

ANNUAL REPORT
2012-13



www.petronetlng.com

PETRONET LNG LIMITED
Board of Directors

Shri Vivek Rae	Chairman
Dr. A. K. Balyan	Managing Director & CEO
Shri R. K. Garg	Director (Finance)
Shri Rajender Singh	Director (Technical)
Shri B. C. Tripathi	Director
Shri R. K. Singh	Director
Shri Sudhir Vasudeva	Director
Shri A. M. K. Sinha	Director
Mr. Dominique PELLOUX-PRAYER	Director
Shri Tapan Ray	Director
Shri B. C. Bora	Director
Shri Ashok Sinha	Director
Shri R. Ram Mohan	Director

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Company Secretary

Shri K. C. Sharma

Statutory Auditors

M/s T. R. Chadha & Co.

Cost Auditor

M/s Sanjay Gupta & Associates

Registrar & Share Transfer Agent:

M/s Karvy Computershare Pvt. Ltd
Plot No. 17 to 24, Vittal Rao Nagar,
Madhapur, Hyderabad-500081
Tel. : 040-23312454 / 23320751 / 52
Fax : 040-23311968 / 23323049

Bankers and Financial Institutions:

Allahabad Bank
Asian Development Bank
Bank of Baroda
Bajaj Allianz Life Insurance Company Ltd.
Canara Bank
Citi Bank
Credit Agricole Corporate and Investment Bank
DBS Bank Ltd.
HDFC Bank Ltd.
ICICI Bank Ltd.
Indian Overseas Bank
International Finance Corporation (Washington)
Jammu & Kashmir Bank
Oriental Bank of Commerce
SA Proparco
State Bank of Hyderabad
State Bank of India
State Bank of Patiala
State Bank of Travancore
Syndicate Bank
The Hongkong & Shanghai Banking Corporation Ltd.

Registered Office:

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

Dahej LNG Terminal:

GIDC Industrial Estate, Plot No.7/A, Dahej,
Taluka : Vagra, Distt. Bharuch, Gujarat - 392130
Tel. : 02641- 257004 to 257007
Fax : 02641- 253179/300310/253182

Kochi LNG Project Site:

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

**PETRONET LNG LIMITED
NEW DELHI**

Registered Office: World Trade Centre, First Floor, Babar Road,
Barakhamba Lane, New Delhi -110 001

NOTICE OF 15TH ANNUAL GENERAL MEETING – 2013

NOTICE is hereby given that the 15th (Fifteenth) Annual General Meeting of the Members of Petronet LNG Limited (PLL) will be held on Thursday, the 4th day of July, 2013 at 10:00 A.M. at Air Force Auditorium, Subroto Park, Dhaula Kuan, New Delhi-110 010 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2013, Statement of Profit & Loss for the year ended 31st March, 2013, together with Report of Directors and Statutory Auditors thereon.
2. To declare a dividend for the financial year ended 31st March, 2013.
3. To appoint Directors in place of those retiring by rotation.
4. To appoint Statutory Auditors, fix their remuneration and in connection therewith, to pass with or without modification(s) the following resolution as Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 224A and other applicable provisions, if any, of the Companies Act, 1956, M/s T. R. Chadha & Co., Chartered Accountants (Regn. No.006711N), New Delhi, be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of the Fifteenth Annual General Meeting till the conclusion of the next Annual General Meeting at a remuneration of Rs. 10 Lacs plus out of pocket expenses and applicable service tax.”

SPECIAL BUSINESS

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

5. **“RESOLVED THAT** pursuant to Article 111 of Articles of Association of the Company and the provisions of Section 198, 269, 309 and the provisions of Schedule XIII and all other applicable provisions of the Companies Act, 1956 and subject

to approval of the Central Government, if required and such alterations / modifications, if any, that may be affected by the above mentioned body in that behalf, approval of the Members be and is hereby accorded to the appointment of Shri Rajender Singh as Director (Technical) for a period of five years w.e.f. 14th November, 2012 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 XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof.”

6. **“RESOLVED THAT** Shri Vivek Rae who has been appointed as an Additional Director of the Company by Board of Directors under Section 260 of the Companies Act, 1956 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 under Section 257 of the Companies Act, 1956, be and is hereby appointed as Director of the Company liable to retire by rotation.”

