



# **SWAN ENERGY LIMITED**

**109<sup>th</sup> ANNUAL REPORT**

**For the year ended 31.03.2017**

## *From the Desk of the Managing Director*



Dear Shareholders,

It gives me immense pleasure to share with you, some important insights about the overall status of your company. Largely, FY 2016-17 was a satisfying year for our business operations, as well as a year of several firsts. We strengthened our core, executed key priorities, and came closer together as an organization.

**LNG – FSRU:** In FY 16-17, Engineering, Procurement and Construction (EPC) Contracts for the Port Terminal were finalized, and issued in August 2016. Construction activities have commenced at site, after permissions from the Gujarat Maritime Board were obtained in December 2016. The EPC contractor has completed a major portion of the dredging works, and other onsite works are in full swing.

The Port, along with the Jetty and Topside equipments, will be ready for commissioning during the last quarter of 2019. I would like to add, that after reviewing the project's expeditious progress, the Gujarat Government will be ramping up their stake in the Project from 11% to 26%.

**TEXTILES:** Change and adaptability is the key to success in the ever-evolving textile and apparel market globally. It was yet another difficult year for the global economy. The overall market showed signs of recovery in the latter half of the year but faced a temporary slowdown in November due to demonetization. That being said, over the 2016-17 tenure, our processing unit in Ahmedabad underwent further modification and upgradation. Over the past two years, our financial performance has shown an 8% top-line growth. The unit's export was 8.65 lac meters. The local customer base was also elevated and the improved quality parameters enabled your company to venture deeper into the clientele base comprising the Ready Made Garment sector. I am confident that if we are able to adapt to the changing market, the future will be extremely rewarding for all our stakeholders.

**REAL ESTATE:** Through its 100% subsidiaries Cardinal Energy & Infrastructure Pvt. Ltd (CEIPL) and Pegasus Ventures Pvt. Ltd (PVPL), your company has made further headway in the real estate sector. CEIPL has completed and successfully leased out two commercial projects this past year; the first in Whitefield, Bangalore and the second in Gachibowli, Hyderabad, both with an area of approximately 3.00 lac sq. ft premises.

Further, CEIPL has entered into a Joint Development Agreement with the Land owner in Bangalore, to develop their land for a High End Residential Apartment Complex at Yeshwantpur, Bangalore. The total area for this project is 5 lac sq. ft. This project is due to be completed in the last quarter of 2020.

PVPL continues to hold land banks in prime locations in Mangalore, Mysore and Chennai, and intends to develop these in to residential and commercial projects in the near future.

I would like to take this opportunity to thank each and every employee as well as those who work with us across all the verticals, for their unstinting support and hard work in the service of our Company. I would also like to thank you, our shareholders, for your continued trust in the business. It is my honor and privilege to help steer Swan Energy towards accomplishing sustainable growth and developing a business that adapts to the needs of this fast-changing world.

Warm Regards

**Nikhil V. Merchant**



# SWAN ENERGY LIMITED

CIN : L17100MH1909PLC000294

## BOARD OF DIRECTORS

### CHAIRMAN

Mr. NAVINBHAI C. DAVE

### DIRECTORS

Mr. RAJKUMAR SUKHDEVSINHJI

Mr. PITAMBER S. TECKCHANDANI

Mr. SHOBHAN I. DIWANJI

Mr. NAGARDAS H. PANCHAL (*upto 05.07.2016*)

Mr. RAJAT KUMAR DAS GUPTA

Mrs. SUREKHA N. OAK

Mr. PADMANABHAN SUGAVANAM, *Whole time Director*

Mr. VILAS A. GANGAN, *Whole Time Director*  
(*upto 01.08.2016*)

Mr. PARESH V. MERCHANT, *Executive Director*

Mr. NIKHIL V. MERCHANT, *Managing Director*

## 109<sup>th</sup> ANNUAL GENERAL MEETING

*On Thursday,*

*the 21<sup>st</sup> September, 2017*

*at 11.30 AM*

Babasaheb Dahanukar Sabhagriha,  
Maharashtra Chamber of Commerce,  
Industry & Agriculture (MACCIA),  
Oricon House, 6th Floor, Maharashtra  
Chamber of Commerce Lane,  
Kala Ghoda, Fort, Mumbai - 400 001

## CHIEF FINANCIAL OFFICER

Mr. CHETAN K. SELARKA

## COMPANY SECRETARY

Mr. ARUN S. AGARWAL

## AUDITORS

M/s V. R. RENUKA & CO.

## REGISTERED OFFICE

6, Feltham House, 2nd Floor,  
10, J. N. Heredia Marg,  
Ballard Estate, Mumbai – 400 001.

## CONTENTS

Notice ..... 2

Directors' Report ..... 7

### Financial Statements

Standalone ..... 34

Consolidated ..... 59

Attendance Slip and Proxy Form ..... 83



## NOTICE

Notice is hereby given that the 109th (One Hundred and Ninth) Annual General Meeting of the Company will be held on Thursday, 21st September, 2017 at 11.30 A.M. at Babasaheb Dahanukar Sabhagriha, Maharashtra Chamber of Commerce, Industry & Agriculture (MACCIA), Oricon House, 6th Floor, Maharashtra Chamber of Commerce Lane, Kala Ghoda, Fort, Mumbai - 400 001 to transact the following businesses:

### ORDINARY BUSINESS :

#### Adoption of Annual Accounts (standalone & consolidated):

1. To receive, consider and adopt:
  - a. the Standalone Audited Financial Statements of the Company for the financial year ended 31st March, 2017, together with the Reports of the Board of Directors and the Auditors thereon.
  - b. the Consolidated Audited Financial Statements of the Company for the financial year ended 31st March, 2017, together with the Report of the Auditors thereon.

#### Declaration of dividend

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

#### Re-appointment of Directors retiring by rotation

3. To appoint a Director in place of Mr. Paresh V. Merchant (DIN: 00660027), who retires by rotation and being eligible, offers himself for re-appointment.

#### Appointment of Statutory Auditor

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

“**RESOLVED THAT** M/s. N. N. Jambusaria & Co., Chartered Accountants, (Firm's Registration No. 104030W), be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Hundred and Fourteen (114th) AGM of the Company (subject to ratification of their appointment at every AGM), at such remuneration, as shall be fixed by the Board of Directors of the Company.”

### SPECIAL BUSINESS:

#### Ratification of Cost Auditor's Remuneration:

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

RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder, Members of the Company hereby ratifies the remuneration of ₹ 55,000 (Rupees Fifty five thousand only) plus applicable taxes payable to M/s V. H. Shah, Cost Accountants (Firm Registration No. 100257), appointed as Cost Auditors of the Company for the Financial Year 2017-18.

**By Order of the Board of Directors  
For Swan Energy Limited**

**Arun S. Agarwal**  
Company Secretary

**Mumbai, 14th August, 2017**

**NOTES**

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, setting out all the material facts relating to item No. 5 to 6 of the Notice is annexed hereto
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies, in order to be effective, must be received at the Company's Registered Office not less than 48 hours before the meeting. Members are requested to note that a person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/ authority, as applicable. Proxy shall not vote except on a poll.
3. Pursuant to provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from Friday, 15th September, 2017 to Thursday, 21st September, 2017 (both days inclusive).
4. The dividend on equity shares, if approved at the meeting, will be paid to those members whose names are on the Company's Register of Members on Thursday, 14th September, 2017. In respect of shares held in electronic form, the dividend will be payable to the beneficial owners of shares as at the end of business hours on Thursday, 14th September, 2017 as per the details furnished by the Depositories for this purpose.
5. Members holding shares in physical form are requested to intimate Registrar and Transfer Agents of the Company viz., Purva Sharegistry (India) Pvt. Ltd., Unit: Swan Energy Limited, 9, Shiv Shakti Ind Estate, J.R. Boricha Marg, Lower Parel, Mumbai – 400 011, changes, if any, in their Bank details, registered address, etc. along with their Pin Code. Members holding shares in electronic form are requested to update such details with their respective Depository Participants.
6. Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013, Members are requested to note that dividend not encashed/claimed within seven years from the date of transfer to unpaid Dividend Account of the Company will be transferred to the Investor Education and Protection Fund (IEPF).
7. Re-appointment / Appointment of Directors:

The information required to be provided under Regulation 36(3) of the SEBI (LODR), Regulations 2015 in respect of Directors being appointed / re-appointed is given herein below:

<b>Name of the Director</b>	<b>Brief Resume, experience and nature of expertise in functional area</b>	<b>Directorship held in other Public Companies</b>	<b>Committee position held in other Public Companies</b>	<b>No. of Shares held in Swan Energy Limited</b>
Paresh V. Merchant	B.Com., MEP (IIM). 33 years experience in all functional areas related to the Textile, Oil & Gas Sector	i) Swan International Limited ii) Swan Mills Limited	Nil	Nil

**Voting through electronic means:**

1. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide members facility to exercise their



right to vote on resolutions proposed to be considered at the 109th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on 18th September, 2017 (9:00 am) and ends on 20th September, 2017 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 14th September, 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:
  - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :
    - (i) Open email and open PDF file viz; "Swan e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
    - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
    - (iii) Click on Shareholder - Login
    - (iv) Put your user ID and password. Click Login.
    - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

**NOTE:** Shareholders who forgot the User Details/Password can use "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com). In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID+ClientID). In case Shareholders are holding shares in physical mode, USER-ID is the combination of (EvenNo+FolioNo).
    - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
    - (vii) Select "EVEN" of "SWAN ENERGY LIMITED".
    - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
    - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
    - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
    - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
    - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [jigneshpandyacs@gmail.com](mailto:jigneshpandyacs@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
  - B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :



- (i) Initial password is provided through separate loose sheet communication containing following:  
**EVEN (Remote e-voting Event Number), USER ID, PASSWORD/PIN**
- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 14th September, 2017.
- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 14th September, 2017, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [arun@swan.co.in](mailto:arun@swan.co.in) / [rahul.jain@swan.co.in](mailto:rahul.jain@swan.co.in)
- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XIII. Mr. Jignesh Pandya, Practicing Company Secretary (CP No. 7346) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XVI. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.swan.co.in](http://www.swan.co.in) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE and NSE, where the shares of the Company are Listed.

**By Order of the Board of Directors  
For Swan Energy Limited**

**Arun S. Agarwal**  
Company Secretary

**Mumbai, 14th August, 2017**



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

**Item No. 5:**

The Board of Directors of the Company has, on the recommendation by the Audit Committee, appointed Mr. Vinod H. Shah, Cost Accountants (firm registration number: 100257) as the Cost Auditors for the financial year 2017-18 at a remuneration of ₹ 55,000/- (Rupees Fifty thousand only) plus applicable taxes.

As per Section 148 of the Companies Act, 2013 ("ACT") and applicable Rules thereunder, the remuneration payable to the Cost Auditors is to be ratified by the Members of the Company.

The Board considers the remuneration payable to the Cost Auditors as fair and reasonable.

None of the Directors, Key Managerial Personnel (KMPs) or their relatives are interested or concerned in the said Resolution.

The Board recommends the Ordinary Resolution as set out at Item number 5 of the accompanying Notice for approval of the members.

**By Order of the Board of Directors  
For Swan Energy Limited**

**Arun S. Agarwal**  
Company Secretary

**Mumbai, 14th August, 2017**

**DIRECTORS' REPORT**

1) Your Directors are pleased to present the One Hundred Ninth (109th) Annual Report together with the Audited Financial Statements (Standalone & Consolidated) for the year ended 31st March, 2017.

2) **Financial Results**

Particulars	For the year ended on 31.3.2017 (₹ in Lakhs)	For the year ended on 31.3.2016 (₹ in Lakhs)
Profit before interest & depreciation	2461.93	1914.38
Less: Interest	1544.78	1318.13
: Depreciation	541.86	504.94
Profit before Tax	375.29	91.31
Less: Provision for Taxation	207.39	32.62
<b>Net Profit for the year</b>	<b>167.90</b>	<b>58.69</b>
Add: Amount of Profit & Loss Account brought forward	12473.13	12547.55
Amount available for Appropriation	12641.03	12606.24
Less: Appropriations:		
Transfer to General Reserve	-	-
Provision for Proposed Dividend (including tax)	220.48	133.11
Balance of Profit & Loss Account transferred to Balance sheet	12420.55	12473.13

3) **Review of Operations**

**FSRU**

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 work and onsite works are on full swing. Letter of Intent has been 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.

**REAL ESTATE**

The Kurla project (Commercial Complex) involved construction of 4 towers of which, 3 towers have been handed over to the buyer, i.e. Equinox. For the 4th tower, with an area of around 4,47,370 sq. ft., the company is in the process of handing over the same on receipt of Occupation Certificate (OC).

One of the 100% subsidiary company, Cardinal Energy & Infrastructure Pvt Ltd (CEIPL) have two completed commercial properties, one at Whitefield, Bangalore and second at Gachibowli, Hyderabad. Both the properties have been leased out to multinational companies.



CEIPL has entered into a Joint Development Agreement (JDA) to develop a land for a High End Residential Apartment Complex at Bangalore, housing 126 Luxury 3 BHK & 4BHK Apartments. The total constructed area in the project will be around 500,000 sqft with a potential top line sale of ₹ 300 cr. Excavation work has already started and the project is due to be completed in the last quarter of 2020.

#### TEXTILE

During the current financial year, the Process House of the Company at Ahmedabad has posted profit before tax of ₹ 1107.87 lakhs (Previous year ₹ 1045.64 lakhs).

On standalone basis, revenue from operations for the financial year 2016-17 was ₹ 33,076.19 lakhs as compared to ₹ 31,725.84 lakhs in the previous year. Earning before interest, tax, depreciation and amortization (EBITDA) for the year was ₹ 2461.93 lakhs as compared to ₹ 1914.38 lakhs in the previous year. Profit after Tax (PAT) for the year was ₹ 167.90 lakhs as compared to ₹ 58.69 lakhs in the previous year.

On consolidation basis, revenue from operations for the financial year 2016-17 was ₹ 34,863.86 lakhs as compared to ₹ 33,174.41 lakhs in the previous year. Earning before interest, tax, depreciation and amortization (EBITDA) for the year was ₹ 4421.60 lakhs as compared to ₹ 3526.13 lakhs in the previous year. Profit after Tax (PAT) for the year was ₹ 44.96 lakhs as compared to ₹ (18.52) lakhs in the previous year.

#### 4) Material changes and commitments:

During the month of April, 2017, the company has issued 2,30,77,000 equity shares of face value of ₹ 1/- each to M/s 2i Capital PCC, a foreign company, at a price of ₹ 195/- each on a preferential basis. Post issue, equity share capital of the company is 24,42,57,000 equity shares of face value of ₹ 1/-, totaling to ₹ 2442.57 lakhs.

#### 5) Dividend & Reserve

Your company needs to conserve its resources for its various upcoming projects, including FSRU Project. Yet, as a investor friendly measure, your Directors have recommended payment of dividend @ ₹ 0.075 per Equity Share (7.5%) on 24,42,57,000 Equity Shares of ₹ 1/- each for the year ended 31st March, 2017, subject to approval of the members. The amount of dividend and the tax thereon will be ₹ 1,83,19,275/- and ₹ 37,29,373/- (tax rate being @ 20.36%) respectively.

The company has not transferred any amount to the General Reserve during the year.

#### 6) Fixed Deposits

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

#### 7) Finance

Your Company has been regular in meeting its obligation towards payment of Principal/Interest to the Banks and other institutions.

During the year under review, the Company has neither issued shares with differential voting rights nor has granted stock options/sweat equity. The paid up Equity share capital as on 31st March, 2017 was ₹ 2211.80 lakhs.

#### 8) Statutory Disclosures :

##### 8.1 Management Discussion and Analysis:

As required under Regulation 34(2)(e) of the SEBI (LODR) Regulations, 2015, a Management Discussion and Analysis is annexed to this Report – Annexure – A.

##### 8.2 Corporate Governance

As required under Regulation 17(7) of the SEBI (LODR) Regulations, 2015, a report on the 'Corporate Governance', together with a certificate of statutory auditors confirming compliance of the conditions of the Corporate Governance, is annexed to this report – Annexure B.

Further, in compliance of Regulation 17(5) of the SEBI (LODR) Regulations, 2015, your Company has adopted a 'Code of Conduct and Ethics' for its Directors and Senior Executives.



