

# Swan LNG Private Limited

Audited Accounts

For the year ended March 31, 2017

6, Feltham House, 2<sup>nd</sup> Floor, 10, J.N.Heredia Marg,  
Ballard Estate, Mumbai - 400 001.

## DIRECTORS' REPORT:

To the members of SWAN LNG PRIVATE LIMITED:

The Directors of your Company present their Annual Report and Financial Statements for the year ended 31<sup>st</sup> March, 2017.

### FINANCIAL RESULTS

Particulars	Year Ended 31st March, 2017 (Rs. in Lacs)	Year Ended 31st March, 2016 (Rs. in Lacs)
Profit Before Tax	1.14	(0.48)
Provision for :		
Income Tax	0.22	-
Earlier Year Tax	-	-
Profit After Tax	0.92	(0.48)
Balance brought forward from previous year	(1.08)	(0.60)
Amount available for appropriation	(0.16)	(1.08)
Transfer to General Reserve	-	-
Balance carried to Balance Sheet	<b>(0.16)</b>	<b>(1.08)</b>

### REVIEW OF OPERATIONS

During the year, Long Term Terminal User Agreements were signed with Indian Oil Corporation (IOC), Bharat Petroleum (BPCL), ONGC and GSPC for 4.5 MMTPA out of the first phase capacity of 5 MMTPA. Engineering Procurement and Construction (EPC) Contracts for the Port Terminal was finalized and issued during August 2016. After obtaining permission from Gujarat Maritime Board in Dec. 2016, the Site construction activities have started. The EPC contractor has completed a major portion of the Dredging and onsite works are on full swing. Letter of Intent was issued to the EPC Contractor for the Topsides during May 2017.

Seeing the Progress of the Project, we are glad to inform that Gujarat Government has agreed to increase their Equity in the Project to 26% from 11%. The incremental 15% Equity is being taken by Gujarat Maritime Board.

Ongoing discussions with the Foreign Partner in the Project has culminated in signing of Term Sheets in April 2017 with them for Equity as well as Technical Collaboration. Full Technical details of the FSRU has also been finalized and discussions with the Shipyard for signing the Ship Building Contract is on after issue of Letter of Intent.

### DIVIDEND

In order to conserve the resources for future, your Directors have not recommended any dividend for the year.

### RESERVES

The Company does not propose to carry any amount to reserves.

### EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS

The details are given above under the heading 'Review of Operations'.

### SIGNIFICANT & MATERIAL ORDERS

There is no significant and material order passed by any of the regulators, court of law or tribunals impacting the going concern status of the Company or its operations in future.

### DIRECTORS

Shri Nikhil V. Merchant and Shri Padmanabhan Sugavanam continue to be the Directors of the Company and there has been no change in the same. Shri Vilas A. Gangan resigned with effect from 01.09.2016.

### AUDITORS AND AUDITORS' REPORT

M/s V. R. Renuka & Company (ICAI Firm Registration No. 108826W), Chartered Accountants, were appointed as Auditors of the Company at the 1<sup>st</sup> Annual General Meeting (AGM) for a term of five consecutive years. However, such appointment is subject to annual ratification at each AGM and accordingly, resolution for approval of members is placed at the ensuing AGM.

The notes on Financial Statement referred to in the Auditors' Report are self – explanatory and do not call for any further comments.

### DEPOSITS

The Company has not accepted any fixed deposits from public during the year under review.

### **ISSUE OF EQUITY SHARES**

The company has not issued equity shares during the financial year.

### **EXTRACT OF THE ANNUAL RETURN**

In terms of provision of Section 134(3) (a) of the Companies Act,2013, the extract of the Annual Return, as provided under Section 92(3) in Form MGT-9 is annexed to this Report as Annexure 'A'.

### **NUMBER OF MEETINGS OF THE BOARD**

During the year under review, 7 (Seven) Board Meetings were held.

### **PARTICULARS OF LOAN, GUARANTEE OR INVESTMENT**

The Company has not given any loan, guarantee or made any investment exceeding sixty percent of paid up share capital, free reserve and security premium account or hundred percent of its free reserve and securities premium account, whichever is more, as prescribed in the Section 186 of the Companies Act,2013.

### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

The details of contracts/arrangements entered into with the related parties during the year are annexed in Form AOC-2 to this Report as Annexure 'B'.

