	Bullet	2018	8.35%	31,997	31,997	31,997
Series II - 2014 (Option 1)	Bullet	2017	9.00%	41,539	41,539	41,529
Series II - 2014 (Option 2)	Bullet	2019	9.05%	62,321	62,321	62,306
				135,857	**135,857**	**135,832**
Less: Interest accrued but not due on borrowings				(5,857)	(5,857)	(5,832)
Less : Shown in current maturities of Long term debt				(40,000)	-	-
Balance shown as above				**90,000**	**130,000**	**130,000**

b. Term Loans are secured by first ranking mortgage and first charge on pari passu basis on all movable and immovable properties, both present and future including current assets except on trade receivables on which second charge is created on pari passu basis.

Term of repayment and interest are as follows :

Loan From	Repayment Frequency	Year of Maturity	Effective Rate of Interest p.a.	Carrying Amount As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
IFC (Washington)	Half yearly	2022	8.63%	18,864	20,706	22,086
IFC (Washington)	Half yearly	2019	2.65%	38,909	55,729	66,224
Proparco, France	Half yearly	2019	3.86%	25,940	37,153	44,151
Asian Development Bank	Half yearly	2018	6.5% to 8.5%	8,102	17,892	27,344
				91,815	**131,480**	**159,805**

(All amounts are in Rupees lac, unless otherwise stated)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Less: Interest accrued but not due on borrowings	(17)	(25)	(33)
Less : Shown in current maturities of Long term debt	(36,795)	(38,162)	(32,902)
Balance shown as above	**55,003**	**93,293**	**126,870**

The external commercial borrowings from International Finance Corporation (Washington), Asian Development Bank & Proparco, France are borrowed at an average cost of 8.70% p.a (inclusive of hedge cost).

22 Long-term provisions

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Provision for employee benefits			
- Compensated Absences (Refer note 41(iii))	656	560	428
	656	**560**	**428**

	For the year ended 31 March 2017	For the year ended 31 March 2016
23 Income Tax		
A Income Tax Expenses		
i) Amounts recognised in profit or loss		
Current tax expense		
Current year	51,288	25,699
Adjustment for prior years	-	(6,655)
	51,288	**19,044**
Deferred tax expense		
Change in recognised temporary differences	14,164	9,554
	14,164	**9,554**
Total Tax Expense	**65,452**	**28,598**
ii) Deferred Tax related to items recognised in Other Comprehensive Income		
Remeasurements of defined benefit liability	4	22

iii) Reconciliation of effective tax rate

	For the year ended 31 March 2017		For the year ended 31 March 2016	
	Rate	Amount	Rate	Amount
Profit before tax from continuing operations	34.61%	237,765	34.61%	121,383
Tax using the Company's domestic tax rate		82,285		42,008
Tax effect of:				
Non-deductible expenses	0.06%	134	0.11%	135
Non-taxable income	-	-	0.04%	52

(All amounts are in Rupees lac, unless otherwise stated)

	For the year ended 31 March 2017		For the year ended 31 March 2016	
	Rate	Amount	Rate	Amount
Tax-exempt income	-2.84%	(6,742)	-5.30%	(6,437)
Tax incentives	-4.05%	(9,621)	0.00%	-
Tax impact of share of profit of equity accounted investees	-0.25%	(604)	-0.42%	(505)
Changes in estimates related to prior years	-	-	-5.48%	(6,655)
	27.53%	**65,452**	**23.56%**	**28,598**

B Deferred Tax Liabilities (Net)

Movement in deferred tax balances

	As at 31 March 2016	Recognized in P&L	Recognized in OCI	As at 31 March 2017
Deferred Tax Assets				
Employee benefits	223	21	4	248
Loans and borrowings	8,330	(2,897)		5,433
Trade receivables	-	1,433		1,433
MAT Credit Entitlement	28,870	3,288	-	32,158
Sub- Total (a)	**37,423**	**1,845**	**4**	**39,273**
Deferred Tax Liabilities				
Property, plant and equipment	87,323	15,158	-	102,482
Derivatives	8,958	(3,462)		5,496
Current Investments	-	4,313		4,313
Sub- Total (b)	**96,281**	**16,009**	**-**	**112,291**
Net Deferred Tax Liability (b-a)	**58,858**	**16,008**	**(4)**	**73,018**

	As at 1 April 2015	Recognized in P&L	Recognized in OCI	As at 31 March 2016
Deferred Tax Assets				
Employee benefits	162	39	22	223
Long term borrowings	8,431	(101)		8,330
MAT Credit Entitlement	24,063	4,807	-	28,870
Sub- Total (a)	**32,656**	**4,745**	**22**	**37,423**
Deferred Tax Liabilities				
Property, plant and equipment and intangibles	72,862	14,461	-	87,323
Derivatives	9,120	(162)	-	8,958
Sub- Total (b)	**81,982**	**14,299**	**-**	**96,281**
Net Deferred Tax Liability (b-a)	**49,326**	**9,554**	**(22)**	**58,858**

(All amounts are in Rupees lac, unless otherwise stated)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
24 Other non-current liabilities			
Revenue received in advance*			
Related Parties (See Note No 42)	98,854	100,000	75,000
Others	39,722	40,000	15,000
	138,576	**140,000**	**90,000**

* The Company has entered into long term agreements for 20 years for providing LNG regasification services by allocating 7 MMTPA out of the total regasification capacity from its Dahej terminal. The advance received by the Company is adjustable against charges on regasification service during the course of the agreement.

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
25 Other current financial liability			
Current maturities of long-term debt			
- from other parties	76,797	38,162	32,902
Interest accrued but not due on borrowings	5,874	5,882	5,865
Unpaid dividend	635	618	626
Other payables for:			
- Capital goods	5,064	9,732	27,602
- Security deposits / Retention money	111	118	1,856
	88,481	**54,512**	**68,851**
26 Other current liabilities			
Statutory dues	25,609	22,317	25,062
Revenue received in advance			
- related parties (Refer note No 42)	-	-	1,764
- others	52	52	52
Other payables	1,097	894	636
	26,758	**23,263**	**27,514**
27 Short-term provisions			
Provision for employee benefits			
- Gratuity (Refer note 41)	1	29	-
- Compensated Absences (Refer note 41)	60	56	40
- Incentives	884	900	892
	945	**985**	**932**

(All amounts are in Rupees lac, unless otherwise stated)

		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
28	**Current tax liabilities**			
	Provision for Income Tax (Net of advance tax of Rs. 70,544 [as at 31 March 2016 Rs 43,587 and 1 April 2015 Rs.48640])	5,624	2,532	798
		5,624	**2,532**	**798**

		For the year ended 31 March 2017	For the year ended 31 March 2016
29	**Revenue from operations**		
	Sale of goods	2,339,578	2,624,753
	Regasification services	115,498	87,072
	Other operating revenues	6,527	1,518
		2,461,603	**2,713,343**
30	**Other Income**		
	Interest income from financial assets measured at amortised cost		
	- on bank deposits	1,727	2,389
	- on shareholders' loan	166	151
	Interest income other than above		
	- on income tax refunds	1,838	1,034
	- on others	564	2,603
	Profit on sale of current Investments	7,161	9,406
	Gain on fair value adjustment of Investments	12,463	-
	Foreign exchange fluctuations (net)	8,631	520
	Excess provision/ liability written back	618	-
	Miscellaneous income	1,496	1,231
		34,664	**17,334**
31	**Cost of materials consumed**		
	Opening Stock of LNG	18,580	83,102
	Add: Purchases	2,157,751	2,443,043
	Less: Closing Stock of LNG	34,639	18,580
		2,141,692	**2,507,565**

(All amounts are in Rupees lac, unless otherwise stated)

		For the year ended 31 March 2017	For the year ended 31 March 2016
32	**Employee benefits expense**		
	Salaries and wages*	6,253	6,042
	Contribution to provident and other funds	695	649
	Staff welfare expenses	438	415
		7,386	**7,106**

*Includes Commission to the Whole-time Directors Rs. 60 (Previous year Rs. 43)

33	**Finance cost**		
	Interest on long term loans	19,924	22,867
	Interest on short term loans	6	7
	Other borrowing costs	1,035	1,001
		20,965	**23,875**

34	**Depreciation and amotisation expense**		
	Depreciation on tangible assets	36,495	31,690
	Amortisation on intangible assets	412	470
		36,907	**32,160**

35	**Other expenses**		
	Stores and spares consumed	2,742	1,464
	Power and fuel	15,498	17,404
	Repairs and maintenance:		
	- Buildings	460	296
	- Plant and machinery	1,098	1,158
	- Others	143	164
	Dredging expenses	4,902	3,996
	Rent	1,488	2,471
	Rates and taxes	1,388	1,190
	Insurance	1,261	1,509
	Travelling and conveyance	1,702	1,603
	Legal, professional and consultancy charges	1,458	1,433
	Fair value losses on derivatives not designated as hedges	10,004	467
	Provision for doubtful debts	4,142	-
	Directors' sitting fees	18	25
	Directors’ commission (other than whole time Directors)	24	16
	Charity and donation	17	13

(All amounts are in Rupees lac, unless otherwise stated)

	For the year ended 31 March 2017	For the year ended 31 March 2016
Loss on sale/ write off of property, plant and equipment (net)	11	13
Corporate social responsibility (Refer note 37)	438	597
Others expenses	6,504	6,228
Total	**53,298**	**40,047**

36 Earning per share

Profit/ (loss) for the period	172,313	92,785
Weighted average number of equity shares of Rs. 10/- each (In lacs)	7,500	7,500
EPS - Basic and Diluted	**22.98**	**12.37**

37 Contingent liabilities, contingent assets and commitments

A. Commitments

a. Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for Rs. 31,839 (as on 31 March 2016 Rs. 40,497 and 1 April 2015 Rs. 108,476).

b. The Company has entered into following long term LNG purchase agreements:
a. 8.5 MMTPA with RasGas Company Limited, Qatar for a period upto April 2028.
b. 1.44 MMTPA with Mobil Australia Resources Company PTY Ltd, who have commenced supply since January 2017 for a period upto 2035.

Since the Company has entered into materially back to back sale agreements against the above purchase agreements, there is no foreseeable loss on these agreements as on the balance sheet date. The Company has issued Standby Letter of Credit of Rs. 285,412 (Rs. 591,981 as on 31 March 2016 and Rs. 512,667 as on 31 March 2015) to RasGas Company Limited and Rs 18,195 (Rs Nil as on 31 March 2016 and Rs. Nil as on 31 March 2015) to Mobil Australia Resource Company PTY Ltd against the Long Term Purchase Agreements.

B. Contingent Liabilities

a. The Collector of Electricity Duty, Gandhinagar (Gujarat) had issued notices classifying the business activities of the Company as “Storage(HTP-IIA)” instead of “Industrial Undertaking (HTP I)” and hence levied Electricity Duty @ 45% instead of 20% of the consumption charges and charging 70 paise per unit on the power generated by the Company for its own consumption. The Company has challenged the legality and validity of the notices by way of writ petitions before the Hon'ble High Court of Gujarat. Meanwhile the Company continues to make payment of Electricity Duty @15%(Revised rate of HTP-I) on the basis of the stay order granted by the Hon'ble High Court. The High Court vide order dated 1 July 2014 has set aside the notice and quashed the supplementary bill/demand notice and remanded the case back to the Collector of Electricity Duty, Gandhinagar to decide the nature of undertaking of the Company. The Company has made its oral and written submissions before the Collector of Electricity Duty, Gandhinagar and the order is awaited. The total contingent liability till 31 March, 2017 calculated on the differential payable i.e. 25% (Revised rates for “HTP-II A”) as classified by GEB and what is actually paid by Company on “HTP-I” rate i.e. 15%) is Rs.3,637 (as on 31 March 2016 Rs. 2,668 and as on 1 April 2015 Rs. 2,251) .

(All amounts are in Rupees lac, unless otherwise stated)

b. The Company has filed a writ petition before the Hon'ble Gujarat High Court challenging the legality and correctness of the notice dated 1 April 2006 from the Collector of Stamps, Bharuch stating that pursuant to the amendment to Section 24 of the Bombay Stamp Act, 1958, the Company is required to pay stamp duty @ Re.1 per Rs.1,000/ or part thereof of the value mentioned in the Delivery Order of the goods imported through ports in Gujarat. The Hon'ble High Court of Gujarat vide its order dated 24 February 2010 has quashed the notice issued by the Stamp Authorities. Stamp authorities have filed Special Leave Petition (SLP) in Hon'ble Supreme Court against the same and the case is pending as on 31 March 2017. The contingent liability from the effective date of amendment i.e. 1 April 2006 till 31 March 2017 on the CIF value is estimated at Rs. 19,408. (Previous year till 31 March 2016 is Rs. 17,421 and as on 1 April 2015 is Rs.15,258).

c. The Company has received refund of Rs. 112, Rs. 284 and Rs. 346 from Customs department vide CESTAT order dated 7 November 2013, 9 September 2011 and 31 May 2010 respectively mainly pertaining to custom duty on short landing of LNG. The Custom Authorities have filed appeal against the order of the CESTAT with the Hon'ble High court of Gujarat and the outcome of the case is pending as on 31 March 2017.

d. Taxes and duties recoverable includes custom duty recoverable amounting to Rs. 959 (relating to short lending of LNG under spot purchase agreement. The company has received favourable order for the above issue from Commissioner (Appeals) and CESTAT. However, the refund of the amount has been denied by department and Commissioner (Appeals) on the ground of time barred refund application. The company has preferred an appeal against the above order with CESTAT, the outcome of which is pending as on 31 March 2017.

e. The company had received demand for vessel hire charges under Section 65(105)(zzzzj) of the Finance Act, 1994 (as amended) – "Supply of Tangible Goods for Use" for the period 16 May 2008 to 30 September 2009 amounting Rs. 4,005 (including Interest). The company had paid the demand under protest to the department. The Commissioner of the Service Tax, vide Order dated 6 March 2012 has confirmed the demand. The Company has preferred an appeal before CESTAT against the above order and received favourable order in the above case on 24 October 2013. The department has prefered an appeal against the CESTAT order before the Hon'ble Supreme Court. Subsequently refund including interest was received from department pending adjudication of the case. The case is pending before the Hon'ble Supreme Court as on 31 March 2017. Further, the company has filed writ petition in Hon'ble High Court for the rectification of the amount of interest granted to the company.

f. The Company has cases pending with Service Tax Department at various levels pertaining to applicability of service tax on charges paid for External Commercial Borrowings. Amount involved in such cases is Rs. 848 (as on 31 March 2016 Rs. 913 and as on 1 April 2015 Rs 479).

g. The Principal Commissioner of service tax has issued order against the company regarding service tax demand on boil off quantity of LNG during regasification process (for the period April 2009 to March 2015) amounting to Rs. 1,780. The company paid the demand under protest of Rs. 3,265 (including interest and penalty). Further, the company had suo moto additionally paid service tax and interest amounting to Rs. 1,484 for the period April'15 – March'17. The company has preferred an appeal against the said orders with CESTAT and the matter is pending for hearing as on 31 March 2017.

h. The Company has filed Service Tax Refund Application for services availed in the Special Economic Zone for the LNG Terminal at Kochi, amounting to Rs.1,668 (as on 31 March 2016 Rs. 1,924 and as on 1 April 2015 Rs 1,919), out of which Rs.774 (as on 31 March 2016 Rs. 774 and as on 1 April 2015 Rs 774) is pending before the CESTAT level and Rs. 893 (as on 31 March 2016 Rs. 1,150 and as on 1 April 2015 Rs 1,145) is at Assistant Commissioner level.

(All amounts are in Rupees lac, unless otherwise stated)

i. The sales tax department has issued show cause notice dated 11 February 2016 claiming sales tax amounting to Rs 7,985 against the high seas sales transaction made by the company. The reply against the show cause notice is submitted by the company and the matter is pending for adjudication.

j. There are certain claims of Rs. 18,362 (as on 31 March 2016 Rs. 18,362 and as on 1 April 2015 Rs. 18,362) made by a Contractor against capital works for which the Company has also made certain counter claims. As per the terms of the contract, independent expert's opinion is being sought and pending the settlement of liability, claims are not determinable and therefore no provision has been made in the books.

k. The Company has filed Service Tax Refund Application for services availed in the Special Economic Zone for the LNG Terminal at Kochi, amounting to Rs.1,668 (as on 31 March 2016 Rs. 1,924 and as on 1 April 2015 Rs 1,919), out of which Rs.774 (as on 31 March 2016 Rs. 774 and as on 1 April 2015 Rs 774) is pending before the CESTAT level and Rs. 893 (as on 31 March 2016 Rs. 1,150 and as on 1 April 2015 Rs 1,145) is at Assistant Commissioner level.

l. The Company had entered into a lease agreement with Cochin Port Trust (CPT) for 33.4015 hectare of land for building and operating port and regasification facility at Kochi. CPT has raised demand for enhanced lease rent (almost 10 times), by quoting the order of Tariff Authority for Major Ports (TAMP) dated 10 June 2010. CPT has invoked arbitration and claimed Rs. 4,258 (as on 31 March 2016 Rs. 4,258 and as on 1 April 2015 Rs. 4,258). Further, an additional demand amounting to Rs. 2,000 (as on 31 March 2016 Rs. 2,000 and as on 1 April 2015 Rs. 2,000) has been raised by CPT for usage of dredged sand by the Company. PLL has been contesting the increase in lease rent as well as dredging sand claims. As such, the matter has been referred to Arbitration. Pending the outcome of arbitration proceedings, liability against the claims, if any, is not determinable and therefore no provision has been made in the books.

m. The Company is eligible for deduction under section 80IA of the Income Tax Act, 1961, with respect to power generation and port undertakings at Dahej. The assessing officer has disallowed deduction under Section 80-IA of Rs 7,237 for assessment years 2009-10, 2010-11 and 2011-12 against which the Company has received favourable order from CIT(A) for the abovementioned years. The Income tax department has preferred an appeal with ITAT against this order of CIT(A), the outcome of which is pending to be received as on 31 March 2017.

n. The Assessing officer has raised income tax demand of Rs. 1,244 vide its order dated 20 March 2015 w.r.t. assessment year 2008-09. The Company has filed an appeal against the same with CIT (A) which has reduced the amount of demand from Rs. 1244 to Rs. 206 (as on 31 March 2016 Rs. 1,244 and as on 1 April 2015 Rs. 1,244). The company has preferred an appeal with ITAT against the disallowance, the final outcome of which is pending as on 31 March 2017.

C. Contingent Assets

The Company has no contingent assets as at 31 March 2017, 31 March 2016 and 1 April 2015.

38 Segment information

Segment information is presented in respect of the company's key operating segments. The operating segments are based on the company's management and internal reporting structure.

Operating Segments

The Company's Board of Directors have been identified as the Chief Operating Decision Maker ('CODM'), since they are responsible for all major decision w.r.t. the preparation and execution of business plan, preparation of budget, planning, expansion, alliance, joint venture, merger and acquisition, and expansion of any new facility.

Board of Directors reviews the operating results at plant level i.e. Kochi, and Dahej to make decisions about resources to be allocated to each segment and to assess its performance. Accordingly, management has identified Kochi and Dahej as two operating segments for the Company.

However, operating segments often exhibit similar long-term financial performance if they have similar economic characteristics. For example, similar long-term average gross margins for two operating segments would be expected if their economic characteristics were similar.

Management believes that Dahej and Kochi plants will have similar long term financial performance. Accordingly, considering the fact Dahej and Kochi plants are similar in all the characteristics and have similar economic characteristics, the two operating segments will fulfill the criteria of aggregation and hence not required to be reported separately.

Accordingly, there is only one Reportable Segment for the Company which is "Natural Gas Business", hence no specific disclosures have been made.

Entity wide disclosures

A. Information about products and services

Company primarily operates in one product line, therefore product wise revenue disclosure is not applicable.

B. Information about geographical areas

The major sales of the Company are made to customers which are domiciled in India. Also, all the non-current assets of the Company other than financial instruments, deferred tax assets, post-employment benefit assets are located in India.

C. Information about major customers (from external customers)

The Company derives revenues from the following customers which amount to 10 per cent or more of an entity's revenues:

Customer	For the year ended 31 March 2017	For the year ended 31 March 2016
GAIL	1,257,692	1,231,192
IOCL	715,728	913,864
BPCL	293,998	379,241

39 Leases

Operating lease

The Company has non-cancellable operating leases agreements for taking 3 vessels on lease. The lease periods are in the range of 19-25 years which can further be renewed for a period of 2-5 years.

Further, the company has cancellable operating lease agreement in respect of office premises and guesthouse having lease period 11 months to 3 years.