8.3 Extract of Annual Return:

An extract of the Annual Return in Form MGT – 9 is annexed to this Report - Annexure - C.

8.4 Conservation of energy, technology absorption and foreign exchange earnings and outgo:

Information under Section 134 (3) (m) of the Companies Act, 2013 ('the Act'), read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed to this Report - Annexure D.

8.5 Corporate Social Responsibility (CSR) Policy:

The Report on CSR is annexed to this Report - Annexure - E.

8.6 Particulars of Employees:

Pursuant to provisions of Section 136 (1) of the Act and as advised, the statement containing particulars of employees under Section 197 (12) of Act, read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 will be available for inspection at the registered office of the Company and will be made available to a shareholder on request.

8.7 Number of Board Meetings and composition of Audit Committee:

During the year under review, 11 (Eleven) Board Meetings were convened and held. The required details are given in the Corporate Governance Report forming part of this report.

8.8 Directors Responsibility Statement:

Pursuant to Section 134 (3) (c) of the Act, the Directors confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (b) appropriate accounting policies have been selected and applied consistently. Judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the company as on 31st March, 2017 and of the profit of the Company for that period;
- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the Annual accounts have been prepared on a going concern basis;
- (e) internal financial controls have been laid down and followed by the company and that such controls are adequate and are operating effectively;
- (f) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

8.9 Statement on declaration given by independent Directors:

The Independent Directors of the Company have submitted their Declaration of Independence, as required under the provisions of Section 149(7) of the Act, stating that they meet the criteria of independence as provided in section 149(6) of the Act.

8.10 Disclosure regarding Company's policies under Companies Act, 2013:

i- Remuneration and Nomination Policy

The Board of Directors has framed a policy which lays down criteria for selection/appointment and framework in relation to remuneration of Directors, Key Managerial Personnel (KMPs) and Senior Management of the Company.

ii- Whistle Blower Policy

The Company has a Whistle Blower policy to deal with instances of fraud and mismanagement, which is posted on the website of the Company.

iii- Risk Management Policy

The Company has a structured Risk Management policy. The Risk Management process is designed to safeguard the organization from various risks through adequate and timely actions. It is designed to anticipate, evaluate and mitigate risks in order to minimize its



impact on the business. The potential risks are integrated with the management process such that they receive the necessary consideration during decision making.

8.11 Particulars of loans, Guarantees or investments by Company:

Details required to be disclosed pursuant to the provisions of Section 186 of the Act are disclosed in the notes to Financial Statements.

8.12 Related Party Transactions:

All transactions entered with Related Parties for the year under review were on arm`s length basis and in the ordinary course of business. There are no materially significant related party transactions during the year, which may have potential conflict with the interest of the company at large. The details of the transactions with the related parties are disclosed in the Accounts.

8.13 Subsidiary Company:

A statement in Form AOC – 1 pursuant to Section 129(3) of the Act, relating to subsidiary companies is attached to the Accounts. The financial statements and related documents of the Subsidiary companies shall be kept open for inspection at the registered office of the Company.

8.14 Significant and material orders passed by the Regulators or courts:

There were no significant and material orders passed by the Regulators or Courts or Tribunals during the year under review which would impact the going concern status of the Company and its future operations.

8.15 Directors:

At the ensuing Annual General Meeting, Mr. Paresh V. Merchant, retires by rotation and being eligible, offers himself for re-appointment.

Mr. Vilas A. Gangan resigned as whole time director of the Company with effect from 1st August, 2016. The Board has placed on record its sincere appreciation and gratitude for his valuable services in various capacities to the company and group as a whole during his long tenure since 1993.

The Board, with deep regret, noted the sad demise of Late Nagardas H. Panchal, an independent director, on 5th July, 2016 and placed on record its deepest condolence. The Board also placed on record its sincere appreciation and gratitude for his contribution to the company since 2004.

8.16 Performance evaluation of the Board:

Pursuant to the Section 134 of the Act and SEBI (LODR) Regulations 2015, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of all the Committees of the Board.

8.17 Prevention of Sexual Harassment of Women at workplace:

The Company has a constituted Committee in compliance of the provisions of “Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013’. However, no case was reported to the Committee during the year under review.

**9) Auditors:**

9.1 Statutory Audit

M/s. V. R. Renuka & Co., Chartered Accountants (ICAI Registration No. 108826W), the retiring Auditors have completed the maximum tenure as Statutory Auditors of the Company and hence, are not eligible for re-appointment pursuant to Section 139(2) of the Act.

Pursuant to the recommendation of the Audit Committee, the Board recommends to appoint M/s N. N. Jambusaria & Co., Chartered Accountants (ICAI Registration No. 104030W), who have given consent and eligibility certificate to act as a Statutory Auditors of your Company for one term of five consecutive years from the conclusion of the ensuing AGM, subject to annual ratification by members at every AGM.

9.2 Cost Audit

Pursuant to the recommendation of the Audit Committee, the Board has appointed M/s V. H. Shah, Cost Accountants (Registration No. 100257) as the Cost Auditor for the financial year



ended 31st March, 2018, at a remuneration of ₹ 55000/- (Rupees Fifty Five thousand only) plus applicable taxes, who have given consent and eligibility certificate to act as a Cost Auditors of your Company. The remuneration payable is required to be ratified at the ensuing AGM.

9.3 Secretarial Audit

The Board has appointed M/s Jignesh M. Pandya & Co. (CP No. 7318), a practicing Company Secretary, to undertake the Secretarial Audit of the Company for the year ended 31st March, 2017 and their report is annexed to this Report - Annexure – F.

**10) Auditors' Report:**

Report of the auditors, read with the notes to the financial statements, is self-explanatory and need no elaboration.

**11) Industrial relations:**

The relationship with all the concerned continued to remain harmonious and cordial throughout the year under review.

**12) Appreciation:**

The Directors place on record their appreciation for support and timely assistance from Financial Institutions, Banks, Government Authorities and above all, its Shareholders, who have extended their valuable support to the Company.

The Directors also wish to appreciate sincere and dedicated efforts and services by all the employees/ staff.

For and on behalf of the Board of Directors

**Navinbhai C. Dave**  
Chairman

Mumbai, 30th May, 2017



## Annexure to Directors Report

## Annexure 'A'

**MANAGEMENT DISCUSSION AND ANALYSIS****(i) Industry Structure and Developments:**

Your Company is a diversified player with the presence in Textile, Real Estate and Energy Sectors.

**Textile:**

100% of the 'Revenue from Operations' during the financial year 2016-17 is from Textile sector. The textile sector is under stiff competition, at both global and domestic level. However, with the start of new era of GST, it is likely that organized sector will get benefit in the long run, which remains to be seen. The Company is endeavoring to run its process house at Ahmedabad at maximum feasible capacity. The Company is also exploring Asian export markets. These steps are likely to yield improved results in the years to come

**Real Estate:**

Your company, through its subsidiary, has started construction of one residential project under Joint Development Agreement (JDA) at Bangalore. The project, once completed, is likely to fetch decent returns. The company is exploring viability of starting other projects in the year 2017-18.

**Energy:**

FSRU Project of the company has made tremendous progress during the year 2016-17. After receipt of Environmental clearance and execution of re-gasification agreements, permission from Gujarat Maritime Board (GMB) for site construction has been received and subsequent to award of EPC contract, contractor has started dredging and other allied works on site.

The Gujarat government has agreed to have 26% equity participation in the project. Term sheets have been signed with the foreign partner for equity & technical collaboration and negotiations with shipyard for ship building contract is at advanced stage.

**(ii) Opportunities, Threats, Risks and Concerns:**

Opportunities in all the three sectors are enormous.

Under Energy sector, FSRU project of the company is likely to outperform all other sectors once it is commissioned in the year 2020. The project may double its capacity, depending upon various factors.

Real estate sector shall contribute handsomely in the years to come, with growth of IT and other sectors in southern India.

Textile business, with expansion in domestic and penetration in export market, is expected to add to the revenues of the company.

However, each of the three sectors of the company has inherent threats, risks and concerns, peculiar and applicable to each sector, like, regulatory changes & its uncertainty, rising competition & inflation, international factors, demand supply fluctuations, input cost fluctuations etc.

Your company is well placed to face all of these threats, risks and concerns.

**(iii) Segment wise product wise performance:**

During the year, 100% of the revenue from operations has been contributed by the Textile sector.

**(iv) Outlook:**

The Indian economy is driven by the government with its 'Make in India/New India' slogan and bold initiatives for overall socio-economic development towards continued growth prospectus. Your company is well poised to reap the benefits in all the three sectors. The outlook of the management in all the three sectors is positive in spite of variety of adversity of factors.

**(v) Internal Control systems and their adequacy:**

Your Company has adequate and appropriate internal control systems. The Senior Management periodically reviews factors and issues that influence the Company's Business and takes appropriate decisions to ensure that the Company's interest and that of the stakeholders is protected. The Company has an inbuilt system of internal checks and controls.



The Audit Committee of the Board reviews the adequacy and effectiveness of the internal controls and checks and suggests desired improvements from time to time.

(vi) **Financial and Operational Performance:**

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Sales	33076.19	31,725.84
Other Income	591.31	206.17
Profit before Depreciation and Tax	917.15	596.25
Depreciation	541.86	504.94
Taxes	207.39	32.62
Profit/ (Loss) after depreciation and taxes	167.90	58.69

(vii) **Material developments in human Resources/ Industry relations front, including number of people employed:**

The Company continues to give utmost importance to Human Resources Development and keeps relations normal. As on 31st March, 2017, there are 171 employees, including 3 whole time directors.

Industrial relations continue to be harmonious and normal.

(viii) **Precautionary Statement:**

This report contains forward looking statements that address expectations and projections about the future, based on certain assumptions of future events. Company`s actual results, performance or achievements may, thus, differ materially from those projected in any such forward looking statements.

For and on behalf of the Board of Directors

Mumbai, 30th May, 2017

**Navinbhai C. Dave**  
Chairman

**REPORT ON CORPORATE GOVERNANCE****1 A BRIEF STATEMENT ON THE COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:**

Corporate Governance is the system by which Companies are directed and controlled by the management in the best interest of the Shareholders and others, thereby ensuring greater transparency, better and timely financial reporting, generating long term economic value for its Shareholders.

The Company has incorporated the sound Corporate Governance practices by laying emphasis on transparency, accountability and integrity in all its operations and dealings with outsiders.

**2 BOARD OF DIRECTORS:**

As on 31st March, 2017, the Company's Board comprises Nine members, consisting of Five Non-Executive / Independent Directors. The composition of the Board meets with the requirements of the Regulation 17 of SEBI (LODR) Regulations, 2015.

Your Company held 11 (Eleven) Board meetings during the year on 20th April, 2016, 30th May, 2016, 13th July, 2016, 12th August, 2016, 19th October, 2016, 14th November, 2016, 23rd January, 2017, 14th February, 2017, 22nd February, 2017, 6th March, 2017 and 8th March, 2017.

The required details of the Board of Directors as on 31st March, 2017 are as under:-

Name of the Director	Category	No. of meetings held	No. of meetings attended	Whether attended last AGM	Number of outside directorships held (*)	Membership in Committees (**)	Chairmanship in Committees (**)
Mr. Navinbhai C. Dave (DIN: 01787259)	Non-Executive Chairman	11	11	Yes	--	1	1
Mr. Nikhil V. Merchant (DIN: 00614790)	Managing Director	11	11	Yes	1	--	--
Mr. Paresh V. Merchant (DIN: 00660027)	Executive Director	11	11	Yes	2	2	1
Mr. Padmanabhan Sugavanam (DIN: 03229120)	Whole time Director	11	11	Yes	1	--	--
Mr. Vilas Anant Gangan (DIN: 00281984) #	Whole Time Director	11	3	No	1	--	--
Mr. Rajkumar Sukhdevsinhji (DIN: 00372612)	Non- Executive/ Independent	11	8	Yes	1	2	--
Mr. Pitamber S.Teckchandani (DIN: 00319820)	Non-Executive/ Independent	11	8	Yes	--	2	--
Mr. Nagardas H. Panchal (DIN: 01787226) ##	Non- Executive/ Independent	11	1	No	1	--	--



Mr. Shobhan I. Diwanji (DIN: 01667803)	Non- Executive/ Independent	11	8	No	--	2	--
Mr. Rajat kumar Das Gupta (DIN: 01725758)	Non- Executive/ Independent	11	8	No	1	--	--
Mrs. Surekha N. Oak (DIN: 07122776)	Non- Executive/ Independent	11	9	Yes	--	3	2

\* (Excluding alternate Directorship and Directorship in private limited companies, foreign companies and section 25 companies)

\*\* Committees considered are Audit Committee, Stakeholders relationship Committee, Nomination & Remuneration Committee and Corporate Social Responsibility Committee.

# Resigned.

## Expired

### 3 BOARD - LEVEL COMMITTEES:

The Company has four Board level Committees, namely;

- Audit Committee.
- Stakeholders Relationship Committee.
- Nomination & Remuneration Committee.
- Corporate Social Responsibility Committee.

#### a) Audit Committee:

The Audit Committee of the Company consists of three (3) Independent Directors, namely, Mrs. Surekha Oak (Chairman), Mr. Rajkumar Sukhdevisinhji, Mr. Shobhan I. Diwanji and. The terms of reference of the Committee are as per Regulation 18 of SEBI (LODR) Regulations, 2015 and Section 177 of the Companies Act, 2013.

The Committee met Four times during the year under review on 30th May 2016, 12th August, 2016, 14th November, 2016 and 14th February, 2017, wherein all the members were present. The Audit Committee, inter-alia, held discussions with the Statutory Auditors on the "Limited Review" of the quarterly, half-yearly & final accounts and matters relating to compliance of accounting standards, their observations arising from the annual audit of the accounts of the Company and its subsidiary companies and other related matters.

#### b) Stakeholders Relationship Committee:

The Shareholders/Investors' Relationship Committee, comprising Mr. Navinbhai C. Dave (Chairman), Mr. Paresh V. Merchant, and Mrs. Surekha Oak, has been constituted for redressing shareholders and investors' complaints. The Committee met Four times during the year 2016-17 on 30th May 2016, 12th August, 2016, 14th November, 2016 and 14th February, 2017, wherein all the members were present.

During the year, Company has received 1 complaint from the shareholder, which was duly resolved/ replied.

The Company has designated the following exclusive E-mail ID for the convenience of investors. [invgrv@swan.co.in](mailto:invgrv@swan.co.in)

The Company's website [www.swan.co.in](http://www.swan.co.in) is updated with the Quarterly information conveyed to the Stock Exchange and other relevant information.

#### c) Nomination & Remuneration Committee:

The Nomination & Remuneration Committee comprises of three (3) Independent Directors, namely, Mrs. Surekha Oak (Chairman), Mr. Shobhan I. Diwanji and Mr. Pitamber S. Teckchandani. The terms of reference of Committee, inter-alia, consists of recommendation



for appointment/ re-appointment of Managing Director, Executive/whole time Director/s and senior executives and review of terms of appointment. The Committee met once during the year 2016-17 on 14th November, 2016, wherein all the members were present.

**d) Corporate Social Responsibility (CSR) Committee:**

The CSR committee, comprising Mr. Paresh V. Merchant (Chairman), Mr. Pitamber Teckchandani and Mr. Rajkumar Sukhdevsinhji, has been constituted for formulating CSR policies, recommending the activities to be undertaken and the amount to be spent on such activities. The Committee met once during the year 2016-17 on 14th February, 2017.

**e) Independent Directors' Meeting:**

During the year under review, the Independent Directors met on 14th February, 2017, inter-alia, to discuss:

- Evaluation of performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluation of performance of the Chairman of the Company, taking into account the views of the Executive and Non-executive Directors;
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

**4 GENERAL BODY MEETING**

Date, Time and venue for the last three Annual General Meetings are given below:

Financial Year ended	Date	Time	Venue
31 March, 2016	21.09.2016	11.30 A.M.	Walchand Hirachand Hall, IMC Building, Churchgate, Mumbai – 400 020.
31 March, 2015	11.09.2015	11.30 A.M.	Walchand Hirachand Hall, IMC Building, Churchgate, Mumbai – 400 020.
31 March, 2014	29.09.2014	04.00 P.M.	Walchand Hirachand Hall, IMC Building, Churchgate, Mumbai – 400 020.