By Order of the Board
For Petronet LNG Limited



Place : New Delhi
Date : 29th May, 2013

(K. C. Sharma)
Company Secretary

NOTES:

1. The Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 in respect of the Item No. 4, 5 and 6 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 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.**
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.

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4. In terms of Article 108 of Article of Association of the Company, read with Section 256 of the Companies Act, 1956, Shri R. K. Singh, Shri A. M. K. Sinha, Shri Ashok Sinha and Shri B. C. Bora are liable to retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers themselves for re-appointment. However, in terms of their initial appointment, Shri Ashok Sinha and Shri B. C. Bora are eligible for re-appointment upto 29th June, 2014. In terms of provisions of Clause 49 of Listing Agreement, the brief resume of Shri R. K. Singh, Shri A. M. K. Sinha, Shri Ashok Sinha and Shri B. C. Bora forms part of notice.
5. All documents referred to the accompanying Notice and the Explanatory Statement(s) are open for inspection at the Registered Office of the Company during office hours on all working days except Saturday and Sunday between 11.00 a.m. to 1.00 p.m. up to the date of the Annual General Meeting.
6. Members / Proxies should bring the Attendance Slip duly filled for attending the Meeting.
7. Members are requested to bring their copies of the Annual Report to the Meeting.
8. Members holding Shares in physical mode are requested to notify the change in their Address / Bank Account / update e-mail ID to M/s Karvy Computershare Private Limited, Plot No. 17 to 24, Vittal Rao Nagar, Madhapur, Hyderabad - 500081, the Registrar & Share Transfer Agent (R & T Agent) of the Company.
9. Members holding shares in De-mat mode are requested to notify the change in their Address / Bank Account / update e-mail ID to their respective Depository Participant(s) (DPs).
10. Members must quote their Folio No. / De-mat Account No. in all correspondence with the Company / R&T Agent.
11. No gift will be distributed at the Annual General Meeting.
12. The Register of Members and Share Transfer Books of the Company will remain closed from 24th June, 2013 to 4th July, 2013 (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 16th July, 2013 to the Members or their Mandates whose name appear on the Company's Register of Members on 23rd June, 2013 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 21st June, 2013.
13. In order to avail the facility of Electronic Clearing System (ECS) for receiving direct credit of dividend to his / their respective account with Bank(s), the Members holding equity shares in Physical Mode are requested to provide their Bank Account details to M/s Karvy Computershare Pvt. Limited, Plot No. 17 to 24, Vittal Rao Nagar, Madhapur, Hyderabad - 500081, the Registrar & Share Transfer Agent (R & T Agent) of the Company.
14. Members holding shares in dematerialized form are requested to provide / update their Bank Account details to their respective Depository Participants (DP) with whom they maintain their demat account.
15. Entry to the Auditorium will be strictly against entry slip available at the counters at the venue and against exchange of Attendance Slip.
16. Any briefcase / bags / eatables will not be allowed to be taken inside the Auditorium.
17. Annual Listing Fee for the year 2013-14 has been paid to all Stock Exchanges wherein Shares of the Company are listed.
18. 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.
19. Pursuant to the provisions of Section 205C (2) (b) of the Companies Act, 1956, the Company had transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government during the year 2011, the unpaid or unclaimed application moneys received for allotment of shares at the time of IPO of the Company and due for refund for the last seven years completed on 22nd March, 2011.