### **DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY**

The Company has been addressing various risks impacting the Company.

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

In accordance with the provisions of Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, regarding conservation of energy, this is to state that the Company not being a manufacturing Company, has not consumed energy of any significant level and accordingly no measures are required to be taken for energy conservation.

### **SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES**

As on 31st March, 2017, the Company does not have any subsidiary, joint venture or associate companies.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 134(3) (c) of the Companies Act, 2013, to the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements that

- a. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. they have selected such accounting policies and applied them consistently and made judgements 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. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act,2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. they have prepared the annual accounts on a going concern basis; and
- e. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **ACKNOWLEDGEMENTS**

Your Directors place on record their appreciation for everyone, who has contributed to the growth and performance of your Company.

on behalf of the Board of Directors



(Nikhil V. Merchant)  
Director  
(DIN: 00614790)



(Padmanabhan Sugavanam)  
Director  
(DIN: 03229120)

Date: 30<sup>th</sup> May, 2017  
Place: Mumbai

## 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

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL
2. Details of material contracts or arrangement or transactions at arm's length basis

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts/arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
	(a)	(b)	(c)	(d)	(e)	(f)
1	Swan Energy Limited (SEL), Holding Company	Term Sheet for the Bareboat chartering of 1,70,000+ m <sup>3</sup> LNG FSRU	20 years Lease period, to start in year 2019-20.	SEL will lease the FSRU to the company	01/05/2017	

on behalf of the Board of Directors



(Nikhil V. Merchant)  
Director  
(DIN: 00614790)



(Padmanabhan Sugavanam)  
Director  
(DIN: 03229120)

Date: 30<sup>th</sup> May, 2017  
Place: Mumbai

<b>FORM NO. MGT 9</b>
<b>EXTRACT OF ANNUAL RETURN</b>
as on financial year ended on 31.03.2017
<b>Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management &amp; Administration) Rules, 2014.</b>

**I REGISTRATION & OTHER DETAILS:**

i	CIN	U40108GJ2013PTC073539
ii	Registration Date	12/02/2013
iii	Name of the Company	Swan LNG Private Limited
iv	Category/Sub-category of the Company	Private Limited
v	Address of the Registered office & contact details	"9th Avenue, Ground Floor, Behind Rajpath Club, Memnagar, Bodakdev, Ahmedabad - 380059.
vi	Whether listed company	No
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	NA

**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

No business activities were undertaken during the year.

Sl No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1			
2			
3			
4			

**III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES**

Sl No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Swan Energy Limited	L17100MH1909PLC00294	Holding	100%	2 (46)

IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

(i)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the		
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares			
<b>A. Promoters</b>											
(1) Indian	0	0	0	0	0	0	0	0	0	0	0
a) Individual/HUF	0	0	0	0	0	0	0	0	0	0	0
b) Central Govt. or State Govt.	0	0	0	0	0	0	0	0	0	0	0
c) Bodies Corporates	0	50000	50000	100	0	50000	50000	100	0	0	0
d) Bank/Fl	0	0	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL:(A) (1)</b>	0	50000	50000	100	0	50000	50000	100	0	0	0
<b>(2) Foreign</b>											
a) NRI- Individuals	0	0	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0	0	0
d) Banks/Fl	0	0	0	0	0	0	0	0	0	0	0
e) Any other...	0	0	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL (A) (2)</b>	0	0	0	0	0	0	0	0	0	0	0
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	0	50000	50000	100	0	50000	50000	100	0	0	0



(iii) **CHANGE IN PROMOTERS' SHAREHOLDING ( SPECIFY IF THERE IS NO CHANGE)**

There is no change in promoters shareholding.

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

There is no shareholding other than Directors and Promoters.