**DETAILS OF GENERAL MEETINGS AND SPECIAL RESOLUTIONS PASSED:**

**AGM held during the past 3 years and the Special Resolutions passed therein:**

Date	Time	Special Resolution Passed
21.09.2016	11.30 A.M.	1. Raising of Capital through QIP/ GDR/ ADR/ FCCB upto an amount not exceeding ₹ 1200 crores
11.09.2015	11.30 A.M.	1. Raising of Capital through QIP/ GDR/ ADR/ FCCB upto an amount not exceeding ₹ 1200 crores 2. Appointment of Mr. Padmanabhan Sugavanam as Whole Time Director of the Company
29.09.2014	04.00 P.M.	1. Appointment of Mr. Vilas A. Gangan as Whole Time Director of the Company 2. Appointment of Mr. Nikhil Merchant as Managing Director of the Company 3. Appointment of Mr. Paresh Merchant as Executive Director of the Company

**5 DISCLOSURES**

- (i) All related party transactions were on an arm's length basis and have been entered into in the ordinary course of business after approval of the Audit Committee. There were no material individual transactions with related parties which may have potential conflict with the interest of the company at large. The details of the transactions with the related parties are disclosed in the Financial Statements.



- (ii) No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.
- (iii) The Company has established a vigil mechanism/Whistle Blower Policy and takes cognizance of complaints and suggestions by employees and others.
- (iv) Web-links
  - 1. Related Party Transaction Policy  
<http://www.swan.co.in/pdf/Policy%20on%20Related%20Party%20transactions.pdf>
  - 2. Policy for determining Material Subsidiaries  
<http://www.swan.co.in/pdf/Policy%20for%20Determining%20Material%20Subsidiaries.pdf>
  - 3. Whistle Blower Policy  
[http://www.swan.co.in/pdf/Whistle%20blower%20policy\\_SWAN.pdf](http://www.swan.co.in/pdf/Whistle%20blower%20policy_SWAN.pdf)
- (v) All Accounting Standards mandatorily required have been followed in preparation of the financial statements.
- (vi) There were no material, financial and commercial transactions by senior Management, as defined in Regulation 26 of the Listing Regulations, where they have any personal interest that may have a potential conflict with the interests of the Company at large, requiring disclosures by them to the Board of Directors of the Company.

## 6 CEO/CFO CERTIFICATION

As required under Regulation 17(8) read with Part B of Schedule II of Listing Regulations, the Managing Director and the Chief Financial Officer of the Company has certified to the Board regarding their review on the Financial Statements, Cash Flow Statements and matters related to internal controls etc. in the prescribed format for the year ended 31st March, 2017.

## 7 MEANS OF COMMUNICATION

The quarterly results are published in the newspapers. It is also available on the website of the company under the name 'www.swan.co.in'. Official news releases are sent to the Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

## 8 SHAREHOLDER INFORMATION

- a) Annual General Meeting
  - Day, Date : Thursday, 21<sup>st</sup> September, 2017
  - Time : 11.30 A.M.
  - Venue : Babasaheb Dahanukar Sabhagriha, Maharashtra Chamber of Commerce, Industry & Agriculture (MACCIA), Oricon House, 6th Floor, Maharashtra Chamber of Commerce Lane, Kala Ghoda, Fort, Mumbai - 400 001
- b) Financial Calendar
  - Financial reporting for
    - Quarter ending Sept 30, 2017 : Upto 14<sup>th</sup> November, 2017
    - Quarter ending Dec 31, 2017 : Upto 14<sup>th</sup> February, 2018
    - Quarter ending March 31, 2018: Upto 30<sup>th</sup> May, 2018
  - Annual General Meeting for the year ended March 31, 2018 : Upto end of September, 2018
- c) Dates of Book closure : September 15, 2017 to September 21, 2017 (both days inclusive)
- d) Dividend payment date : On or after September 21, 2017
- e) Listing on Stock Exchange at : Bombay Stock Exchange Limited  
National Stock Exchange of India Limited
- f) Demat ISIN Number : INE665A01038



g) Stock Market Data : Scrip Code  
BSE: 503310

Month	Volume (No. of Shares)	Price (₹)	
		High	Low
April, 2016	43,37,320	64.00	59.80
May, 2016	55,91,715	64.00	57.50
June, 2016	63,57,126	69.00	58.00
July, 2016	74,04,826	72.00	62.00
August, 2016	72,68,092	68.20	61.35
September, 2016	62,49,845	67.00	58.50
October, 2016	22,96,818	109.60	61.40
November, 2016	69,81,989	155.65	94.35
December, 2016	2,35,70,289	213.40	141.65
January, 2017	99,81,626	203.45	151
February, 2017	45,78,766	177.40	147.20
March, 2017	30,57,238	164.75	140.90

• Source: Website of Bombay Stock Exchange Limited ([www.bseindia.com](http://www.bseindia.com))

\* NSE Scrip Code: SWANENERGY

Month	Volume (No. of Shares)	Price (₹)	
		High	Low
April, 2016	53,69,269	64.00	59.70
May, 2016	61,72,275	61.00	57.30
June, 2016	75,19,749	69.00	58.00
July, 2016	79,36,160	72.30	61.95
August, 2016	80,78,410	69.90	61.30
September, 2016	62,41,202	64.60	58.80
October, 2016	52,79,950	108.90	61.35
November, 2016	1,90,26,017	155.50	90.60
December, 2016	6,19,75,701	213.85	141.65
January, 2017	2,69,83,029	203.00	154.15
February, 2017	1,22,94,012	177.85	147.70
March, 2017	1,00,13,151	163.70	140.25

• Source: Website of National Stock Exchange of India Limited ([www.nseindia.com](http://www.nseindia.com))

## 9 Registrar and Share Transfer Agent

Purva Sharegistry (India) Private Limited, Gala No. 9, J.R. Boricha Marg, Shivshakti Industrial Estate, Lower Parel, Mumbai – 400 011. Tel.: 23016761/23018261. Fax: 2301 2517. Email: [busicomp@vsnl.com](mailto:busicomp@vsnl.com)

## 10 Share Transfer Systems

Share Transfers are registered and returned within a period of 30 days from the date of receipt, if the documents are clear in all respects. The power to approve transfer of securities has been delegated by the Board of Directors to the Shareholders'/ Investor Grievance and Share Transfer Committee.

**11 Distribution of Shareholding (as on 31.03.2017)**

Category	Number of Shareholders	% of Shareholders	No. of Shares held	% of shareholding
1-5,000	11278	97.24	45,47,019	2.06
5,001-10,000	148	1.28	10,76,426	0.49
10,001-20,000	75	0.65	11,04,570	0.50
20,001-30,000	18	0.16	4,58,331	0.21
30,001-40,000	11	0.09	3,90,619	0.18
40,001-50,000	11	0.09	4,65,863	0.21
50,001- 1,00,000	18	0.16	13,29,291	0.60
1,00,001 and above	39	0.33	21,18,07,881	95.75
<b>Total</b>	<b>11598</b>	<b>100.00</b>	<b>22,11,80,000</b>	<b>100.00</b>

**12 Categories of Shareholders (as on 31.03.2017)**

Category	Number of Shares held	% of Shareholdings
Resident Individuals	73,19,896	3.31
L.I.C.	56,12,790	2.54
Other Insurance Companies	300	0.00
Financial Institutions	2,81,333	0.13
Corporate Promoter	15,84,13,500	71.62
Bodies Corporate	2,42,48,871	10.96
Clearing members	16,43,569	0.74
Directors	4,000	0.01
Directors Relatives	82,500	0.03
Private Sector Banks	55,897	0.03
Nationalised Banks	99,004	0.04
FII ( Mauritius based)	2,27,98,547	10.31
FII ( Others)	1,86,514	0.08
N.R.I. (Non Repat)	17,978	0.01
N.R.I. (Repat)	46,329	0.02
Trust	2,300	0.00
Hindu Undivided Family	3,66,672	0.17
<b>Total</b>	<b>22,11,80,000</b>	<b>100.00</b>

**13 Dematerialization of Shares and liquidity**

The Company's shares are traded compulsorily in dematerialized form at Bombay Stock Exchange and National Stock Exchange. 99.21% of the Equity shares of your Company have been dematerialized upto 31st March, 2017.

**14 Address of the correspondence**

Swan Energy Limited: 6, Feltham House, 2nd Floor, 10, J. N. Heredia Marg, Ballard Estate, Mumbai 400 001. Phone: 022-40587350. Fax: +91-22-40587360. Email: swan@swan.co.in

**For and on behalf of Board of Directors**

Mumbai, 30th May, 2017

**Nikhil V. Merchant**  
Managing Director

**CEO/CFO CERTIFICATION**

(Pursuant to Regulation 17(8) of SEBI (LODR) Regulations, 2015)

To

The Board of Directors,

**Swan Energy Limited**

We, the undersigned, in our respective capacities as Managing Director and Chief Financial officer of the Company, to the best of my knowledge and belief certify that;

- (a) We have reviewed the Financial Statements for the Financial Year ended 31st March, 2017 and based on our knowledge and belief state that :
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
  - (ii) these statements together presents a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- (b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the Financial Reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee :
  - (i) significant changes, if any, in the internal control over the Financial Reporting during the year;
  - (ii) significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over Financial Reporting.

**For and on behalf of Board of Directors  
For Swan Energy Limited**

**Mumbai, May 30, 2017**

**(Nikhil V. Merchant)**  
Managing Director

**(Chetan K. Selarka)**  
Chief Financial Officer

**DECLARATION BY THE MANAGING DIRECTOR**

(Pursuant to Regulation 34(3) of SEBI (LODR) Regulations, 2015)

In accordance with SEBI (LODR) Regulations, 2015 we hereby confirm that all the Directors and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct in respect of the financial year ended 31st March, 2017.

**For and on behalf of Board of Directors  
For Swan Energy Limited**

**(Nikhil V. Merchant)**  
Managing Director

**Mumbai, May 30, 2017**

**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

To the members of Swan Energy Limited,

We have examined the compliance of the conditions of corporate governance by the Swan Energy Limited ("The Company") for the year ended 31st March, 2017, as per Regulations 17 to 27, clauses (b) to (i) of sub regulation (2) of regulation 46 and paragraphs C, D and E of Schedule V of the SEBI (LODR) Regulations 2015.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the management, we certify that the Company has complied with the Conditions of Corporate Governance as per Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraphs C, D and E of Schedule V of the SEBI (LODR) Regulations 2015, as applicable.

We further state that, such compliance is neither an assurance as to the future viability of the Company, nor to the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

**V. R. Renuka**  
Proprietor  
M. No. 32263

**Mumbai, May 30, 2017**

**FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN**

as on financial year ended on 31.03.2017

**[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12 (1) of The Company (Management and Administration) Rules, 2014]****I. REGISTRATION AND OTHER DETAILS**

i	CIN	L17100MH1909PLC000294
ii	Registration Date	22/02/1909
iii	Name of the Company	Swan Energy Limited
iv	Category/Sub-category of the Company	Public
v	Address of the Registered office & contact details	6, Feltham House, 2nd Floor, 10 J. N. Heredia Marg, Ballard Estate, Mumbai - 400 001.
vi	Whether listed company	Yes
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Purva Sharegistry (India) Private Limited. No.9, Shiv Shakti Industrial Estate, Gr. Floor, J. R. Boricha Marg, Opp. Kasturba Hospital, Lower Parel, Mumbai - 400 011. Tel.: 23016761 Email Id: busicomp@gmail.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

S. No	Name and Description of main products / services	NIC Code of the products / services	% to total turnover of the Company
1	Textile	9961	99.61

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

S. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Cardinal Energy & Infrastructure Private Limited (6, Feltham House, 2nd Floor, 10 J. N. Heredia Marg, Ballard Estate, Mumbai - 400 001.)	U40102MH2008PTC184568	Subsidiary	100	2(87)
2	Pegasus Ventures Private Limited (6, Feltham House, 2nd Floor, 10 J. N. Heredia Marg, Ballard Estate, Mumbai - 400 001.)	U70102MH2012PTC229686	Subsidiary	100	2(87)
3	Swan LNG Private Limited (9th Avenue, Ground Floor, Behind Rajpat Club, Nemnagar, Bodakdev, Ahmedabad - 380059)	U40108GJ2013PTC073539	Subsidiary	100	2(87)
4	CEAU Limited (Isle of Man)	008009V	Subsidiary (Indirect)	100	2(87)



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

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 year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt. or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	158,413,500	-	158,413,500	71.62	158,413,500	-	158,413,500	71.62	0.00
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any other									
* DIRECTORS	4000	0	4000	0.00	4000	0	4000	0	0
* DIRECTORS RELATIVES	82500	0	82500	0.04	82500	0	82500	0.04	0
<b>SUB TOTAL:(A) (1)</b>	<b>158,500,000</b>	<b>-</b>	<b>158,500,000</b>	<b>71.66</b>	<b>158,500,000</b>	<b>-</b>	<b>158,500,000</b>	<b>71.66</b>	<b>0.00</b>
<b>(2) Foreign</b>									
a) NRI- Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoter (A)= (A)(1) + (A)(2)</b>	<b>158,500,000</b>	<b>-</b>	<b>158,500,000</b>	<b>71.66</b>	<b>158,500,000</b>	<b>-</b>	<b>158,500,000</b>	<b>71.66</b>	<b>0.00</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	916	-	916	-	-	-	-	-	-
b) Banks/FI	1,330,036	94,900	1,424,936	0.64	341,334	94,900	436,234	0.19	(0.45)
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	5,612,790	300	5,613,090	2.54	5,612,790	300	5,613,090	2.54	-
g) FIIS	21,392,274	-	21,392,274	9.67	22,985,061	-	22,985,061	10.39	0.72
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (B)(1):</b>	<b>28,336,016</b>	<b>95,200</b>	<b>28,431,216</b>	<b>12.85</b>	<b>28,939,185</b>	<b>95,200</b>	<b>29,034,385</b>	<b>13.12</b>	<b>0.27</b>



<b>(2) Non Institutions</b>										
a) Bodies corporates	28,101,459	77,300	28,178,759	12.74	24,171,871	77,000	24,248,871	10.96	(1.78)	
i) Indian	-	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakhs	2,863,177	1,593,000	4,456,177	2.01	4,645,844	1,567,200	6,213,044	2.81	0.80	
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	1,106,852	-	1,106,852	0.50	1,106,852	-	1,106,852	0.50	-	
c) Others (specify)	505,796	1,200	506,996	0.23	2,075,648	1,200	2,076,848	0.94	0.71	
<b>SUB TOTAL (B)(2):</b>	<b>32,577,284</b>	<b>1,671,500</b>	<b>34,248,784</b>	<b>15.49</b>	<b>32,000,215</b>	<b>1,645,400</b>	<b>33,645,615</b>	<b>15.21</b>	<b>(0.28)</b>	
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>60,913,300</b>	<b>1,766,700</b>	<b>62,680,000</b>	<b>28.34</b>	<b>60,939,400</b>	<b>1,740,600</b>	<b>62,680,000</b>	<b>28.34</b>	<b>0.00</b>	
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>219,413,300</b>	<b>1,766,700</b>	<b>221,180,000</b>	<b>100.00</b>	<b>219,439,400</b>	<b>1,740,600</b>	<b>221,180,000</b>	<b>100.00</b>	<b>0.00</b>	

**(ii) SHARE HOLDING OF PROMOTERS**

SI 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	Dave Impex Private Limited	46030400	20.81	52.78	46030400	20.81	89.93	0
2	Swan Realtors Private Limited	41589000	18.80	37.34	41589000	18.80	28.38	0
3	Swan Engitech Works Private Limited	38402858	17.36	0	38402858	17.36	0	0
4	Dave Leasing and Holdings Private Limited	7440800	3.36	0	7440800	3.36	0	0
5	Sahajanand Soaps and Chemicals Private Limited	6610000	2.99	0	6610000	2.99	0	0
6	Forceful Vincom Private Limited	4000000	1.81	0	4000000	1.81	0	0



7	Inderlok Dealcomm Private Limited	4000000	1.81	0	4000000	1.81	0	0
8	Banshidhar Trades Private Limited	4000000	1.81	0	4000000	1.81	0	0
9	Dhankalash Tradecomm Private Limited	4000000	1.81	0	4000000	1.81	0	0
10	Swan International Limited	2340442	1.06	0	2340442	1.06	0	0
11	Vinita Nikhil Merchant	41500	0.02	0	41500	0.02	0	0
12	Bhavik Nikhil Merchant	41000	0.02	0	41000	0.02	0	0
13	Nikhil Vasantlal Merchant	4000	0.00	0	4000	0.00	0	0
	<b>Total</b>	<b>158500000</b>	<b>71.66</b>	<b>18.55</b>	<b>158500000</b>	<b>71.66</b>	<b>25.12</b>	<b>0</b>

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

During the year, there is no change in the promoters' shareholding.