Commitments for minimum lease payments in relation to the above lease arrangements are payable as follows:

	31 March 2017	31 March 2016	31 March 2015
Within one year	70,428	59,690	50,863
Later than one year but not later than five years	285,029	292,065	263,139
Later than five years	776,629	872,747	895,519
	1,132,086	**1,224,502**	**1,209,521**

(All amounts are in Rupees lac, unless otherwise stated)

Amounts recognised in profit and loss account

	Note No.	For the year ended 31 March 2017	For the year ended 31 March 2016
Cost of Goods Sold	31	64,357	55,589
Rent expense	34	1,488	2,471
		65,845	**58,060**

40 The Company has not received information from suppliers or service providers, that they are covered under the Micro, Small and Medium Enterprises (Development) Act, 2006. The information required to be disclosed under the Micro, Small and Medium Enterprises (Development) Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

41 Employee benefits

The Company contributes to the following post-employment defined benefit plans in India.

(i) Defined Contribution Plans:

The Company makes contributions towards provident fund and superannuation fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

	For the year ended 31 March 2017	For the year ended 31 March 2016
Contribution to Govt. Provident Fund	266	270
Contribution to Superannuation Fund	332	314

(ii) Defined Benefit Plan:

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to Group Gratuity cum Life Assurance Schemes administered by the LIC of India.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2017. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

A. Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

	31 March 2017	31 March 2016	1 April 2015
Net defined benefit liability			
Liability for Gratuity	1	29	-
Total employee benefit liabilities	**1**	**29**	-
Non-current	-	-	-
Current	1	29	-

(All amounts are in Rupees lac, unless otherwise stated)

B. Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

	31 March 2017			31 March 2016		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance as at 1 April	**504**	**(475)**	**29**	**382**	**(413)**	**(31)**
Included in profit or loss						
Current service cost	75	-	75	68		68
Interest cost (income)	40	(38)	2	30	(33)	(3)
	115	(38)	77	98	(33)	65
Included in OCI						
Remeasurements loss (gain)						
– Actuarial loss (gain) arising from:						
- financial assumptions	24		24			-
- experience adjustment	(11)		(11)	63		63
	13	-	13	63	-	63
Other						
Contributions paid by the employer		(118)	(118)		(68)	(68)
Benefits paid	(20)	20	-	(39)	39	-
	(20)	(98)	(118)	(39)	(29)	(68)
Balance as at 31 March	**612**	**(611)**	**1**	**504**	**(475)**	**29**

C. Plan assets

	31 March 2017	31 March 2016	1 April 2015
Funds Managed by Insurer (investment with insurer)	100%	100%	100%

On an annual basis, an asset-liability matching study is done by the Company whereby the Company contributes the net increase in the actuarial liability to the plan manager in order to manage the liability risk.

D. Actuarial assumptions

a) Economic assumptions

The principal assumptions are the discount rate and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. Valuation assumptions are as follows which have been selected by the company.

(All amounts are in Rupees lac, unless otherwise stated)

	31 March 2017	31 March 2016	1 April 2015
Discount rate	7.68	8.00	7.75
Expected rate of future salary increase	5.50	5.50	5.25

b) Demographic assumptions

		31 March 2017	31 March 2016	1 April 2015
i)	Retirement age (years)	60	60	60
ii)	Mortality rates inclusive of provision for disability	100% of IALM (2006-08)		
iii)	Ages	Withdrawal rate (%)	Withdrawal rate (%)	Withdrawal rate (%)
	Upto 30 years	3.00%	3.00%	3.00%
	From 31 to 44 years	2.00%	2.00%	2.00%
	Above 44 years	1.00%	1.00%	1.00%

E Maturity Profile of defined benefit obligation:

Year	Amount
Within 1 Year	41
1-2 Year	10
2-3 Year	10
3-4 Year	23
4-5 Year	43
More than 5 Year	484

The company expects to contribute Rs. 90.07 lacs to gratuity fund during next financial year

F Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	31 March 2017		31 March 2016	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(36)	40	(30)	33
Expected rate of future salary increase (1% movement)	40	(37)	34	(31)

Senstivities due to mortality and withdrawals are not material and hence impact of change not calculated.

Senstivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

(All amounts are in Rupees lac, unless otherwise stated)

(iii) Other long-term employee benefits:

During the year ended 31 March 2017, the Company has incurred an expense on compensated absences amounting to Rs. 100 (previous year Rs. 148). The Company determines the expense for compensated absences basis the actuarial valuation of plan assets and the present value of the obligation, using the Projected Unit Credit Method.

42 Related parties

A. Related parties and their relationships

i. Joint Venturer (Promoters)

Indian Oil Corporation Limited (IOCL)

Bharat Petroleum Corporation Limited (BPCL)

Oil and Natural Gas Corporation Limited (ONGC)

GAIL (India) Limited (GAIL)

Joint Ventures/ Associates in which Joint Venturer is a Venturer

ONGC Petro additions Limited (OPAL)

Indraprastha Gas Limited (IGL)

Mahanagar Gas Limited (MGL)

Dahej SEZ Ltd (DSL)

ii. Joint Venture

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

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

iii. Key Managerial Personnel (KMP)

Sh. K. D. Tripathi

Sh. Prabhat Singh

Sh. Rajender Singh

Sh. R K Garg

Sh. D. K. Sarraf

Sh. S. Varadarajan

Sh. Debasis Sen

Sh. Subir Purkayastha

Mr. Philip Olivier

Sh. Arun Kumar Misra

Sh. Sushil Kumar Gupta

Dr. Jyoti Kiran Shukla

(All amounts are in Rupees lac, unless otherwise stated)

B. Transactions with the above in the ordinary course of business

Nature of Transaction	Party Name	For the year ended	
		31 March 2017	31 March 2016
Sale of RLNG	GAIL	1,257,692	1,231,192
	IOCL	715,728	913,864
	BPCL	293,998	379,241
	OPAL	4,442	6,201
	IGL	-	553
	MGL	-	1,600
	Total	**2,271,860**	**2,532,651**
Regasification Services and Other Services	GAIL	54,455	41,996
	IOCL	12,973	10,978
	BPCL	3,835	-
	ONGC	856	649
	OPAL	0.4	-
	Total	**72,119**	**53,623**
Interest Income	ILT 4	7	-
	Total	**7**	**-**
Advance received /(adjusted) against long term regas agreement	GAIL	(708)	12,500
	IOCL	(417)	7,500
	BPCL	(167)	5,000
	Total	**(1,292)**	**25,000**
Investment in Equity Shares	ILT4	7,438	-
	Total	**7,438**	**-**
Loans and Advances given/ (Reimbursments)	ILT 4	837	-
	ILT 4	(372)	-
	Total	**465**	**-**
Sitting fees/Commission to the Directors (other than whole time directors)	GAIL on behalf of Subir Purkayastha	1.4	1.2
	IOCL on behalf of Debasis Sen	1.2	0.8
	BPCL on behalf of S.Varadaranjan	0.2	1.6
	ONGC on behalf of D. K. Sarraf	2.2	3.2
	Arun Kumar Misra	10.9	9.6

(All amounts are in Rupees lac, unless otherwise stated)

Nature of Transaction	Party Name	For the year ended	
		31 March 2017	31 March 2016
	Jyoti Kiran Shukla	8.9	7.0
	Sushil Kumar Gupta	10.7	9.4
	Eric Elbin	-	0.6
	Total	**35.5**	**33.4**
Recovery of expenses	GAIL	1049	107
	IOCL	63	99
	BPCL	46	103
	APPPL	1	1
	Total	**1,159**	**310**
Reimbursement of expense to related party	GAIL	51	2
	IOCL	-	5
	BPCL	3	-
	APPPL	-	4
	ONGC	5,951	-
	Total	**6,005**	**11**
Payment of lease and related services	IOCL	589	481
	DSL	-	41
	ILT 4	5,732	**-**
	Total	**6,321**	**522**
Provision for Doubtful Debts	GAIL	4,142	
	Total	**4,142**	**-**

Remuneration to Key Managerial Personnel		
a) short-term employee benefits	251	224
b) post-employment benefits	21	25
c) other long-term benefits	10	21
d) termination benefits	-	-
Total	**282**	**270**

Nature of Transaction	Party Name	As at		
		31 March 2017	31 March 2016	31 March 2015
Amount recoverable at year end	GAIL*	66,642	51,066	60,159
	IOCL	29,606	32,038	40,160
	BPCL	10,344	12,479	15,120
	APPPL	-	-	3
	ILT4	440	-	-
	Total	**107,032**	**95,583**	**115,442**

(All amounts are in Rupees lac, unless otherwise stated)

Nature of Transaction	Party Name	As at		
		31 March 2017	31 March 2016	31 March 2015
Amount Payable at year end	GAIL	6	-	-
	IOCL	0	5	36
	BPCL	2	-	-
	ONGC	0.2	0.2	1
	ILT4	1544	-	-
	Total	**1,552**	**5**	**37**
Advances Outstanding at year end	GAIL	49,416	50,000	39,264
	IOCL	29,583	30,000	22,500
	BPCL	19,855	20,000	15,000
	Dahej SEZ	3	-	-
	Total	**98,857**	**100,000**	**76,764**

* The amount recoverable is net of provision for doubtful debts of Rs 4,142 lac (Nil as on 31 March 2016 and Nil as on 31 March 2015)

The transactions were made on normal commercial terms and conditions and at market rates.

43 Remuneration to Auditor (exclusive of Service Tax)

Particulars	For the year ended	
	31 March 2017	31 March 2016
Statutory Audit Fee (including limited review fees)	20	18
Tax audit and Audit U/s 80IA	7	7
Taxation Services	8	5
Fees for certification	8	12
Reimbursement of expenses	1	1
Total	**44**	**44**

44 Corporate Social Responsibility

a. Amount required to be spent by the Company on Corporate Social Responsibility (CSR) activities during the year was Rs. 2,160 lac (Previous year Rs. 2,506).

b. Corporate Social Responsibility (CSR) activities undertaken during the year is Rs. 438 lac [Rs. 406 has been paid in cash and Rs.32 is yet to be paid in cash].

(All amounts are in Rupees lac, unless otherwise stated)

45 Financial instruments – Fair values and risk management

I. Fair value measurements

A. Financial instruments by category

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	FVTPL	**Amortised Cost**	**FVTPL**	**Amortised Cost**	**FVTPL**	**Amortised Cost**
Financial assets						
Non-current investments	0.13	-	0.13	-	0.13	-
Loans	-	2,267	-	1,866	-	1,776
Other non-current financial assets	15,881	1,403	25,885	1,343	26,352	1,760
Current investments	277,073	-	-	-	-	-
Trade receivables	-	121,079	-	98,852	-	134,277
Cash and cash equivalents	-	32,099	-	217,671	-	35,583
Bank balances other than above	-	635	-	618	-	626
Other current financial assets	-	28	-	126	-	37
	292,954	**157,511**	**25,885**	**320,476**	**26,352**	**174,059**
Financial liabilities						
Borrowings	-	145,003	-	223,293	-	256,870
Trade payables	-	94,460	-	77,213	-	32,091
Other financial liabilities	-	88,481	-	54,512	-	68,851
	-	**327,944**	**-**	**355,018**	**-**	**357,812**

B. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

(a) recognised and measured at fair value and

(b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

(All amounts are in Rupees lac, unless otherwise stated)

Financial assets and liabilities measured at fair value - recurring fair value measurements

	As at 31 March 2017			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial Investments at FVTPL				
Investments				
Equity Shares	-	-	0.13	0.13
Mutual funds	277,073	-	-	277,073
Cross currency interest rate swaps	-	15,881	-	15,881
Total financial assets	**277,073**	**15,881**	**0.13**	**292,954**

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

	As at 31 March 2017			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Loans	-	-	2,267	2,267
Other non-current financial assets	-	-	1,403	1,403
Trade receivables	-	-	121,079	121,079
Cash and cash equivalents	-	-	32,099	32,099
Bank balances other than above	-	-	635	635
Other current financial assets	-	-	28	28
Total financial assets	**-**	**-**	**157,511**	**157,511**
Financial liabilities				
Borrowings	-	-	145,003	145,003
Trade payables	-	-	94,460	94,460
Other financial liabilities	-	-	88,481	88,481
Total financial liabilities	**-**	**-**	**327,944**	**327,944**

Financial assets and liabilities measured at fair value - recurring fair value measurements

	As at 31 March 2016			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial Investments at FVPL				
Investments				
Equity Shares	-	-	0.13	0.13
Mutual funds	-	-	-	-
Cross currency interest rate swaps	-	25,885	-	25,885
Total financial assets	**-**	**25,885**	**0.13**	**25,885**

(All amounts are in Rupees lac, unless otherwise stated)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

	As at 31 March 2016			
	Level 1	Level 2	Level 3	Total
Financial assets				
Loans	-	-	1,866	1,866
Other non-current financial assets	-	-	1,343	1,343
Trade receivables	-	-	98,852	98,852
Cash and cash equivalents	-	-	217,671	217,671
Bank balances other than above	-	-	618	618
Other current financial assets	-	-	126	126
Total financial assets	**-**	**-**	**320,476**	**320,476**
Financial liabilities				
Borrowings	-	-	223,293	223,293
Trade payables	-	-	77,213	77,213
Other financial liabilities	-	-	54,512	54,512
Total financial liabilities	**-**	**-**	**355,018**	**355,018**

Financial assets and liabilities measured at fair value - recurring fair value measurements

	As at 1 April 2015			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial Investments at FVPL				
Investments				
Equity Shares	-	-	0.13	0.13
Cross currency interest rate swaps	-	26,352	-	26,352
Total financial assets	**-**	**26,352**	**0.13**	**26,352**

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

	As at 1 April 2015			
	Level 1	Level 2	Level 3	Total
Financial assets				
Loans	-	-	1,776	1,776
Other non-current financial assets	-	-	1,760	1,760
Trade receivables	-	-	134,277	134,277
Cash and cash equivalents	-	-	35,583	35,583
Bank balances other than above	-	-	626	626
Other current financial assets	-	-	37	37
Total financial assets	**-**	**-**	**174,059**	**174,059**

(All amounts are in Rupees lac, unless otherwise stated)

	As at 1 April 2015			
	Level 1	Level 2	Level 3	Total
Financial liabilities				
Borrowings	-	-	256,870	256,870
Trade payables	-	-	32,091	32,091
Other financial liabilities	-	-	68,851	68,851
Total financial liabilities	**-**	**-**	**357,812**	**357,812**

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

There are no transfers between level 1 and level 2 during the year

Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in level 2 except for unlisted equity securities and preference shares, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

Fair value measurements using significant unobservable inputs (level 3)

	Unlisted equity shares	
	31 March 2017	31 March 2016
Opening balance	0.13	0.13
Acquisitions	-	-
Gains/losses recognised in profit or loss	-	-
Closing balance	**0.13**	**0.13**

Valuation process

The amount invested and fair value of unquoted equity shares as on 31 march 2017, 31 March 2016 and 2015 is Rs 0.13. The fair value is determined using level 3 input i.e. discounted cash flows.

(All amounts are in Rupees lac, unless otherwise stated)

C. Fair value of financial assets and liabilities measured at amortised cost

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets						
Loans	2,267	2,267	1,866	1,866	1,776	1,776
Other non-current financial assets	1,403	1,403	1,343	1,343	1,760	1,760
Trade receivables	121,079	121,079	98,852	98,852	134,277	134,277
Cash and cash equivalents	32,099	32,099	217,671	217,671	35,583	35,583
Bank balances other than above	635	635	618	618	626	626
Other current financial assets	28	28	126	126	37	37
	157,511	**157,511**	**320,476**	**320,476**	**174,059**	**174,059**
Financial liabilities						
Borrowings	145,003	145,003	223,293	223,293	256,870	256,870
Trade payables	94,460	94,460	77,213	77,213	32,091	32,091
Other financial liabilities	88,481	88,481	54,512	54,512	68,851	68,851
	327,944	**327,944**	**355,018**	**355,018**	**357,812**	**357,812**

The carrying amounts of trade receivables, trade payables, capital creditors, cash and cash equivalents, current maturities of long term debt, unpaid dividend, and other payable for capital goods are considered to be the same as their fair values, due to their short-term nature.

The fair values for loans were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

II. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk

(All amounts are in Rupees lac, unless otherwise stated)

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

i. Credit risk

The Company has made investments in Debt based Mutual Funds. These Mutual funds invests in NCD / Bonds / CP / CD of various companies and banks. In case, the investee company defaults on repayment, such losses may have to be borne by the investors of Mutual funds.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate. Further details of concentration of revenue are included in Note 38(C).

Company takes Stand by Letter of Credit (SBLC) from each of the customer with which the Company deals with the exception of its Promoters namely BPCL, GAIL, IOCL and ONGC. Option to take SBLC from Promoter is also being explored by the company.

The Company establishes an allowance for impairment that represents its estimate of expected credit losses in respect of trade and other receivables. Basis the evaluation, the management has determined that there are credit impairment loss on the trade and other receivables.

The gross carrying amount of trade receivables is Rs. 125,221 (31 March 2016 – Rs. 98,852, 1 April 2015 – Rs.134,277).

During the period, the Company has made no write-offs of trade receivables. The Company management also pursue all option for recovery of dues wherever necessary based on its internal assessment.A default on a financial asset is when counterparty fails to make payments within 365 days when they fall due.

Reconciliation of loss allowance provision – Trade receivables

	31 March 2017	31 March 2016	1 April 2015
Opening balance	-	-	-
Changes in loss allowance calculated at life time expected credit losses	4,142	-	-
Closing balance	**4,142**	**-**	**-**

(All amounts are in Rupees lac, unless otherwise stated)

ii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in the operating companies of the Company in accordance with practice and limits set by the Company. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

(a) Financing arrangements

The group had access to the following undrawn borrowing facilities at the end of the reporting period:

	As at		
	31 March 2017	**31 March 2016**	**1 April 2015**
Floating rate			
Expiring within one year (bank overdraft and other facilities)			
- Fund/ Non fund based (secured)	326,232	234,294	274,058
- Fund/ Non fund based (unsecured)	329,042	347,012	326,360
Expiring beyond one year (bank loans)	-	83,463	228,825
Total	**655,274**	**664,769**	**829,243**

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in INR and have an average maturity of 1 year (as at 31 March 2016 - 1 year and as at 1 April 2015 - 1 year).

(b) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

(All amounts are in Rupees lac, unless otherwise stated)

	Carrying Amounts 31 March 2017	Contractual cash flows					
		upto 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 year	Total
Non-derivative financial liabilities							
Borrowings	145,003	-	-	71,663	71,040	2,300	145,003
Trade payables	94,460	94,460	-	-	-	-	94,460
Current maturities of long term debt- other parties	76,797	19,748	57,049	-	-	-	76,797
Interest accrued but not due on borrowings	5,874	2,013	3,861	-	-	-	5,874
Unpaid dividend	635	635	-	-	-	-	635
Other payables for:						-	
- Capital goods	5,064	5,064	-	-	-	-	5,064
- Security deposits / Retention money	111	17	71	-	23	-	111
Total non-derivative liabilities	**327,944**	**121,937**	**60,981**	**71,663**	**71,063**	**2,300**	**327,944**

	Carrying Amounts 31 March 2017	Contractual cash flows					
		upto 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 year	Total
Non-derivative financial liabilities							
Borrowings	223,293	-	-	77,393	139,460	6,440	223,293
Trade payables	77,213	77,213	-	-	-	-	77,213
Current maturities of long term debt- other parties	38,162	18,912	19,250	-	-	-	38,162
Interest accrued but not due on borrowings	5,882	2,023	3,859	-	-	-	5,882
Unpaid dividend	618	618		-	-	-	618
Other payables for:						-	
- Capital goods	9,732	9,732		-	-	-	9,732
- Security deposits / Retention money	118	1	75	12	30	-	118
Total non-derivative liabilities	**355,018**	**108,499**	**23,184**	**77,405**	**139,490**	**6,440**	**355,018**

(All amounts are in Rupees lac, unless otherwise stated)

	Carrying Amounts 1 April 2015	Contractual cash flows					
		upto 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 year	Total
Non-derivative financial liabilities							
Borrowings	256,870	-	-	36,850	209,900	10,120	256,870
Trade payables	32,091	32,091	-	-	-	-	32,091
Current maturities of long term debt- other parties	32,902	14,645	18,257	-	-	-	32,902
Interest accrued but not due on borrowings	5,865	2,030	3,835	-	-	-	5,865
Unpaid dividend	626	626	-	-	-	-	626
Other payables for:							-
- Capital goods	27,602	27,602	-	-	-	-	27,602
- Security deposits / Retention money	1,856	72	1,644	17	47	-	1,856
Total non-derivative liabilities	**357,812**	**77,066**	**23,736**	**36,867**	**209,947**	**10,120**	**357,812**

The inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity.