**ATTENTION MEMBERS -
“GREEN INITIATIVE IN CORPORATE GOVERNANCE”**

Government of India, Ministry of Corporate Affairs (“**Ministry**”) has initiated a “Green Initiative in Corporate Governance” by allowing paperless compliances by Companies through electronic mode. In terms of the Circular No.17/2011 dated 21st April, 2011 and Circular No. 18/2011 dated 29th April, 2011 issued by the Ministry, Companies can now send notices /documents (including but not limited to notice calling Annual General Meeting, Audited Financial Statements, Directors’ Report, Auditors’ Report, etc.) through electronic mode to its Members, whose e-mail addresses are registered with the Company or with the concerned Depository Participant which shall be deemed to be in compliance of the provisions of the Section 53 of the Companies Act, 1956, read with applicable provisions of Information Technology Act, 2000. You would agree, it is a welcome move for the society at large as this will reduce paper consumption to a great extent and allow public at large to contribute towards a greener environment. This step will also help in speedy communication of the documents and also evade loss in postal transit. We are sure that you would appreciate the “Green Initiative” taken by the Ministry and hereby solicit your patronage and support in helping the Company to implement the e-governance initiatives of the Ministry. Considering the below mentioned advantages of registration for e-communication, this is also a golden opportunity for every Member of **Petronet LNG Limited (the Company)** to contribute towards Corporate Social Responsibility initiative provided you all register your e-mail id with the concerned Depository Participant to receive above-mentioned notices / documents through electronic mode and you are not required to re-register unless there is a change in your e-mail address.

ADVANTAGES OF REGISTERING FOR E-COMMUNICATION

- ❖ Contribute towards Corporate Social Responsibility
- ❖ Save costs on paper and on postage
- ❖ Receive communication promptly
- ❖ Reduce paper consumption and save trees
- ❖ Eliminate wastage of paper
- ❖ Avoid loss of document in postal transit

We find that either your e-mail id is not registered with the Depository Participant or you are holding shares in Physical form. We intend to send, through electronic mode, notices/ documents etc. of the Company, henceforth, All you have to do is to register your e-mail id with the concerned Depository Participant or update the same with the Company’s Registrar and Transfer Agent i.e. **Karvy Computershare Private Limited (Transfer Agent), Plot No. 17 to 24, Vittal Rao Nagar, Madhapur, Hyderabad – 500081**. Those Members, who have not registered their e-mail ID as stated above, may download the copy of Annual Report from Company’s **website i.e. [www. petronetlng.com](http://www.petronetlng.com)**.

PETRONET LNG LIMITED**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956****ITEM NO: 4**

M/s T. R. Chadha & Co., Chartered Accountants (Regn. No. 006711N), were appointed as the Statutory Auditors of the Company in the Fourteenth Annual General Meeting held on 4th July, 2012 in terms of Section 224A of the Companies Act, 1956, the Auditors shall hold office till the conclusion of the ensuing Annual General Meeting.

Further, in terms of the provisions of Section 224A of the Companies Act, 1956, the appointment / re-appointment of Auditors will be made in the Annual General Meeting by passing a Special Resolution, if 25% or more of the paid up share capital of the Company is being held by Public Financial Institution(s) or a Government Company or Companies or the Central or the State Government. As more than 25% of the paid up share capital of the Company is being held by the Government Companies, therefore, Directors of your Company recommend the appointment of M/s T. R. Chadha & Co., Chartered Accountants, by passing a Special Resolution, as the Statutory Auditors of the Company who will 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 Lacs plus out of pocket expenses and applicable service tax.

No Director of the Company is in any way concerned or interested in the proposed resolution.

ITEM NO: 5

Shri Rajender Singh was appointed as Director (Technical) by the Board on 14th November, 2012 for a period of five years on the following terms and conditions-

Salary

Basic pay has been fixed at Rs. 1, 26,000/- p.m. with an annual increment of 5% on basic pay.

Perquisites

- a. **Housing:** Rent free furnished accommodation along with the benefits of gas, fuel, water, electricity (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 he offers a house in his own name/

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

- b. **Medical Reimbursement:** Reimbursement of medical expenses for self and family including dependent parents at actual.
- c. **Leave Travel Allowance:** Leave Travel Allowance will be paid by the Company for self and family once in a year subject to a ceiling of one and half month's basic 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.
- f. **Furniture at Residence:** upto Rs. 3 lacs subject to recovery of Rs. 100/- p.m and payment of 10% on maintenance allowance on self certification basis with option to repurchase at book value after 7 years or on retirement whichever is earlier.