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

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Reasons for Change	Shareholding at the end of the year	
		No. of shares	% of total shares of the company		No of shares	% of total shares of the company
1	Ares Diversified	8758696	3.96	Sell	8695809	3.93
2	Tirupati Agency Private Limited	7695000	3.48	-	7695000	3.48
3	Kasturi Vintrade Private Limited	7431309	3.36	Sell	2453561	1.11
4	Albula Investments Fund LTD	5735800	2.59	Sell	5624800	2.54
5	Life Insurance Corporation Of India	5612790	2.54	-	5612790	2.54
6	Suryakanchan Vnimay Private Limited	5060000	2.28	-	5060000	2.28
7	Needful Dealcomm Private limited	5060000	2.28	-	5060000	2.28
8	Hypnos Fund Limited	3805778	1.72	-	3805778	1.72
9	EOS Multi Strategy Fund Ltd	3092000	1.40	-	3092000	1.40
10	General Insurance Corporation of India	1318747	0.59	Sell	256840	0.12



## (v) Shareholding of Directors &amp; KMP

Sl. No.	Name of 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
<b>1</b>	<b>Mr. Nikhil V. Merchant</b>				
	At the beginning of the year	4000	0.00	4000	0
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year	4000	0.00	4000	0
<b>2</b>	<b>Mrs. Surekha Oak</b>				
	At the beginning of the year	200	0.00	200	0
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year	100	0.00	100	0
<b>3</b>	<b>KMP</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No of shares</b>	<b>% of total shares of the company</b>
	NIL	NIL	NIL	NIL	NIL

## V INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	12,415.73	683.85	-	13,099.59
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>12,415.73</b>	<b>683.85</b>	<b>-</b>	<b>13,099.59</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	4,136.89	2,891.73	-	7,028.62
Reduction	122.52	1,420.35	-	1,542.86
<b>Net Change</b>	<b>4,014.37</b>	<b>1,471.39</b>	<b>-</b>	<b>5,485.76</b>



Indebtedness at the end of the financial year				
i) Principal Amount	16,430.11	2,155.24	-	18,585.35
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>16,430.11</b>	<b>2,155.24</b>	<b>-</b>	<b>18,585.35</b>

## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole time director and/or Manager:

Total Amount (₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Name of the MD/WTD/Manager				
		Mr. Nikhil Merchant	Mr. Paresh Merchant	Mr. Padamanabhan sugavanam	Mr. Vilas A. Gangan	Total
1	<b>Gross salary</b>					
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	128.83	128.83	29.04	17.73	304.43
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-	-
2	Stock option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
	as % of profit	-	-	-	-	-
	others (specify)	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	<b>Total (A)</b>	<b>128.83</b>	<b>128.83</b>	<b>29.04</b>	<b>17.73</b>	<b>304.43</b>

### B. Remuneration to other directors:

During the year, no remuneration has been paid to other Directors.



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

SI. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	<b>Gross Salary</b>				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	-	26.51	48.53	75.04
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	as % of profit	-	-	-	-
	others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total</b>	-	26.51	48.53	75.04

**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

Mumbai, May 30, 2017

**Navinbhai C. Dave**  
Chairman



## Annexure 'D'

Information pursuant to Section 134 (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014:

**A) CONSERVATION OF ENERGY**

**a) Energy conservation measures taken at Process House, Ahmedabad:**

It has been the Company's endeavour to ensure that it is engaged in continuous process of energy conservation through improved operational and maintenance practices. Accordingly, and in line with the company's commitment to conserve natural resources, the Process House at Ahmedabad continued with its endeavour to make more efficient use of energy by continuous up-gradation and installation of latest technology, machineries and energy saving equipments.

**b) Additional investments and proposals, if any, being implemented for reduction of conservation of energy:**

The Company is continuously striving and making all possible efforts to reduce energy consumption in all its energy intensive equipments.

**c) Impact of the measure (a) & (b) above for reduction of Energy Consumption and consequent impact on cost of production of goods**

The above measures initiated have resulted in energy saving and reduced consumption of electricity and fuel oils. Total energy consumption & energy consumption per unit of production are as per Form 'A' below:

**FORM A - PARTICULARS WITH RESPECT TO ENERGY CONSERVATION**

Particulars	Units	2016-17	2015-16
<b>A. Power and fuel consumption</b>			
<b>1. Electricity</b>			
<b>(a) Purchased</b>			
i) Connected Load	KWH	1175	1175
ii) Purchase of Units	Units	52,42,720	55,54,730
iii) Total Amount	Rs.	3,85,51,161	4,27,99,460
iv) Rate per unit (Average)	Rs.	7.35	7.71
<b>(b) Own generation</b>			
i) Through diesel Generator	KWH	480	2048
	Rs.	8,769	44,534
ii) Through steam turbine/generator		NIL	NIL
<b>2. Coal/Furnace Oil/Others</b>		<b>NIL</b>	<b>NIL</b>
<b>B. Consumption per unit of production</b>			
1. Processed Fabrics	Mtrs	2,21,14,119	2,44,55,843
Electricity/Meter Fabric processed	Unit	0.24	0.23

**B) TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT (R&D)**

1. Specific areas in which R & D carried out by the Company:

Quality Improvement in Products; Development of new Products and Designs; Cost control measures; Energy Conservation etc.

2. Benefits derived as a result of above R & D:

Sustained Quality at economized cost.



3. Future Plan of Action:  
Continuous focus on innovations in processing Textile products & development towards Quality enhancement & reduction in operational cost.
4. Expenditure on R & D : NIL
5. Technology absorption, adaptation and innovation:  
For consistent production through State of the Art Machinery and Equipments, our manufacturing facility is equipped with well trained Personnel and high-tech quality control equipments.

**C) FOREIGN EXCHANGE EARNINGS AND OUTGO** (₹ In lakhs)

	2016-17	2015-16
<b>Earnings - Export</b>	1043.07	1722.12
<b>Outgo - Stores &amp; Spares</b>	38.09	9.59
Travelling Expenses	22.81	64.65

For and on behalf of the Board of Directors

**Navinbhai C. Dave**  
Chairman

Mumbai, May 30, 2017

**Annexure 'E'**

**CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY**

- 1) A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.  
The Company has its Corporate Social Responsibility (CSR) Policy, which lays down a gist of the programs that a company can undertake under it. The CSR policy is available on the website of the company.
- 2) The Composition of the CSR Committee:
  - i. Mr. Paresh V. Merchant (Executive Director)
  - ii. Mr. Pitamber Teckchandani (Independent Director)
  - iii. Mr. Rajkumar Sukhdevsinhji (Independent Director)
- 3) Average Net Profit of the Company for the last three Financial years  
The average Net Profit for the last three years is ₹ 581.39 lakhs
- 4) Prescribed CSR Expenditure (two percent. of the amount as in item 3 above)  
Amount required to be spent is ₹ 11.63 lakhs.
- 5) Details of CSR spent during the Financial Year:
  - (a) Total amount to be spent for the financial year; ₹ 11.63 lakhs
  - (b) Amount unspent, if any; ₹ 4.38 lakhs
  - (c) Manner in which the amount spent during the financial year is detailed below.

Sr. No.	CSR project/ activity	Sector	location	Budget for projects/pre-programmes (₹)	Amount spent (₹)	Cumulative Expenditure (₹)	Amount spent: Direct/ Implementing Agency
1.	Establishment of 'holistic health center' for promoting healthcare	Healthcare	Gujarat	5,00,000	5,00,000	16,00,000	SSG Sarvajivhitavah Trust



2.	Support for education initiatives	Education	Gujarat / Mumbai	2,00,000	2,00,000	2,00,000	Image Book Culture Trust
3.	Treatment of poor patients	Healthcare	Mumbai	25,000	25,000	25,000	Charutar Arogya Mandal
	Total			<b>7,25,000</b>	<b>7,25,000</b>	<b>18,25,000</b>	

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

During the year, the Company has spent 1.25% of its average net profit on CSR activities. Since the introduction of CSR provisions, your Company has consciously scaled up its support to organizations based on their demonstrated capabilities over time. The Company will continue its work with existing and new partners, as also expand its geographical reach, in order to incrementally invest in CSR activities in the coming financial year.

- 7) The CSR Committee hereby confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

**For Swan Energy Limited**

**Paresh V. Merchant**

Chairman of CSR Committee

Mumbai, May 30, 2017

**Annexure 'F'**

## **SECRETARIAL AUDIT REPORT**

**Form No. MR-3**

**FOR THE FINANCIAL YEAR ENDED 31st March, 2017**

**[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]**

To,  
The Members,  
Swan Energy Limited  
Mumbai

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

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

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

- (i) The Companies Act, 2013 (the Act) and the Rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;



- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) Laws applicable to the industry to which the Company belongs, as identified by the Management is given in the enclosed Annexure 2.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

#### **We further report that**

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

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

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

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

This Report is to be read with our letter of even date which is annexed as Annexure '1' and forms an integral part of this Report.

**For Jignesh M.Pandya & Co.**

**Jignesh M. Pandya**  
**Practicing Company Secretary**  
**Proprietor**  
**Membership No. 7346 /CP No. 7318**

Mumbai, 30th May, 2017

**'Annexure 1'**

To the Members Swan Energy Limited

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, Rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, Rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**'Annexure 2'****Laws applicable to the Company:**

1. Factories Act, 1948;
2. Industries (Development & Regulation) Act, 1951;
3. Maharashtra Housing (Regulation and Development) Act, 2012;
4. Information Technology Act, 2000
5. The Indian Electricity Rules 1956
6. The Standard Weight and Measurement Act, 1976
7. The Public Liability Insurance Act, 1991
8. The Hazardous Material Transport Act (HMT) Act, 1975
9. Trade Marks Act, 1999 & Copy Right Act, 1957;
10. The Legal Metrology Act, 2009;
11. Labour Laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation etc.;
12. Acts prescribed under prevention and control of pollution;
13. Acts prescribed under Environmental protection;
14. Acts prescribed under Direct Tax and Indirect Tax;
15. Land Revenue laws of respective States;
16. Labour welfare Act of respective States;
17. Acts as prescribed under Shop and Establishment Act of various local authorities.
18. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

**For Jignesh M.Pandya & Co.**

**Jignesh M. Pandya**  
**Practicing Company Secretary**  
**Proprietor**  
**Membership No. 7346 /CP No. 7318**

Mumbai, 30th May, 2017



## INDEPENDENT AUDITOR'S REPORT

### To the Members of SWAN ENERGY LIMITED. Report on the Financial Statements

1. We have audited the accompanying standalone financial statements of **Swan Energy 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 standalone 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 standalone 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 policies 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 standalone financial statements.

### Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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.

### Report on Other Legal and Regulatory Requirements

9. 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(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:
- 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014;
  - e) 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;
  - 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 impact of the pending litigations as on March 31, 2017 is not expected to be material on the standalone financial position of the Company.
    - ii. The Company did not have any long term contracts, including derivative contracts for which there were any material foreseeable losses;
    - iii. There has been no amount due as at 31st March, 2017 which was required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv. 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 30, 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**  
Proprietor  
M. No. 032263

Mumbai, May 30, 2017

**“ANNEXURE A” TO INDEPENDENT AUDITOR’S REPORT:**

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

- (i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) As explained to us, all the fixed assets have been physically verified by the management in accordance with a phased programme of verification designed to cover all items over a period of three years, Considering the size and the nature of business, the frequency of verification is reasonable and the discrepancies noticed on such verification which has been properly dealt with in the books of accounts were not material.
- c) The title deeds of immovable properties, as disclosed in Note 10 on fixed assets to the financial statements, are held in the name of the Company.
- (ii) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable and the discrepancies noticed on such verification which has been properly dealt with in the books of accounts were not material.
- (iii) The Company has granted unsecured loans to four companies covered in the register maintained under section 189 of the Act. There are no firms/LLPs/ other parties 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 as 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 required to maintain cost records as prescribed under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (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 other than those mentioned below:



Name of the statute	Nature of dues	Amount Demanded ₹ in Lakhs	Period to which the amount relates	Forum where dispute is pending	Remark if any
Income Tax Act, 1961	Income Tax	1,522.98	A.Y 2009-10	ITAT	Department has gone in appeal
Income Tax Act, 1961	Income Tax	1,233.99	A.Y 2010-11	ITAT	Department has gone in appeal
Income Tax Act, 1961	Income Tax	415.18	A.Y 2011-12	ITAT	Department has gone in appeal

- (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, financial institutions, Government and debenture holders during the year.
- (ix) In our opinion, and according to the information and explanations given to us, the term loans have been applied, for the purposes for which they were obtained. There was no initial public offer or further public offer (including debt instrument).
- (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.
- (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-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**

Proprietor

M. No. 032263

Mumbai, May 30, 2017



## **“ANNEXURE B” TO THE INDEPENDENT AUDITOR’S REPORT**

### **of even date on the Standalone Financial Statements of Swan Energy 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 Energy Limited**

We have audited the internal financial controls over financial reporting of Swan Energy Limited (“the Company”) as of March 31, 2017 in conjunction with our audit of the standalone 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.

##### **Auditor’s 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.

**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**

Proprietor

M. No. 032263

**Mumbai, May 30, 2017**

**BALANCE SHEET AS AT MARCH 31, 2017**

(₹ in Lakhs)

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	2,211.80	2,211.80
Reserves and Surplus	2	41,691.32	41,743.90
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	3	10,367.72	6,535.15
Deferred Tax Liabilities (Net)	4	705.14	687.75
Other Long Term Liabilities	5	44,034.77	42,194.65
<b>Current Liabilities</b>			
Short-Term Borrowings	6	8,216.03	6,552.52
Trade Payables	7	7,365.50	4,881.45
Other Current Liabilities	8	871.55	877.83
Short-Term Provisions	9	3,303.59	3,023.06
<b>TOTAL</b>		<b>118,767.42</b>	<b>108,708.11</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets - Tangible	10	8,245.54	8,760.15
Non-Current Investments	11	2,573.03	2,588.00
Long-Term Loans and Advances	12	27,548.86	22,687.15
<b>Current Assets</b>			
Current Investments	13	758.20	143.34
Inventories	14	58,602.81	58,150.83
Trade Receivables	15	9,129.46	5,846.45
Cash and Cash Equivalents	16	2,562.28	1,453.04
Short-Term Loans and Advances	17	8,359.15	8,068.94
Other Current Assets	18	988.09	1,010.21
<b>TOTAL</b>		<b>118,767.42</b>	<b>108,708.11</b>
Significant Accounting Policies	26		
<b>Notes on Financial Statements</b>	<b>1 to 44</b>		

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

Mumbai, May 30, 2017

For and on behalf of the Board of Directors

**Navinbhai C. Dave**Chairman  
DIN: 01787259**Paresh V. Merchant**Executive Director  
DIN: 00660027**Nikhil V. Merchant**Managing Director  
DIN:00614790**Chetan K. Selarka**

Chief Financial Officer

**Arun S. Agarwal**

Company Secretary

Mumbai, May 30, 2017



## STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED MARCH 31, 2017

(₹ in Lakhs)

Particulars	Note No.	Year Ended March 31, 2017	Year Ended March 31, 2016
<b>Income:</b>			
Revenue from Operations	19	33,076.19	31,725.84
Other Income	20	591.31	206.17
<b>Total Revenue</b>		<b>33,667.50</b>	<b>31,932.01</b>
<b>Expenses:</b>			
Cost of Materials Consumed	21	28,123.12	28,508.05
(Increase)/Decrease in Finished Goods and Work-in-Progress	22	(503.50)	(1,745.55)
Employee Benefit Expenses	23	1,052.14	940.47
Finance Costs	24	1,544.78	1,318.13
Depreciation and Amortization Expense	10	541.86	504.94
Other Expenses	25	2,533.81	2,314.66
<b>Total Expenses</b>		<b>33,292.21</b>	<b>31,840.70</b>
<b>Profit before Tax</b>		<b>375.29</b>	<b>91.31</b>
<b>Tax Expense:</b>			
(1) Current tax		190.00	17.40
(2) Deferred Tax		17.39	15.22
<b>Profit for the Year</b>		<b>167.90</b>	<b>58.69</b>
<b>Earnings Per Equity Share</b>			
Basic and diluted ( in ₹ )		0.08	0.03
Significant Accounting Policies	26		
<b>Notes on Financial Statements</b>	<b>1 to 44</b>		