The interest payments on variable interest rate loans and bond issues in the table above reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change.

iii. Market risk

Market risk is the risk that changes in market prices – such as commodity prices (LNG), foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

a) Price risk

To protect the company from fluctuation of commodity prices, same are passed through to the off-takers in long term contract. In spot or short term contract, they are generally pass through to the customers except in few cases, up to 2 cargo load, where the company keeps the commodity price risk with themselves to take benefit from market fluctuation.

b) Currency risk

PLL imports LNG mainly from Qatar and Australia through long term chartered vessels. The foreign exchange involved in making payment to LNG suppliers, loading port charges and shipper is recovered from off-taker / customer under sale contract, both long term and short term. For foreign currency loans taken by Company, the company has entered into derivative transaction at the time of draw down itself to protect from exchange losses. Company does not take any exposure on account of currency in Foreign Currency Loans. In respect of other payments on account of repair and capex of plant, operating expenses of plant and corporate offices etc. same are monitored on a regular basis to keep the open position at an acceptable level.

Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows:

As at 31 March 2017

	USD	EUR	AUD	GBP	JPY	SGD	NOK
Financial asset							
Loan	2,267	-	-	-	-	-	-
Cash and cash equivalents	4	-	-	-	-	-	-
Trade recievables	-	-	-	-	-	-	-
Derivative asset							
Cross current interest rate swaps	(15,881)	-	-	-	-	-	-
Net exposure to foreign currency risk (assets)	**(13,610)**	-	-	-	-	-	-
Borrowings	64,839	-	-	-	-	-	-
Trade payables	87,783	(7)	94	1	26	10	(7)
Other payables for Capital goods	743	-	-	-	-	-	-
Net statement of financial position exposure	**153,365**	**(7)**	**94**	**1**	**26**	**10**	**(7)**

As at 31 March 2016

	USD	EUR	AUD	GBP	JPY	SGD	NOK
Financial asset							
Loan	1,866	-	-	-	-	-	-
Cash and cash equivalents	5	-	-	-	-	-	-
Trade recievables	-	-	-	-	-	-	-
Derivative asset							
Cross current interest rate swaps	(25,885)	-	-	-	-	-	-
Net exposure to foreign currency risk(assets)	**(24,014)**	-	-	-	-	-	-
Borrowings	92,866	-	-	-	-	-	-
Trade payables	73,431	(104)	(48)	1	-	-	-
Other payables for Capital goods	3,330	-	-	-	-	-	-
Net statement of financial position exposure	**169,627**	**(104)**	**(48)**	**1**	-	-	-

(All amounts are in Rupees lac, unless otherwise stated)

As at 1 April 2015

	USD	EUR	AUD	GBP	JPY	SGD	NOK
Financial asset							
Loan	1,776	-	-	-	-	-	-
Cash and cash equivalents	4	-	-	-	-	-	-
Trade recievables	14,174	-	-	-	-	-	-
Derivative asset							
Cross current interest rate swaps	(26,352)	-	-	-	-	-	-
Net exposure to foreign currency risk(assets)	**(10,398)**	-	-	-	-	-	-
Borrowings	110,355	-	-	-	-	-	-
Trade payables	32,492	(159)	-	(16)	10	-	-
Other payables for Capital goods	6,971	-	-	-	-	-	-
Net statement of financial position exposure	**149,818**	**(159)**	-	**(16)**	**10**	-	-

Sensitivity analysis

A reasonably possible strengthening (weakening) of the INR against all other currencies at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Profit or loss, net of tax		**Equity, net of tax**	
	Strengthening	**Weakening**	**Strengthening**	**Weakening**
31 March 2017				
10% movement				
USD	9,139	(9,139)	9,139	(9,139)
EUR1	(0.4)	0.4	(0.4)	0.4
AUD	6	(6)	6	(6)
GBP	-	-	-	-
JPY	2	(2)	2	(2)
SGD	1	(1)	1	(1)
NOK	(0.5)	0.5	(0.5)	0.5
31 March 2016				
10% movement				
USD	13,494	(13,494)	13,494	(13,494)
EUR1	(7)	7	(7)	7
AUD	(3)	3	(3)	3
GBP	0.1	(0.1)	0.1	(0.1)

(All amounts are in Rupees lac, unless otherwise stated)

c) Interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company cash flow to interest rate risk. Company policy is to maintain most of its borrowings at fixed rate using interest rate swaps to achieve this when necessary especially if the borrowing is made in foreign currency. Company has some amount of loan taken from International Finance Corporation, which is at variable rate. The Company ensures that such amount is kept at an acceptable level. The investment of surplus funds made by company in debt based of mutual funds is also subject to this risk. Company makes investment in a manner which minimises such risk and also takes regular feedback from the market experts on such investments. The Company has also given loans to, India LNG Transport Company (No. 3) Limited, Malta and India LNG Transport Company (No. 4) Private Limited, Singapore, which are at Bank Rate and any change in Bank Rate will impact the earnings.

Exposure to interest rate risk

The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows.

	Nominal Amount		
	31 March 2017	**31 March 2016**	**1 April 2015**
Fixed-rate instruments			
Financial liabilities			
- Fixed rate borrowing	202,939	240,754	267,693
	202,939	**240,754**	**267,693**
Variable-rate instruments			
Financial assets			
- Loan	2,267	1,866	1,776
Financial liabilities			
- Variable rate borrowing	18,860	20,700	22,080
	21,127	**22,566**	**23,856**

	31 March 2017		
	Average interest rate	**Balance**	**% of total loans**
Financial Asset : Loan	7.00%	2,267	100%
IFC "A loan"	8.64%	18,860	8.49%

	31 March 2016		
	Average interest rate	**Balance**	**% of total loans**
Financial Asset : Loan	8.13%	1,866	100%
IFC "A loan"	10.61%	20,700	7.90%

	1 April 2015		
	Average interest rate	**Balance**	**% of total loans**
Financial Asset : Loan	8.92%	1,776	100%
IFC "A loan"	11.86%	22,080	7.62%

(All amounts are in Rupees lac, unless otherwise stated)

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss, and the Company does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Profit or loss, net of tax		Equity, net of tax	
	100 bp increase	**100 bp decrease**	**100 bp increase**	**100 bp decrease**
31 March 2017				
Variable-rate instruments	(103)	103	(103)	103
Cash flow sensitivity (net)	**(103)**	**103**	**(103)**	**103**
31 March 2016				
Variable-rate instruments	(139)	139	(139)	139
Cash flow sensitivity (net)	**(139)**	**139**	**(139)**	**139**

A change of 100 basis points in interest rates would have increased or decreased equity by Rs. 103 lacs after tax (Previous year Rs. 139 lacs). This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

46 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital on a yearly basis as well as the level of dividends to ordinary shareholders which is given based on approved dividend policy.

The board of directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position

47 First Time Adoption of Ind AS

As stated in note 2, these are the Company's first consolidated financial statements prepared in accordance with Ind AS

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind AS statement of financial position at 1 April 2015 (the Company's date of transition). In preparing its opening Ind AS statement of financial position, the Company has adjusted amounts reported previously in financial statements prepared in accordance with Indian GAAP (previous GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

(All amounts are in Rupees lac, unless otherwise stated)

Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A. Ind AS optional exemptions

(i) Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

(ii) Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material. The Company has elected to apply this exemption for such contracts/arrangements.

(iii) Investments in Joint venture:

Ind AS 101 provides an exemption for changing from proportionate consolidation to the equity method. As per the exemption, when changing from proportionate consolidation to the equity method, an entity should recognise its investment in the joint venture at transition date to Ind AS. That initial investment should be measured as the aggregate of the carrying amounts of the assets and liabilities that the entity had previously proportionately consolidated, including any goodwill arising from acquisition. The balance of the investment in joint venture at the date of transition to Ind AS, determined in accordance with the above is regarded as the deemed cost of the investment at initial recognition.

The Company has elected to apply this exemption for its joint venture.

B. Ind AS mandatory exceptions

(i) Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for Impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

(All amounts are in Rupees lac, unless otherwise stated)

(ii) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

C. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Reconciliation of equity

Particulars	Notes to first-time adoption	As at 1 April 2015			As at 31 March 2016		
		Previous GAAP*	Adjust-ments	Ind AS	Previous GAAP*	Adjust-ments	Ind AS
ASSETS							
Non-current assets							
Property, plant and equipment	9	720,636	(27,434)	693,202	706,660	(26,293)	680,367
Capital work-in-progress	9	75,406	(716)	74,690	159,467	(4,419)	155,048
Other intangible assets	9	1,083	(26)	1,057	711	(24)	687
Investments accounted for using equity method	9	451	11,901	12,352	451	13,398	13,849
Financial assets							
(i) Investments		0.13	-	0.13	0.13	-	0.13
(ii) Loans		1,777	(1)	1,776	1,866	-	1,866
(iii) Other non-current financial assets	1, 9	1,813	26,298	28,111	1,807	25,421	27,228
(iv) Trade receiavbles	9	375	(375)	-	-	-	-
Other non-current assets	9	31,057	(805)	30,252	10,676	(848)	9,827
Current assets							
Inventories	9	88,726	(463)	88,263	24,967	(357)	24,610
Financial assets							
(i) Trade receivables	9	136,134	(1,857)	134,277	101,699	(2,847)	98,852
(ii) Cash and cash equivalents	7, 9	36,014	(431)	35,583	217,811	(140)	217,671
(iii) Bank balances other than (ii) above		626	-	626	618	-	618
(iv) Other current financial assets	9	105	(68)	37	766	(640)	126
Current tax assets (net)	8	10,013	545	10,558	12,721	490	13,211
Other current assets	9	7,662	(118)	7,544	3,654	(152)	3,502
Total Assets		**1,111,878**	**6,450**	**1,118,328**	**1,243,874**	**3,590**	**1,247,462**

(All amounts are in Rupees lac, unless otherwise stated)

Particulars	Notes to first-time adoption	As at 1 April 2015			As at 31 March 2016		
		Previous GAAP*	Adjust-ments	Ind AS	Previous GAAP*	Adjust-ments	Ind AS
EQUITY AND LIABILITIES							
Equity							
Equity share capital		75,000	-	75,000	75,000	-	75,000
Other equity	6	497,215	19,303	516,518	567,447	23,799	591,246
Non-current liabilities							
Financial liabilities							
(i) Borrowings	2, 9	250,006	6,864	256,870	221,133	2,161	223,293
Long-term provisions	9	2,354	(1,926)	428	678	(118)	560
Deferred tax liabilities (net)	5, 9	50,551	(1,225)	49,326	60,520	(1,662)	58,858
Other non-current liabilities		90,000	-	90,000	140,000	-	140,000
Current liabilities							
Financial liabilities							
(i) Trade payables	9	32,594	(503)	32,091	77,676	(463)	77,213
(ii) Other financial liabilities	2, 9	67,222	1,629	68,851	50,244	4,268	54,512
(ii) Short term borrowings	9	250	(250)	-	2,349	(2,349)	-
Other current liabilities	9	27,545	(31)	27,514	23,514	(249)	23,263
Short-term provisions	3, 9	19,141	(18,209)	932	23,580	(22,595)	985
Current tax liabilities (net)	8	-	798	798	1,734	798	2,532
TOTAL EQUITY AND LIABILITIES		**1,111,878**	**6,450**	**1,118,328**	**1,243,874**	**3,590**	**1,247,462**

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Reconciliation of total comprehensive income for the year ended 31 March 2016

Particulars	Notes to first-time adoption	Previous GAAP*	Adjustments	Ind AS
Revenue				
Revenue from operations	9	2,722,294	(8,951)	2,713,343
Other income	2, 9	17,262	73	17,334
Total income (a)		**2,739,556**	**(8,878)**	**2,730,677**
Expenses				
Cost of materials consumed		2,507,565	-	2,507,565
Employee benefits expense	4, 9	7,481	(374)	7,106
Finance costs	9	25,522	(1,647)	23,875
Depreciation and amotization expense	9	33,926	(1,766)	32,160
Other expenses	1, 9	42,696	(2,649)	40,047
Total Expenses (b)		**2,617,190**	**(6,436)**	**2,610,753**

(All amounts are in Rupees lac, unless otherwise stated)

Particulars	Notes to first-time adoption	Previous GAAP*	Adjust ments	Ind AS
Share of profit of equity-accounted investees, net of tax	9	-	1,459	1,459
Profit/ (loss) before tax (c = a-b)		**122,366**	**(983)**	**121,383**
Tax expense:				
Current tax	9	19,543	(498)	19,044
Deferred tax	5, 9	9,970	(417)	9,554
Total tax expense (d)		**29,513**	**(915)**	**28,598**
Profit/ (loss) for the period (A) = (c-d)		**92,853**	**(68)**	**92,785**
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Remeasurement of defined benefit plans	4	-	(63)	(63)
Income tax relateing to remeasurement of defined benefit plans	5	-	22	22
Equity-accounted investees – share of OCI	9		38	38
Total other comprehensive income for the period (B)		**-**	**(3)**	**(3)**
Total comprehensive income for the period (A + B)		**92,853**	**(71)**	**92,782**

Reconciliation of total equity as at 31 March 2016 and 1 April 2015

Particulars	Notes to first-time adoption	31 March 2016	1 April 2015
Total equity (shareholder's funds) as per previous GAAP		**642,447**	**572,215**
Adjustments:			
Impact on account of fair valuation of derivatives	1	(468)	26,353
Impact on account of restatement of of restatement of liability	2	290	(24,361)
Impact due to reversal of proposed dividend (including tax on the same)	3	4,567	18,000
Tax effects of adjustments	5	61	(689)
Impact on account of Ind AS profit considered for Joint Venture	9	46	-
Total adjustments		**4,496**	**19,303**
Net impact brought forward from Opening balance sheet	6	19,303	-
Total equity as per Ind AS		**666,246**	**591,518**

(All amounts are in Rupees lac, unless otherwise stated)

Reconciliation of total comprehensive income for the year ended 31 March 2016

Particulars	Notes to first-time adoption	Amount
Profit after tax under India GAAP		**92,853**
Adjustments		
Impact on account of fair valuation of derivatives	1	(468)
Impact on account of restatement of of restatement of liability	2	290
Remeasurements of post-employment benefit obligations	4	63
Tax effects of adjustments	5	39
Impact on account of Ind AS profit considered for Joint Venture	9	8
Total adjustments		**(68)**
Profit after tax as per Ind AS		**92,785**
Other Comprehensive Income	4	(41)
Impact on account of Ind AS profit considered for Joint Venture - OCI	9	38
Total Comprehensive income for the year		**92,782**

Impact of Ind AS adoption on the statements of cash flows for the year ended 31 March 2016

Particulars	Notes to first-time adoption	Previous GAAP*	Adjustments	Ind AS
Net cash flow from operating activities	9	341,460	(4,058)	337,402
Net cash flow from investing activities	9	(89,197)	3,821	(85,376)
Net cash flow from financing activities	9	(70,279)	341	(69,938)
Net increase/(decrease) in cash and cash equivalents		**181,984**	**104**	**182,088**
Cash and cash equivalents as at 1 April 2015	9	35,757	(174)	35,583
Cash and cash equivalents as at 31 March 2016		**217,741**	**(70)**	**217,671**

D. Notes to first-time adoption:

1. Fair valuation of derivatives

Under the previous GAAP, in respect of external commercial borrowings the Company has entered into derivative contracts to hedge the loan repayment amount including interest. This has the effect of freezing the Rupee equivalent of this liability as reflected under the Borrowings.

Consequently, there is no restatement of the loan taken in foreign currency and there is no impact in the statement of Profit & Loss, arising out of exchange fluctuations for the duration of the loan

Under Ind AS, derivatives which are not designated as hedging instruments are fair valued with resulting changes being recognised in profit or loss. The fair valuation of swap resulted in a gain of Rs. 25,885 as at 31 March 2016 (1 April 2015 – Rs. 26,352). Consequently, the total equity as at 31 March 2016 increased by Rs. 16,927 (1 April 2015 - Rs. 17,232). The profit for the year (net of tax) ended 31 March 2016 decreased by Rs. 305 as a result of the fair value change on the swap.

(All amounts are in Rupees lac, unless otherwise stated)

2. Restatement of foreign currency liability

Under the previous GAAP, in respect of external commercial borrowings the Company has entered into derivative contracts to hedge the loan repayment amount including interest. This has the effect of freezing the Rupee equivalent of this liability as reflected under the Borrowings.

Consequently, there is no restatement of the loan taken in foreign currency and there is no impact in the statement of Profit & Loss, arising out of exchange fluctuations for the duration of the loan

Under Ind AS, all monetry items are required to be restated at the closing rate with the resulting changes being recognised in profit or loss. The restatement of monetary liability resulted in a loss of Rs. 24,071 as at 31 March 2016 (1 April 2015 – Rs. 24,361). Consequently, the total equity (net of tax) as at 31 March 2016 decreased by Rs. 15,740 (1 April 2015 - Rs. 15,930). The profit for the year ended 31 March 2016 increased by Rs. 190 as a result of the restatement of the liability.

3 Proposed dividend

Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend of Rs. 22,567 as at 31 March 2016 (1 April 2015 – Rs. 18,000) included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

4 Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year (net of tax) ended 31 March 2016 increased by Rs. 41. There is no impact on the total equity as at 31 March 2016.

5 Deferred tax

Deferred tax have been recognised on the adjustments made on transition to Ind AS.

6 Retained earnings

Retained earnings as at 1 April 2015 has been adjusted consequent to the above Ind AS transition adjustments.

7 Joint venture

Under previous GAAP, APPPL was classified as jointly controlled entity and accounted for using the proportionate consolidation method. Under Ind AS, APPPL has been classified as a joint venture and accounted for using the equity method since the company is a limited liability company whose legal form offers separation of the company from the investors. The parties to the joint arrangements do not have direct rights to the assets and liabilities of APPPL.

48 **Additional information, as required under Schedule III of the Companies Act, 2013 of enterprises consolidated as joint ventures**

(All amounts are in Rupees lac, unless otherwise stated)

For the year ended 31 March 2017

Name of Enterprise	Net assets i.e. (Total assets minus total liabilites)		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of Consolidated Assets	Amount	As % of Consolidated Profit	Amount	As % of Consolidated Profit	Amount	As % of Consolidated Profit	Amount
Parent	97%	792,951	99%	170,567	4%	(8)	99%	170,559
Joint Venture (Investments as per equity method)								
Indian								
Adani Petronet (Dahej) Port Pvt. Ltd	2%	15,424	1%	1,746	96%	(171)	1%	1,575
Foreign								
India LNG Transport Co (No 4) Pvt. Ltd.	1%	9,463	-	-	-	-	-	-
Total	**100%**	**817,838**	**100%**	**172,313**	**100%**	**(179)**	**100%**	**172,134**

For the year ended 31 March 2016

Name of Enterprise	Net assets i.e. (Total assets minus total liabilites)		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of Consolidated Assets	Amount	As % of Consolidated Profit	Amount	As % of Consolidated Profit	Amount	As % of Consolidated Profit	Amount
Parent	98%	652,397	98%	91,326	1181%	(41)	98%	91,285
Joint Venture (Investments as per equity method)								
Indian								
Adani Petronet (Dahej) Port Pvt. Ltd	2%	13,849	2%	1,459	-1081%	38	2%	1,497
Foreign								
India LNG Transport Co (No 4) Pvt. Ltd.	-	-	-	-	-	-	-	-
Total	**100%**	**666,246**	**100%**	**92,785**	**100%**	**(3)**	**100%**	**92,782**

(All amounts are in Rupees lac, unless otherwise stated)

49 Statement persuant to Section 129(3) of the Companies Act, 2013 related to Joint Venture (Form AOC-1)

1	**Name of Joint Venture**	**Adani Petronet (Dahej) Port Pvt. Ltd.**	**India LNG Transport Co No (4) Pvt. Ltd.**
2	Last Audited Balance Sheet Date*	31 March 2017	N/A
3	**Shared of the Joint Venture held by the Company on the year end**		
	Number	900,00,000	110,36,558
	Amount of Investment in Joint Venture	9,000	7,438
	Extent of Holding%	26%	26%
4	Description of How there is significant influance	Joint Venture Agreement	Joint Venture Agreement
5	Reason why the Joint Venture is not considered	N.A.	N.A.
6	Net Worth attributable to shareholding as per latest audited balance sheet*	15,524	9,463
7	**Profit/loss for the year**		
	i. Considered in Consolidation*	1,575	-
	ii. Not Considered in Consolidation	-	-

* The company has made an investment in the equity of India LNG Transport Co No.(4) Pvt. Ltd. (JV Company) on 13 February 2017. The financial results for the JV company are not available for the period 13 Feb'17 - 31 Mar'17. The share of the Company in the profit/loss of JV Company for the said period has not been included in the consolidated financial statement as it is not expected to be material.

