



# SWAN LNG PRIVATE LIMITED

## 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, 2018.

### FINANCIAL RESULTS

| Particulars                                | Year Ended<br>31st March, 2018<br>(Rs. in Lacs) | Year Ended<br>31st March, 2017<br>(Rs. in Lacs) |
|--|---|---|
| Profit Before Tax                          | (1.57)  | 1.14  |
| Provision for:                             |   |   |
| Income Tax                                 | -   | 0.22  |
| Earlier Year Tax                           | -   | -   |
| Profit After Tax                           | (1.57)  | 0.92  |
| Balance brought forward from previous year | (0.16)  | (1.08)  |
| Amount available for appropriation         | (1.57)  | 0.92  |
| Transfer to General Reserve                | -   | -   |
| Balance carried to Balance Sheet           | (1.73)  | (0.16)  |

### REVIEW OF OPERATIONS – Project development & Implementation:

#### LNG Port Project:

Your Company is developing India's first Floating Storage and Re-gasification Unit (FSRU) based LNG Port project near Jafraabad in Gujarat, India, which is first of its kind, all weather greenfield port project, with an overall project cost of INR 4,000 Crores. The Project includes two Jetties, Tug Berth and Breakwater. Jetty 1 will initially operate with a five (5.0) MMTPA a new-built floating storage and regasification unit and a floating storage unit ("FSU"). Both FSRU and FSU will be on Long Term Bareboat Charter lease basis and connected by ship-to-ship transfer equipment.

During the year, many milestones, as listed below, have been achieved towards implementation and commencement of the LNG Port Project.

- i- SLPL has executed **Shareholders Agreement (SHA)** on 17<sup>th</sup> October, 2017 with the following parties for the investment in the Equity Share Capital of SLPL. Post execution, all participants have contributed initial contribution towards equity share capital.

The shareholding pattern of the SLPL, post execution of the above agreement and receipt of the initial contribution, is as under.

- |      |  |      |
|------|--|------|
| i-   | Swan Energy Limited (SEL)  | 63%; |
| ii-  | Gujarat Maritime Board (GMB)   | 15%; |
| iii- | Gujarat State Petronet Limited (GSPL)  | 11%; |
| iv-  | FSRU Venture India One Private Limited (FVIOPL), an affiliate of Mitsui OSK Lines (MOL), Japan | 11%. |



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FVIOPL, an affiliate company of MOL, will also be the Technical Partner for the implementation of the LNG Port Project.

MOL will be supporting the Project by leveraging its technical expertise by finalizing specifications of the FSRU vessel and supervising FSRU construction. MOL will also arrange for FSU required for the Project under a long term FSU Bare Boat Charter basis and will also provide O&M services for both the FSRU and the FSU.

MOL is a leading marine transportation company, headquartered in Tokyo, Japan and owns and operates one of the world's largest merchant fleet. MOL group owns and operates 847 vessels. The current LNG fleet of MOL includes 91 LNG carriers which includes 74 available and 17 are under construction vessels. MOL, in consortium with Shipping Corporation of India (SCI), owns and operates a LNG vessel for Petronet LNG Limited.

- ✓ ii- SLPL has executed **Concession Agreement (CA)** with Gujarat Maritime Board (GMB) and Government of Gujarat (GoG) for developing FSRU based LNG Port Project on 18th October 2017.

The term of the CA is for thirty (30) years from the date of Commencement of Operations, further extendable for a period of twenty (20) years on mutually agreed terms and conditions. With execution of this agreement, SLPL gets exclusive right and authority to develop, finance, design, construct, operate, maintain and provide Port services to the users.

- ✓ iii- SLPL, as a Charterer, has executed **Bare Boat Charter agreement (BBC)** with Triumph Offshore Private Limited (TOPL), to charter Floating Storage and Regasification Unit (FSRU) to your company on a long term lease for a period of 20 years.

✓ TOPL, 100% subsidiary of SEL, was incorporated as a special purpose vehicle (SPV) to purchase FSRU for the LNG Port Project. TOPL has executed a **Ship Building Contract** for the construction of one (1) FSRU of 1,80,000 Cubic Meter (CBM) storage capacity with M/s Hyundai heavy Industries Company Limited, South Korea (HHICL).