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

Mumbai, May 30, 2017

**For and on behalf of the Board of Directors****Navinbhai C. Dave**Chairman  
DIN: 01787259**Paresh V. Merchant**Executive Director  
DIN: 00660027**Nikhil V. Merchant**Managing Director  
DIN:00614790**Chetan K. Selarka**

Chief Financial Officer

**Arun S. Agarwal**

Company Secretary

Mumbai, May 30, 2017

**CASH FLOW STATEMENT FOR YEAR ENDED MARCH 31, 2017**

(₹ in Lakhs)

	Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
<b>A</b>	<b>Cash Flow from Operating Activities</b>		
	Profit before tax	375.29	91.31
	Adjustments for :		
	Depreciation	541.86	504.94
	(Profit)/Loss on sale of assets	5.73	3.52
	Considered Separately:		
	Interest Income	(480.33)	(137.44)
	Finance Cost	1,544.78	1,318.13
	<b>Operating Profit before Working Capital Changes</b>	<b>1,987.33</b>	<b>1,780.46</b>
	Adjustments for :		
	Trade & Other Receivables	(8,363.20)	5,879.88
	Inventories	(451.98)	(2,591.88)
	Trade Payables and Other Liabilities	4,328.20	(813.08)
	<b>Cash generated from operations</b>	<b>(2,499.65)</b>	<b>4,255.38</b>
	Direct Taxes (Paid)/Received	(46.45)	(89.40)
	<b>Net Cash from Operating Activities ( A )</b>	<b>(2,546.10)</b>	<b>4,165.98</b>
<b>B</b>	<b>Cash Flow from Investing Activities</b>		
	Purchase of Fixed Assets	(33.78)	(172.42)
	Proceeds from Sale of Fixed Assets	0.81	1.01
	Sale of Other Investments	10,278.65	5,233.98
	Purchase of Other Investments	(10,878.54)	(5,348.71)
	Interest Income	480.33	137.44
	<b>Net Cash from Investing Activities ( B )</b>	<b>(152.53)</b>	<b>(148.70)</b>
<b>C</b>	<b>Cash Flow from Financing Activities</b>		
	Long Term & Short Term Funds Borrowed/(Repaid)	5,485.76	(2,490.21)
	Finance Cost	(1,544.78)	(1,318.13)
	Dividend Paid	(110.59)	(331.77)
	Tax on Dividend	(22.52)	(67.55)
	<b>Net Cash from Financing Activities ( C )</b>	<b>3,807.87</b>	<b>(4,207.66)</b>
	<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>1,109.24</b>	<b>(190.38)</b>
	<b>Opening Balance of Cash &amp; Cash Equivalents</b>	<b>1,453.04</b>	<b>1,643.42</b>
	<b>Closing Balance of Cash &amp; Cash Equivalents</b>	<b>2,562.28</b>	<b>1,453.04</b>

As per our report of even date

For and on behalf of the Board of Directors

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

**Navinbhai C. Dave**  
Chairman  
DIN: 01787259

**Nikhil V. Merchant**  
Managing Director  
DIN:00614790

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

**Paresh V. Merchant**  
Executive Director  
DIN: 00660027

**Chetan K. Selarka**  
Chief Financial Officer

**Arun S. Agarwal**  
Company Secretary

Mumbai, May 30, 2017

Mumbai, May 30, 2017

**NOTES TO THE FINANCIAL STATEMENT FOR YEAR ENDED MARCH 31, 2017****1 Share Capital****(a) Authorised Share Capital:**

Particulars	March 31, 2017 ₹ in Lakhs	March 31, 2016 ₹ in Lakhs
15,000 (2015-2016 : 15,000) 11% Cumulative Redeemable Preference Shares of ₹ 100/- each	15.00	15.00
10,000 (2015-2016 : 10,000) 11% Cumulative Preference Shares of ₹ 100/- each	10.00	10.00
1,00,00,00,000 (2015-2016 : 1,00,00,00,000 of ₹ 1/- each) Equity Shares of ₹ 1/- each	10,000.00	10,000.00
<b>Total</b>	<b>10,025.00</b>	<b>10,025.00</b>

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

Particulars	March 31, 2017 ₹ in Lakhs	March 31, 2016 ₹ in Lakhs
22,11,80,000 (2015-2016 : 22,11,80,000 of ₹ 1/- each) Equity Shares of ₹ 1/- each fully paid up.	2,211.80	2,211.80
<b>Total</b>	<b>2,211.80</b>	<b>2,211.80</b>

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

Particulars	March 31, 2017		March 31, 2016	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
Outstanding At the beginning of the year (Face Value ₹ 1/- per share)	221,180,000	2,211.80	221,180,000	2,211.80
Outstanding At the end of the year (Face Value ₹ 1/- per share)	221,180,000	2,211.80	221,180,000	2,211.80

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

Name of the Shareholder	March 31, 2017		March 31, 2016	
	No. of Shares	% holding	No. of Shares	% holding
Dave Impex Private Limited	46,030,400	20.81	46,030,400	20.81
Swan Engitech Works Private Limited	38,402,858	17.36	38,402,858	17.36
Swan Realtors Private Limited	41,589,000	18.80	41,589,000	18.80



## NOTES TO THE FINANCIAL STATEMENT FOR YEAR ENDED MARCH 31, 2017

## 2 Reserves and Surplus

Particulars	March 31, 2017		March 31, 2016	
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
<b>Capital Reserve</b>				
At the beginning of the year	5,811.32		5,811.32	
Add: Transferred from Securities Premium A/c	-		-	
Add: Transferred from Workmen's Welfare Reserve	-		-	
At the end of the year		5,811.32		5,811.32
<b>Capital Redemption Reserve</b>		14.25		14.25
<b>Securities Premium Reserve</b>				
At the beginning of the year	23,073.20		23,073.20	
Add: On shares issued during the year	-		-	
Less:- Transferred to Capital Reserve	-		-	
At the end of the year		23,073.20		23,073.20
<b>General Reserve</b>				
At the beginning of the year	372.00		372.00	
Add: Transferred from Profit & Loss Appropriation Account	-		-	
At the end of the year		372.00		372.00
<b>Other Reserves</b>				
<b>Surplus i.e. balance in Statement of Profit &amp; Loss</b>				
At the beginning of the year	12,473.13		12,547.55	
Add: Profit during the year	167.90		58.69	
<b>Less: Appropriation</b>				
Transferred to General Reserve	-		-	
Proposed dividend on equity shares	(183.19)		(110.59)	
Tax on proposed equity dividend	(37.29)		(22.52)	
At the end of the year		12,420.55		12,473.13
<b>Total</b>		<b>41,691.32</b>		<b>41,743.90</b>

## 3 Long Term Borrowings

Particulars		March 31, 2017 ₹ in Lakhs	March 31, 2016 ₹ in Lakhs
(a)	<b>Term loans</b>		
	From Banks/FI/NBFC (Secured)	10,325.00	6,500.00
	Vehicle Loan	42.72	35.15
	<b>Total</b>	<b>10,367.72</b>	<b>6,535.15</b>

**Term loan from Banks/FI/NBFC include:**

- i) JM Financial Products Ltd. : ₹ 9,000 Lakhs (2015-2016: ₹ 6,500 Lakhs). Secured by mortgage of flats at Ashok Garden located at Parel, Mumbai and by pledge of Equity Shares of Swan Energy Limited held by the promoters/group company(s).

**NOTES TO THE FINANCIAL STATEMENT FOR YEAR ENDED MARCH 31, 2017**

- ii) IIFL Private Wealth Finance Ltd. : ₹ 1,325 Lakhs (2015-2016: NIL). Secured by pledge of Equity Shares of Swan Energy Limited held by the promoters / group company(s).
- iii) Vehicle loan: Secured by hypothecation of Vehicle.

**4 Deferred Tax Liabilities (Net)**

Particulars	March 31, 2017 ₹ in Lakhs	March 31, 2016 ₹ in Lakhs
<b>Deferred Tax Liability</b>		
Related to Fixed Assets	705.14	687.75
<b>Total</b>	<b>705.14</b>	<b>687.75</b>

**5 Other Long Term Liabilities**

Particulars	March 31, 2017 ₹ in Lakhs	March 31, 2016 ₹ in Lakhs
(a) Trade payables	-	-
(b) Others		
Project Advances	43,988.19	42,148.06
Rental Deposits	46.58	46.59
<b>Total</b>	<b>44,034.77</b>	<b>42,194.65</b>

**6 Short-term borrowings**

Particulars	March 31, 2017 ₹ in Lakhs	March 31, 2016 ₹ in Lakhs
<b>Working Capital and Other Short Term Loans</b>		
From Banks/FI/NBFC (Secured)	6,060.79	5,868.67
From other parties (Unsecured)	79.70	683.85
From Related parties	2,075.54	-
<b>Total</b>	<b>8,216.03</b>	<b>6,552.52</b>

**Working Capital and Other Short Term Loans from Banks/FI/NBFC (secured) include:**

- i) Union Bank of India and Oriental Bank of Commerce ₹ 4,833.54 Lakhs (2015-2016: ₹ 4,861.10 Lakhs)
- ii) Dena Bank ₹ 589.32 Lakhs (2015-2016: ₹ 604.70 Lakhs).
- iii) The Mehsana urban Co-op Bank Ltd ₹ 412.93 Lakhs (2015-2016: ₹ 402.87 Lakhs).

All the above loans are secured by pari passu mortgage of building, plant/machinery & factory land at Ahmedabad. Also, secured against pari passu charge on hypothecation of Inventories and Book debts of the textile division.

- iv) Sicom loan: ₹ 225 Lakhs (2015-2016: ₹ NIL Lakhs). Secured by pledge of Equity Shares of Swan Energy Limited held by the promoters/group company(s).

**7 Trade Payables**

Particulars	March 31, 2017 ₹ in Lakhs	March 31, 2016 ₹ in Lakhs
Micro, Small & Medium Enterprises	-	-
Others	7,365.50	4,881.45
<b>Total</b>	<b>7,365.50</b>	<b>4,881.45</b>

Identification of Micro, Small and Medium Enterprises is not possible due to information not furnished by the suppliers.

**NOTES TO THE FINANCIAL STATEMENT FOR YEAR ENDED MARCH 31, 2017****8 Other current liabilities**

Particulars		March 31, 2017 ₹ in Lakhs	March 31, 2016 ₹ in Lakhs
<b>(a)</b>	<b>Current maturities of long-term debt</b>		
	Vehicle loan	1.61	11.92
<b>(b)</b>	<b>Other payables</b>		
	Advance received from Customer	113.10	19.57
	Outstanding Expenses	28.72	32.05
	Salary Payable	32.21	33.28
	Bonus Payable	24.40	31.34
	Duties & Taxes	67.72	38.60
	Retention Money	411.95	532.80
	Unpaid Dividend	9.48	8.87
	Creditors for Capital Expenditure	36.39	36.39
	Creditors for Revenue Expenditure	145.97	133.01
	<b>Total</b>	<b>871.55</b>	<b>877.83</b>

**Current maturities of long-term debt includes:**

- i) Vehicle loan: Secured by hypothecation of Vehicle.

**9 Short-term provisions**

Particulars	March 31, 2017 ₹ in Lakhs	March 31, 2016 ₹ in Lakhs
Proposed Dividend on Equity Shares	183.19	110.59
Tax Payable on Proposed Dividend	37.29	22.52
Provision for taxation	3,083.11	2,889.95
<b>Total</b>	<b>3,303.59</b>	<b>3,023.06</b>

**10 Fixed Assets - Tangible**

(₹ in Lakhs)

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 31/03/2017	As at 31/03/2016
Land	3,202.19	-	-	3,202.19	-	-	-	-	3,202.19	3,202.19
Buildings	1,233.18	-	-	1,233.18	202.97	38.81	-	241.78	991.40	1,030.21
Plant & Machinery	5,667.23	8.29	-	5,675.52	1,728.35	373.52	-	2,101.87	3,573.65	3,938.88
Computers	67.89	1.78	0.33	69.34	60.00	3.38	0.32	63.06	6.28	7.89
Furniture, fixtures & Equipments	498.61	-	-	498.61	246.12	56.47	-	302.59	196.02	252.49
Motor Vehicles	711.90	23.71	21.67	713.94	383.41	69.68	15.15	437.94	276.00	328.49
<b>Total</b>	<b>11,381.00</b>	<b>33.78</b>	<b>22.00</b>	<b>11,392.78</b>	<b>2,620.85</b>	<b>541.86</b>	<b>15.47</b>	<b>3,147.24</b>	<b>8,245.54</b>	<b>8,760.15</b>
<b>Previous year</b>	<b>11,219.16</b>	<b>172.42</b>	<b>10.58</b>	<b>11,381.00</b>	<b>2,122.09</b>	<b>504.94</b>	<b>6.18</b>	<b>2,620.85</b>	<b>8,760.15</b>	<b>9,097.07</b>

**NOTES TO THE FINANCIAL STATEMENT FOR YEAR ENDED MARCH 31, 2017****11 Non-current Investments**

Particulars	March 31, 2017 ₹ in Lakhs	March 31, 2016 ₹ in Lakhs
<b>Investment in Equity Instruments</b>		
<b>Subsidiary Company - Unquoted</b>		
1,50,10,000 (2015-2016: 1,50,10,000) Equity Shares of ₹ 10/- each in Cardinal Energy And Infrastructure Pvt. Ltd. - 100% holding (2015-2016: 100% holding)	1,501.00	1,501.00
1,00,10,000 (2015-2016: 1,00,10,000) Equity Shares of ₹ 10/- each in Pegasus Ventures Pvt. Ltd. - 100% holding (2015-2016: 100% holding)	1,001.00	1,001.00
50,000 (2015-2016: 50,000) Equity Shares of ₹ 10/- each in Swan LNG Pvt. Ltd. - 100% holding (2015-2016: 100% holding)	5.00	5.00
Other Company - Unquoted	36.03	36.00
<b>Investment in Mutual Funds</b>		
Union Trigger Fund Series 2 - Regular Plan - Growth	20.00	20.00
Union Capital Protection Oriented Fund Series 7 - Regular Plan - Growth	10.00	-
Union Capital Protection Oriented Fund Series 3 - Regular Plan - Growth	-	25.00
<b>Total</b>	<b>2,573.03</b>	<b>2,588.00</b>

**12 Long-term Loans and Advances**

Particulars	March 31, 2017 ₹ in Lakhs	March 31, 2016 ₹ in Lakhs
(a) Capital Advances	220.53	2,212.17
(b) Security Deposits	161.43	162.73
(c) Loans and advances to related parties		
Cardinal Energy and Infrastructure Pvt. Ltd - Subsidiary	967.34	5,486.32
Pegasus Ventures Private Limited - Subsidiary	17,553.27	12,840.82
Swan LNG Private Limited - Subsidiary	5,409.97	0.20
(d) Other loans and advances (Unsecured, considered good)	3,236.32	1,984.91
<b>Total</b>	<b>27,548.86</b>	<b>22,687.15</b>

**13 Current Investments**

Particulars	March 31, 2017 ₹ in Lakhs	March 31, 2016 ₹ in Lakhs
<b>(a) Investments in Mutual Funds</b>		
ICICI Prudential Saving Fund - Growth	502.53	-
SBI Saving Fund - Growth	250.43	-
SBI DAF-Series -XVI Reg - Growth	5.24	-
ICICI Pru Money Mkt Fund Cash Option Growth -1571	-	135.34
<b>(b) Fixed Deposit with bank</b>	-	8.00
<b>Total</b>	<b>758.20</b>	<b>143.34</b>