INDEPENDENT AUDITOR'S REPORT

To the Members of Petronet LNG Limited

1. Report on the Standalone Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Petronet LNG Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss (including Other Comprehensive income),the Cash Flow Statement and the Statement of Change in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred as "standalone Ind AS financial statements").

2. Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standaloneInd AS financial statements that give a true and fair view of the state of affairs(financial position), profit or loss (financial performance including other comprehensive income), cash flows and change in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2017, and its profit (financial performance including other comprehensive income), its cash flows and change in equity for the year ended on that date.

5. Other Matters

The comparative financial information of the company for the year ended 31st March 2016 and the transition date opening balance sheet as at 1st April 2015 prepared in accordance with Ind AS included in these Standalone Ind AS financial statements are based on previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standard) Rules, 2006 audited by us whose report for the year ended March 31, 2016 and March 31, 2015 dated 16th May, 2016 and 25th April, 2015 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS which have been audited by us.

Our opinion is not modified in respect of the above matter.

6. Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c. The Balance Sheet, Statement of Profit and Loss, the Cash Flow Statement and the Statement of Change in Equity dealt with by this Report are in agreement with the books of account;

d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Actread with relevant rule issued thereunder;

e. On the basis of written representations received from the directors as on 31st March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017, from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

h. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 37B to the standalone Ind AS financial statements;

i. The Company did not have any long-term contracts including derivative contracts, for which there were any material foreseeable losses - Refer Note 37A (b) to the financial statements;

j. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company: and

k. The Company has provided requisite disclosures in Note no.14 in its standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016. Based on the audit procedures and relying on the management representation, we report that the disclosures are in accordance with the books of accounts and records maintained by the Company.

T R Chadha & Co LLP
Chartered Accountants
Firm Regn No. 006711N / N500028

sd/-
Neena Goel
(Partner)
M.N. 057986

Date : 9 May 2017
Place : New Delhi

PETRONET LNG LIMITED

"Annexure A" referred to in paragraph 6 of our report of even date

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

   (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of two years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

   (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

2. The inventory has been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such physical verification.

3. The Company has not granted any loans, secured or unsecured, to companies, firm, Limited Liability Partnerships or other parties in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of clause 3(iii) (a), (b) and (c) of the Companies (Auditors Report) Order, 2016 are not applicable.

4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

5. The Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 or any other relevant provisions and the Rules framed thereunder. Accordingly, the provisions of Clause 3 (v) of the Order are not applicable to the Company.

6. We have broadly reviewed the books of accounts maintained by the Company pursuant to Rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been maintained.

7. (a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Service Tax, Custom Duty, Value Added Tax, Cess and other material statutory dues applicable to it. There were no arrears of undisputed statutory dues as at 31st March 2017, which were outstanding for a period of more than six months from the date they became payable. We are informed that there is no liability towards Employees State Insurance and Excise Duty for the year under audit.

   (b) According to the information and explanations given to us and as per the records of the Company, the dues of service tax, custom duty and income tax which have not been deposited / deposited under protest with the appropriate authorities on account of any dispute are given below:

8. The Company has not defaulted in the repayment of dues to financial institutions, banks, Government or debenture holders.

S. No.	Name of the Statute	Nature of the Dues	Not Deposited (Rs. in Lacs)	Deposited (Rs. in Lacs)	Period to which the amount relates	Forum where dispute is pending
1.	Service Tax	Service Tax and Interest	4,005	-	FY 2008-09 to 2009-2010	Hon'ble Supreme Court of India
2.	Service Tax	Service Tax, Interest and penalty	-	2,567	FY 2009-10 to FY 2014-15	CESTAT, Delhi
3.	Service Tax	Service Tax, Interest and penalty	-	689	FY 2014-15	CESTAT, Delhi
4	Service Tax	Service Tax and Interest	754	-	FY 2006-07 to 2010-11	CESTAT, Delhi
5	Service Tax	Service Tax and Interest	31	-	FY 2011-12	CESTAT, Delhi
6	Service Tax	Service Tax and Interest	2	-	FY 2012-13	Commissioner (Appeals), Service Tax
7	Service Tax	Service Tax and Interest	4	-	FY 2013-14	Commissioner (Appeals), Service Tax
8	Service Tax	Service Tax and Interest	57	-	FY 2014-2015	Principal Commissioner, Service Tax, Delhi
9.	Custom Duty	Custom Duty and Interest	346	-	FY 2004-07	Hon'ble High Court, Gujarat
10.	Custom Duty	Custom Duty and Interest	112	-	FY 2009-10	Hon'ble High Court, Gujarat
11	Custom Duty	Custom Duty and Interest	284	-	FY 2005-08	Hon'ble High Court, Gujarat
12.	Service Tax	Service Tax	-	774	FY 2008-10	CESTAT, Delhi
13.	Service Tax	Service Tax	-	753	FY 2008-11	Assistant Commissioner, Delhi
14.	Service Tax	Service Tax	-	140	FY 2013-16	Assistant Commissioner, Delhi
15.	Income Tax Act, 1961	Income Tax and Interest	206	-	FY 2007-08	ITAT, Delhi
16.	Income Tax Act, 1961	Income Tax and Interest	7,237	-	FY 2008-09 to 2010-11	ITAT, Delhi
17	Custom Act, 1962	Custom Duty	-	9,59	FY 2012-13	CESTAT, Ahmedabad
	Total		**13,038**	**5,882**		

9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

10. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act 2013 where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Accounting Standards.

14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

16. In our opinion and according to the information and explanation given to us, the company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

T R Chadha & Co LLP
Chartered Accountants
Firm Regn No. 006711N / N500028

sd/-
Neena Goel
(Partner)
M.N. 057986

Date : 9 May 2017
Place : New Delhi

“Annexure B”as referred to in paragraph 5(f) of our report of even date

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Petronet LNG Limited (“the Company”) as of 31 March 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

a. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

b. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

c. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

T R Chadha & Co LLP
Chartered Accountants
Firm Regn No. 006711N / N500028

sd/-
Neena Goel
(Partner)
M.N. 057986

Date : 9 May 2017
Place : New Delhi

PETRONET LNG LIMITED

Standalone Balance sheet as at 31 March 2017

(All amounts are in Rupees lac, unless otherwise stated)

	Notes	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
ASSETS				
Non-current assets				
Property, plant and equipment	3	841,851	680,367	693,202
Capital work-in-progress	4	4,855	155,048	74,690
Intangible assets	5	453	687	1,057
Investments (accounted for using equity method)	6	16,438	9,000	9,000
Financial assets				
(i) Investments	7	0.1	0.1	0.1
(ii) Loans	8	2,267	1,866	1,776
(iii) Other non-current financial assets	9	17,284	27,228	28,111
Other non-current assets	10	9,499	9,827	30,252
Total non-current assets		**892,647**	**884,023**	**838,088**
Current assets				
Inventories	11	54,052	24,610	88,263
Financial assets				
(i) Investment	12	277,073	-	-
(ii) Trade receivables	13	121,079	98,852	134,277
(iii) Cash and cash equivalents	14	32,099	217,671	35,583
(iv) Other bank balances	15	635	618	626
(v) Other current financial assets	16	28	126	37
Current tax assets (net)	17	2,810	13,211	10,558
Other current assets	18	2,487	3,502	7,544
Total current assets		**490,263**	**358,590**	**276,888**
Total Assets		**1,382,910**	**1,242,613**	**1,114,976**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	19	75,000	75,000	75,000
Other equity	20	734,389	586,397	513,166
Total equity		**809,389**	**661,397**	**588,166**

	Notes	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Liabilities				
Non-current liabilities				
Financial liabilities				
(i) Borrowings	21	145,003	223,293	256,870
Long-term provisions	22	656	560	428
Deferred tax liabilities (net)	23(B)	73,018	58,858	49,326
Other non-current liabilities	24	138,576	140,000	90,000
Total non-current liabilities		**357,253**	**422,711**	**396,624**
Current liabilities				
Financial liabilities				
(i) Trade payables		94,460	77,213	32,091
(ii) Other financial liabilities	25	88,481	54,512	68,851
Other current liabilities	26	26,758	23,263	27,514
Short-term provisions	27	945	985	932
Current tax liabilities (net)	28	5,624	2,532	798
Total Current liabilities		**216,268**	**158,505**	**130,186**
Total Liabilities		**573,521**	**581,216**	**526,810**
Total Equity and liabilities		**1,382,910**	**1,242,613**	**1,114,976**

The accompanying notes are an integral part of these financial statements
This is the Balance Sheet referred to in our report of even date

Significant Accounting Policies **2**
Other Notes on Accounts **37 to 47**

For T R Chadha & Co LLP
Chartered Accountants
ICAI Firm Regn. No. 006711N /N500028

For and on behalf of Petronet LNG Limited

Sd/-
Neena Goel
Partner
Membership No - 057986

Sd/-
Prabhat Singh
Managing Director & CEO

Sd/-
R K Garg
Director - Finance

Sd/-
K C Sharma
Company Secretary

Place : New Delhi
Date : 9 May 2017

Standalone Statement of Profit and Loss for the year ended 31 March 2017

(All amounts are in Rupees lac, unless otherwise stated)

	Notes	For the year ended 31 March 2017	For the year ended 31 March 2016
Revenue			
Revenue from operations	29	2,461,603	2,713,343
Other income	30	34,664	17,334
Total revenue (a)		**2,496,267**	**2,730,677**
Expenses			
Cost of materials consumed	31	2,141,692	2,507,565
Employee benefits expense	32	7,386	7,106
Finance costs	33	20,965	23,875
Depreciation and amotization expense	34	36,907	32,160
Other expenses	35	53,298	40,047
Total expenses (b)		**2,260,248**	**2,610,753**
Profit/ (Loss) before tax (c= a-b)		**236,019**	**119,924**
Tax expense:			
Current tax	23(A)	51,288	19,044
Deferred tax	23(A)	14,164	9,554
Total tax expense (d)		**65,452**	**28,598**
Profit/ (loss) for the period (A) = (c-d)		**170,567**	**91,326**
Other Comprehensive Income			
Items that will not be reclassified to Profit or Loss			
Remeasurement of defined benefit plans		(12)	(63)
Income tax relateing to remeasurement of defined benefit plans	23(A)	4	22
Total Other Comprehensive income for the period (B)		**(8)**	**(41)**
Total Comprehensive Income for the period (C) = (A + B)		**170,559**	**91,285**
Earnings per equity share	36		
Basic		22.74	12.18
Diluted		22.74	12.18

The accompanying notes are an integral part of these financial statements
This is the Statement of Profit and Loss referred to in our report of even date

Significant Accounting Policies	**2**
Other Notes on Accounts	**37 to 47**

For T R Chadha & Co LLP
Chartered Accountants
ICAI Firm Regn. No. 006711N /N500028

For and on behalf of Petronet LNG Limited

Sd/-
Neena Goel
Partner
Membership No - 057986

Sd/-
Prabhat Singh
Managing Director & CEO

Sd/-
R K Garg
Director - Finance

Sd/-
K C Sharma
Company Secretary

Place : New Delhi
Date : 9 May 2017

Standalone Statement of Cash Flows for the year ended 31 March 2017

(All amounts are in Rupees lac, unless otherwise stated)

		For the year ended 31 March 2017	For the year ended 31 March 2016
A.	**Cash flow from operating activities**		
	Net Profit before tax	236,019	119,924
	Adjustment for:		
	Depreciation	36,907	32,160
	Loss on the sale of fixed asset	11	13
	Profit on sale of current Investment	(7,161)	(9,406)
	Interest Expense	20,965	23,875
	Foreign exchange gain/ loss on restatement of financial liabilities	(8,631)	(520)
	Fair value losses on derivatives not designated as hedges	10,004	467
	Gain on fair value adjustment of Investments	(12,463)	-
	Interest Income	(1,893)	(2,540)
	Excess provision written back	(618)	-
	Provision for doubtful debts	4,142	-
	Operating profit before working capital changes	**277,282**	**163,973**
	Movements in working capital :-		
	(Increase)/ Decrease in loans	(401)	(90)
	(Increase)/ Decrease in inventories	(29,442)	63,654
	(Increase)/ Decrease in trade receivables	(26,369)	35,424
	(Increase)/ Decrease in other financial assets	(60)	417
	(Increase)/ Decrease in Other assets	3,297	4,512
	Increase / (Decrease) in trade payables	18,123	45,354
	Increase / (Decrease) in other financial liabilities	10	(1,746)
	Increase / (Decrease) in provisions	44	122
	Increase / (Decrease) in other liabilities	2,071	45,749
	Cash Generated from (/ used in) operations	244,555	357,369
	Less: Income Tax Paid (net of refunds)	(37,797)	(19,966)
	Net Cash generated from (/ used in) operating activities (A)	**206,758**	**337,403**
B.	**Cash flow from investing activities**		
	Net proceeds / (purchase) of property, plant and equipment and capital work in progress	(54,419)	(97,141)
	Net proceeds / (purchase) of intangible assets	(177)	(100)
	Net proceeds / (purchase) of equity accounted investees	(7,438)	-
	Net proceeds/ (purchase) of investments	(257,449)	9,406
	Interest received	1,992	2,450
	Net movement in fixed deposits	(16)	8
	Net Cash Generated from (/ Used in) Investing Activities (B)	**(317,507)**	**(85,377)**

		For the year ended 31 March 2017	For the year ended 31 March 2016
C.	Cash Flow from Financing Activities		
	Net proceeds/(Repayment) of Long Term Borrowings	(31,284)	(28,027)
	Interest Expense Paid	(20,973)	(23,857)
	Dividend paid	(22,567)	(18,054)
	Net Cash generated from (/ used in) Financing Activities (C)	**(74,824)**	**(69,938)**
	Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	**(185,572)**	**182,088**
	Cash and cash equivalents at the beginning of the year	217,671	35,583
	Balance at the end of the year	**32,099**	**217,671**

The accompanying notes are an integral part of these financial statements
This is the Statement of Cash Flow referred to in our report of even date

For T R Chadha & Co LLP
Chartered Accountants
ICAI Firm Regn. No. 006711N /N500028

For and on behalf of Petronet LNG Limited

Sd/-
Neena Goel
Partner
Membership No - 057986

Sd/-
Prabhat Singh
Managing Director & CEO

Sd/-
R K Garg
Director - Finance

Place : New Delhi
Date : 9 May 2017

Sd/-
K C Sharma
Company Secretary

Standalone Statement of Changes in Equity for the year ended 31 March 2017

(All amounts are in Rupees lac, unless otherwise stated)

(a) Equity share capital

	As at 31 March 2017		As at 31 March 2016	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	750,000,044	75,000	750,000,044	75,000
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the reporting period	**750,000,044**	**75,000**	**750,000,044**	**75,000**

(b) Other equity

	Reserves & Surplus				OCI	
	Securities Premium Account	Debenture Redemption Reserve	General Reserve	Retained earnings	Remeasurement of defined benefit plans	Total
Balance at 1 April 2015	**15,546**	**9,334**	**63,600**	**405,383**	**-**	**493,863**
Impacts due to Ind AS Adjustments	-	-	-	19,303	-	19,303
Restated balance at the beginning of the reporting period	**15,546**	**9,334**	**63,600**	**424,686**	**-**	**513,166**
						-
Profit for the year	-	-	-	91,326	-	91,326
Other comprehensive income/ (loss) for the year	-	-	-		(41)	(41)
Total comprehensive income for the year	**-**	**-**	**-**	**91,326**	**(41)**	**91,285**
Transfer to general reserve	-	-	9,200	(9,200)	-	-
Transfer to debenture redemption reserve	-	7,832	-	(7,832)	-	-
Dividend paid	-	-	-	(15,000)	-	(15,000)
Dividend distribution tax	-	-	-	(3,054)	-	(3,054)
Balance at 31 March 2016	**15,546**	**17,166**	**72,800**	**480,926**	**(41)**	**586,397**

	Reserves & Surplus				OCI	
	Securities Premium Account	Debenture Redemption Reserve	General Reserve	Retained earnings	Remeasurement of defined benefit plans	Total
Changes in accounting policy / prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the reporting period		**17,166**	**72,800**	**480,926**	**(41)**	**586,397**
						-
Profit for the year	-	-	-	170,567	-	170,567
Other comprehensive income for the year	-	-	-	-	(8)	(8)
Total comprehensive income for the year	**-**	**-**	**-**	**170,567**	**(8)**	**170,559**
Transfer to debenture redemption reserve	-	7,834	-	(7,834)	-	-
Dividend paid	-	-	-	(18,750)	-	(18,750)
Dividend distribution tax	-	-	-	(3,817)	-	(3,817)
Balance at 31 March 2017	**15,546**	**25,000**	**72,800**	**621,092**	**(49)**	**734,389**

The accompanying notes are an integral part of these financial statements
This is the Statement of Changes in Equity referred to in our report of even date

For T R Chadha & Co LLP
Chartered Accountants
ICAI Firm Regn. No. 006711N /N500028

Sd/-
Neena Goel
Partner
Membership No - 057986

Place : New Delhi
Date : 9 May 2017

For and on behalf of Petronet LNG Limited

Sd/-
Prabhat Singh
Managing Director & CEO

Sd/-
R K Garg
Director - Finance

Sd/-
K C Sharma
Company Secretary

Notes to the Standalone Financial Statements for the year ended 31 March 2017

1. Reporting Entity

Petronet LNG Limited referred to as “PLL” or “the Company” is domiciled in India. The Company’s registered office is at World Trade Centre, 1st Floor, Babar Road, Barakhamba Lane, New Delhi – 110001.

The Company was formed by Bharat Petroleum Corporation Limited (‘BPCL’), GAIL (India) Limited (‘GAIL’), Indian Oil Corporation Limited (‘IOCL’) and Oil and Natural Gas Corporation Limited (‘ONGC’) primarily to develop, design, construct, own and operate a Liquefied Natural Gas (‘LNG’) import and regasification terminals in India. PLL was incorporated on 2 April 1998 under the Companies Act, 1956 and received certificate of commencement of business on 1 June 1998. The Company is involved in the business of import and regasification of LNG and supply to BPCL, GAIL, IOCL and others. Presently, the Company owns and operates LNG Regasification Terminal with name plate capacity of 15 MMTPA at Dahej, in the State of Gujarat. The Company has also commissioned another LNG terminal with name plate capacity of 5 MMTPA at Kochi, in the State of Kerala.

2. Significant Accounting Policies

The Company has consistently applied the following accounting policies to all periods presented in the financial statements.

i. Basis of preparation

These financial statements have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (‘Ind AS’), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder; or by the Institute of Chartered Accountants of India, as applicable and other accounting principles generally accepted in India.

The financial statement up to year ended 31 March 2016 were prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India and complied with the applicable accounting standards prescribed in the Companies (Accounting Standards) Rules, 2014 issued by the Central Government and as per relevant provisions of the Companies Act, 2013 read together with Paragraph 7 of The Companies (Accounts) Rules, 2014.

The financial statements for the year ended 31 March 2017 are the first financial statements of the Company prepared under Ind AS. An explanation of how the transition to Ind AS has affected the reported financial position, financial performance and cash flows of the Company is provided in note 47.

These financial statements were authorised for issue by the Board of Directors on 9 May 2017.

ii. Basis of measurement

The financial statements have been prepared on a historical cost basis except the following items, which are measured on alternative basis on each reporting date:

- Certain financial assets (including derivative instruments) that is measured at fair value
- Defined benefit liability/(assets): fair value of plan assets less present value of defined benefit obligation

iii. Functional and presentation currency

These financial statements are presented in Indian National Rupee ('INR'), which is the Company's functional currency. All amounts have been rounded to the nearest lac, unless otherwise indicated.

iv. Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

a. Judgements

Information about the judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements have been given below:

- Leases : Whether an arrangement contains a lease
- Classification of leases into finance and operating lease
- Classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

b. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the financial statements for the year ended 31 March 2017 is included below:

- Impairment test: key assumptions underlying recoverable amounts, including the recoverability of development costs;
- Useful life of property, plant & equipment
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources

v. Property, plant and equipment:

Recognition and measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss if any. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use including borrowing cost and incidental expenditure during construction incurred up to the date when the assets are ready to use. Capital work in progress includes cost of assets at sites, construction expenditure and interest on the funds deployed.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as a separate item (major components) of property, plant and equipment.