- ✓ iv- SLPL has executed Contract Agreement worth Rs. 459 Crore for Engineering, Procurement, Construction and Commissioning (EPCC) of the LNG Jetty topside and onshore facilities for its 5 million metric tonnes per annum (5MMTPA) FSRU based LNG Port Project with M/s Black & Veatch Private Limited (BVPL).

BVPL is a subsidiary of USA company 'Black & Veatch' (BV), a global leader in engineering, procurement and construction (EPC) services for energy, water and telecommunications since 1915, having presence across the globe with over 100 offices worldwide, with decades of proven performance on more than 3000 assignments in 40 countries.

- ✓ v- SLPL, along with TOPL, has executed following agreements with its Project Technical Partner, Mitsui OSK Lines, Tokyo, Japan (MOL) and its 100% subsidiary M/s Regas Venture India One Private Limited (RVIOP) for India's first LNG dedicated FSRU Port Project at



## SWAN LNG PRIVATE LIMITED

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Jafrabad, Gujarat. MOL is a well established & experienced shipping company, specialized in the Operation of LNG carriers (LNG), Floating Storage Units (FSU) and Floating Storage & Re-gasification Units (FSRU)).

- a) Pre order Technical Support Agreement for FSRU, between TOPL and MOL.
  - b) Supervision Agreement for FSRU Construction, between SLPL, TOPL and MOL.
  - c) FSRU Operations & Maintenance (O&M) Agreement between SLPL and RVIOPPL.
  - d) FSU Bareboat Charter Agreement, by and between SLPL and MOL.
  - e) FSU Operations & Maintenance (O&M) Agreement between SLPL and RVIOPPL.
- vi- In December, 2016, SLPL had executed an EPC contract for Marine and Dredging works worth Rs. 2115 crore with National Marine & Infrastructure India Private Limited (NMIPL) for carrying out the construction of LNG terminal at Jafrabad, Gujarat, to be completed within 3 years. NMIPL had started the construction works.

However, during the month of February 2018, NMIPL terminated the Contract after completing 85% of the Dredging, leaving the Jetty and Breakwater Works. Thereafter, in the month of April, 2018, SLPL has awarded Letter of Award (LOA) to M/s AFCONS Infrastructure Limited (AFL) for all Jetty related EPC works at a contract price of Rs. 315 Crores. AFL has already commenced the work at site. SLPL is in the process of awarding balance works of Breakwater and left over Dredging.

At this point of time, cost and time over runs are not expected and the Project is likely to be completed during the 1st Quarter of 2020 and ready for commercial operation from April 2020.

- vii- Currently, SEL is in the process of financial closure for the LNG Port Project of SLPL and ship financing of TOPL and have approached lenders for getting the necessary funding for the above. The response received from the lenders has been overwhelming.

### **DIVIDEND:**

Since commercial operations have not yet started and there is no profit, the 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:**



## SWAN LNG PRIVATE LIMITED

Shri Nikhil V. Merchant and Shri Sugavanam Padmanabhan continue to be the Directors of the Company and there has been no change in the same.

### **AUDITORS AND AUDITORS' REPORT:**

The Board appoints M.s V. R. Renuka & Co., Chartered Accountants (Firm's Registration No. 108826W) as a Statutory Auditors of your Company from the conclusion of this AGM until the conclusion of next AGM of the Company, at such remuneration, as shall be fixed by the Board of Directors of the Company.

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 issued 29,365 equity shares during the financial year to the following companies:

| Name of the Allottees                  | No. of Equity Shares |
|--|----------------------|
| Gujarat Maritime Board                 | 11,905               |
| Gujarat State Petronet Limited         | 8,730                |
| FSRU Venture India One Private Limited | 8,730                |

### **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, 8 (Eight) 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:**



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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 has not yet started its commercial operations and 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, 2018, 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.