**Total Market Value of Mutual Funds****761.36****135.34**

**NOTES TO THE FINANCIAL STATEMENT FOR YEAR ENDED MARCH 31, 2017****14 Inventories**

Particulars	March 31, 2017 ₹ in Lakhs	March 31, 2016 ₹ in Lakhs
Work-in-progress and Advances	46,765.42	46,374.04
Construction Finished Goods	2,365.12	2,365.12
<b>Textiles</b>		
(a) Raw materials	3,047.39	2,354.34
(b) Work-in-process	3,198.50	3,183.46
(c) Finished goods	3,144.10	3,737.60
(d) Stores and spares	82.28	136.27
<b>Total</b>	<b>58,602.81</b>	<b>58,150.83</b>

**15 Trade Receivables**

Particulars	March 31, 2017 ₹ in Lakhs	March 31, 2016 ₹ in Lakhs
<b>Unsecured, Considered good</b>		
Debts due for more than 6 months	1,680.42	696.63
Less: Provision for Doubtful Debts	-	-
Other Debts	7,449.04	5,149.82
<b>Total</b>	<b>9,129.46</b>	<b>5,846.45</b>

**16 Cash and Cash equivalents**

Particulars	March 31, 2017 ₹ in Lakhs	March 31, 2016 ₹ in Lakhs
<b>(a) Balances with banks</b>		
In Current Accounts	47.56	207.12
In Deposit Accounts	2,479.92	1,218.95
(b) Cash on hand	25.32	18.10
<b>(c) Others</b>		
Earmarked balance for Unpaid dividend	9.48	8.87
<b>Total</b>	<b>2,562.28</b>	<b>1,453.04</b>

**17 Short-term Loans and Advances**

Particulars	March 31, 2017 ₹ in Lakhs	March 31, 2016 ₹ in Lakhs
<b>Other Loans &amp; Advances</b>		
Advance paid to suppliers	250.15	42.81
Advance Income Tax	7,360.01	7,310.40
Loans & Advances to staff	28.66	32.73
Prepaid Expenses	2.73	7.97
Cenvat Credit	103.52	61.72
Other Advances	614.08	613.31
<b>Total</b>	<b>8,359.15</b>	<b>8,068.94</b>

**NOTES TO THE FINANCIAL STATEMENT FOR YEAR ENDED MARCH 31, 2017****18 Other Current Assets**

Particulars	March 31, 2017 ₹ in Lakhs	March 31, 2016 ₹ in Lakhs
Interest accrued on Fixed Deposits	85.83	107.95
TUF Subsidy Receivable	888.53	888.53
Security Deposit	13.73	13.73
<b>Total</b>	<b>988.09</b>	<b>1,010.21</b>

**19 Revenue from Operations**

Particulars	Apr'16-Mar'17 ₹ in Lakhs	Apr'15-Mar'16 ₹ in Lakhs
<b>Sale of products;</b>		
- Textile Goods	32,479.09	31,603.15
- Construction and Other Activities	597.10	122.69
<b>Total</b>	<b>33,076.19</b>	<b>31,725.84</b>

**20 Other Income**

Particulars	Apr'16-Mar'17 ₹ in Lakhs	Apr'15-Mar'16 ₹ in Lakhs
Interest Income	480.33	137.44
Net gain on sale of Shares and Mutual funds	106.95	68.58
Net gain/(loss) on sale of Fixed Assets	(5.73)	(3.52)
Other Non-operating Income	9.76	3.67
<b>Total</b>	<b>591.31</b>	<b>206.17</b>

**21 Cost of Materials Consumed**

Particulars	Apr'16-Mar'17 ₹ in Lakhs	Apr'15-Mar'16 ₹ in Lakhs
<b>Material used in Construction Activities</b>	<b>965.44</b>	<b>592.49</b>
<b>Textile</b>		
Greige	24,406.10	24,720.19
Stores & Spares	423.48	1,179.44
Dyes, Chemicals and others	2,328.10	2,015.93
<b>Total for Textiles</b>	<b>27,157.68</b>	<b>27,915.56</b>
<b>Total</b>	<b>28,123.12</b>	<b>28,508.05</b>

**NOTES TO THE FINANCIAL STATEMENT FOR YEAR ENDED MARCH 31, 2017****22 Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade**

Particulars	Apr'16-Mar'17 ₹ in Lakhs	Apr'15-Mar'16 ₹ in Lakhs
<b>Finished Goods</b>		
Opening Stock	6,102.72	5,444.72
Closing Stock	5,509.22	6,102.72
<b>Changes in Inventory of Finished Goods</b>	<b>593.50</b>	<b>(658.00)</b>
<b>Work in Progress</b>		
Opening Stock	40,910.59	39,823.04
Closing Stock	42,007.59	40,910.59
<b>Changes in Inventory Work in Progress</b>	<b>(1,097.00)</b>	<b>(1,087.55)</b>
<b>Total</b>	<b>(503.50)</b>	<b>(1,745.55)</b>

**23 Employee Benefit Expenses**

Particulars	Apr'16-Mar'17 ₹ in Lakhs	Apr'15-Mar'16 ₹ in Lakhs
Salaries Wages and bonus	1,014.22	893.09
Company's Contribution to Provident fund	15.10	11.53
Company's Contribution to ESIC	4.18	3.17
Leave Travel Allowance	11.60	22.70
Staff Welfare Expenses	7.04	9.98
<b>Total</b>	<b>1,052.14</b>	<b>940.47</b>

**24 Finance Costs**

Particulars	Apr'16-Mar'17 ₹ in Lakhs	Apr'15-Mar'16 ₹ in Lakhs
Interest expense	1,217.56	980.69
Other Borrowing cost	327.22	337.44
<b>Total</b>	<b>1,544.78</b>	<b>1,318.13</b>

**25 Other Expenses**

Particulars	Apr'16-Mar'17 ₹ in Lakhs	Apr'15-Mar'16 ₹ in Lakhs
<b>Towards Construction Activities</b>		
Rates & Taxes	33.81	99.72
Security Charges	49.88	51.53
Power & Fuel	30.72	31.60
Other Development Expenses	2.12	91.54
<b>Sub-Total</b>	<b>116.53</b>	<b>274.39</b>
Advertisement Expenses	4.17	4.62
Audit Fees	3.64	3.25
Brokerage & Commision	181.41	7.80
Business Development Expenses	62.48	110.39
Communication cost	21.36	17.95
Donation	10.62	13.50
Freight Charges	241.81	245.56
Insurance	25.43	13.89
Labour Charges	409.01	464.01
Legal & Professional fees	83.19	122.22
Listing and related expenses	12.95	4.79

**NOTES TO THE FINANCIAL STATEMENT FOR YEAR ENDED MARCH 31, 2017**

Membership & Subscription	135.60	5.16
Power & Fuel	419.08	446.42
Printing & Stationery	6.66	5.70
Rates & Taxes	18.22	15.48
Rent	6.39	7.40
Repair & Maintenance - Building	13.45	11.95
Repair & Maintenance - Machinery	98.34	104.14
Repair & Maintenance - Others	44.62	40.82
Security Charges	17.21	15.90
Vehicle Expenses	36.03	38.30
Miscellaneous Expenses	565.61	341.02
<b>Total</b>	<b>2,533.81</b>	<b>2,314.66</b>

**26 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 lakhs.

**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 Fixed Assets**

Fixed assets are stated at cost, less accumulated depreciation. Cost comprises the purchase price and all attributable cost of bringing the asset to its working condition for its intended use. Financing and other cost relating to acquisition of fixed assets are also included to the extent they relate to the period till such time as the assets are ready for commercial operation.

**D Depreciation and Amortisation**

The Company depreciates its fixed assets over the useful life in the manner prescribed in Schedule II of the Companies Act 2013, as against the earlier practice of depreciating at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

**E Investments**

Investments are classified into Non-Current and Current Investments.

- Non-Current Investments are carried at cost. Provision for diminution, if any, in the value of each Non-Current Investments is made to recognise a decline, other than of a temporary nature.
- Current investments are carried individually at lower of cost and fair value and the resultant decline, if any, is charged to revenue.

**F Inventories**

Inventory representing project work-in-progress is valued at cost, which includes expenditure incurred for development, other related cost and cost of land. Other inventories in the nature of unsold flats and textile goods are valued at Cost or market value, whichever is lower.

**NOTES TO THE FINANCIAL STATEMENT FOR YEAR ENDED MARCH 31, 2017****G Revenue Recognition**

- a) Sales are net of cancellation of sale and amount payable to the developer and taxes, if any.
- b) The Company is engaged in the Business of textiles and development of property. Revenue from sale of properties under construction is recognised on project completion basis (provided the significant risks and rewards have been transferred to the buyer and there is reasonable certainty of realisation of the monies). Revenue from textiles is recognised when it is earned and no significant uncertainty exists as to its realization or collection.
- c) All expenses incurred, including interest and selling & distribution expenses, on project is shown under Work-in-progress and amount received from Customer towards booking of the area is shown in Project Advances in respect of properties under construction.
- d) Interest income is recognised on time basis determined by the amount outstanding and the rate applicable.

**H Foreign Currency Transactions**

Transactions in Foreign Exchange are accounted at the exchange rate prevailing on the date the transaction has taken place.

**I 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.

**J 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.

**K Impairment of Assets**

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**L 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.

**M Government Grants**

Government grants and subsidies are recognized when there is reasonable assurance that the company will comply with the conditions attached to them and the grants / subsidy will be received. Government grants whose primary condition is that the company should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of the assets. The grant is recognized as income over the life of depreciable assets by way of a reduced

**NOTES TO THE FINANCIAL STATEMENT FOR YEAR ENDED MARCH 31, 2017**

depreciation charge while grants related to expenses are treated as other income in the income statement.

**N Segment Reporting**

The company identifies primary segments based on the dominant source, nature of risks and returns and the internal organization and management structure. The operating segments are the segments for which separate financial management in deciding how to allocate resources and in assessing performance. The accounting policies adopted for segment reporting are in line with the accounting policies of the company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

**O Construction Activities**

- a) Construction cost incurred in respect of Project under construction at Kurla is considered as W.I.P and shown as Current Assets under Inventories.
- b) Unsold flats at Sewri is considered as Construction Finished Goods and is shown as Current Assets under Inventories.
- c) The amount received (net) towards sale of Kurla is considered as Project Advances and shown under Other Long term Liabilities.

**P 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.

**27 Earning Per Share**

Particulars		Apr'16-Mar'17	Apr'15-Mar'16
i)	Net profit after tax as per Statements of Profit & Loss attributable to Equity Shareholders ( ₹ In Lakhs)	167.90	58.69
ii)	Weighted average number of shares used as denomination for calculating Basic and Diluted earning per share	221,180,000	221,180,000
iii)	Face value of shares ( ₹ Per Share)	1.00	1.00
iv)	Basic/Diluted earning per share ( in ₹)	0.08	0.03

**28 Contingent Liabilities**

i)	Income Tax ( ₹ In Lakhs )	3,172.15	3,230.87
ii)	Corporate guarantee ( ₹ In Lakhs )	38,057.00	39,500.00

**29 Payment to Auditors (Excluding Service Tax)**

i)	Statutory Audit Fees ( ₹ In Lakhs)	2.50	2.50
ii)	Tax Audit Fees ( ₹ In Lakhs)	0.50	0.50
iii)	Other Capacity	0.64	0.43

**30 Raw Material Consumed**

i)	<b>Greige Material</b>		
	Quantity (Meter in Lakhs)	215.09	233.11
	Value ( ₹ In Lakhs)	24,406.10	24,720.19
ii)	Stores & Spares - Value ( ₹ In Lakhs )	423.48	1,179.44
iii)	Dyes, Chemicals and others - Value ( ₹ In Lakhs ) - Indigeneous	2,328.10	2,015.94

**NOTES TO THE FINANCIAL STATEMENT FOR YEAR ENDED MARCH 31, 2017****31 Sales of Products**

	Particulars	Apr'16-Mar'17	Apr'15-Mar'16
i)	<b>Sales - Own</b>		
	Quantity (Meter in Lakhs)	230.98	229.74
	Value ( ₹ In Lakhs)	32,220.30	31,446.71
ii)	<b>Job Work</b>		
	Quantity (Meter in Lakhs)	17.15	7.88
	Value ( ₹ In Lakhs)	258.79	156.44

**32 Purchase/Manufacture of Products**

i)	<b>Greige Material</b>		
	Quantity (Meter in Lakhs)	221.14	232.09
	Value ( ₹ In Lakhs)	25,099.14	24,111.33
ii)	Stores & Spares - Value ( ₹ In Lakhs )	422.47	491.70
iii)	Dyes, Chemicals and others - Value ( ₹ In Lakhs ) - Indigeneous	2,275.13	2,736.22

**33 Stock in Trade and Construction WIP****A Textiles:**

	Particulars	Apr'16-Mar'17	Apr'15-Mar'16
i)	<b>Greige Material</b>		
	Quantity (Meter in Lakhs)	29.00	22.95
	Value ( ₹ In Lakhs)	3,047.39	2,354.34
ii)	<b>Work In Progress</b>		
	Quantity (Meter in Lakhs)	24.60	25.67
	Value ( ₹ In Lakhs)	3,198.50	3,183.46
iii)	<b>Finished Goods</b>		
	Quantity (Meter in Lakhs)	20.45	27.57
	Value ( ₹ In Lakhs)	3,144.10	3,737.60
iv)	Stores & Consumables - Value ( ₹ In Lakhs )	2.39	3.41
v)	Dyes, Chemicals and others - Value ( ₹ In Lakhs )	79.89	132.86

**B Real Estate and Others**

i)	<b>Work-in-progress and Advances</b>		
	Value ( ₹ In Lakhs)	46,765.42	46,374.04
ii)	<b>Construction Finished Goods</b>		
	Value ( ₹ In Lakhs)	2,365.12	2,365.12

**34 Value of Imports on CIF Basis**

i)	Stores & Spares ( ₹ In Lakhs )	22.81	64.65
----	--------------------------------	-------	-------

**NOTES TO THE FINANCIAL STATEMENT FOR YEAR ENDED MARCH 31, 2017****35 Expenditure in Foreign currency**

	Particulars	Apr'16-Mar'17	Apr'15-Mar'16
i)	Travelling Expenses	38.09	9.59

**36 Earning in Foreign Currency**

FOB value of exports			
	Quantity (Meter in Lakhs)	8.65	13.32
	Value (₹ In Lakhs)	1,043.07	1,722.12

**37 Related Party Disclosures, as required by AS-18 are given below:****A List of Related Parties**

Sr No.	Name of the Parties	Relationship
i)	Cardinal Energy And Infrastructure Private Limited	Subsidiary
ii)	Pegasus Venture Private Limited	
iii)	Swan LNG Private Limited	
iv)	Mr. Nikhil V. Merchant	Key Management Personnel
v)	Mr. Paresh V. Merchant	
vi)	Mr. Padmanabhan Sugavanam	
vii)	Mr. Vilas A. Gangan	
viii)	Ms. Vinita N. Merchant	
ix)	Mr. Bhavik N. Merchant	Relative of Key Management Personnel
x)	Mr. Vivek P. Merchant	Enterprise over which Key Management Personnel is able to exercise significant influence
xi)	Good Earth Commodities (India) Private Limited	
xii)	Feltham Trading Private Limited	
xiii)	Ami Tech (india) Private Limited	
xiv)	Dave Impex India Private Limited	
xv)	Dave Leasing & Holdings Private Limited	
xvi)	Sahajanand Soaps and Chemicals Private Limited	
xvii)	Swan International Limited	

**NOTES TO THE FINANCIAL STATEMENT FOR YEAR ENDED MARCH 31, 2017****B Transaction during the year with related parties**

(₹ In Lakhs)