Any gain on disposal of property, plant and equipment is recognised in Profit and loss account.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Subsequent Measurement

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the company.

Depreciation

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

Cost of leasehold land is amortized over the lease period.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and changes, if any, are accounted for prospectively.

vi. Intangible assets

Intangible Assets are stated at cost less accumulated amortization and impairment loss, if any. Intangible assets are amortized on straight line method basis over the estimated useful life. Estimated useful life of the Software/Licenses is considered as 3 years.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the company.

vii. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign exchange forward contracts, cross currency interest rate swaps, interest rate swaps and currency options; and embedded derivatives in the host contract.

Financial Assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Classifications

The company classifies its financial assets as subsequently measured at either amortized cost or fair value depending on the company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Business model assessment

The company makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Debt instruments at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met:

- it is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Debt instrument at fair value through Other Comprehensive Income (FVOCI)

Debt instruments with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets are classified to be measured at FVOCI.

Debt instrument at fair value through profit and loss (FVTPL)

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.

In addition, the company may elect to classify a debt instrument, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

On initial recognition an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

All other Financial Instruments are classified as measured at FVTPL.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognize the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

With regard to trade receivable, the Company applies the simplified approach as permitted by Ind AS 109, *Financial Instruments*, which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of amortised cost, net of directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities measured at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

Derecognition of financial liabilities

The company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Modifications of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, the company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value.

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the company recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income.

Financial liabilities

The company derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

viii. Inventories

Raw material, stores and spares are valued at lower of cost or net realizable value. Cost of raw material is determined on the first-in, first-out principle for respective agreements of LNG.

Cost of stores and spares is determined on weighted average cost.

ix. Revenue Recognition

a. Sale of goods

Revenue is recognised when the significant risk and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates.

Revenue is primarily derived from Sale of RLNG and is net of sales tax. Transfer of risk and rewards for sale of RLNG is at the point of dispatch.

b. Rendering of services

Revenue from regasification services is recognised when services are rendered and related costs are incurredin accordance with agreements.

c. Interest Income

Interest income is recognized using the Effective Interest Rate (‘EIR’) method. The EIR is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate to the net carrying amount of the financial asset. The EIR is computed basis the expected cash flows by considering all the contractual terms of the financial instrument. The calculation includes all fees, transaction costs, and all other premiums or discounts paid or received between parties to the contract that are an integral part of the effective interest rate.

d. Dividend Income

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

x. Foreign currency transactions

a. Foreign currency transactions are recorded at the exchange rate prevailing on the date of the transaction.

b. Monetary items denominated in foreign currencies (such as cash, receivables, payables etc.) outstanding at the year end, are translated at exchange rates applicable on year end date.

c. Non-monetary items denominated in foreign currency, (such as fixed assets) are valued at the exchange rate prevailing on the date of transaction and carried at cost.

d. Any gains or losses arising due to exchange differences arising on translation or settlement are accounted for in the Statement of Profit and Loss.

xi. Employee benefits

a. Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b. Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. The company has following defined contribution plans:

a) Provident Fund

b) Superannuation Fund

c. Defined benefit plans

The company has only one defined benefit plan i.e. gratuity. The company net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

d. Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Re-measurements are recognised in profit or loss in the period in which they arise.

The company has following long term employment benefit plans:

Leave encashment

Leave encashment is payable to eligible employees at the time of retirement. The liability for leave encashmentis provided based on actuarial valuation as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary.

xii. Borrowing Cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

xiii. Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in Other Comprehensive Income

a. **Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Company:

a) Has a legally enforceable right to set off the recognised amounts; and

b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

b. **Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit nor loss.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

a) The entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

xiv. Interest in Joint Ventures

Interests in joint ventures accounted for using the equity method are recognised at cost.

xv. Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication on impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units (CGU).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment loss in respect of assets other than goodwill is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

xvi. Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

xvii. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of directors of Petronet LNG Limited has been identified as being the chief operating decision maker by the Management of the company. Refer note no 38 for segment information presented.

xviii. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

xix. Recent accounting pronouncements

Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows'. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows'. The amendments are applicable to the Company from 1 April 2017.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The company is evaluating the requirements of the amendment and the effect on the financial statements.

Notes to the Standalone Financial Statements for the year ended 31 March 2017

(All amounts are in Rupees lac, unless otherwise stated)

3. Property, plant and equipment

Particulars	Gross Block				Depreciation				Net Block	
	As at 31 March 2016	Additions	Deletions	As at 31 March 2017	As at 31 March 2016	Additions	Deletions	As at 31 March 2017	As at 31 March 2017	As at 31 March 2016
Tangible Assets										
Freehold Land	10,778	-	-	10,778	-	-	-	-	10,778	10,778
Buildings*	39,815	9,035	-	48,850	1,514	1,758	-	3,272	45,578	38,301
Plant & Equipments*	653,157	188,346	-	841,503	29,830	34,326	-	64,156	777,347	623,327
Office Equipments	577	482	(28)	1,031	160	218	(20)	358	673	417
Furniture & Fixtures	453	100	(12)	541	60	67	(5)	122	419	393
Speed Boat	38	-	-	38	5	5	-	10	28	33
Vehicles	164	39	(17)	186	29	29	(9)	49	137	135
Assets taken on finance lease										
Leasehold Land	7,075	-	-	7,075	92	92	-	184	6,891	6,983
Total	**712,057**	**198,002**	**(57)**	**910,002**	**31,690**	**36,495**	**(34)**	**68,151**	**841,851**	**680,367**

Particulars	Gross Block				Depreciation				Net Block	
	As at 1 April 2015	Additions	Deletions	As at 31 March 2016	As at 1 April 2015	Additions	Deletions	As at 31 March 2016	As at 31 March 2016	As at 1st April 2015
Tangible Assets										
Freehold Land	-	10,778	-	10,778	-	-	-	-	10,778	-
Buildings*	35,538	4,277	-	39,815	-	1,514	-	1,514	38,301	35,538
Plant & Equipments *	649,739	3,418	-	653,157	-	29,830	-	29,830	623,327	649,739
Office Equipments	319	266	(8)	577	-	160	-	160	417	319
Furniture & Fixtures	349	116	(12)	453	-	60	-	60	393	349
Speed Boat	38	-	-	38	-	5	-	5	33	38
Vehicles	144	38	(18)	164	-	29	-	29	135	144
Assets taken on finance lease										
Leasehold Land	7,075	-	-	7,075	-	92	-	92	6,983	7,075
Total	**693,202**	**18,893**	**(38)**	**712,057**	**-**	**31,690**	**-**	**31,690**	**680,367**	**693,202**

Note:

* Plant & Equipment and Buildings includes Jetty & Trestle having gross value of Rs.130,409 (Dahej Phase 1 & additional Jetty) & Rs. 43,572 (Kochi)). As per concession agreement, the ownership of Jetty & Trestle (Dahej Phase 1) would be transferred to the Gujarat Maritime Board in the year 2035. The additional Jetty at Dahej would also be transferred to Gujarat Maritime Board as per the yet to be executed concession agreement. The ownership of Jetty & Trestle (Kochi) would be transferred to Cochin Port Trust in the year 2039.

4. Capital Work-in-Progress

(All amounts are in Rupees lac, unless otherwise stated)

Particulars	As at 31 March 2016	Additions	Deletions	As at 31 March 2017	As at 1 April 2015	Additions	Deletions	As at 31 March 2016
Kochi Project:								
- Engineering / project construction	-	-	-	-	1,716	-	(1,716)	-
- Buildings	-	-	-	-	3,384	-	(3,384)	-
Dahej Ph-III 15MMTPA	154,622	42,652	(197,224)	50	68,891	85,731	-	154,622
Dahej Ph-III 17.5 MMTPA	-	3,983	-	3,983	-	-	-	-
Others	426	825	(429)	822	699	433	(706)	426
Total	**155,048**	**47,460**	**(197,653)**	**4,855**	**74,690**	**86,164**	**(5,806)**	**155,048**

5. Intangible Assets

Particulars	Gross Block				Depreciation				Net Block	
	As at 31 March 2016	Additions	Deletions	As at 31 March 2017	As at 31 March 2016	Additions	Deletions	As at 31 March 2017	As at 31 March 2017	As at 31 March 2016
Intangible Assets										
Licenses/Softwares	1,157	178	-	1,335	470	412	-	882	453	687
Total	**1,157**	**178**	**-**	**1,335**	**470**	**412**	**-**	**882**	**453**	**687**

Particulars	Gross Block				Depreciation				Net Block	
	As at 1 April 2015	Additions	Deletions	As at 31 March 2016	As at 1 April 2015	Additions	Deletions	As at 31 March 2016	As at 31 March 2016	As at 1 April 2015
Intangible Assets										
Licenses/Softwares	1,057	100		1,157	-	470		470	687	1,057
Total	**1,057**	**100**	**-**	**1,157**	**-**	**470**	**-**	**470**	**687**	**1,057**

(All amounts are in Rupees lac, unless otherwise stated)

		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
6	**Investments accounted for using equity method**			
	Investment in equity instruments (fully paid-up) (Unquoted)			
	9,00,00,000 Equity Shares (previous year 9,00,00,000) of Rs. 10 each, fully paid up in Adani Petronet (Dahej) Port Pvt. Ltd., - a Joint Venture	9,000	9,000	9,000
	11,036,558 Equity Shares (previous year Nil) of USD 1 each (INR equivalent Rs. 67.40 each), fully paid up in India LNG Transport Co (No 4) Pvt Ltd., a Joint Venture.*	7,438	-	-
		16,438	**9,000**	**9,000**
	Aggregate book value of quoted investments	NIL	NIL	NIL
	Aggregate book value of un-quoted investments	16,438	9,000	9,000
	* Pledged with Sumitomo Mitsui Banking Corporation			
7	**Non Current Financial Assets - Investments**			
	Investments carried at fair value through profit and loss account (Unquoted)			
	Investment in equity instruments (fully paid-up)			
	300 Ordinary Shares (previous year 300) of US$ 1 each, fully paid up in India LNG Transport Company (No. 3) Limited, Malta * (Rs. 13,476)	0.13	0.13	0.13
		0.13	**0.13**	**0.13**
	Aggregate book value of quoted investments	NIL	NIL	NIL
	Aggregate book value of un-quoted investments	0.13	0.13	0.13
	* Pledged with Sumitomo Mitsui Banking Corporation			
8	**Non Currrent Finacial Assets-Loans**			
	Unsecured, considered good			
	Loan to related parties (Refer note 42)	440	-	-
	Loan to others	1,827	1,866	1,776
		2,267	**1,866**	**1,776**

(All amounts are in Rupees lac, unless otherwise stated)

		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
9	**Other non-current financial assets**			
	Unsecured, considered good			
	Derivative assets			
	- Cross currency interest rate swaps	15,881	25,885	26,352
	Security deposits			
	- Government authorities	929	1,012	994
	- Others	243	102	528
	Employee advances	31	29	37
	Balances with banks in deposit accounts	200	200	200
		17,284	**27,228**	**28,111**
10	**Other non-current assets**			
	Unsecured, considered good			
	Capital advances	3,256	1,302	21,257
	Taxes and Duties recoverable (Refer note 37B)	6,243	8,525	8,995
		9,499	**9,827**	**30,252**
11	**Inventories**			
	Raw materials	34,639	18,580	83,102
	Raw materials in transit	12,625	-	-
	Stores and spares	6,710	5,896	4,930
	Stores and spares in transit	78	134	231
		54,052	**24,610**	**88,263**
	(Refer note 2(viii) *on valuation)*			
12	**Current financial investments**			
	Investments carried at fair value through profit and loss account (Quoted)			
	Mutual funds	277,073	**-**	**-**
		277,073	**-**	**-**
	Aggregate book value of quoted investments	277,073	-	-
	Aggregate book value of un-quoted investments	NIL	NIL	NIL
13	**Trade receivables**			
	Unsecured and considered good			
	-from related parties	110,730	95,283	115,415
	-from others	10,349	3,569	18,862
	Unsecured and considered doubtful		-	-
	-from related parties	4,142		
	Less: Allowances for doubtful receivables	(4,142)	-	-
		121,079	**98,852**	**134,277**
	(Refer note 42B on related party)			

(All amounts are in Rupees lac, unless otherwise stated)

		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
14	**Cash and cash equivalents**			
	Balance with banks:			
	- In current account	599	1,162	328
	- In term deposits	31,528	216,634	35,291
	Less: Interest accrued on term deposits	(28)	(126)	(37)
	Cash on hand	0.5	1	1
		32,099	**217,671**	**35,583**

Note:

As required by MCA notification number G.S.R. 308(E) dated 30 March 2017, the details of the Specified Bank Notes ('SBN') held and transacted during the period 8 November 2016 to 30 December 2016 as provided in the table below :-

(Amount in ₹)

	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 8 November 2016	80,000	27,712	107,712
(+) Permitted reciepts	-	512,280	512,280
(-) Permitted payments	-	459,860	459,860
(-) Amount deposited in banks	70,500	-	70,500
Closing cash in hand as on 30 December 2016	**9,500**	**80,132**	**89,632**

		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
15	**Other bank balances**			
	In earmarked accounts			
	- Unclaimed dividend account	635	618	626
		635	**618**	**626**
16	**Other current financial assets**			
	Interest accrued on term deposits	28	126	37
		28	**126**	**37**
17	**Current tax assets (net)**			
	Advance tax (Net of provision for income tax of Rs.1,64,492) [As at 31 March 2016 - Rs.1,44,987, as at 1 April 2015 - Rs. 1,20,907]	2,810	13,211	10,558
		2,810	**13,211**	**10,558**
18	**Other current assets**			
	Advances to vendors	1,663	1,231	1,202
	Taxes and duties recoverable	75	73	-
	Prepaid expenses	722	1,210	1,238
	Purchase price adjustment of LNG	-	965	5,103
	Other Miscellaneous Advances	27	23	1
		2,487	**3,502**	**7,544**

(All amounts are in Rupees lac, unless otherwise stated)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
19 Share capital			
Authorised:			
1,200,000,000 (31 March 2016 - 1,200,000,000, 1 April 2015 - 1,200,000,000) equity shares of Rs.10/- each	120,000	120,000	120,000
Issued, subscribed & fully paid up:			
750,000,044 (31 March 2016 - 750,000,044, 1 April 2015 - 750,000,044) equity Shares of Rs.10/- each	75,000	75,000	75,000
	75,000	**75,000**	**75,000**

a. Terms and rights attached to equity shares

The Company has only one class of shares referred to as equity shares each having a par value of Rs. 10/- per share. They entitle the holder to participate in dividends, and to share in the proceeds of winding up of the company in proportion to the number of and amounts paid on the shares held. Every holder of equity shares present at a meeting in person or by proxy, is entitled to one vote per share.

b. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

c. Reconciliation of number of shares outstanding at the beginning and end of the year :

	Number of Shares	Amount
Outstanding at the 1 April 2015	750,000,044	75,000
Equity Shares issued during the year in consideration for cash	-	-
Outstanding at the 31 March 2016	750,000,044	75,000
Equity Shares issued during the year in consideration for cash	-	-
Outstanding at the 31 March 2017	**750,000,044**	**75,000**

d. Shareholders holding more than 5% shares in the company

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	No. of Shares	Percentage	No. of Shares	Percentage	No. of Shares	Percentage
Promoters' Holding						
Bharat Petroleum Corporation Ltd.	93,750,000	12.5%	93,750,000	12.5%	93,750,000	12.5%
GAIL (India) Ltd.	93,750,000	12.5%	93,750,000	12.5%	93,750,000	12.5%
Indian Oil Corporation Ltd.	93,750,000	12.5%	93,750,000	12.5%	93,750,000	12.5%
Oil & Natural Gas Corporation Ltd.	93,750,000	12.5%	93,750,000	12.5%	93,750,000	12.5%
Non-promoter Holding						
GDF International	75,000,000	10.0%	75,000,000	10.0%	75,000,000	10.0%
Asian Development Bank	-	-	-	-	39,000,000	5.2%

(All amounts are in Rupees lac, unless otherwise stated)

	As at 31 March 2017	As at 31 March 2016
20 Other equity		
a. Securities premium account		
Balance at the beginning of the year	15,546	15,546
Addition during the year	-	-
Balance at the end of the year	**15,546**	**15,546**
b. Debenture redemption reserve		
Balance at the beginning of the year	17,166	9,334
Addition during the year	7,834	7,832
Balance at the end of the year	**25,000**	**17,166**
c. General reserve		
Balance at the beginning of the year	72,800	63,600
Add: Transfer from surplus balance in the statement of Profit & Loss	-	9,200
Balance at the end of the year	**72,800**	**72,800**
d. Retained earnings		
Balance at the beginning of the year	480,926	424,686
Add: Profit for the year after taxation as per statement of Profit & Loss	170,567	91,326
Less: Transfer to general reserves	-	(9,200)
Less: Transfer to debenture redemption reserves	(7,834)	(7,832)
Less: Dividend on equity shares	(18,750)	(15,000)
Less: Dividend distribution tax on equity shares	(3,817)	(3,054)
	621,092	**480,926**
e. Remeasurement of defined benefit plans		
Balance at the beginning of the year	(41)	-
Addition during the year	(8)	(41)
Balance at the end of the year	**(49)**	**(41)**
Total Equity (a+b+c+d+e)	**734,389**	**586,397**

Nature and purpose of other reserves

Securities premium account

Securities premium account is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

(All amounts are in Rupees lac, unless otherwise stated)

Debenture redemption reserve

The Company appropriates a portion out of the profits available for payment of dividend to debenture redemption reserve(DRR) as per the Act (which requires creation of DRR upto 25% of the outstanding amount of the bonds during the tenure of bonds)

General reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purpose.

Remeasurement of defined benefit plans

Remeasurements of defined benefit plans represents the following as per Ind AS 19, Employee Benefits:
(a) actuarial gains and losses
(b) the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and
(c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset)

Dividend

	As at 31 March 2017	**As at 31 March 2016**
Cash dividends on equity shares declared and paid :		
Final dividend for the year ended 31 March 2016 Rs. 2.50 per share (31 March 2015: Rs. 2.00 per share)	18,750	15,000
Dividend Distribution tax on final dividend	3,817	3,054
	22,567	**18,054**
Proposed Dividends on Equity Shares :		
Proposed dividend for the year ended 31 March 2017 Rs. 5 per share (31 March 2016: Rs. 2.50 per share)	37,500	18,750
Dividend Distribution tax on final dividend	7,634	3,817
	45,134	**22,567**

Proposed dividends on equity shares are subject to the approval at the annual general meeting and have not been recognised as liabilities (including DDT theron) as at 31st March.

	As at 31 March 2017	**As at 31 March 2016**	**As at 1 April 2015**
21 Borrowings			
Non-convertible bonds *(Unsecured)*	95,857	135,857	135,832
Term loans *(Secured)*			
- From other parties	55,020	93,318	126,903
	150,877	229,175	262,735
Less: Interest accrued	(5,874)	(5,882)	(5,865)
	145,003	**223,293**	**256,870**

(All amounts are in Rupees lac, unless otherwise stated)

a. Non-Convertible Bonds Series I-2013, Series I-2014 and Series II-2014 are unsecured, non convertible debenture, repayable at par starting from financial year 2017-18.

Term of repayment and interest are as follows :

				Carrying Amount		
Loan From	**Repayment Terms**	**Year of Maturity**	**Effective Rate of Interest p.a.**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 1 April 2015**
Series I - 2013	Bullet	2018	8.35%	31,997	31,997	31,997
Series II - 2014 (Option 1)	Bullet	2017	9.00%	41,539	41,539	41,529
Series II - 2014 (Option 2)	Bullet	2019	9.05%	62,321	62,321	62,306
				135,857	**135,857**	**135,832**
Less: Interest accrued but not due on borrowings				(5,857)	(5,857)	(5,832)
Less : Shown in current maturities of Long term debt				(40,000)		
Balance shown as above				**90,000**	**130,000**	**130,000**

b. Term Loans are secured by first ranking mortgage and first charge on pari passu basis on all movable and immovable properties, both present and future including current assets except on trade receivables on which second charge is created on pari passu basis.