(v) **Shareholding of Directors & KMP**

Nil

Sl. No	Name of the Directors & KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
	Director				



V INDEBTEDNESS		(Rs. In Lacs)			
Indebtedness of the Company including interest outstanding/accrued but not due for payment					
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness	
<b>Indebtness at the beginning of the financial year</b>					
i) Principal Amount	-	0.2	-	0.2	
ii) Interest due but not paid	-	-	-	-	
iii) Interest accrued but not due	-	-	-	-	
<b>Total (i+ii+iii)</b>	-	0.2	-	0.2	
<b>Change in Indebtedness during the financial year</b>					
Additions	-	5409.77	-	5409.77	
Reduction	-	-	-	-	
<b>Net Change</b>	-	5409.77	-	5409.77	
<b>Indebtedness at the end of the financial year</b>					
i) Principal Amount	-	5409.97	-	5409.97	
ii) Interest due but not paid	-	-	-	-	
iii) Interest accrued but not due	-	-	-	-	
<b>Total (i+ii+iii)</b>	-	5409.97	-	5409.97	

**VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

- A. Remuneration to Managing Director, Whole time director and/or Manager:  
NIL
- B. Remuneration to other directors:  
NIL

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

NIL

**VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

During the year, there has been no penalties/ punishment/compounding of offences against the Company, Directors or other officers.

For and on behalf of the Board of Directors



(Nikhil V. Merchant)  
Director  
(DIN: 00614790)

(Padmanabhan Sugavanam)  
Director  
(DIN: 03229120)

Mumbai, 30th May, 2017



**V. R. RENUKA & CO.**  
**CHARTERED ACCOUNTANTS**

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*CA. Vishnu R. Renuka*

S.Com., F.C.A.

**INDEPENDENT AUDITOR'S REPORT**

**To the Members of  
SWAN LNG PRIVATE LIMITED**

**Report on the Financial Statements**

1. We have audited the accompanying financial statements of **Swan LNG Private Limited** ("the Company"), which comprise the Balance sheet as at March 31, 2017, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

2. 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of Act and the Rules made there under including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards and pronouncements 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.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the 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 polices used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Opinion**

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 state of affairs of the Company as at March 31, 2017, and its profit and its cash flows for the year ended on that date.



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**Report on other Legal and Regulatory Requirements**

9. As required by 'the Companies (Auditor's Report) Order, 2017 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143(3) of the Act, we report that:
- 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;
  - 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;
  - The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014;
  - On the basis of the written representations received from the Directors as on March 31, 2017 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2017 from being appointed as a Director in terms of Section 164 (2) of the Act;
  - With respect to the adequacy of the Internal Financial Controls over financial reporting of the Company and operating effectiveness of such controls, refer to our separate Report in Annexure B.
  - With respect to 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 knowledge and belief and according to the information and explanations given to us:
    - The Company does not have any pending litigations as on March 31, 2017 which would impact its financial position.
    - The Company did not have any long term contracts, including derivative contracts for which there were any material foreseeable losses;
    - There were no amounts as at March 31, 2017 which was required to be transferred to the Investor Education and Protection Fund by the Company.
    - The Company has provided requisite disclosures in the standalone financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December, 2016. Based on audit procedures performed and the representations provided to us by the management, we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.

For V. R. Renuka & Co.  
Chartered Accountants  
Firm Registration No. 108826W

*V.R. Renuka*

V. R. Renuka  
Proprietor  
M.No. 032263  
Mumbai, May 30, 2017





**V. R. RENUKA & CO.**  
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**Annexure A to Independent Auditors' Report:**

**Referred to in Paragraph 9 of the Independent Auditors' Report of even date to the members of Swan LNG Private Limited on the financial statements as of and for the year ended March 31, 2017**

- (i) a) The Company is not having any fixed assets and as such sub clause (a), (b) & (c) of clause (i) is not applicable.
- (ii) The Company is not having any inventory and as such clause (ii) is not applicable.
- (iii) The Company has not granted unsecured loans to any company and not any other party covered in the register maintained under section 189 of the Act.
- (a) In respect of the aforesaid loans, the terms and conditions under which such loans were granted are not prejudicial to the Company's interest.
- (b) In respect of aforesaid loans, the schedule of repayment of principal and interest, if any, has been stipulated, and the parties are repaying the principal amounts, and also regular in payment of interest, if any, applicable.
- (c) In respect of the aforesaid loans, there is no amount which is overdue more than ninety days.
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the companies Act, 2013 in respect of the loans and investments made and guarantees and security provided by it.
- (v) The Company has not accepted any deposits from the public within the meaning of sections 73 to 76 of the Act and the notified Rules framed there under.
- (vi) Pursuant to the rules made by the Central Government of India, the Company is not required to maintain cost records as prescribed under Section 148(1) of the Act in respect of its products.
- (vii) (a) According to the information and explanations given to us and books and the records of the Company examined by us, in our opinion, the Company has generally been regular in depositing the undisputed statutory dues including Provident Fund, Employee State Insurance Fund, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues with the appropriate authorities.
- (b) According to the information and explanation given to us, no undisputed amounts payable in respect of Provident Fund, Employees State Insurance Fund, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no amounts which are payable in respect of Income Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax and Cess which have not been deposited with appropriate authorities on account of any dispute.
- (viii) In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of its dues to banks. The company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
- (ix) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- (x) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted Auditing practices in India and according to the information and explanations given to us, we have neither come across any instances of material fraud on or by the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such cases by the management.