For and on behalf of the Board of Directors

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

(Sugavanam Padmanabhan)  
Director  
(DIN: 03229120)

Date: 30<sup>th</sup> May, 2018  
Place: Mumbai



**SWAN LNG PRIVATE LIMITED**

Annexure - A

**FORM NO. MGT 9**

**EXTRACT OF ANNUAL RETURN**

as on financial year ended on 31.03.2018

**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.**

**I REGISTRATION & OTHER DETAILS:**

|     |  |   |
|-----|--|---|
| i   | CIN  | U40108GJ2013PTC073539   |
| ii  | Registration Date  | 12-02-13  |
| 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           | L17100MH1909PLC000294 | Holding                        | 63%              | 2 (46)             |
|       |                               |                       |                                |                  |                    |
|       |                               |                       |                                |                  |                    |

**SWAN LNG PRIVATE LIMITED**

**IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)**  
(f) Category-wise Share Holding

| 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 |
| a) Individual/HUF                     | 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 |
| c) Bodies Corporates                  | 0   | 50000    | 50000 | 100               | 0   | 79365    | 79365 | 100.00            | 0                   | 0 |
| d) Bank/FI                            | 0   | 0        | 0     | 0                 | 0   | 0        | 0     | 0                 | 0                   | 0 |
| e) Any other                          | 0   | 0        | 0     | 0                 | 0   | 0        | 0     | 0                 | 0                   | 0 |
| <b>SUB TOTAL:(A) (1)</b>              | 0   | 50000    | 50000 | 100               | 0   | 79365    | 79365 | 100.00            | 0                   | 0 |
| <b>(2) Foreign</b>                    |   |          |       |                   |   |          |       |                   |                     |   |
| a) NRI- Individuals                   | 0   | 0        | 0     | 0                 | 0   | 0        | 0     | 0                 | 0                   | 0 |
| b) Other Individuals                  | 0   | 0        | 0     | 0                 | 0   | 0        | 0     | 0                 | 0                   | 0 |
| c) Bodies Corp.                       | 0   | 0        | 0     | 0                 | 0   | 0        | 0     | 0                 | 0                   | 0 |
| d) Banks/FI                           | 0   | 0        | 0     | 0                 | 0   | 0        | 0     | 0                 | 0                   | 0 |
| e) Any other...                       | 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 |
| <b>Total Shareholding of Promoter</b> |   |          |       |                   |   |          |       |                   |                     |   |
| <b>(A)= (A)(1)+(A)(2)</b>             | 0   | 50000    | 50000 | 100               | 0   | 79365    | 79365 | 100.00            | 0                   | 0 |

**SWAN LING PRIVATE LIMITED**

|  |   |       |       |     |       |     |       |       |       |        |        |        |        |        |        |        |        |        |        |        |        |
|--|---|-------|-------|-----|-------|-----|-------|-------|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <b>B. PUBLIC SHAREHOLDING</b>                          |   |       |       |     |       |     |       |       |       |        |        |        |        |        |        |        |        |        |        |        |        |
| (1) Institutions                                       | 0 | 0     | 0     | 0   | 0     | 0   | 0     | 0     | 0     | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      |
| <b>SUB TOTAL (B)(1):</b>                               | 0 | 0     | 0     | 0   | 0     | 0   | 0     | 0     | 0     | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      |
| (2) Non Institutions                                   | 0 | 0     | 0     | 0   | 0     | 0   | 0     | 0     | 0     | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      |
| a) Bodies corporates                                   |   |       |       |     |       |     |       |       |       |        |        |        |        |        |        |        |        |        |        |        |        |
| i) Indian  | 0 | 0     | 0     | 0   | 0     | 0   | 0     | 0     | 0     | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      |
| ii) Overseas   |   |       |       |     |       |     |       |       |       |        |        |        |        |        |        |        |        |        |        |        |        |
| b) Individuals   | 0 | 0     | 0     | 0   | 0     | 0   | 0     | 0     | 0     | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      |
| <b>SUB TOTAL (B)(2):</b>                               | 0 | 0     | 0     | 0   | 0     | 0   | 0     | 0     | 0     | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      |
| <b>Total Public Shareholding</b>                       | 0 | 0     | 0     | 0   | 0     | 0   | 0     | 0     | 0     | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      |
| <b>(B)= (1)+(2)</b>                                    | 0 | 0     | 0     | 0   | 0     | 0   | 0     | 0     | 0     | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      |
| <b>C. Shares held by Custodian for GDRs &amp; ADRs</b> | 0 | 0     | 0     | 0   | 0     | 0   | 0     | 0     | 0     | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      |
| <b>Grand Total (A+B+C)</b>                             | 0 | 50000 | 50000 | 100 | 50000 | 100 | 79365 | 79365 | 79365 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |

**(ii) SHARE HOLDING OF PROMOTERS**

| Sl No. | Shareholders Name                      | Shareholding at the beginning of the year |                                  |  | Shareholding at the end of the year |                                  |  | % 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      | Swan Energy Limited (SEL)              | 49994                                     | 100.00                           | -  | 49994                               | 63.00                            | -  | -   |
| 2      | SEL jointly with Nikhil Merchant       | 1   | 0.00                             | -  | 1                                   | 0.00                             | -  | -   |
| 3      | SEL jointly with Paresh Merchant       | 1   | 0.00                             | -  | 1                                   | 0.00                             | -  | -   |
| 4      | SEL jointly with Panna Merchant        | 1   | 0.00                             | -  | 1                                   | 0.00                             | -  | -   |
| 5      | SEL jointly with Aparna Merchant       | 1   | 0.00                             | -  | 1                                   | 0.00                             | -  | -   |
| 6      | SEL jointly with Vinita Merchant       | 1   | 0.00                             | -  | 1                                   | 0.00                             | -  | -   |
| 7      | SEL jointly with Navinbhai C. Dave     | 1   | 0.00                             | -  | 1                                   | 0.00                             | -  | -   |
| 8      | Gujarat Maritime Board                 |   |                                  |  | 11905                               | 15.00                            |  |   |
| 9      | Gujarat State Petronet Limited         |   |                                  |  | 8730                                | 11.00                            |  |   |
| 10     | FSRU Venture India One Private Limited |   |                                  |  | 8730                                | 11.00                            |  |   |
|        | <b>Total</b>                           | 50000                                     | 100.00                           | -  | 79365                               | 100.00                           | -  | -   |



**SWAN LING PRIVATE LIMITED**

- (iii) **CHANGE IN PROMOTERS' SHAREHOLDING : NIL**  
 (iv) **Shareholding Pattern of top ten Shareholders**  
 (other than Directors, Promoters & Holders of GDRs & ADRs) : NIL  
 (v) **Shareholding of Directors & KMP: NIL**

**V INDEBTEDNESS**

| Indebtedness of the Company including interest outstanding/accrued but not due for payment |                                  |                 |          | (Rs. In Lacs)      |
|--|----------------------------------|-----------------|----------|--------------------|
|  | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
| <b>Indebtedness at the beginning 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            |
| <b>Change in Indebtedness during the financial year</b>                                    |                                  |                 |          |                    |
| Additions  | 32.69                            | 28895.46        | -        | 28928.15           |
| Reduction  | -                                | -               | -        | -                  |
| <b>Net Change</b>  | 32.69                            | 28895.46        | -        | 28928.15           |
| <b>Indebtedness at the end of the financial year</b>                                       |                                  |                 |          |                    |
| i) Principal Amount  | 32.69                            | 34305.43        | -        | 34338.12           |
| ii) Interest due but not paid  | -                                | -               | -        | -                  |
| iii) Interest accrued but not due  | -                                | -               | -        | -                  |
| <b>Total (i+ii+iii)</b>  | 32.69                            | 34305.43        | -        | 34338.12           |

- VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL: NIL**  
 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)



(Sugavanam Padmanabhan)  
 Director  
 (DIN: 03229120)

Mumbai, 30th May, 2018



# SWAN LNG PRIVATE LIMITED

Annexure 'B'

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       | Triumph Offshore Private Limited (TOPL)                 | Agreement for the Bareboat chartering of 1,70,000+ m <sup>3</sup> LNG FSRU | 20 years Lease period to start from the year 2019-20. | TOPL will lease the FSRU to the company  | 12/02/2018                               | -                               |
|         |   |  |   |  |  |                                 |

on behalf of the Board of Directors  
SWAN LNG PRIVATE LIMITED

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

  
(Sugavanam Padmanabhan)  
Director  
(DIN: 03229120)

Date: 30<sup>th</sup> May, 2018  
Place: Mumbai



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

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CHANDAVARKAR LANE,  
BORIVALI (WEST),  
MUMBAI-400 092.