Other Benefits

- a. Contribution to Provident Fund, Superannuation Fund/Annuity Fund in accordance with the rules of the Company.
- b. Gratuity at a rate not exceeding one half month's basic salary for each completed year of service.
- c. Car with services of a driver to be maintained 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. 600/- p.m.
- d. Telephone / Fax / Internet facility at actual.
- e. Leave / Leave Salary as per the rules of the Company.
- f. The performance incentive would be decided by the Remuneration Committee to be constituted by the Board on a year to year basis based on the performance of the Company.
- g. 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.
- 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 XIII of the Companies Act, 1956.
- i. The appointment will be subject to termination by three-month notice in writing on either side.

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Tenure of appointment is for a period of 5 years from the date of taking over the charge of Director (Technical).

The appointment and other services terms will be subject to the relevant provision of the Companies Act, 1956 and as amended from time to time.

No Sitting Fees will be paid for attending the meetings of the Board or any Committee thereof.

As per the requirement of the Companies Act, 1956, the appointment of Director (Technical) is required to be approved by the Shareholders in the General Meeting. Your Directors recommend the resolution for approval of the Shareholders including the terms & conditions as set out above.

Shri Rajender Singh is interested in the resolution to the extent of his appointment as Director (Technical). No other Director of the Company is in any way concerned or interested in the proposed resolution.

ITEM NO: 6

Pursuant to the Article 113 A of the Articles of Association of the Company and in terms of Section 260 of the Companies Act, 1956, Shri Vivek Rae was appointed as Additional Director w.e.f. 21st February,

2013 on the Board of the Company. Pursuant to provisions of Section 260 of the Companies Act, 1956, he holds office as Director up to the date of ensuing Annual General Meeting. The Company has received a notice under Section 257 of the Companies Act, 1956, from a Shareholder proposing the name of Shri Vivek Rae as Director of the Company. A brief resume of Shri Vivek Rae as required in terms of Clause 49 of the Listing Agreement is enclosed with the notice. The Board recommends that he may be appointed as Director liable to retire by rotation. Your Directors recommend the resolution for approval of the Shareholders.

Shri Vivek Rae is interested in the resolution to the extent of his appointment as Director. No other Director of the Company is in any way concerned or interested in the proposed resolution.

By Order of the Board
For Petronet LNG Limited



(K. C. Sharma)
Company Secretary

Place : New Delhi
Date : 29th May, 2013

PETRONET LNG LIMITED
BRIEF BIOGRAPHY OF DIRECTORS PROPOSED TO BE APPOINTED / RE-APPOINTED AS REQUIRED IN TERMS OF LISTING AGREEMENT
Shri R. K. Singh

Shri R. K. Singh is a nominee Director of BPCL on the Board of Petronet LNG Ltd. Shri Singh is the Chairman & Managing Director of BPCL. Having completed his B. Tech. in Mechanical Engineering with Honours from Banaras Hindu University (BHU) in 1974, Shri Singh had a brief stint in Hindustan Lever and Hindalco before embarking on his career in Bharat Petroleum Corporation Ltd. (BPCL) in 1978. Since then, Shri Singh has held various important assignments, both in the Refinery and Marketing divisions of the company.

Shri R. K. Singh holds 400 shares in the Company.

Shri R. K. Singh holds Directorship/Chairmanship in the following other Companies:

Name of the Companies	Position Held
Bharat Petroleum Corporation Ltd.	Chairman
Numaligarh Refineries Ltd.	Chairman
Bharat Oman Refineries Ltd.	Chairman
Matrix Bharat Pte Ltd.	Chairman
Bharat Renewal Energy Ltd.	Chairman
Bharat Petro-resources Ltd.	Director

Shri R. K. Singh is the Chairman of Audit Committee of Bharat Petro-resources Ltd.

Shri A. M. K. Sinha

Shri A. M. K. Sinha is a nominee Director of IOCL on the Board of Petronet LNG Ltd. He is a Mechanical Engineer, has over 35 years of diverse experience with the Indian Oil Corporation Limited, the largest commercial organization in India. Shri Sinha possesses rich experience of efficiently managing critical portfolios across the whole marketing value chain of the downstream oil sector. During Shri Sinha's leadership Indian Oil continued to retain position of pride as India's No.1 Petroleum Retailer.