**V. R. RENUKA & CO.**  
**CHARTERED ACCOUNTANTS**

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- (xi) According to the information and explanations given by the management and based on the audit procedure performed, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandate by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a Nidhi company. Therefore, the provision of clause 3(xii) of the order is not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, in our opinion, transactions with related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the Balance Sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order and Sec. 192 of Companies Act, 2013 are not applicable.
- (xvi) In our opinion, the company is not required to be registered under Section 45-1A of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For V. R. Renuka & Co.  
Chartered Accountants  
Firm Registration No. 108826W

*V. R. Renuka*  
V. R. Renuka  
Proprietor  
M. No. 032263  
Mumbai, May 30, 2017





**V. R. RENUKA & CO.**  
**CHARTERED ACCOUNTANTS**

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**"Annexure B" to the Independent Auditor's Report of even date on the Financial Statements of Swan LNG Private Limited.**

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

**To the Members of Swan LNG Private Limited**

We have audited the internal financial controls over financial reporting of Swan LNG Private Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the 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". 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, specified 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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) 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 (3) 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.



**V. R. RENUKA & CO.**  
**CHARTERED ACCOUNTANTS**

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CHANDAVARKAR LANE,  
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MUMBAI-400 092.

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cavishnurenuka@gmail.com

*CA. Vishnu R. Renuka*

B.Com., F.C.A.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, 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 March 31, 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.

For V. R. Renuka & Co.  
Chartered Accountants  
Firm Registration No. 108826W

*V.R. Renuka*  
V. R. Renuka  
Proprietor  
M. No. 032263  
Mumbai, May 30, 2017



**SWAN LNG PRIVATE LIMITED**  
**Balance Sheet as at March 31, 2017**

(₹ in Lacs)

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
Share Capital	1	5.00	5.00
Reserves and Surplus	2	(0.16)	(1.08)
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	3	5,409.97	0.20
<b>Current Liabilities</b>			
Other Current Liabilities	4	19.14	0.11
Short-Term Provisions	5	0.22	-
<b>TOTAL</b>		<b>5,434.17</b>	<b>4.23</b>
<b>ASSETS</b>			
Tangible Assets	6	2.64	-
<b>Non-Current Assets</b>			
Other Non Current Assets	7	4,297.57	0.23
<b>Current Assets</b>			
Cash and Cash Equivalents	8	1,126.80	4.00
Short-Term Loans and Advances	9	4.26	-
Other Current Assets	10	2.90	-
<b>TOTAL</b>		<b>5,434.17</b>	<b>4.23</b>

Significant Accounting Policies

13

Notes on Financial Statements

1 to 19

As per our report of even date

For V.R.Renuka & Co.

Chartered Accountants

Firm Registration No. 108826W

*V.R.Renuka*

V.R. Renuka

Proprietor

M No. 032263



For and on behalf of the Board of Directors

*Nikhil V. Merchant*

Nikhil V. Merchant

Director

Din:00614790

*P. Sugavanam*

P. Sugavanam

Director

Din:03229120

Mumbai, May 30, 2017

Mumbai, May 30, 2017

11-4  
1. Tax



**SWAN LNG PRIVATE LIMITED****Statement of Profit and Loss for the year ended March 31, 2017**

( ₹ in Lacs )