Term of repayment and interest are as follows :

				Carrying Amount		
Loan From	**Repayment Terms**	**Year of Maturity**	**Effective Rate of Interest p.a.**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 1 April 2015**
IFC (Washington)	Half yearly	2022	8.63%	18,864	20,706	22,086
IFC (Washington)	Half yearly	2019	2.65%	38,909	55,729	66,224
Proparco, France	Half yearly	2019	3.86%	25,940	37,153	44,151
Asian Development Bank	Half yearly	2018	6.5% to 8.5%	8,102	17,892	27,344
				91,815	**131,480**	**159,805**
Less: Interest accrued but not due on borrowings				(17)	(25)	(33)
Less : Shown in current maturities of Long term debt				(36,795)	(38,162)	(32,902)
Balance shown as above				**55,003**	**93,293**	**126,870**

The external commercial borrowings from International Finance Corporation (Washington), Asian Development Bank & Proparco, France are borrowed at an average cost of 8.70% p.a (inclusive of hedge cost).

22 Long-term provisions	**As at 31 March 2017**	**As at 31 March 2016**	**As at 1 April 2015**
Provision for employee benefits			
- Compensated Absences (Refer note 41(iii))	656	560	428
	656	**560**	**428**

PETRONET LNG LIMITED

(All amounts are in Rupees lac, unless otherwise stated)

	For the year ended 31 March 2017	For the year ended 31 March 2017
23 Income Tax		
A Income Tax Expenses		
i) Amounts recognised in profit or loss		
Current tax expense		
Current year	51,288	25,699
Adjustment for prior years	-	(6,655)
	51,288	**19,044**
Deferred tax expense		
Change in recognised temporary differences	14,164	9,554
	14,164	**9,554**
Total Tax Expense	**65,452**	**28,598**
ii) Deferred Tax related to items recognised in Other Comprehensive Income		
Remeasurements of defined benefit liability	4	22
	4	**22**

iii) Reconciliation of effective tax rate	**For the year ended 31 March 2017**		**For the year ended 31 March 2016**	
	Rate	**Amount**	**Rate**	**Amount**
Profit before tax from continuing operations	34.61%	236,019	34.61%	119,924
Tax using the Company's domestic tax rate		81,681		41,503
Tax effect of:				
Non-deductible expenses	0.06%	134	0.11%	135
Non-taxable income	-	-	0.04%	52
Tax-exempt income	-2.86%	(6,742)	-5.37%	(6,437)
Tax incentives	-4.08%	(9,621)	-	-
Changes in estimates related to prior years			-5.55%	(6,655)
	27.73%	**65,452**	**23.85%**	**28,598**

B Deferred Tax Liabilities (Net)

Movement in deferred tax balances	**As at 31 March 2016**	**Recongized in P&L**	**Recongized in OCI**	**As at 31 March 2017**
Deferred Tax Assets				
Employee benefits	223	21	4	248
Loans and borrowings	8,330	(2,897)		5,433
Trade receivables	-	1,433		1,433
MAT Credit Entitlement	28,870	3,288	-	32,158
Sub- Total (a)	**37,423**	**1,845**	**4**	**39,273**
Deferred Tax Liabilities				
Property, plant and equipment	87,323	15,158	-	102,482
Derivatives	8,958	(3,462)		5,496
Current Investments	-	4,313		4,313
Sub- Total (b)	**96,281**	**16,009**	**-**	**112,291**
Net Deferred Tax Liability (b-a)	**58,858**	**14,164**	**(4)**	**73,018**

(All amounts are in Rupees lac, unless otherwise stated)

	As at 1 April 2015	Recognized in P&L	Recognized in OCI	As at 31 March 2016
Deferred Tax Assets				
Employee benefits	162	39	22	223
Long term borrowings	8,431	(101)		8,330
MAT Credit Entitlement	24,063	4,807	-	28,870
Sub- Total (a)	**32,656**	**4,745**	**22**	**37,423**
Deferred Tax Liabilities				
Property, plant and equipment and intangibles	72,862	14,461	-	87,323
Derivatives	9,120	(162)	-	8,958
Sub- Total (b)	**81,982**	**14,299**	**-**	**96,281**
Net Deferred Tax Liability (b-a)	**49,326**	**9,554**	**(22)**	**58,858**

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
24 Other non-current liabilities			
Revenue received in advance*			
- from related parties (See Note No 42)	98,854	100,000	75,000
- from others	39,722	40,000	15,000
	138,576	**140,000**	**90,000**

* The Company has entered into long term agreements for 20 years for providing LNG regasification services by allocating 7 MMTPA out of the total regasification capacity from its Dahej terminal. The advance received by the Company is adjustable against charges on regasification service during the course of the agreement.

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
25 Other current financial liability			
Current maturities of long-term debt			
- from other parties	76,797	38,162	32,902
Interest accrued but not due on borrowings	5,874	5,882	5,865
Unpaid dividend	635	618	626
Other payables for:			
- Capital goods	5,064	9,732	27,602
- Security deposits / Retention money	111	118	1,856
	88,481	**54,512**	**68,851**
26 Other current liabilities			
Statutory dues	25,609	22,317	25,062
Revenue received in advance			
- related parties (Refer note No 42)	-	-	1,764
- others	52	52	52
Other payables	1,097	894	636
	26,758	**23,263**	**27,514**

(All amounts are in Rupees lac, unless otherwise stated)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2016
27 Short-term provisions			
Provision for employee benefits			
- Gratuity (Refer note 41)	1	29	-
- Compensated Absences (Refer note 41)	60	56	40
- Incentives	884	900	892
	945	**985**	**932**
28 Current tax liabilities			
Provision for Income Tax (Net of advance tax of Rs. 70,544 [as at 31 March 2016 Rs 43,587 and 1 April 2015 Rs.48640])	5,624	2,532	798
	5,624	**2,532**	**798**

	For the year ended 31 March 2017	For the year ended 31 March 2016
29 Revenue from operations		
Sale of goods	2,339,578	2,624,753
Regasification services	115,498	87,072
Other operating revenues	6,527	1,518
	2,461,603	**2,713,343**
30 Other Income		
Interest income from financial assets measured at amortised cost		
- on bank deposits	1,727	2,389
- on shareholders' loan	166	151
Interest income other than above		
- on income tax refunds	1,838	1,034
- on others	564	2,603
Profit on sale of current Investments	7,161	9,406
Gain on fair value adjustment of Investments	12,463	-
Foreign exchange fluctuations (net)	8,631	520
Excess provision/ liability written back	618	0.42
Miscellaneous income	1,496	1,231
	34,664	**17,334**
31 Cost of materials consumed		
Opening Stock of LNG	18,580	83,102
Add: Purchases	2,157,751	2,443,043
Less: Closing Stock of LNG	34,639	18,580
	2,141,692	**2,507,565**

(All amounts are in Rupees lac, unless otherwise stated)

		For the year ended 31 March 2017	For the year ended 31 March 2016
32	**Employee benefits expense**		
	Salaries and wages*	6,253	6,042
	Contribution to provident and other funds	695	649
	Staff welfare expenses	438	415
		7,386	**7,106**
	*Includes Commission to the Whole-time Directors Rs. 60 (Previous year Rs. 43)		
33	**Finance cost**		
	Interest on long term loans	19,924	22,867
	Interest on short term loans	6	7
	Other borrowing costs	1,035	1,001
		20,965	**23,875**
34	**Depreciation and amotisation expense**		
	Depreciation on tangible assets	36,495	31,690
	Amortisation on intangible assets	412	470
		36,907	**32,160**
35	**Other expenses**		
	Stores and spares consumed	2,742	1,464
	Power and fuel	15,498	17,404
	Repairs and maintenance:		
	- Buildings	460	296
	- Plant and machinery	1,098	1,158
	- Others	143	164
	Dredging expenses	4,902	3,996
	Rent	1,488	2,471
	Rates and taxes	1,388	1,190
	Insurance	1,261	1,509
	Travelling and conveyance	1,702	1,603
	Legal, professional and consultancy charges	1,458	1,433
	Fair value losses on derivatives not designated as hedges	10,004	467
	Provision for doubtful debts	4,142	-
	Directors' sitting fees	18	25
	Directors' commission (other than whole time Directors)	24	16
	Charity and donation	17	13
	Loss on sale/ write off of property, plant and equipment (net)	11	13
	Corporate social responsibility (Refer note 44)	438	597
	Others expenses	6,504	6,228
	Total	**53,298**	**40,047**

(All amounts are in Rupees lac, unless otherwise stated)

36 Earning per share	For the year ended 31 March 2017	For the year ended 31 March 2016
Profit/ (loss) for the period	170,567	91,326
Weighted average number of equity shares of Rs. 10/- each (In lacs)	7,500	7,500
EPS - Basic and Diluted	**22.74**	**12.18**

37 Contingent liabilities, contingent assets and commitments

A. Commitments

a. Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for Rs. 31,839 (as on 31 March 2016 Rs. 40,497 and 1 April 2015 Rs. 108,476).

b. The Company has entered into following long term LNG purchase agreements:

a. 8.5 MMTPA with RasGas Company Limited, Qatar for a period upto April 2028.

b. 1.44 MMTPA with Mobil Australia Resources Company PTY Ltd, who have commenced supply since January 2017 for a period upto 2035.

Since the Company has entered into materially back to back sale agreements against the above purchase agreements, there is no foreseeable loss on these agreements as on the balance sheet date. The Company has issued Standby Letter of Credit of Rs. 285,412 (Rs. 591,981 as on 31 March 2016 and Rs. 512,667 as on 31 March 2015) to RasGas Company Limited and Rs 18,195 (Rs. Nil as on 31 March 2016 and Rs. Nil as on 31 March 2015) to Mobil Australia Resource Company PTY Ltd against the Long Term Purchase Agreements.

B. Contingent Liabilities

a. The Collector of Electricity Duty, Gandhinagar (Gujarat) had issued notices classifying the business activities of the Company as “Storage(HTP-IIA)” instead of “Industrial Undertaking (HTP I)” and hence levied Electricity Duty @ 45% instead of 20% of the consumption charges and charging 70 paise per unit on the power generated by the Company for its own consumption. The Company has challenged the legality and validity of the notices by way of writ petitions before the Hon'ble High Court of Gujarat. Meanwhile the Company continues to make payment of Electricity Duty @15%(Revised rate of HTP-I) on the basis of the stay order granted by the Hon'ble High Court. The High Court vide order dated 1 July 2014 has set aside the notice and quashed the supplementary bill/demand notice and remanded the case back to the Collector of Electricity Duty, Gandhinagar to decide the nature of undertaking of the Company. The Company has made its oral and written submissions before the Collector of Electricity Duty, Gandhinagar and the order is awaited. The total contingent liability till 31 March, 2017 calculated on the differential payable i.e. 25% (Revised rates for “HTP-II A”) as classified by GEB and what is actually paid by Company on “HTP-I” rate i.e. 15%) is Rs. 3,637 (as on 31 March 2016 Rs. 2,668 and as on 1 April 2015 Rs. 2,251) .

b. The Company has filed a writ petition before the Hon'ble Gujarat High Court challenging the legality and correctness of the notice dated 1 April 2006 from the Collector of Stamps, Bharuch stating that pursuant to the amendment to Section 24 of the Bombay Stamp Act, 1958, the Company is required to pay stamp duty @ Re.1 per Rs.1000/ or part thereof of the value mentioned in the Delivery Order of the goods imported through ports in Gujarat. The Hon’ble High Court of Gujarat vide its order dated 24 February 2010 has quashed the notice issued by the Stamp Authorities. Stamp authorities have filed Special Leave Petition (SLP) in Hon'ble Supreme Court against the same and the case is pending as on 31 March 2017. The contingent liability from the effective date of amendment i.e. 1 April 2006 till 31 March 2017 on the CIF value is estimated at Rs. 19,408. (Previous year till 31 March 2016 is Rs. 17,421 and as on 1 April 2015 is Rs.15,258).

c. The Company has received refund of Rs. 112, Rs. 284 and Rs. 346 from Customs department vide CESTAT order dated 7 November 2013, 9 September 2011 and 31 May 2010 respectively mainly pertaining to custom duty on short landing of LNG. The Custom Authorities have filed appeal against the order of the CESTAT with the Hon’ble High court of Gujarat and the outcome of the case is pending as on 31 March 2017.

(All amounts are in Rupees lac, unless otherwise stated)

d. Taxes and duties recoverable includes custom duty recoverable amounting to Rs. 959 (relating to short lending of LNG under spot purchase agreement. The company has received favourable order for the above issue from Commissioner (Appeals) and CESTAT. However, the refund of the amount has been denied by department and Commissioner (Appeals) on the ground of time barred refund application. The company has preferred an appeal against the above order with CESTAT, the outcome of which is pending as on 31 March 2017.

e. The company had received demand for vessel hire charges under Section 65(105)(zzzzj) of the Finance Act, 1994 (as amended) – "Supply of Tangible Goods for Use" for the period 16 May 2008 to 30 September 2009 amounting Rs. 4,005 (including Interest). The company had paid the demand under protest to the department. The Commissioner of the Service Tax, vide Order dated 6 March 2012 has confirmed the demand. The Company has preferred an appeal before CESTAT against the above order and received favourable order in the above case on 24 October 2013. The department has prefered an appeal against the CESTAT order before the Hon'ble Supreme Court. Subsequently refund including interest was received from department pending adjudication of the case. The case is pending before the Hon'ble Supreme Court as on 31 March 2017. Further, the company has filed writ petition in Hon'ble High Court for the rectification of the amount of interest granted to the company.

f. The Company has cases pending with Service Tax Department at various levels pertaining to applicability of service tax on charges paid for External Commercial Borrowings. Amount involved in such cases is Rs. 848 (as on 31 March 2016 Rs. 913 and as on 1 April 2015 Rs 479).

g. The Principal Commissioner of service tax has issued order against the company regarding service tax demand on boil off quantity of LNG during regasification process (for the period April 2009 to March 2015) amounting to Rs. 1,780. The company paid the demand under protest of Rs. 3,265 (including interest and penalty). Further, the company had suo moto additionally paid service tax and interest amounting to Rs. 1,484 for the period April'15 – March'17. The company has preferred an appeal against the said orders with CESTAT and the matter is pending for hearing as on 31 March 2017.

h. The Company has filed Service Tax Refund Application for services availed in the Special Economic Zone for the LNG Terminal at Kochi, amounting to Rs.1,668 (as on 31 March 2016 Rs. 1,924 and as on 1 April 2015 Rs 1,919), out of which Rs.774 (as on 31 March 2016 Rs. 774 and as on 1 April 2015 Rs 774) is pending before the CESTAT level and Rs. 893 (as on 31 March 2016 Rs. 1,150 and as on 1 April 2015 Rs 1,145) is at Assistant Commissioner level.

i. The sales tax department has issued show cause notice dated 11 February 2016 claiming sales tax amounting to Rs 7,985 against the high seas sales transaction made by the company. The reply against the show cause notice is submitted by the company and the matter is pending for adjudication.

j. There are certain claims of Rs. 18,362 (as on 31 March 2016 Rs. 18,362 and as on 1 April 2015 Rs. 18,362) made by a Contractor against capital works for which the Company has also made certain counter claims. As per the terms of the contract, Independent expert's opinion is being sought and pending the settlement of liability, claims are not determinable and therefore no provision has been made in the books.

k. The Company has filed Service Tax Refund Application for services availed in the Special Economic Zone for the LNG Terminal at Kochi, amounting to Rs.1,668 (as on 31 March 2016 Rs. 1,924 and as on 1 April 2015 Rs 1,919), out of which Rs. 774 (as on 31 March 2016 Rs. 774 and as on 1 April 2015 Rs 774) is pending before the CESTAT level and Rs. 893 (as on 31 March 2016 Rs. 1,150 and as on 1 April 2015 Rs 1,145) is at Assistant Commissioner level.

l. The Company had entered into a lease agreement with Cochin Port Trust (CPT) for 33.4015 hectare of land for building and operating port and regasification facility at Kochi. CPT has raised demand for enhanced lease rent (almost 10 times), by quoting the order of Tariff Authority for Major Ports (TAMP) dated 10 June 2010. CPT has invoked arbitration and claimed Rs. 4,258 (as on 31 March 2016 Rs. 4,258 and as on 1 April 2015 Rs. 4,258). Further, an additional demand amounting to Rs. 2,000 (as on 31 March 2016 Rs. 2,000 and as on 1 April 2015 Rs. 2,000) has been raised by CPT for usage of dredged sand by the Company. PLL has been contesting the increase in lease rent as well as dredging sand claims. As such, the matter has been referred to Arbitration. Pending the outcome of arbitration proceedings, liability against the claims, if any, is not determinable and therefore no provision has been made in the books.

m. The Company is eligible for deduction under section 80IA of the Income Tax Act, 1961, with respect to power generation and port undertakings at Dahej. The assessing officer has disallowed deduction under Section 80-IA of Rs 7,237 for assessment years 2009-10, 2010-11 and 2011-12 against which the Company has received favourable order from CIT(A) for the abovementioned years. The Income tax department has preferred an appeal with ITAT against this order of CIT(A), the outcome of which is pending to be received as on 31 March 2017.

n. The Assessing officer has raised income tax demand of Rs. 1,244 vide its order dated 20 March 2015 w.r.t. assessment year 2008-09. The Company has filed an appeal against the same with CIT (A) which has reduced the amount of demand from Rs. 1244 to Rs. 206 (as on 31 March 2016 Rs. 1,244 and as on 1 April 2015 Rs. 1,244). The company has preferred an appeal with ITAT against the disallowance, the final outcome of which is pending as on 31 March 2017.

C. Contingent Assets

The Company has no contingent assets as at 31 March 2017, 31 March 2016 and 1 April 2015.

38 Segment information

Segment information is presented in respect of the company's key operating segments. The operating segments are based on the company's management and internal reporting structure.

Operating Segments

The Company's Board of Directors have been identified as the Chief Operating Decision Maker ('CODM'), since they are responsible for all major decision w.r.t. the preparation and execution of business plan, preparation of budget, planning, expansion, alliance, joint venture, merger and acquisition, and expansion of any new facility.

Board of Directors reviews the operating results at plant level i.e. Kochi, and Dahej to make decisions about resources to be allocated to each segment and to assess its performance. Accordingly, management has identified Kochi and Dahej as two operating segments for the Company.

However, operating segments often exhibit similar long-term financial performance if they have similar economic characteristics. For example, similar long-term average gross margins for two operating segments would be expected if their economic characteristics were similar.

Management believes that Dahej and Kochi plants will have similar long term financial performance. Accordingly, considering the fact Dahej and Kochi plants are similar in all the characteristics and have similar economic characteristics, the two operating segments will fulfill the criteria of aggregation and hence not required to be reported separately.

Accordingly, there is only one Reportable Segment for the Company which is "Natural Gas Business", hence no specific disclosures have been made.

(All amounts are in Rupees lac, unless otherwise stated)

Entity wide disclosures

A. Information about products and services

Company primarily operates in one product line, therefore product wise revenue disclosure is not applicable.

B. Information about geographical areas

The major sales of the Company are made to customers which are domiciled in India. Also, all the non-current assets of the Company other than financial instruments, deferred tax assets, post-employment benefit assets are located in India.

C. Information about major customers (from external customers)

The Company derives revenues from the following customers which amount to 10 per cent or more of an entity's revenues:

Customer	For the year ended 31 March 2017	For the year ended 31 March 2016
GAIL	1,257,692	1,231,192
IOCL	715,728	913,864
BPCL	293,998	379,241

39 Leases

Operating lease

The Company has non-cancellable operating leases agreements for taking 3 vessels on lease. The lease periods are in the range of 19-25 years which can further be renewed for a period of 2-5 years.

Further, the company has cancellable operating lease agreement in respect of office premises and guesthouse having lease period 11 months to 3 years..

Commitments for minimum lease payments in relation to the above lease arrangements are payable as follows:

	31 March 2017	31 March 2016	31 March 2015
Within one year	70,428	59,690	50,863
Later than one year but not later than five years	285,029	292,065	263,139
Later than five years	776,629	872,747	895,519
	1,132,086	**1,224,502**	**1,209,521**

Amounts recognised in profit and loss account

	Note No.	For the year ended 31 March 2017	For the year ended 31 March 2016
Cost of Goods Sold	31	64,357	55,589
Rent expense	34	1,488	2,471
		65,845	**58,060**

40 The Company has not received information from suppliers or service providers, that they are covered under the Micro, Small and Medium Enterprises (Development) Act, 2006. The information required to be disclosed under the Micro, Small and Medium Enterprises (Development) Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

41 Employee benefits

The Company contributes to the following post-employment defined benefit plans in India.