Under his leadership, Indian Oil has won many accolades over the years in retailing viz "Gold Winner" in Petrol Stations Service, "Most Admired Retailer" of the year in Rural Retailing etc.

Prior to taking over as Director (P&BD), Shri Sinha worked as Executive Director (Corporate Planning &

Economic Studies) at Corporate office of Indian Oil and was responsible for building futuristic scenarios, analysis of external & internal environment, SWOT framework for strengthening planning process and for venturing into new business domain.

Shri A. M. K. Sinha holds 600 shares in the Company.

Shri A. M. K. Sinha holds Directorship/Chairmanship in the following other Companies:

Name of the Companies	Position Held
Green Gas Ltd.	Chairman
Indian Oil Corporation Ltd.	Director

Shri A. M. K. Sinha is not a Member/Chairman of Committees of Board of Directors of any other Company.

Shri Ashok Sinha

Shri Ashok Sinha is an Independent Director on the Board of Petronet LNG Ltd. He has spent a charismatic 33 years at Bharat Petroleum Corporation Limited, (BPCL), one of India's largest organizations and listed as a Fortune 500 company, operating in a complex and nationally strategic sector.

Shri Ashok Sinha has served on the Board of BPCL for 15 years – first as Director (Finance) for 10 years from 1995 and then as its Chairman and Managing Director for 5 years. In recognition of his three decade long tryst with innovation, Shri Ashok Sinha was one of the four CEOs from India, who were invited to the world's CEOs roundtable event at Frankfurt in February 2007 on the topic of "Growth through Business Model Innovations".

Shri Ashok Sinha has a degree in Electrical Engineering from the Indian Institute of Technology (IIT), Kanpur and Masters in Business Administration from the Indian Institute of Management (IIM), Bangalore, with specialization in Finance.

Shri Ashok Sinha holds Nil shares in the Company.

Shri Ashok Sinha holds Directorship/Chairmanship in the following other Companies:

Name of the Companies	Position Held
CMC Ltd.	Director
Axis Asset Management Co. Ltd.	Director

Shri Ashok Sinha is Member of the Audit Committee of CMC Ltd. and Axis Asset Management Co. Ltd.

Shri B. C. Bora

Shri B. C. Bora is an Independent Director on the Board of Petronet LNG Ltd. He is having more than 45 years of

experience in Oil & Gas sector, both within and outside India. He superannuated from ONGC as Chairman & Managing Director in 2001. Shri Bora started his career with Oil India Limited, as a Production Engineer in 1962 and rose to become the Chairman and Managing Director of the Company in 1992, a position he held until 1995, when he moved to ONGC as its Chairman and Managing Director and superannuated from that position in 2001. He was actively involved with a number of important Committees and task forces of the Government of India, related to the Hydrocarbon and Energy industries, to help the Government, to decide on various policy issues on Oil & Gas Sector, as well as Public Sector in general.

He was also associated with a number of Technical, Social and Sports organizations in the Country as an important office bearer. He has remained associated with Petroleum Sector by being part time Consultant and Advisor to a number of Companies engaged in the Energy Sector.

Shri B. C. Bora holds Nil shares in the Company.

Shri B. C. Bora holds Directorship / Chairmanship in following other Company-

Name of the Company	Position Held
Assam Hydrocarbon & Energy Co. Ltd.	Director

Shri B. C. Bora is not a Member/Chairman of Committees of Board of Directors 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.

Shri Vivek Rae

Shri Vivek Rae took over as Secretary, Ministry of Petroleum & Natural Gas in the month of February, 2013. He was appointed as Director and Chairman of Petronet LNG Ltd. on 21st February, 2013.

Shri Vivek Rae entered the Indian Administrative Service in 1978. As a civil servant, Shri Rae has acquired wide ranging experience cutting across social and economic sectors, including health, education, planning and finance. Shri Rae served briefly at the Prime Minister's Office during 1989-90 and thereafter worked as Assistant Resident Representative with the United National Development Programme, New Delhi from 1991-1995, with responsibility for Industry, Trade and Technology programmes. Shri Rae worked as Finance Secretary and Planning Secretary in the state of Goa during 1996-1999, Planning Secretary in the National Capital Territory of Delhi during 1999-2001 and Joint Secretary (Plan Finance) in the Ministry of Finance, Government of India during 2002-2006. As Chief Secretary of Andaman & Nicobar Islands (2008-2010), the highest ranking civil servant. Shri Rae was charged with responsibilities for overall coordination, policy formulation and implementation of programmes across the entire spectrum of development activities.