Particulars	Note No.	Year Ended March 31, 2017	Year Ended March 31, 2016
<b>Income:</b>			
Other Income	11	2.13	-
<b>Total Revenue</b>		<b>2.13</b>	<b>-</b>
<b>Expenses:</b>			
Depreciation and Amortization Expense	6	0.20	-
Other Expenses	12	0.79	0.48
<b>Total Expenses</b>		<b>0.99</b>	<b>0.48</b>
<b>Profit/(Loss) before Tax</b>		<b>1.14</b>	<b>(0.48)</b>
<b>Tax Expense:</b>			
(1) Current tax		0.22	-
(2) Deferred Tax		-	-
<b>Profit/(Loss) for the period/year</b>		<b>0.92</b>	<b>(0.48)</b>
<b>Earnings Per Equity Share</b>			
Basic and diluted ( in ₹ )		1.85	(0.97)
Significant Accounting Policies	13		
Notes on Financial Statements	1 to 19		

As per our report of even date

**For V.R.Renuka & Co.**

Chartered Accountants

Firm Registration No. 108826W

**V.R. Renuka**

Proprietor

M No. 032263

  
**Nikhil V. Merchant**

Director

Din:00614790

**For and on behalf of the Board of Directors****P. Sugavanam**

Director

Din:03229120

Mumbai, May 30, 2017

Mumbai, May 30, 2017

**Swan LNG PRIVATE LIMITED****Cash Flow Statement for the Year Ended March 31, 2017**

(₹ in lacs)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
<b>A Cash Flow from Operating Activities</b>		
Profit/(Loss) before tax	1.14	(0.48)
Adjustments for :		
Depreciation	0.20	-
Considered Separately:		
Preliminary Expenses	0.12	0.11
Interest Income	(2.13)	-
<b>Operating Profit before Working Capital Changes</b>	<b>(0.67)</b>	<b>(0.37)</b>
Adjustments for :		
Trade & Other Receivables	(6.96)	-
Trade Payables and Other Liabilities	19.03	-
<b>Cash generated from operations</b>	<b>11.40</b>	<b>(0.37)</b>
Direct Taxes (Paid)/Received	(0.21)	-
<b>Net Cash from Operating Activities ( A )</b>	<b>11.19</b>	<b>(0.37)</b>
<b>B Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(2.84)	-
LNG Terminal Project	(4,297.45)	-
Interest Income	2.13	-
<b>Net Cash from Investing Activities ( B )</b>	<b>(4,298.16)</b>	<b>-</b>
<b>C Cash Flow from Financing Activities</b>		
Long Term & Short Term Funds Borrowed/(Repaid)	5,409.77	0.10
<b>Net Cash from Financing Activities ( C )</b>	<b>5,409.77</b>	<b>0.10</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>1,122.80</b>	<b>(0.27)</b>
<b>Opening Balance of Cash &amp; Cash Equivalents</b>	<b>4.00</b>	<b>4.27</b>
<b>Closing Balance of Cash &amp; Cash Equivalents</b>	<b>1,126.80</b>	<b>4.00</b>

As per our report of even date

For V.R.Renuka &amp; CO.

Chartered Accountants

Firm Registration No. 108826W

V.R. Renuka

Proprietor

M No. 032263



Mumbai, May 30, 2017

For and on behalf of the Board of Directors

Nikhil V. Merchant  
Director

Din:00614790

for

P. Sugavanam  
Director

Din:03229120

Mumbai, May 30, 2017

# SWAN LNG PRIVATE LIMITED

Notes to the Financial Statement for the year ended March 31, 2017

## 1 Share Capital

### (a) Authorised Share Capital:

Particulars	March 31, 2017	March 31, 2016
	₹ in Lacs	₹ in Lacs
2,00,00,00,000 (March 31, 2016: 50,000) Equity Shares of Rs. 10 each	200,000.00	5.00
<b>Total</b>	<b>200,000.00</b>	<b>5.00</b>

### (b) Issued, subscribed and paid up:

Particulars	March 31, 2017	March 31, 2016
	₹ in Lacs	₹ in Lacs
50,000 (March 31, 2016: 50,000) Equity Shares of Rs. 10 each fully paid	5.00	5.00
<b>Total</b>	<b>5.00</b>	<b>5.00</b>

### (c) A reconciliation of the number of shares outstanding is set out below:

Particulars	March 31, 2017		March 31, 2016	
	Number of shares	₹ in Lacs	Number of shares	₹ in Lacs
Outstanding At the beginning of the year	50,000	5.00	50,000	5.00
Outstanding At the end of the year	<b>50,000</b>	<b>5.00</b>	<b>50,000</b>	<b>5.00</b>