(i) Defined Contribution Plans:

The Company makes contributions towards provident fund and superannuation fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

	For the year ended	
	31 March 2017	**31 March 2016**
Contribution to Govt. Provident Fund	266	270
Contribution to Superannuation Fund	332	314

(ii) Defined Benefit Plan:

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to Group Gratuity cum Life Assurance Schemes administered by the LIC of India.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2017. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

A. Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

	31 March 2017	**31 March 2016**	**1 April 2015**
Net defined benefit liability			
Liability for Gratuity	1	29	-
Total employee benefit liabilities	**1**	**29**	**-**
Non-current	-	-	-
Current	1	29	-

(All amounts are in Rupees lac, unless otherwise stated)

B. Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) /liability and its components:

	31 March 2017			31 March 2016		
	Defined benefit obligation	**Fair value of plan assets**	**Net defined benefit (asset)/ liability**	**Defined benefit obligation**	**Fair value of plan assets**	**Net defined benefit (asset)/ liability**
Balance as at 1 April	504	(475)	29	382	(413)	(31)
Included in profit or loss						
Current service cost	75	-	75	68		68
Interest cost (income)	40	(38)	2	30	(33)	(3)
	115	(38)	77	98	(33)	65
Included in OCI						
Remeasurements loss (gain)						
– Actuarial loss (gain) arising from:						
- financial assumptions	24		24			-
- experience adjustment	(11)		(11)	63		63
	13	-	13	63	-	63
Other						
Contributions paid by the employer		(118)	(118)		(68)	(68)
Benefits paid	(20)	20	-	(39)	39	-
	(20)	(98)	(118)	(39)	(29)	(68)
Balance as at 31 March	**612**	**(611)**	**1**	**504**	**(475)**	**29**

C. Plan assets

	31 March 2017	**31 March 2016**	**1 April 2015**
Funds Managed by Insurer (investment with insurer)	100%	100%	100%

On an annual basis, an asset-liability matching study is done by the Company whereby the Company contributes the net increase in the actuarial liability to the plan manager in order to manage the liability risk.

D. Actuarial assumptions

a) Economic assumptions

The principal assumptions are the discount rate and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. Valuation assumptions are as follows which have been selected by the company.

(All amounts are in Rupees lac, unless otherwise stated)

	31 March 2017	31 March 2016	1 April 2015
Discount rate	7.68 %	8.00 %	7.75 %
Expected rate of future salary increase	5.50 %	5.50 %	5.25 %

b) Demographic assumptions

	31 March 2017	31 March 2016	1 April 2015
i) Retirement age (years)	60	60	60
ii) Mortality rates inclusive of provision for disability	100% of IALM (2006-08)		
iii) Ages	Withdrawal rate (%)	Withdrawal rate (%)	Withdrawal rate (%)
Upto 30 years	3.00%	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%	2.00%
Above 44 years	1.00%	1.00%	1.00%

E. Maturity Profile of defined benefit obligation:

Year	Amount
Within 1 Year	41
1-2 Year	10
2-3 Year	10
3-4 Year	23
4-5 Year	43
More than 5 Year	484

The company expects to contribute Rs. 90 lac to gratuity fund during next financial year

F. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	31 March 2017		31 March 2016	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(36)	40	(30)	33
Expected rate of future salary increase (1% movement)	40	(37)	34	(31)

Senstivities due to mortality and withdrawals are not material and hence impact of change not calculated.

Senstivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

(iii) Other long-term employee benefits:

During the year ended 31 March 2017, the Company has incurred an expense on compensated absences amounting to Rs. 100 (previous year Rs. 148). The Company determines the expense for compensated absences basis the actuarial valuation of plan assets and the present value of the obligation, using the Projected Unit Credit Method.

(All amounts are in Rupees lac, unless otherwise stated)

42 Related parties

A. Related parties and their relationships

i. Joint Venturer (Promoters)

Indian Oil Corporation Limited (IOCL)

Bharat Petroleum Corporation Limited (BPCL)

Oil and Natural Gas Corporation Limited (ONGC)

GAIL (India) Limited (GAIL)

Joint Ventures/ Associates in which Joint Venturer is a Venturer

ONGC Petro additions Limited (OPAL)

Indraprastha Gas Limited (IGL)

Mahanagar Gas Limited (MGL)

Dahej SEZ Ltd (DSL)

ii. Joint Venture

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

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

iii. Key Managerial Personnel (KMP)

Sh. K. D. Tripathi

Sh. Prabhat Singh

Sh. Rajender Singh

Sh. R K Garg

Sh. D. K. Sarraf

Sh. S. Varadarajan

Sh. Debasis Sen

Sh. Subir Purkayastha

Mr. Philip Olivier

Sh. Arun Kumar Misra

Sh. Sushil Kumar Gupta

Dr. Jyoti Kiran Shukla

(All amounts are in Rupees lac, unless otherwise stated)

B. **Transactions with the above in the ordinary course of business**

Nature of Transaction	Party Name	For the year ended	
		31 March 2017	31 March 2016
Sale of RLNG	GAIL	1,257,692	1,231,192
	IOCL	715,728	913,864
	BPCL	293,998	379,241
	OPAL	4,442	6,201
	IGL	-	553
	MGL	-	1,600
	Total	**2,271,860**	**2,532,651**
Regasification Services and Other Services	GAIL	54,455	41,996
	IOCL	12,973	10,978
	BPCL	3,835	-
	ONGC	856	649
	OPAL	0.4	-
	Total	**72,119**	**53,623**
Interest Income	ILT 4	7	-
	Total	**7**	-
Advance received /(adjusted) against long term regas agreement	GAIL	(708)	12,500
	IOCL	(417)	7,500
	BPCL	(167)	5,000
	Total	**(1,292)**	**25,000**
Investment in Equity Shares	ILT4	7,438	-
	Total	**7,438**	-
Loans and Advances given/ (Reimbursments)	ILT 4	837	-
	ILT 4	(372)	-
	Total	**465**	-
Sitting fees/Commission to the Directors (other than whole time directors)	GAIL on behalf of Subir Purkayastha	1.4	1.2
	IOCL on behalf of Debasis Sen	1.2	0.8
	BPCL on behalf of S.Varadaranjan	0.2	1.6
	ONGC on behalf of D. K. Sarraf	2.2	3.2
	Arun Kumar Misra	10.9	9.6

(All amounts are in Rupees lac, unless otherwise stated)

Nature of Transaction	Party Name	For the year ended	
		31 March 2017	31 March 2016
	Jyoti Kiran Shukla	8.9	7.0
	Sushil Kumar Gupta	10.7	9.4
	Eric Elbin	-	0.6
	Total	**35.5**	**33.4**
Recovery of expenses	GAIL	1049	107
	IOCL	63	99
	BPCL	46	103
	APPPL	1	1
	Total	**1,159**	**310**
Reimbursement of expense to related party	GAIL	51	2
	IOCL	-	5
	BPCL	3	-
	APPPL	-	4
	ONGC	5,951	-
	Total	**6,005**	**11**
Payment of lease and related services	IOCL	589	481
	DSL	-	41
	ILT 4	5,732	-
	Total	**6,321**	**522**
Provision for Doubtful Debts	GAIL	4,142	
	Total	**4,142**	-

Remuneration to Key Managerial Personnel		
a) short-term employee benefits	251	224
b) post-employment benefits	21	25
c) other long-term benefits	10	21
d) termination benefits	-	-
Total	**282**	**270**

(All amounts are in Rupees lac, unless otherwise stated)

Nature of Transaction	Party Name	As at		
		31 March 2017	31 March 2016	31 March 2015
Amount recoverable at year end	GAIL*	66,642	51,066	60,159
	IOCL	29,606	32,038	40,160
	BPCL	10,344	12,479	15,120
	APPPL	-	-	3
	ILT4	440	-	-
	Total	**107,032**	**95,583**	**115,442**
Amount Payable at year end	GAIL	6	-	-
	IOCL	-	5	36
	BPCL	2	-	-
	ONGC	0.2	0.2	1
	ILT4	1544	-	-
	Total	**1,552**	**5**	**37**
Advances Outstanding at year end	GAIL	49,416	50,000	39,264
	IOCL	29,583	30,000	22,500
	BPCL	19,855	20,000	15,000
	Dahej SEZ	3	-	-
	Total	**98,857**	**100,000**	**76,764**

* The amount recoverable is net of provision for doubtful debts of Rs 4,142 lac (Nil as on 31 March 2016 and Nil as on 31 March 2015)

The transactions were made on normal commercial terms and conditions and at market rates.

43 Remuneration to Auditor (exclusive of Service Tax)

Particulars	**For the year ended**	
	31 March 2017	**31 March 2016**
Statutory Audit Fee (including limited review fees)	20	18
Tax audit and Audit U/s 80IA	7	7
Taxation Services	8	5
Fees for certification	8	12
Reimbursement of expenses	1	1
Total	**44**	**44**

(All amounts are in Rupees lac, unless otherwise stated)

44 Corporate Social Responsibility

a. Amount required to be spent by the Company on Corporate Social Responsibility (CSR) activities during the year was Rs. 2,160 lac (Previous year Rs. 2,506)

b. Corporate Social Responsibility (CSR) activities undertaken during the year is Rs. 438 lac [406 has been paid in cash and Rs. 32 is yet to be paid in cash].

45 Financial instruments – Fair values and risk management

I. Fair value measurements

A. Financial instruments by category

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial assets						
Non-current investments	0.13	-	0.13	-	0.13	-
Loans	-	2,267	-	1,866	-	1,776
Other non-current financial assets	15,881	1,403	25,885	1,343	26,352	1,760
Current investments	277,073	-	-	-	-	-
Trade receivables	-	121,079	-	98,852	-	134,277
Cash and cash equivalents	-	32,099	-	217,671	-	35,583
Bank balances other than above	-	635	-	618	-	626
Other current financial assets	-	28	-	126	-	37
	292,954	**157,511**	**25,885**	**320,476**	**26,352**	**174,059**
Financial liabilities						
Borrowings	-	145,003	-	223,293	-	256,870
Trade payables	-	94,460	-	77,213	-	32,091
Other financial liabilities	-	88,481	-	54,512	-	68,851
	-	**327,944**	**-**	**355,018**	**-**	**357,812**

B. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

(a) recognised and measured at fair value and

(b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

(All amounts are in Rupees lac, unless otherwise stated)

Financial assets and liabilities measured at fair value - recurring fair value measurements

	As at 31 March 2017			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial Investments at FVTPL				
Investments				
Equity Shares	-	-	0.13	0.13
Mutual funds	277,073	-	-	277,073
Cross currency interest rate swaps	-	15,881	-	15,881
Total financial assets	**277,073**	**15,881**	**0.13**	**292,954**

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

	As at 31 March 2017			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Loans	-	-	2,267	2,267
Other non-current financial assets	-	-	1,403	1,403
Trade receivables	-	-	121,079	121,079
Cash and cash equivalents	-	-	32,099	32,099
Bank balances other than above	-	-	635	635
Other current financial assets	-	-	28	28
Total financial assets	**-**	**-**	**157,511**	**157,511**
Financial liabilities				
Borrowings	-	-	145,003	145,003
Trade payables	-	-	94,460	94,460
Other financial liabilities	-	-	88,481	88,481
Total financial liabilities	**-**	**-**	**327,944**	**327,944**

Financial assets and liabilities measured at fair value - recurring fair value measurements

	As at 31 March 2016			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial Investments at FVPL				
Investments				
Equity Shares	-	-	0.13	0.13
Mutual funds	-	-	-	-
Cross currency interest rate swaps	-	25,885	-	25,885
Total financial assets	**-**	**25,885**	**0.13**	**25,885**

(All amounts are in Rupees lac, unless otherwise stated)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

	As at 31 March 2016			
	Level 1	Level 2	Level 3	Total
Financial assets				
Loans	-	-	1,866	1,866
Other non-current financial assets	-	-	1,343	1,343
Trade receivables	-	-	98,852	98,852
Cash and cash equivalents	-	-	217,671	217,671
Bank balances other than above	-	-	618	618
Other current financial assets	-	-	126	126
Total financial assets	**-**	**-**	**320,476**	**320,476**
Financial liabilities				
Borrowings	-	-	223,293	223,293
Trade payables	-	-	77,213	77,213
Other financial liabilities	-	-	54,512	54,512
Total financial liabilities	**-**	**-**	**355,018**	**355,018**

Financial assets and liabilities measured at fair value - recurring fair value measurements

	As at 1 April 2015			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial Investments at FVPL				
Investments				
Equity Shares	-	-	0.13	0.13
Mutual funds	-	-	-	-
Cross currency interest rate swaps	-	26,352	-	26,352
Total financial assets	**-**	**26,352**	**0.13**	**26,352**

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

	As at 1 April 2015			
	Level 1	Level 2	Level 3	Total
Financial assets				
Loans	-	-	1,776	1,776
Other non-current financial assets	-	-	1,760	1,760
Trade receivables	-	-	134,277	134,277
Cash and cash equivalents	-	-	35,583	35,583
Bank balances other than above	-	-	626	626
Other current financial assets	-	-	37	37
Total financial assets	**-**	**-**	**174,059**	**174,059**

(All amounts are in Rupees lac, unless otherwise stated)

	As at 1 April 2015			
	Level 1	Level 2	Level 3	Total
Financial liabilities				
Borrowings	-	-	256,870	256,870
Trade payables	-	-	32,091	32,091
Other financial liabilities	-	-	68,851	68,851
Total financial liabilities	**-**	**-**	**357,812**	**357,812**

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-thecounter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

There are no transfers between level 1 and level 2 during the year

Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:
- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in level 2 except for unlisted equity securities and preference shares, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

Fair value measurements using significant unobservable inputs (level 3)

	Unlisted equity shares	
	31 March 2017	31 March 2016
Opening balance	0.13	0.13
Acquisitions	-	-
Gains/losses recognised in profit or loss	-	-
Closing balance	**0.13**	**0.13**

Valuation process

The amount invested and fair value of unquoted equity shares as on 31 march 2017, 31 March 2016 and 2015 is Rs 0.13. The fair value is determined using level 3 input i.e. discounted cash flows.

(All amounts are in Rupees lac, unless otherwise stated)

C. Fair value of financial assets and liabilities measured at amortised cost

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets						
Loans	2,267	2,267	1,866	1,866	1,776	1,776
Other non-current financial assets	1,403	1,403	1,343	1,343	1,760	1,760
Trade receivables	121,079	121,079	98,852	98,852	134,277	134,277
Cash and cash equivalents	32,099	32,099	217,671	217,671	35,583	35,583
Bank balances other than above	635	635	618	618	626	626
Other current financial assets	28	28	126	126	37	37
	157,511	**157,511**	**320,476**	**320,476**	**174,059**	**174,059**
Financial liabilities						
Borrowings	145,003	145,003	223,293	223,293	256,870	256,870
Trade payables	94,460	94,460	77,213	77,213	32,091	32,091
Other financial liabilities	88,481	88,481	54,512	54,512	68,851	68,851
	327,944	**327,944**	**355,018**	**355,018**	**357,812**	**357,812**

The carrying amounts of trade receivables, trade payables, capital creditors, cash and cash equivalents, current maturities of long term debt, unpaid dividend, and other payable for capital goods are considered to be the same as their fair values, due to their short-term nature.

The fair values for loans were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

II. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk

(All amounts are in Rupees lac, unless otherwise stated)

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

i. Credit risk

The Company has made investments in Debt based Mutual Funds. These Mutual funds invests in NCD / Bonds / CP / CD of various companies and banks. In case, the investee company defaults on repayment, such losses may have to be borne by the investors of Mutual funds.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate. Further details of concentration of revenue are included in Note 38(C).

Company takes Stand by Letter of Credit (SBLC) from each of the customer with which the Company deals with the exception of its Promoters namely BPCL, GAIL, IOCL and ONGC. Option to take SBLC from Promoter is also being explored by the company.

The Company establishes an allowance for impairment that represents its estimate of expected credit losses in respect of trade and other receivables. Basis the evaluation, the management has determined that there are credit impairment loss on the trade and other receivables.

The gross carrying amount of trade receivables is Rs. 125,221 (31 March 2016 – Rs. 98,852, 1 April 2015 – Rs.134,277).

During the period, the Company has made no write-offs of trade receivables. The Company management also pursue all options for recovery of dues wherever necessary based on its internal assessment.A default on a financial asset is when counterparty fails to make payments within 365 days when they fall due.

(All amounts are in Rupees lac, unless otherwise stated)

Reconciliation of loss allowance provision – Trade receivables

	31 March 2017	31 March 2016	1 April 2015
Opening balance	-	-	-
Changes in loss allowance calculated at life time expected credit losses	4,142	-	-
Closing balance	**4,142**	**-**	**-**

ii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in the operating companies of the Company in accordance with practice and limits set by the Company. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

(a) Financing arrangements

The group had access to the following undrawn borrowing facilities at the end of the reporting period:

		As at	
	31 March 2017	31 March 2016	1 April 2015
Floating rate			
Expiring within one year (bank overdraft and other facilities)			
- Fund/ Non fund based (secured)	326,232	234,294	274,058
- Fund/ Non fund based (unsecured)	329,042	347,012	326,360
Expiring beyond one year (bank loans)	-	83,463	228,825
Total	**655,274**	**664,769**	**829,243**

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in INR and have an average maturity of 1 year (as at 31 March 2016 - 1 year and as at 1 April 2015 - 1 year).

(b) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and excluding contractual interest payments and exclude the impact of netting agreements.

(All amounts are in Rupees lac, unless otherwise stated)

	Carrying Amount 31 March 2017	Contractual cash flows					
		upto 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 year	Total
Non-derivative financial liabilities							
Borrowings	145,003	-	-	71,663	71,040	2,300	145,003
Trade payables	94,460	94,460	-	-	-	-	94,460
Current maturities of long term debt- other parties	76,797	19,748	57,049	-	-	-	76,797
Interest accrued but not due on borrowings	5,874	2,013	3,861	-	-	-	5,874
Unpaid dividend	635	635	-	-	-	-	635
Other payables for:							-
- Capital goods	5,064	5,064	-	-	-	-	5,064
- Security deposits / Retention money	111	17	71	-	23	-	111
Total non-derivative liabilities	**327,944**	**121,937**	**60,981**	**71,663**	**71,063**	**2,300**	**327,944**

	Carrying Amount 31 March 2016	Contractual cash flows					
		upto 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 year	Total
Non-derivative financial liabilities							
Borrowings	223,293	-	-	77,393	139,460	6,440	223,293
Trade payables	77,213	77,213	-	-	-	-	77,213
Current maturities of long term debt- other parties	38,162	18,912	19,250	-	-	-	38,162
Interest accrued but not due on borrowings	5,882	2,023	3,859	-	-	-	5,882
Unpaid dividend	618	618	-	-	-	-	618
Other payables for:							-
- Capital goods	9,732	9,732		-	-	-	9,732
- Security deposits / Retention money	118	1	75	12	30	-	118
Total non-derivative liabilities	**355,018**	**108,499**	**23,184**	**77,405**	**139,490**	**6,440**	**355,018**

(All amounts are in Rupees lac, unless otherwise stated)

	Carrying Amounts 1 April 2015	Contractual cash flows					
		upto 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 year	Total
Non-derivative financial liabilities							
Borrowings	256,870	-	-	36,850	209,900	10,120	256,870
Trade payables	32,091	32,091	-	-	-	-	32,091
Current maturities of long term debt- other parties	32,902	14,645	18,257	-	-	-	32,902
Interest accrued but not due on borrowings	5,865	2,030	3,835	-	-	-	5,865
Unpaid dividend	626	626	-	-	-	-	626
Other payables for:							-
- Capital goods	27,602	27,602	-	-	-	-	27,602
- Security deposits / Retention money	1,856	72	1,644	17	47	76	1,856
Total non-derivative liabilities	**357,812**	**77,066**	**23,736**	**36,867**	**209,947**	**10,196**	**357,812**

The inflows / (outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity.

The interest payments on variable interest rate loans and bond issues in the table above reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change.

iii. Market risk

Market risk is the risk that changes in market prices – such as commodity prices (LNG), foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

a) Price risk

To protect the company from fluctuation of commodity prices, same are passed through to the off-takers in long term contract. In spot or short term contract, they are generally pass through to the customers except in few cases, up to 2 cargo load, where the company keeps the commodity price risk with themselves to take benefit from market fluctuation.

(All amounts are in Rupees lac, unless otherwise stated)

b) Currency risk

PLL imports LNG mainly from Qatar and Australia through long term chartered vessels. The foreign exchange involved in making payment to LNG suppliers, loading port charges and shipper is recovered from off-taker / customer under sale contract, both long term and short term. For foreign currency loans taken by Company, the company has entered into derivative transaction at the time of draw down itself to protect from exchange losses. Company does not take any exposure on account of currency in Foreign Currency Loans. In respect of other payments on account of repair and capex of plant, operating expenses of plant and corporate offices etc. same are monitored on a regular basis to keep the open position at an acceptable level.

Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows:

As at 31 March 2017

	USD	EUR	AUD	GBP	JPY	SGD	NOK
Financial asset							
Loan	2,267	-	-	-	-	-	-
Cash and cash equivalents	4	-	-	-	-	-	-
Trade recievables	-	-	-	-	-	-	-
Derivative asset							
Cross current interest rate swaps	(15,881)	-	-	-	-	-	-
Net exposure to foreign currency risk(assets)	**(13,610)**	-	-	-	-	-	-
Borrowings	64,839	-	-	-	-	-	-
Trade payables	87,783	(7)	94	1	26	10	(7)
Other payables for Capital goods	743	-	-	-	-	-	-
Net statement of financial position exposure	**153,365**	**(7)**	**94**	**1**	**26**	**10**	**(7)**

As at 31 March 2016

	USD	EUR	AUD	GBP	JPY	SGD	NOK
Financial asset							
Loan	1,866	-	-	-	-	-	-
Cash and cash equivalents	5	-	-	-	-	-	-
Trade recievables	-	-	-	-	-	-	-
Derivative asset							
Cross current interest rate swaps	(25,885)	-	-	-	-	-	-
Net exposure to foreign currency risk(assets)	**(24,014)**	-	-	-	-	-	-
Borrowings	92,866	-	-	-	-	-	-
Trade payables	73,431	(104)	(48)	1	-	-	-
Other payables for Capital goods	3,330	-	-	-	-	-	-
Net statement of financial position exposure	**169,627**	**(104)**	**(48)**	**1**	-	-	-

(All amounts are in Rupees lac, unless otherwise stated)

As at 1 April 2015

	USD	EUR	AUD	GBP	JPY	SGD	NOK
Financial asset							
Loan	1,776	-	-	-	-	-	-
Cash and cash equivalents	4	-	-	-	-	-	-
Trade recievables	14,174	-	-	-	-	-	-
Derivative asset							
Cross current interest rate swaps	(26,352)	-	-	-	-	-	-
Net exposure to foreign currency risk(assets)	**(10,398)**	-	-	-	-	-	-
Borrowings	110,355	-	-	-	-	-	-
Trade payables	32,492	-	-	(16)	10	-	-
Other payables for Capital goods	6,971	-	-	-	-	-	-
Net statement of financial position exposure	**149,818**	-	-	**(16)**	**10**	-	-

Sensitivity analysis

A reasonably possible strengthening (weakening) of the INR against all other currencies at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Profit or loss, net of tax		Equity, net of tax	
	Strengthening	**Weakening**	**Strengthening**	**Weakening**
31 March 2017				
10% movement				
USD	9,139	(9,139)	9,139	(9,139)
EUR1	(0.4)	0.4	(0.4)	0.4
AUD	6	(6)	6	(6)
GBP	-	-	-	-
JPY	2	(2)	2	(2)
SGD	1	(1)	1	(1)
NOK	(0.5)	0.5	(0.5)	0.5
31 March 2016				
10% movement				
USD	13,494	(13,494)	13,494	(13,494)
EUR1	(7)	7	(7)	7
AUD	(3)	3	(3)	3
GBP	0.1	(0.1)	0.1	(0.1)

c) Interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company cash flow to interest rate risk. Company policy is to maintain most of its borrowings at fixed rate using interest rate swaps to achieve this when necessary especially if the borrowing is made in foreign currency. Company has some amount of loan taken from International Finance Corporation, which is at variable rate. The Company ensures that such amount is kept at an acceptable level. The investment of surplus funds made by company in debt based of mutual funds is also subject to this risk. Company makes investment in a manner which minimises such risk and also takes regular feedback from the market experts on such investments. The Company has also given loans to, India LNG Transport Company (No. 3) Limited, Malta and India LNG Transport Company (No. 4) Private Limited, Singapore, which are at Bank Rate and any change in Bank Rate will impact the earnings.

Exposure to interest rate risk

The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows.

	Nominal Amount		
	31 March 2017	**31 March 2016**	**1 April 2015**
Fixed-rate instruments			
Financial liabilities			
- Fixed rate borrowing	202,939	240,754	267,693
	202,939	**240,754**	**267,693**
Variable-rate instruments			
Financial assets			
- Loan	2,267	1,866	1,776
Financial liabilities			
- Variable rate borrowing	18,860	20,700	22,080
	21,127	**22,566**	**23,856**

		31 March 2017	
	Average interest rate	**Balance**	**% of total loans**
Financial Asset : Loan	7.00%	2,267	100%
Financial Liability: IFC "A loan"	8.64%	18,860	8.49%
		31 March 2016	
	Average interest rate	**Balance**	**% of total loans**
Financial Asset : Loan	8.13%	1,866	100%
Financial Liability: IFC "A loan"	10.61%	20,700	7.90%
		1 April 2015	
	Average interest rate	**Balance**	**% of total loans**
Financial Asset : Loan	8.92%	1,776	100%
Financial Liability: IFC "A loan"	11.86%	22,080	7.62%

(All amounts are in Rupees lac, unless otherwise stated)

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss, and the Company does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Profit or loss, net of tax		Equity, net of tax	
	100 bp increase	**100 bp decrease**	**100 bp increase**	**100 bp decrease**
31 March 2017				
Variable-rate instruments	(103)	103	(103)	103
Cash flow sensitivity (net)	**(103)**	**103**	**(103)**	**103**
31 March 2016				
Variable-rate instruments	(139)	139	(139)	139
Cash flow sensitivity (net)	**(139)**	**139**	**(139)**	**139**

A change of 100 basis points in interest rates would have increased or decreased equity by Rs. 103 lacs after tax (Previous year Rs. 139 lac). This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

46 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital on a yearly basis as well as the level of dividends to ordinary shareholders which is given based on approved dividend policy.

The board of directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position

47 First Time Adoption of Ind AS

As stated in note 2, these are the Company's first consolidated financial statements prepared in accordance with Ind AS

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind AS statement of financial position at 1 April 2015 (the

Company's date of transition). In preparing its opening Ind AS statement of financial position, the Company has adjusted amounts reported previously in financial statements prepared in accordance with Indian GAAP (previous GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A. Ind AS optional exemptions

(i) Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

(ii) Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material. The Company has elected to apply this exemption for such contracts / arrangements.

(iii) Investments in Joint venture:

Ind AS 101 permits a first-time adopter to choose the previous GAAP carrying amount at the entity's date of transition to Ind AS to measure the investment in the joint venture as the deemed cost.

Accordingly, the company has opted to measure its investment in subsidiary at deemed cost, i.e. previous GAAP carrying amount.

B. Ind AS mandatory exceptions

(i) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for Impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

(ii) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

(All amounts are in Rupees lac, unless otherwise stated)

C. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Reconciliation of equity

Particulars	Notes to first-time adoption	As at 1 April 2015			As at 31 March 2016		
		Previous GAAP*	Adjust-ments	Ind AS	Previous GAAP*	Adjust-ments	Ind AS
ASSETS							
Non-current assets							
Property, plant and equipment		693,202	-	693,202	680,367	-	680,367
Capital work-in-progress		74,690	-	74,690	155,048	-	155,048
Other intangible assets		1,057	-	1,057	687	-	687
Investments accounted for using equity method		9,000	-	9,000	9,000	-	9,000
Financial assets							
(i) Investments		0.13	-	0.13	0.13	-	0.13
(ii) Loans		1,776	-	1,776	1,866	-	1,866
(iii) Other non-current financial assets	1	1,558	26,553	28,111	1,343	25,885	27,228
Other non-current assets		30,252	-	30,252	9,827	-	9,827
Current assets							
Inventories		88,263	-	88,263	24,610	-	24,610
Financial assets							
(i) Trade receivables		134,277	-	134,277	98,852	-	98,852
(ii) Cash and cash equivalents	7	35,783	(200)	35,583	217,671	-	217,671
(iii) Bank balances other than (ii) above		626	-	626	618	-	618
(iv) Other current financial assets		37	-	37	126	-	126
Current tax assets (net)	8	9,760	798	10,558	12,413	798	13,211
Other current assets		7,544	-	7,544	3,502	-	3,502
Total Assets		**1,087,825**	**27,151**	**1,114,976**	**1,215,930**	**26,683**	**1,242,613**

(All amounts are in Rupees lac, unless otherwise stated)

Particulars	Notes to first-time adoption	As at 1 April 2015			As at 31 March 2016		
		Previous GAAP*	Adjust-ments	Ind AS	Previous GAAP*	Adjust-ments	Ind AS
EQUITY AND LIABILITIES							
Equity							
Equity share capital		75,000	-	75,000	75,000	-	75,000
Other equity	6	493,863	19,303	513,166	562,644	23,753	586,397
Non-current liabilities							
Financial liabilities							
(i) Borrowings	2	237,381	19,489	256,870	206,099	17,194	223,293
Long-term provisions		428	-	428	560	-	560
Deferred tax liabilities (net)	5	48,637	689	49,326	58,230	628	58,858
Other non-current liabilities		90,000	-	90,000	140,000	-	140,000
Current liabilities							
Financial liabilities							
(i) Trade payables		32,091	-	32,091	77,213	-	77,213
(ii) Other financial liabilities	2	63,979	4,872	68,851	47,635	6,877	54,512
Other current liabilities		27,514	-	27,514	23,263	-	23,263
Short-term provisions	3	18,932	(18,000)	932	23,552	(22,567)	985
Current tax liabilities (net)	8	-	798	798	1,734	798	2,532
Total Equity And Liabilities		**1,087,825**	**27,151**	**1,114,976**	**1,215,930**	**26,683**	**1,242,613**

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Reconciliation of total comprehensive income for the year ended 31 March 2016

Particulars	Notes to first-time adoption	Previous GAAP*	Adjust-ments	Ind AS
Revenue				
Revenue from operations		2,713,343		2,713,343
Other income	2	17,044	290	17,334
Total revenue (a)		**2,730,387**	**290**	**2,730,677**

(All amounts are in Rupees lac, unless otherwise stated)

Particulars	Notes to first-time adoption	Previous GAAP*	Adjust-ments	Ind AS
Expenses				
Cost of materials consumed		2,507,565	-	2,507,565
Employee benefits expense	4	7,169	(63)	7,106
Finance costs		23,875	-	23,875
Depreciation and amotization expense		32,160	-	32,160
Other expenses	1	39,579	468	40,047
Total Expenses (b)		**2,610,348**	**405**	**2,610,753**
Profit/ (loss) before tax (c = a-b)		**120,039**	**(115)**	**119,924**
Tax expense:				
Current tax		19,044	-	19,044
Deferred tax	5	9,593	(39)	9,554
Total tax expenses (d)		**28,637**	**(31)**	**28,598**
Profit/ (loss) for the period (A = c-d)		**91,402**	**(76)**	**91,326**
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Remeasurement of defined benefit plans	4	-	(63)	(63)
Income tax relateing to remeasurement of defined benefit plans	5	-	22	22
Total other comprehensive income for the period (B)		**-**	**(41)**	**(41)**
Total comprehensive income for the period (A + B)		**91,402**	**(117)**	**91,285**

Reconciliation of total equity as at 31 March 2016 and 1 April 2015

Particulars	Notes to first-time adoption	31 March 2016	1 April 2015
Total equity (shareholder's funds) as per previous GAAP		**637,644**	**568,863**
Adjustments:			
Impact on account of fair valuation of derivatives	1	(468)	26,353
Impact on account of restatement of of restatement of liability	2	290	(24,361)
Impact due to reversal of proposed dividend (including tax on the same)	3	4,567	18,000
Tax effects of adjustments	5	61	(689)
Total adjustments		**4,450**	**19,303**
Net impact brought forward from Opening balance sheet	6	19,303	-
Total equity as per Ind AS		**661,397**	**588,166**

(All amounts are in Rupees lac, unless otherwise stated)

Reconciliation of total comprehensive income for the year ended 31 March 2016

Particulars	Notes to first-time adoption	Amount
Profit after tax under India GAAP		**91,402**
Adjustments		
Impact on account of fair valuation of derivatives	1	(468)
Impact on account of restatement of of restatement of liability	2	290
Remeasurements of post-employment benefit obligations	4	63
Tax effects of adjustments	5	39
Total adjustments		(76)
Profit after tax as per Ind AS		**91,326**
Other Comprehensive Income		**(41)**
Total Comprehensive income for the year		**91,285**

Impact of Ind AS adoption on the statements of cash flows for the year ended 31 March 2016

Particulars	Notes to first-time adoption	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities		337,411	(8)	337,403
Net cash flow from investing activities		(85,385)	8	(85,377)
Net cash flow from financing activities		(69,938)	-	(69,938)
Net increase/(decrease) in cash and cash equivalents		182,088	-	182,088
Cash and cash equivalents as at 1 April 2015		35,583	-	35,583
Cash and cash equivalents as at 31 March 2016		**217,671**	**-**	**217,671**

D. Notes to first-time adoption:

1. Fair valuation of derivatives

Under the previous GAAP, in respect of external commercial borrowings the Company has entered into derivative contracts to hedge the loan repayment amount including interest. This has the effect of freezing the Rupee equivalent of this liability as reflected under the Borrowings.

Consequently, there is no restatement of the loan taken in foreign currency and there is no impact in the statement of Profit & Loss, arising out of exchange fluctuations for the duration of the loan

Under Ind AS, derivatives which are not designated as hedging instruments are fair valued with resulting changes being recognised in profit or loss. The fair valuation of swap resulted in a gain of Rs. 25,885 as at 31 March 2016 (1 April 2015 – Rs. 26,352). Consequently, the total equity as at 31 March 2016 increased by Rs. 16,927 (1 April 2015 - Rs. 17,232). The profit for the year (net of tax) ended 31 March 2016 decreased by Rs. 305 as a result of the fair value change on the swap.

(All amounts are in Rupees lac, unless otherwise stated)

2. Restatement of foreign currency liability

Under the previous GAAP, in respect of external commercial borrowings the Company has entered into derivative contracts to hedge the loan repayment amount including interest. This has the effect of freezing the Rupee equivalent of this liability as reflected under the Borrowings.

Consequently, there is no restatement of the loan taken in foreign currency and there is no impact in the statement of Profit & Loss, arising out of exchange fluctuations for the duration of the loan

Under Ind AS, all monetry items are required to be restated at the closing rate with the resulting changes being recognised in profit or loss. The restatement of monetary liability resulted in a loss of Rs. 24,071 as at 31 March 2016 (1 April 2015 – Rs. 24,361). Consequently, the total equity (net of tax) as at 31 March 2016 decreased by Rs. 15,740 (1 April 2015 - Rs. 15,930). The profit for the year ended 31 March 2016 increased by Rs. 190 as a result of the restatement of the liability.

3 Proposed dividend

Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend of Rs. 22,567 as at 31 March 2016 (1 April 2015 – Rs. 18,000) included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

4 Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year (net of tax) ended 31 March 2016 increased by Rs. 41. There is no impact on the total equity as at 31 March 2016.

5 Deferred tax

Deferred tax have been recognised on the adjustments made on transition to Ind AS.

6 Retained earnings

Retained earnings as at 1 April 2015 has been adjusted consequent to the above Ind AS transition adjustments.

PETRONET LNG LIMITED
NEW DELHI

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

Attendance Slip

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

DP. Id*	
Client Id*	

Folio No.	

Name and Address of the Shareholder :

Number of Share(s) held :

I certify that I/we are member/proxy for the member of the Company. I/we, hereby record my/our presence at the 19th (Nineteenth) Annual General Meeting of the Company to be held on Friday, the 15th day of September, 2017 at 10:00 A.M. at Manekshaw Centre, Khyber Lines, Delhi Cantonment, New Delhi - 110010.

Signature of the Shareholder(s) or Proxy
*Applicable for investor holding shares in electronic form.

PETRONET LNG LIMITED
NEW DELHI

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Form No. MGT-11 Proxy form

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

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

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

1. Name: ……………………   E-mail Id: ……………………

   Address: ……………………   Signature: ……………., or failing him

2. Name: ……………………   E-mail Id: ……………………

   Address: ……………………   Signature: ……………., or failing him

3. Name: ……………………   E-mail Id: ……………………

   Address: ……………………   Signature: …………….

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 19th (Nineteenth) Annual General Meeting of the Company, to be held on Friday, the 15th day of September, 2017 at 10:00 A.M. at Manekshaw Centre, Khyber Lines, Delhi Cantonment, New Delhi - 110010 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1……………………………………   2……………………………

3………………………………..   4………………………………..

5………………………………..   6………………………………..

7………………………………..   8………………………………..

9………………………………..   10……………………………

11………………………………..   12…………………………..

13………………………………..   14…………………………..

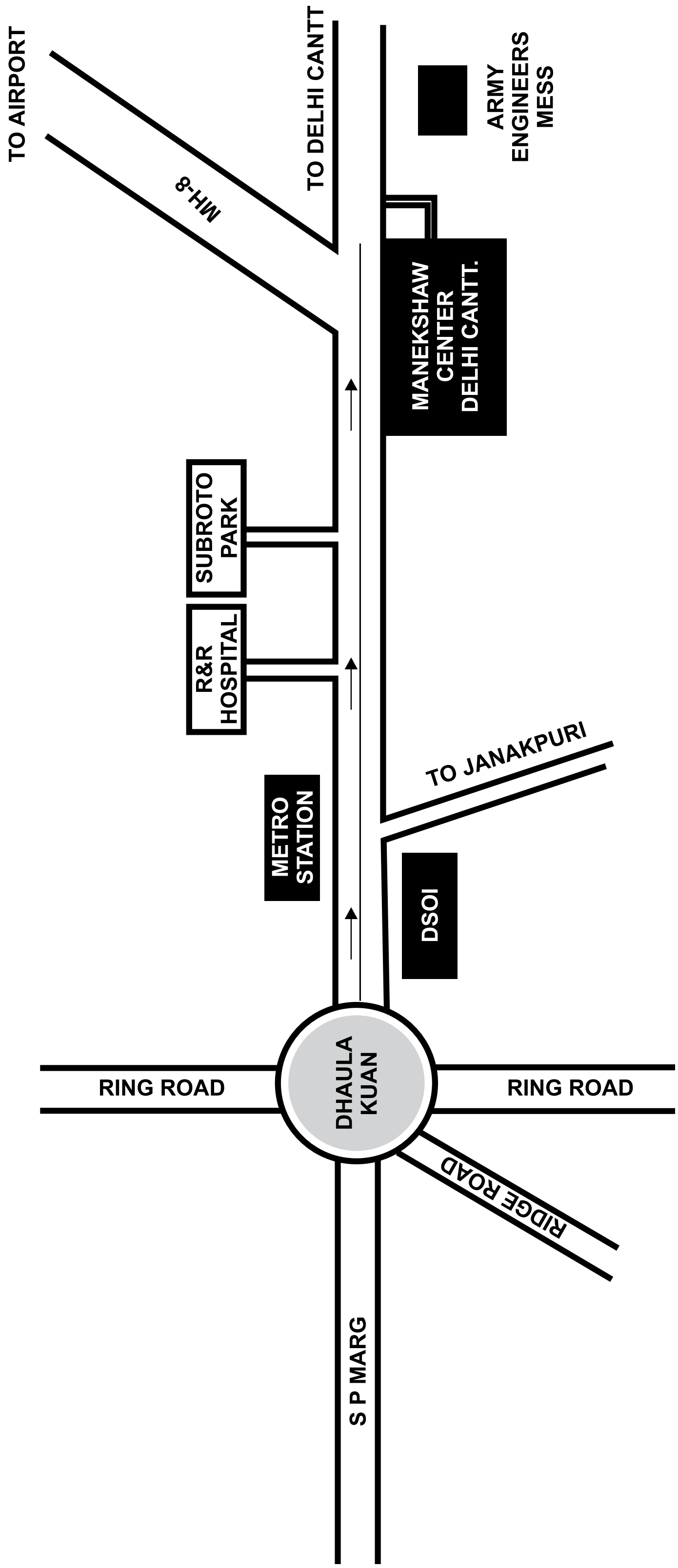
Signed this…… day of……… 2017

Signature of Shareholder

Signature of 1st Proxy holder(s)   Signature of 2nd Proxy holder(s)   Signature of 3rd Proxy holder(s)

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

GUIDE MAP OF MANEKSHAW CENTER DELHI CANTT.



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PETRONET LNG LIMITED

Petronet LNG Limited

Registered & Corporate Office
1st Floor, World Trade Center, Babar Road, Barakhamba Lane, New Delhi - 110 001, India
Tel: +91 - 11 - 2341 1411, 2347 2525, Fax: +91 - 11 - 2347 2550
www.petronetlng.com