Shri Rae also served as Director General (Acquisition) in the Ministry of Defence of the Government of India, during 2010-12.

Shri Rae has a Bachelor of Arts (Hons.) Degree in Economics from St. Stephen's College, University of Delhi and Masters Degree in Economics and Politics from New College, University of Oxford.

Shri Vivek Rae holds Nil shares in the Company.

Shri Vivek Rae holds Directorship/Chairmanship in the following other Company:

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

Shri Vivek Rae is not a Member/Chairman of Committees of Board of Directors of any Company.

PETRONET LNG LIMITED

DIRECTORS' REPORT

Dear Shareholders,

On behalf of the Board of Directors, it is my privilege and honour to present the Fifteenth Annual Report and the Audited Accounts of your Company for the year ended 31st March, 2013.

Being the first and leading LNG importing Company in India, your Company has created a niche for itself in the gas business. The Company's main thrust is on catalyzing the growth of the Indian gas sector. It has firmly established itself as an international player having relationships with major LNG exporters in the world. The Dahej Terminal has received LNG cargoes from all across the world and serves as an important energy provider to the Nation by supplementing the dwindling domestic gas production.

Physical Performance

During the year under review, the operations of Dahej Terminal surpassed its name plate capacity of 10 MMTPA. During the financial year 2012-13, Dahej Terminal



Employees working at Dahej LNG Terminal

handled 164 LNG cargoes and supplied 525 TBTUs of regasified LNG. 2,400 LNG road tankers were loaded and dispatched during the year under review.

Financial Performance

While making sincere efforts to further leverage the potential of imported LNG in the Indian market and striving to be a key energy provider, your Company continues to set new benchmarks for growth in its financial performance. During the period 2012-13, your Company achieved its highest ever turnover of Rs. 31,467 Crores as against Rs. 22,696 Crores in 2011-12. Net profit during the year was also the highest ever at Rs. 1,149 Crores as against Rs. 1,058 Crores in the previous year. Your Company continues to achieve high-capacity utilization

at the Dahej Terminal. A summary of the comparative financial performance in the fiscal 2012-13 and 2011-12 is presented below:

(Rs. in Crores)

Particulars	2012-13	2011-12
Revenue from operations	31,467	22,696
Other Income	182	85
Total Revenue	31,649	22,781
Cost of material consumed	29,305	20,587
Gross Margin	2,344	2,194
Salary & other operating expenses	319	280
Finance charges	118	177
Depreciation	187	184
Profit before Tax	1,720	1,553
Tax expenses, including deferred tax	571	495
Profit after Tax	1,149	1,058
Earnings (Rs.) per Share	15.33	14.10

Dividend

Keeping in view the good performance and sound financial position of the Company, the Directors are pleased to recommend a dividend of 25% on the paid-up share capital of the Company for the year ending 31st March, 2013.

Financing of Projects

The strength of its balance sheet has allowed your Company to successfully raise debt in the past years – both in foreign currency as well as Indian Rupees – from a number of banks and financial institutions. A consortium led by State Bank of India has provided Rupee Term loans and non-fund-based facilities. For its various projects, foreign currency debt has been raised from International Finance Corporation, Asian Development Bank and Proparco (France). The average cost of borrowing compares well with some of the best companies in the country. The lenders are eager to support the Company in its future expansion projects.

Credit rating agencies have assessed the long-term credit rating of the Company as AA+ with a positive outlook which depicts the Company's strong fundamentals and inherent business strength.

LNG Sourcing

Your Company has executed long-term LNG supply contracts with Qatar and Australia. With the aim to quench India's growing gas demand and to alleviate the gas shortage in the country, the Company is negotiating with a number of other international suppliers for bringing more volumes of LNG into the country. This will help to broad-base the LNG supply sources.