### (d) Details of shares held by Controlling entity:

Particulars	March 31, 2017		March 31, 2016	
	Number of shares	₹ in Lacs	Number of shares	₹ in Lacs
<b>Holding Company</b>				
Swan Energy Limited	50,000	5.00	50,000	5.00

### (e) Details of shareholders, holding more than 5% shares in the company:

Name of the Shareholder	March 31, 2017		March 31, 2016	
	Number of shares	% holding	Number of shares	% holding
Swan Energy Limited	50,000	100.00	50,000	100.00

## 2 Reserves and Surplus

Particulars	March 31, 2017		March 31, 2016	
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
<b>Surplus i.e. balance in Statement of Profit &amp; Loss</b>				
At the beginning of the year	(1.08)		(0.60)	
Add: Profit/(Loss) during the year	0.92		(0.48)	
At the end of the year		(0.16)		(1.08)
<b>Total</b>		<b>(0.16)</b>		<b>(1.08)</b>

## SWAN LNG PRIVATE LIMITED

### Notes to the Financial Statement for the year ended March 31, 2017

#### 3 Long Term Borrowings

Particulars	March 31, 2017	March 31, 2016
	₹ in Lacs	₹ in Lacs
<b>Other loans and advances</b>		
From related party ( Unsecured )		
Swan Energy Limited - Holding Company	5,409.97	0.20
<b>Total</b>	<b>5,409.97</b>	<b>0.20</b>

#### 4 Other current liabilities

Particulars	March 31, 2017	March 31, 2016
	₹ in Lacs	₹ in Lacs
<b>Other payables</b>		
Outstanding Expense	7.15	0.11
Salary Payable	5.00	-
Duties & Taxes	6.99	-
<b>Total</b>	<b>19.14</b>	<b>0.11</b>

#### 5 Short Term Provisions

Particulars	March 31, 2017	March 31, 2016
	₹ in Lacs	₹ in Lacs
Provision for taxation	0.22	-
<b>Total</b>	<b>0.22</b>	<b>-</b>

#### 7 Other Non current Assets

Particulars	March 31, 2017	March 31, 2016
	₹ in Lacs	₹ in Lacs
<b>Others</b>		
Preliminary Expenses	0.12	0.23
LNG Terminal Project	4,297.45	-
<b>Total</b>	<b>4,297.57</b>	<b>0.23</b>

#### 8 Cash and cash equivalents

Particulars	March 31, 2017	March 31, 2016
	₹ in Lacs	₹ in Lacs
<b>(a) Balances with banks;</b>		
In Current Accounts	36.80	4.00
In Deposit Accounts	1,090.00	-
<b>Total</b>	<b>1,126.80</b>	<b>4.00</b>

## SWAN LNG PRIVATE LIMITED

### Notes to the Financial Statement for the year ended March 31, 2017

#### 9 Short Term Loans & Advances

Particulars	March 31, 2017	March 31, 2016
	₹ in Lacs	₹ in Lacs
<b>Loans &amp; Advances</b>		
Loans & Advances to staff	4.05	-
Advance Tax	0.21	-
<b>Total</b>	<b>4.26</b>	<b>-</b>

#### 10 Other Current Assests

Particulars	March 31, 2017	March 31, 2016
	₹ in Lacs	₹ in Lacs
Accured Interest on fixed deposit	1.90	-
Security Deposit	1.00	-
<b>Total</b>	<b>2.90</b>	<b>-</b>

## SWAN LNG PRIVATE LIMITED

### Notes to the Financial Statement for the year ended March 31, 2017

#### 11 Other Income

Particulars	Apr'16-Mar'17	Apr'15-Mar'16
	₹ in Lacs	₹ in Lacs
Interest Income	2.13	-
<b>Total</b>	<b>2.13</b>	<b>-</b>

#### 12 Other Expenses

Particulars	Apr'16-Mar'17	Apr'15-Mar'16
	₹ in Lacs	₹ in Lacs
Audit Fees	0.58	0.11
Professional Fees	0.09	0.06
Miscellaneous Expenses	-	0.19
Rates & Taxes	-	0.01
Preliminary Expenses W/Off	0.12	0.11
<b>Total</b>	<b>0.79</b>	<b>0.48</b>