© O. : 2892 0170 Telefax : 2890 4743  
R. : 2806 6928 Cell : 98203 16018

E-mail : vishnu\_renuka@vsnl.net

*CA. Vishnu R. Renuka*

B.Com., F.C.A.

cavishnurenuka@gmail.com

**INDEPENDENT AUDITOR'S REPORT**

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

**Report on the Ind AS Financial Statements**

1. We have audited the accompanying Ind AS financial statements of **Swan LNG Private Limited** ("the Company"), which comprise the Balance sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Ind AS 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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (IAS) specified under Section 133 of the Act.
3. 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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

5. We have taken into account the provisions of Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of Act and the Rules made there under.
6. 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 Ind AS financial statements are free from material misstatement.
7. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 Ind AS financial statements.
8. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

### **Opinion**

9. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 state of affairs (financial position) of the Company as at March 31, 2018, and its loss, its cash flows and the changes in equity for the year ended on that date.

### **Other Matters**

10. The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 have been audited by us. It is based on the previously issued statutory financial statements

prepared in accordance with the Companies (Accounting Standards) Rules, 2006, audited by us with unmodified opinion.

### **Report on other Legal and Regulatory Requirements**


11. As required by 'the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (the "Order"), we give in the Annexure 'A' a statement on the matters specified in the paragraphs 3 and 4 of the Order.

12. 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, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act;
- e) On the basis of the written representations received from the Directors as on March 31, 2018, taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2018 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 operating effectiveness of such controls, refer to our separate Report in Annexure B.
- g) 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:

- i. The Company does not have any pending litigations as on March 31, 2018 which would impact its financial position.
- ii. The Company does not have any long term contracts, including derivative contracts, for which there were any material foreseeable losses;
- iii. There were no amounts as at March 31, 2018 which was required to be transferred to the Investor Education and Protection Fund by the Company.

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

  
**V. R. Renuka  
Partner  
M.No. 032263**

**Mumbai, May 30, 2018**



## **Annexure 'A'**

### **To the Independent Auditor`s Report on the Financial Statement of Swan LNG Private Limited**

*(Referred to in Paragraph 11, under 'Report on other legal and Regulatory Requirements section of our report)*

- (i) The Company is not having any fixed assets and as such sub clause (a), (b) & (c) of clause (i) are 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. Accordingly, the provisions of clause (a), (b) & (c) of clause (iii) are not applicable.
- (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 Act in respect of the loans given, investments made, guarantees and security given.
- (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, undisputed statutory dues including Provident Fund, Employees State Insurance Fund, Income Tax, Sales Tax, Service Tax, Goods and Services tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities.  
(b) According to the information and explanation given to us, there are no undisputed amounts payable in respect of the above statutory dues, that were

outstanding at the year end 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 the above statutory dues, which have not been deposited with appropriate authorities on account of any dispute.
- (viii) The company has not defaulted in repayment of loans or borrowings to financial institutions/banks/government. The company has not issued any debentures.
- (ix) 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) Based on the audit procedures performed and as per the information and explanations given to us by the management, no fraud on or by the Company has been noticed or reported during the year.
- (xi) No managerial remuneration has been paid / provided for during the year under review.
- (xii) The Company, not being a Nidhi company, the para 3(xii) of the order is not applicable to the Company.
- (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 by the management, the preferential allotment of equity shares, made by the company during the year under review, is in compliance with the requirements of Section 42 of the Act. The amount raised have been used for the purpose for which these have been raised.
- (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, para 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-IA 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  
Partner  
M. No. 032263**

**Mumbai, May 30, 2018**