**SWAN LNG PRIVATE LIMITED**

Notes to the Financial Statement for year ended March 31, 2017

**Schedule 6:**

Fixed Assets - Capital Work in Progress

Description of Assets	GROSS BLOCK			DEPRECIATION		NET BLOCK			
	As at 01/04/2016	Additions for the Year	Deductions For the Year	As at 31/03/2017	As at 01/04/2016	For the Year	Adjustments for the Year	As at 31/03/2017	As at 31/03/2016
Tangible-Assets									
Computer	-	2.84	-	2.84	-	0.20	-	2.64	
	-	2.84	-	2.84	-	-	-	2.64	

( ₹ in Lacs )

**13 SIGNIFICANT ACCOUNTING POLICIES**

**A Basis of Preparation of Financial Statements**

The financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provision of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company. The financial statements are presented in Indian rupees rounded off to the nearest rupees in lacs

**B Use of Estimates**

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable.

**C Revenue Recognition**

Income is recognised on time basis determined by the amount outstanding and the rate applicable.

**D Taxation**

Tax expenses are the aggregate of current tax and deferred tax charged or credited in the statement of Profit and Loss for the year.

**a) Current Tax**

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961.

**b) Deferred Tax**

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the year. The deferred tax charge or credit and the deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised only to the extent there is virtual certainty that the assets can be realised in future.

**E Borrowing Costs**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Profit and Loss account.

**F Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

**G Capital Work in Progress**

Borrowing and other incidental costs incurred for acquisition of property has been capitalised and is included in the cost of such property. Capital work in progress is stated at cost and not depreciated. Depreciation on capital work in progress commences when the assets are ready for their intended use.

**H Cash & Cash Equivalents**

The company considers all highly liquid financial instruments, which are readily convertible into known amount of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

*Bank guaranteed  
in cash?*



# SWAN LNG PRIVATE LIMITED

## Notes on Financial Statement for the year ended March 31, 2017

14 Earning Per Share	Apr'16-Mar'17	Apr'15-Mar'16
i) Net profit/(Loss) after tax as per Statements of Profit & Loss attributable to Equity Shareholders ( ₹ In Lacs)	0.92	(0.48)
ii) Weighted average number of shares used as denomination for calculating Basic and Diluted earning per share	50,000	50,000
iii) Face value of shares ( ₹ Per Share)	10.00	10.00
iv) Basic/Diluted earning per share ( in ₹)	1.85	(0.97)

15 Contingent Liabilities		
i) Bank Guarantee	7,257.00	-

16 Payment to Auditors (Excluding Service Tax)		
i) Statutory Audit Fees ( ₹ In lacs)	0.50	0.10
ii) Other Capacity ( ₹ In lacs)	0.08	0.05

### 17 Related Party Disclosures, as required by AS-18 are given below:

#### A List of Related Parties

Sr No.	Name of the parties	Relationship
i)	Swan Energy Limited	Holding Company

#### B Transaction during the year with Related Parties

i) Swan Energy Limited		
Loans & Advance taken ( ₹ In lacs)	5,410.77	0.20
Loans & Advance paid back ( ₹ In lacs)	1.00	-
Payable ( ₹ In Lacs)	5,409.97	0.20


### 18 Details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 is as under:

Particulars	Other Denomination		Total
	SBNs	Notes	
Closing Cash in hand as on 08.11.2016	-	-	-
+ PERMITTED RECEIPTS	-	1.50	1.50
- PERMITTED PAYMENTS	-	1.00	1.00
- AMOUNT DEPOSITED IN BANKS	-	0.50	0.50
CLOSING CASH IN HAND 30.12.2016	-	-	-


### 19 Previous Year's figures are regrouped/ rearranged wherever necessary

As per our report of even date


For V.R.Renuka & CO.  
Chartered Accountants  
Firm Registration No. 108826W

  
V.R. Renuka  
Proprietor  
M No. 032263



  
Nikhil V. Merchant  
Director  
Din:00614790

For and on behalf of the Board of Directors

  
P. Sugavanam  
Director  
Din:03229120

Mumbai, May 30, 2017

Mumbai, May 30, 2017