Sr No.	Name of the Company	Opening Balance Dr	Opening Balance Cr	Remuneration Paid	Sales	Purchase	Rent Paid	Advance Given	Advance received back	Advance taken	Advance paid back	Closing Balance Dr	Closing Balance Cr
i)	Cardinal Energy And Infrastructure Private Limited	5,486.32	-	-	-	-	-	5,926.71	10,445.70	-	-	967.34	-
ii)	Pegasus Venture Private Limited	12,840.82	-	-	-	-	-	6,321.16	1,608.71	-	-	17,553.27	-
iii)	Swan LNG Private Limited	0.20	-	-	-	-	-	5,410.77	1.00	-	-	5,409.97	-
iv)	Mr. Nikhil V. Merchant	-	-	128.83	-	-	-	0.50	0.50	-	-	-	-
v)	Mr. Paresh V. Merchant	-	-	128.83	-	-	3.00	-	-	361.00	361.00	-	-
vi)	Mr. Padmanabhan Sugavanam	-	-	29.04	-	-	-	-	-	-	-	-	-
vii)	Mr. Vilas A. Gangan	-	-	17.73	-	-	-	-	-	-	-	-	-
viii)	Ms. Vinita N. Merchant	-	-	9.86	-	-	-	2.48	2.48	-	-	-	-
ix)	Mr. Bhavik N. Merchant	-	-	9.86	-	-	-	-	-	-	-	-	-
x)	Mr. Vivek P. Merchant	-	-	9.86	-	-	-	-	-	-	-	-	-
xi)	Good Earth Commodities (India) Private Limited	1,219.49	-	-	7,334.15	4,342.09	-	-	-	2,075.54	-	-	839.03
xii)	Feltham Trading Private Limited	-	-	-	-	-	1.80	0.20	0.20	-	-	-	-
xiii)	Ami Tech (India) Private Limited	-	-	-	-	-	-	867.03	867.03	-	-	-	-
xiv)	Dave Impex Private Limited	-	-	-	-	-	-	-	-	399.04	399.04	-	-
xv)	Dave Leasing & Holdings Private Limited	-	-	-	-	-	-	-	-	54.16	54.16	-	-
xvi)	Sahajanand Soaps and Chemicals Private Limited	-	-	-	-	-	-	-	-	59.82	59.82	-	-
xvii)	Swan International Limited	-	-	-	-	-	-	-	-	23.92	23.92	-	-
	<b>Total</b>	<b>19,546.83</b>	<b>-</b>	<b>334.01</b>	<b>7,334.15</b>	<b>4,342.09</b>	<b>4.80</b>	<b>18,528.85</b>	<b>12,925.62</b>	<b>2,973.49</b>	<b>897.94</b>	<b>23,930.58</b>	<b>839.03</b>

**38 Segment Reporting**

The company has identified business segment as primary segments. The reportable business segments are textile and Property development/others

Particulars	Apr'16-Mar'17 ₹ in Lakhs	Apr'15-Mar'16 ₹ in Lakhs
<b>Segment Revenue</b>		
Textiles	32,549.20	31,645.08
Property development/Others	1,118.30	286.93
<b>Total</b>	<b>33,667.50</b>	<b>31,932.01</b>
<b>Segment Results (Before Interest &amp; Tax)</b>		
Textiles	2,223.82	2,159.93
Property development/Others	(303.75)	(750.49)
<b>Total</b>	<b>1,920.07</b>	<b>1,409.44</b>

**NOTES TO THE FINANCIAL STATEMENT FOR YEAR ENDED MARCH 31, 2017**

Particulars	Year Ended March 31, 2017 ₹ in Lakhs	Year Ended March 31, 2016 ₹ in Lakhs
<b>Segment Assets</b>		
Textiles	25,352.83	21,542.88
Property development/*Others	86,054.55	79,854.82
<b>Total</b>	<b>111,407.38</b>	<b>101,397.70</b>
<b>Segment Liabilities</b>		
Textiles	13,513.76	10,902.27
Property development/*Others	57,341.81	50,139.33
<b>Total</b>	<b>70,855.57</b>	<b>61,041.60</b>

**Note:**

- i) \* Others include expenses/ investments made on the projects related to Energy/FSRU  
ii) All development and Trading activity have been undertaken in India only, hence Geographical segment reporting is not required.

- 39 Quarterly financial results are published in accordance with the guidelines issued by SEBI. The recognition and measurement principles as laid down in the standards are followed with respect to such results.
- 40 At the Balance Sheet date, an assessment is done to determine whether there is any indication of impairment in the carrying amount of the fixed assets. No impairment loss is determined.
- 41 Membership & Subscription expenses include a sum of ₹ 125.35 Lakhs paid to CCI & Shirke Recreation Enterprises towards entrance/membership fees.
- 42 The Company had entered into Development Agreement with Peninsula Land Limited (Formerly Piramal Holdings Ltd) to develop and sale properties at Mumbai and as per the said agreement, they are entitled to 22% of the gross receipt. The transactions and effect thereof are already given in these accounts.
- 43 Details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 is as under:  
₹ in Lakhs

Particulars	SBNs	Other Denomination Notes	Total
Closing Cash in hand as on 08.11.2016	4.24	7.89	12.13
+ Permitted Rreceipts	-	22.59	22.59
- Permitted payments	-	16.07	16.07
- Amount deposited in Banks	4.24	-	4.24
Closing cash in hand as on 30.12.2016	-	<b>14.41</b>	<b>14.41</b>

- 44 Previous Year's figures are regrouped/rearranged wherever necessary.

As per our report of even date

**For and on behalf of the Board of Directors**

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

**Navinbhai C. Dave**  
Chairman  
DIN: 01787259

**Nikhil V. Merchant**  
Managing Director  
DIN:00614790

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

**Paresh V. Merchant**  
Executive Director  
DIN: 00660027

**Chetan K. Selarka**  
Chief Financial Officer

**Arun S. Agarwal**  
Company Secretary

**Mumbai, May 30, 2017**

**Mumbai, May 30, 2017**



## FORM AOC - 1

(Pursuant to first proviso to sub section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014) Statement containing salient features of the financial statement of subsidiaries

(₹ In Lakhs)

Sr. No.	Name of the Subsidiary	Cardinal Energy and Infrastructure Private Limited	Pegasus Ventures Private Limited	Swan LNG Private Limited	Ceau Limited *
1	Reporting Period	3/31/2017	3/31/2017	3/31/2017	3/31/2017
2	Share Capital	1,501.00	1,001.00	5.00	1,461.68
3	Reserves and Surplus	(1,454.09)	(25.44)	(0.16)	303.11
4	Total Assets	53,672.48	36,369.21	5,834.01	1,840.03
5	Total Liabilities	53,672.48	36,369.21	5,834.01	1,840.03
6	Investments	-	-	-	-
7	Turnover and Total Income	2,341.45	-	2.13	121.21
8	Profit/(Loss) before tax	19.18	(6.61)	1.14	(132.81)
9	Provision for Taxation	3.65	-	0.22	-
10	Profit/(Loss) after Taxation	15.53	(6.61)	0.92	(132.81)
11	Proposed Dividend	-	-	-	-
12	% of Shareholding	100%	100%	100%	100%

**Note:**

\* Exchange rate as at 31.03.2017: \$1 = ₹ 64.86. Financial Information is based on Unaudited Results.

\* Average exchange rate for the year (for Profit & Loss items): \$1 = ₹ 65.52

**For and on behalf of the Board of Directors**

**Navinbhai C. Dave**  
Chairman

**Paresh V. Merchant**  
Executive Director

**Nikhil V. Merchant**  
Managing Director

**Chetan K. Selarka**  
Chief Financial Officer

**Arun S. Agarwal**  
Company Secretary

**Mumbai, May 30, 2017**



## INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To The Members of

### Swan Energy Limited

1. We have audited the accompanying consolidated financial statement of Swan Energy Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2017, the consolidated statement of Profit & Loss and the consolidated Cash Flow Statement for the year ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

### Managements Responsibility for the Consolidated Financial Statements

2. The company's Board of Directors is responsible for the matter stated in Section 134(5) of the companies Act, 2013 (the "Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated Cash flow of the Company in accordance with the accounting principles generally accepted in India including the Accounting Standard specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

### Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statement based on our audit.
4. We conducted our audit in accordance with the Standard on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statement that gives 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 reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

7. We report that the consolidated financial statement have been prepared by the Company's Management in accordance with the requirement of Accounting Standards (AS) 21- Consolidated Financial Statements specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
8. Based on our audit and to the best of our information and according to the explanations given to us, in our opinion, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India as at March 31, 2017, and its consolidated profit and consolidated cash flows for the year ended on that date.

### Other matters

9. We did not audit the financial statement of one foreign subsidiary company included in the consolidated financial statements, which constitute total assets of ₹ 1,840.03 Lakhs as at March 31, 2017, total revenue of ₹ 121.21 Lakhs and net loss of ₹ 132.81 Lakhs for the year ended March 31, 2017. These unaudited financial statements, as approved by the respective Board of Directors of the company, have



been furnished to us by the Management and our report in so far as it relates to the amounts included in respect of the company, is based solely on such approved unaudited financial statements. Our opinion is not qualified in respect of other matters.

#### Report on other Legal and Regulatory Requirements

As required by 'the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on the comments in the auditor's report of the Holding company, its subsidiaries, incorporated in India, to whom the Order applies, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

10. 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 of the consolidated financial statements;
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as appears from our examination of those books;
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014;
- e) 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 of the company and of its subsidiaries are disqualified as on March 31, 2017 from being appointed as a Director in terms of Section 164 (2) of the Act;
- f) 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 impact of the pending litigations as on March 31, 2017 is not expected to be material on the consolidated financial position of the Company;
  - ii. The Company and its subsidiaries did not have any long term contracts, including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no amount due as at March 31, 2017 which was required to be transferred to the Investor Education and Protection Fund by the Company and its subsidiary companies.
  - iv. The Company has provided requisite disclosures in the consolidated 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 30, 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**  
Proprietor  
M. No. 032263

Mumbai, May 30, 2017



## ANNEXURE TO INDEPENDENT AUDITORS REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS:

(Referred to in Paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

The Group comprising Swan Energy Limited ('Holding Company') and its subsidiaries to which the provision of the Order apply (together referred to as "the covered entities of the Group")

- (i) In respect of the fixed assets of the Holding Company and the covered entities of the Group:
  - a) The respective entities have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The fixed assets were physically verified during the year by the Management of the respective entities in accordance with a phased periodical programme of verification which, in our opinion, is reasonable. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (ii) In respect of the inventories of the Holding Company and the covered entities of the Group:
  - (a) As explained to us, the inventories were physically verified during the year by the Management of the respective entities at reasonable intervals.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management of the respective entities were reasonable and adequate in relation to the size of the respective entities and the nature of their business.
  - (c) In our opinion and according to the information and explanations given to us, the respective entities have maintained proper records of their inventories and no material discrepancies were noticed on physical verification.
- (iii) The Holding Company and the covered entities of the Group have granted unsecured loans to companies covered in the register maintained under section 189 of the Act. The Company has not granted any secured/unsecured loans to firms or other parties covered in the Register maintained under section 189 of the Act.
  - (a) In respect of the aforesaid loans, the parties are repaying the principal amounts, as stipulated. However, as explained by the management, no interest has been charged on the same.
  - (b) In respect of the aforesaid loans, there is no overdue amount more than Rupees One Lakh.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system in the Holding Company and the covered entities of the Group, commensurate with the size of the respective entities and the nature of their business for the purchase of inventory and fixed assets and for the sale of goods and services and during the course of our audit no continuing failure to correct major weaknesses in such internal control system has been observed.
- (v) In our opinion and according to the information and explanations given to us, the Holding Company and the covered entities of the Group have not accepted any deposits from the public within the meaning of sections 73 to 76 of the Act and the Rules framed there under to the extent notified.
- (vi) As per information & explanations given to us, the Central Government has not prescribed for the maintenance of cost records as required under section 148 (1) of the Companies Act, 2013.
- (vii) According to the records of the Company and the information and explanations given to us, in respect of statutory dues of the Holding Company and the covered entities of the Group:
  - (a) The respective entities have generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth 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 explanations given to us, there are no undisputed amounts which are payable in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax and Cess.



- (c) As explained to us and on the basis of examination of the records, there was no amount due as at March 31, 2017 which was required to be transferred to the Investor Education and Protection Fund by the Company.
- (viii) The Holding Company and the covered entities of the Group do not have consolidated accumulated losses at the end of the financial year and they have not incurred cash losses in the current and immediately preceding financial year. However, one subsidiary company has incurred accumulated loss during the year and immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Holding Company and the covered entities of the Group have not defaulted in the repayment of dues to financial institutions, banks and debenture holders.
- (x) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Holding Company and the covered entities of the Group for loans taken from banks and financial institutions are not, prima facie, prejudicial to the interests of the respective companies.
- (xi) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Holding Company and the covered entities of the Group during the year for the purposes for which they were obtained.
- (xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Holding Company and the covered entities of the Group and no material fraud on the Holding Company and the covered entities of the Group has been noticed or reported during the year.

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

Chartered Accountants

Firm Registration No. 108826W

**V. R. Renuka**

Proprietor

M. No. 032263

**Mumbai, May 30, 2017**



## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2017

(₹ in Lakhs)

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	2,211.80	2,211.80
Reserves and Surplus	2	40,602.38	40,777.26
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	3	35,708.10	32,205.87
Deferred Tax Liabilities (Net)	4	705.14	687.75
Other Long Term Liabilities	5	46,910.12	43,669.80
<b>Current Liabilities</b>			
Short-Term Borrowings	6	45,262.68	37,336.21
Trade Payables	7	7,965.06	5,082.00
Other Current Liabilities	8	2,119.78	13,474.04
Short-Term Provisions	9	3,307.46	3,023.06
<b>TOTAL</b>		<b>184,792.52</b>	<b>178,467.79</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets -	10		
- Tangible		60,375.49	38,357.08
- Capital work in progress		27,570.81	55,113.20
Non-Current Investments	11	66.03	81.00
Long-Term Loans and Advances	12	4,708.85	5,450.38
Other Non-Current Assets	13	4,297.57	1.87
<b>Current Assets</b>			
Current Investments	14	758.20	143.34
Inventories	15	58,602.81	58,150.83
Trade Receivables	16	9,267.36	5,856.52
Cash and Cash Equivalents	17	4,477.28	3,284.60
Short-Term Loans and Advances	18	13,660.26	11,011.61
Other Current Assets	19	1,007.86	1,017.36
<b>TOTAL</b>		<b>184,792.52</b>	<b>178,467.79</b>
Significant Accounting Policies	27		
Notes on Financial Statements	1 to 45		

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

Mumbai, May 30, 2017

**For and on behalf of the Board of Directors****Navinbhai C. Dave**Chairman  
DIN: 01787259**Paresh V. Merchant**Executive Director  
DIN: 00660027**Nikhil V. Merchant**Managing Director  
DIN:00614790**Chetan K. Selarka**

Chief Financial Officer

**Arun S. Agarwal**

Company Secretary

Mumbai, May 30, 2017



**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR  
YEAR ENDED MARCH 31, 2017**

(₹ in Lakhs)

Particulars	Note No.	Year Ended March 31, 2017	Year Ended March 31, 2016
<b>Income:</b>			
Revenue from Operations	20	34,863.86	33,174.41
Other Income	21	1,268.42	728.28
<b>Total Revenue</b>		<b>36,132.28</b>	<b>33,902.69</b>
<b>Expenses:</b>			
Cost of Materials Consumed	22	28,123.12	28,508.05
(Increase)/Decrease in Finished Goods and Work-in-Progress	23	(503.50)	(1,745.55)
Employee Benefit Expenses	24	1,128.16	1,001.72
Finance Costs	25	2,981.75	2,435.28
Depreciation and Amortization Expense	10	1,183.63	1,076.75
<b>Other Expenses</b>	26	2,962.90	2,612.34
<b>Total Expenses</b>		<b>35,876.06</b>	<b>33,888.59</b>
<b>Profit/(Loss) before Tax</b>		<b>256.22</b>	<b>14.10</b>
<b>Tax Expense:</b>			
(1) Current tax		193.87	17.40
(2) Deferred Tax		17.39	15.22
<b>Profit/(Loss) for the Year</b>		<b>44.96</b>	<b>(18.52)</b>
<b>Earnings Per Equity Share</b>			
Basic and diluted ( in ₹)		<b>0.02</b>	(0.01)
Significant Accounting Policies	27		
Notes on Financial Statements	1 to 45		

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

Mumbai, May 30, 2017

**For and on behalf of the Board of Directors****Navinbhai C. Dave**Chairman  
DIN: 01787259**Paresh V. Merchant**Executive Director  
DIN: 00660027**Nikhil V. Merchant**Managing Director  
DIN:00614790**Chetan K. Selarka**

Chief Financial Officer

**Arun S. Agarwal**

Company Secretary

Mumbai, May 30, 2017

**CONSOLIDATED CASH FLOW STATEMENT FOR YEAR ENDED MARCH 31, 2017**

(₹ in Lakhs)

	Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
<b>A</b>	<b>Cash Flow from Operating Activities</b>		
	<b>Profit before tax</b>	<b>256.22</b>	<b>14.10</b>
	<b>Adjustments for :</b>		
	Depreciation	1,183.63	1,076.75
	(Profit)/Loss on sale of assets	(78.63)	3.52
	<b>Considered Separately:</b>		
	Preliminary Expenses	1.76	8.93
	Interest Income	(951.87)	(154.59)
	Effect of Exchange Rate Difference	0.64	103.53
	Finance Cost	2,981.75	2,435.27
	<b>Operating Profit before Working Capital Changes</b>	<b>3,393.50</b>	<b>3,487.51</b>
	<b>Adjustments for :</b>		
	Trade & Other Receivables	(5,242.72)	1,767.44
	Inventories	(451.98)	(2,591.88)
	Trade Payables and Other Liabilities	(5,220.56)	9,735.01
	<b>Cash generated from operations</b>	<b>(7,521.76)</b>	<b>12,398.08</b>
	Direct Taxes (Paid)/Received	(62.58)	(88.65)
	<b>Net Cash from Operating Activities ( A )</b>	<b>(7,584.34)</b>	<b>12,309.43</b>
<b>B</b>	<b>Cash Flow from Investing Activities</b>		
	Purchase of Fixed Assets	(6,880.09)	(6,343.37)
	Proceeds from Sale of Fixed Assets	11,299.06	1.01
	Sale of Investments	10,278.65	5,233.98
	Purchase of Investments	(10,878.54)	(5,348.71)
	LNG Terminal Project	(4,297.45)	-
	Interest Income	951.87	154.59
	<b>Net Cash from Investing Activities ( B )</b>	<b>473.50</b>	<b>(6,302.50)</b>
<b>C</b>	<b>Cash Flow from Financing Activities</b>		
	Long Term & Short Term Funds Borrowed/(Repaid)	11,418.38	(1,702.52)
	Finance Cost	(2,981.75)	(2,435.28)
	Dividend Paid	(110.59)	(331.77)
	Tax on Dividend	(22.52)	(67.55)
	<b>Net Cash from Financing Activities ( C )</b>	<b>8,303.52</b>	<b>(4,537.12)</b>
	<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>1,192.68</b>	<b>1,469.81</b>
	<b>Opening Balance of Cash &amp; Cash Equivalents</b>	<b>3,284.60</b>	<b>1,814.79</b>
	<b>Closing Balance of Cash &amp; Cash Equivalents</b>	<b>4,477.28</b>	<b>3,284.60</b>

As per our report of even date

For and on behalf of the Board of Directors

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

**Navinbhai C. Dave**  
Chairman  
DIN: 01787259

**Nikhil V. Merchant**  
Managing Director  
DIN:00614790

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

**Paresh V. Merchant**  
Executive Director  
DIN: 00660027

**Chetan K. Selarka**  
Chief Financial Officer

**Arun S. Agarwal**  
Company Secretary

Mumbai, May 30, 2017

Mumbai, May 30, 2017



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR YEAR ENDED MARCH 31, 2017

1 Share Capital

(a) Authorised Share Capital:

Particulars	March 31, 2017 ₹ in Lakhs	March 31, 2016 ₹ in Lakhs
15,000 (2015-2016 : 15,000) 11% Cumulative Redeemable Preference Shares of ₹ 100/- each	15.00	15.00
10,000 (2015-2016 : 10,000) 11% Cumulative Preference Shares of ₹ 100/- each	10.00	10.00
1,00,00,00,000 (2015-2016 : 1,00,00,00,000 of ₹ 1/- each) Equity Shares of ₹ 1/- each	10,000.00	10,000.00
<b>Total</b>	<b>10,025.00</b>	<b>10,025.00</b>

(b) Issued, subscribed and paid up:

Particulars	March 31, 2017 ₹ in Lakhs	March 31, 2016 ₹ in Lakhs
22,11,80,000 (2015-2016 : 22,11,80,000 of ₹ 1/- each) Equity Shares of ₹ 1/- each fully paid up.	2,211.80	2,211.80
<b>Total</b>	<b>2,211.80</b>	<b>2,211.80</b>

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

Particulars	March 31, 2017		March 31, 2016	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
Outstanding At the beginning of the year (Face Value ₹ 1/- per share)	221,180,000	2,211.80	221,180,000	2,211.80
Outstanding At the end of the year (Face Value ₹ 1/- per share)	221,180,000	2,211.80	221,180,000	2,211.80

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

Name of the Shareholder	March 31, 2017		March 31, 2016	
	No. of Shares	% holding	No. of Shares	% holding
Dave Impex Private Limited	46,030,400	20.81	46,030,400	20.81
Swan Engitech Works Private Limited	38,402,858	17.36	38,402,858	17.36
Swan Realtors Private Limited	41,589,000	18.80	41,589,000	18.80



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR YEAR ENDED MARCH 31, 2017

## 2 Reserves and Surplus

Particulars	March 31, 2017 ₹ in Lakhs		March 31, 2016 ₹ in Lakhs	
<b>Capital Reserve</b>				
At the beginning of the year	5,811.32		5,811.32	
Add: Transferred from Securities Premium A/c	-		-	
Add: Transferred from Workmen's Welfare Reserve	-		-	
At the end of the year		5,811.32		5,811.32
<b>Capital Redemption Reserve</b>		14.25		14.25
<b>Securities Premium Reserve</b>				
At the beginning of the year	23,073.20		23,073.20	
Add: On shares issued during the year	-		-	
Less:- Transferred to Capital Reserve	-		-	
At the end of the year		23,073.20		23,073.20
<b>General Reserve</b>				
At the beginning of the year	372.00		372.00	
Add: Transferred from Profit & Loss Appropriation Account	-		-	
At the end of the year		372.00		372.00
<b>Other Reserves</b>				
<b>Currency Translation Reserve</b>				
At the beginning of the year	191.13		87.60	
Add: Exchange translation difference on investment in foreign subsidiary	0.64		103.53	
At the end of the year		191.77		191.13
<b>Surplus i.e. balance in Statement of Profit &amp; Loss</b>				
At the beginning of the year	11,315.36		11,466.99	
Add: Profit / (Loss) during the year	44.96		(18.52)	
<b>Less: Appropriation</b>				
Transferred to General Reserve	-		-	
Proposed dividend on equity shares	(183.19)		(110.59)	
Tax on proposed equity dividend	(37.29)		(22.52)	
At the end of the year		11,139.84		11,315.35
<b>Total</b>		<b>40,602.38</b>		<b>40,777.26</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR YEAR ENDED MARCH 31, 2017

## 3 Long Term Borrowings

Particulars		March 31, 2017 ₹ in Lakhs	March 31, 2016 ₹ in Lakhs
(a)	<b>Secured Loan from Bank/FI's//NBFC (Secured)</b>		
	Term Loans from Banks/FI/NBFC (Secured)	30,665.38	32,170.73
	Redeemable Non-Convertible Debentures	5,000.00	-
	Vehicle Loan	42.72	35.14
<b>Total</b>		<b>35,708.10</b>	<b>32,205.87</b>

**Term loan from banks in Swan Energy Limited include:**

- JM Financial Products Ltd. : ₹ 9,000 Lakhs (2015-2016: ₹ 6,500 Lakhs). Secured by mortgage of flats at Ashok Garden located at Parel, Mumbai and by pledge of Equity Shares of Swan Energy Limited held by the promoters/group company(s).
- IIFL Private Wealth Finance Ltd. : ₹ 1,325 Lakhs (2015-2016: NIL). Secured by pledge of Equity Shares of Swan Energy Limited held by the promoters/group company(s).
- Vehicle loan: Secured by hypothication of Vehicle.

**Term loan from Bank/FI's//NBFC in Cardinal Energy and Infrastructure Private Limited include:**

- PNB Housing Finance Limited loan: ₹ 11,306.34 Lakhs (2015-2016: ₹ 12160.56 Lakhs) is secured by the Whitefield property at Bengaluru.
- Indian Overseas Bank: ₹ NIL (2015-2016: ₹ 13510.17 Lakhs) is secured by the property at Hyderabad.
- HDFC LTD Loan: ₹ 9,034.04 (2015-2016: NIL) is secured by the property at Hyderabad.

**Redeemable Non-Convertible Debentures in Pegasus Ventures Private Limited Include :**

Debentures of ₹ 5000.00 Lakhs (Previous Year: ₹ NIL) are secured by mortgage of immovable property at Kovilambakkam village, Chennai, HD Kote, Mysore and pledge of unencumbered dematerialized equity shares of Swan Energy Limited.

## 4 Deferred Tax Liabilities (Net)

Particulars		March 31, 2017 ₹ in Lakhs	March 31, 2016 ₹ in Lakhs
<b>Deferred Tax Liability</b>			
	Related to Fixed Assets	705.14	687.75
<b>Total</b>		<b>705.14</b>	<b>687.75</b>

## 5 Other Long Term Liabilities

Particulars		March 31, 2017 ₹ in Lakhs	March 31, 2016 ₹ in Lakhs
(a)	Trade payables	-	-
(b)	<b>Others</b>		
	Project Advances	43,988.19	42,148.06
	Rental Deposits	2,921.93	1,521.74
<b>Total</b>		<b>46,910.12</b>	<b>43,669.80</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR YEAR ENDED MARCH 31, 2017

## 6 Short-term Borrowings

Particulars	March 31, 2017 ₹ in Lakhs	March 31, 2016 ₹ in Lakhs
<b>Working Capital and Other Short Term Loans</b>		
From Banks/FI/NBFC (Secured)	6,060.79	5,868.67
From other parties (Unsecured)	37,126.35	31,467.54
From Related parties	2,075.54	-
<b>Total</b>	<b>45,262.68</b>	<b>37,336.21</b>

**Working Capital and Other Short Term Loans from Banks/FI/NBFC and Others in Swan Energy Limited include:**

- i) Union Bank of India and Oriental Bank of Commerce ₹ 4,833.54 Lakhs (2015-2016: ₹ 4,861.10 Lakhs).
- ii) Dena Bank ₹ 589.32 Lakhs (2015-2016: ₹ 604.70 Lakhs).
- iii) The Mehsana urban Co-op Bank Ltd ₹ 412.93 Lakhs (2015-2016: ₹ 402.87 Lakhs).  
All the above loans are secured by pari passu mortgage of building, plant/machinery & factory land at Ahmedabad. Also, secured against pari passu charge on hypothecation of Inventories and Book debts of the textile division.
- iv) Sicom loan: ₹ 225 Lakhs (2015-2016: ₹ NIL Lakhs). Secured by pledge of Equity Shares of Swan Energy Limited held by the promoters/group company(s).

## 7 Trade Payables

Particulars	March 31, 2017 ₹ in Lakhs	March 31, 2016 ₹ in Lakhs
Micro, Small & Medium Enterprises	-	-
Others	7,965.06	5,082.00
<b>Total</b>	<b>7,965.06</b>	<b>5,082.00</b>

Identification of Micro, Small and Medium Enterprises is not possible due to information not furnished by the suppliers.

## 8 Other Current Liabilities

	Particulars	March 31, 2017 ₹ in Lakhs	March 31, 2016 ₹ in Lakhs
<b>(a)</b>	<b>Current maturities of long-term debt</b>		
	From Banks/FI/NBFC (Secured)	1,120.15	12,140.48
	Vehicle loan	1.61	11.92
<b>(b)</b>	Interest accrued but not due on borrowings	-	378.38
<b>(c)</b>	<b>Other payables</b>		
	Advance received from Customer	113.10	19.57
	Outstanding Expenses	35.87	32.97
	Salary Payable	37.21	33.28
	Bonus Payable	24.40	31.34
	Duties & Taxes	171.95	92.37
	Retention Money	411.95	532.80
	Unpaid Dividend	9.48	8.87
	Creditors for Capital Expenditure	36.39	36.39
	Creditors for Revenue Expenditure	157.67	155.67
	<b>Total</b>	<b>2,119.78</b>	<b>13,474.04</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR YEAR ENDED MARCH 31, 2017**

- i) Vehicle loan is in Swan Energy Limited: Secured by hypothecation of Vehicle.

**Current maturities of long-term debt in Cardinal Energy and Infrastructures Private Limited from Banks includes:**

- ii) PNB Housing Finance Limited Loan: ₹ 854.22 Lakhs (2015-2016: ₹ 760.48 Lakhs) is secured by the Whitefield property at Bengaluru.
- iii) Indian Overseas Bank: ₹ NIL Lakhs (2015-2016: ₹ 3380 Lakhs) is secured by the property at Hyderabad.
- iv) HDFC LTD Loan: ₹ 265.93 Lakhs (2015-2016: ₹ Nil) is secured by the property at Hyderabad.

**Current maturities of long-term debt in Pegasus Private Limited includes:**

- v) ECL Loan of ₹ NIL (March 31, 2016 : ₹ 8000.00 Lakhs) secured by mortgage of immovable property at Kovilambakkam village, Chennai and pledge of unencumbered dematerialized equity shares of Swan Energy Limited.

**9 Short-term Provisions**

Particulars	March 31, 2017 ₹ in Lakhs	March 31, 2016 ₹ in Lakhs
Proposed Dividend on Equity Shares	183.19	110.59
Tax Payable on Proposed Dividend	37.29	22.52
Provision for taxation	3,086.98	2,889.95
<b>Total</b>	<b>3,307.46</b>	<b>3,023.06</b>

**10 Fixed Assets - Tangible Assets**

Description of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01/04/2016	Additions/Adjustment 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 31/03/2017	As at 31/03/2016
Land	12,024.73	-	-	12,024.73	-	-	-	-	12,024.73	12,024.73
Buildings	19,055.49	33,683.02	11,004.75	41,733.76	1,463.42	404.30	-	1,867.72	39,866.04	17,592.07
Plant & Machinery	7,769.13	711.14	-	8,480.27	2,116.91	415.65	-	2,532.56	5,947.71	5,652.22
Computers	71.14	4.61	0.66	75.09	62.61	3.83	0.63	65.81	9.28	8.53
Aircraft	1,980.88	-	-	1,980.88	79.23	77.66	-	156.89	1,823.99	1,901.65
Furniture, fixtures & Equipments	1,308.56	-	270.78	1,037.78	459.17	212.52	61.64	610.05	427.73	849.39
Motor Vehicles	711.90	23.71	21.67	713.94	383.41	69.67	15.15	437.93	276.01	328.49
<b>Total</b>	<b>42,921.83</b>	<b>34,422.48</b>	<b>11,297.86</b>	<b>66,046.45</b>	<b>4,564.75</b>	<b>1,183.63</b>	<b>77.42</b>	<b>5,670.96</b>	<b>60,375.49</b>	<b>38,357.08</b>
Previous year - Tangible Assets	40,778.42	2,153.99	10.58	42,921.83	3,494.18	1,076.75	6.18	4,564.75	38,357.08	37,284.24
<b>Capital work-in-progress</b>	<b>55,113.20</b>	<b>5,096.43</b>	<b>32,638.82</b>	<b>27,570.81</b>	-	-	-	-	<b>27,570.81</b>	<b>55,113.20</b>
Previous year - CWIP	50,923.81	6,055.31	1,865.92	55,113.20	-	-	-	-	55,113.20	50,923.81



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR YEAR ENDED MARCH 31, 2017

## 11 Non-current Investments

Particulars	March 31, 2017 ₹ in Lakhs	March 31, 2016 ₹ in Lakhs
<b>Investment in Equity Instruments</b>		
Other Company - Unquoted	36.03	36.00
<b>Investment in Mutual Funds</b>		
Union Trigger Fund Series 2 - Regular Plan - Growth	20.00	20.00
Union Capital Protection Oriented Fund Series 7 - Regular Plan - Growth	10.00	-
Union Capital Protection Oriented Fund Series 3 - Regular Plan - Growth	-	25.00
<b>Total</b>	<b>66.03</b>	<b>81.00</b>

## 12 Long-term Loans and Advances

Particulars	March 31, 2017 ₹ in Lakhs	March 31, 2016 ₹ in Lakhs
(a) Capital Advances	894.67	2,886.32
(b) Security Deposits	577.85	579.15
(c) Other loans and advances (Unsecured, considered good)	3,236.33	1,984.91
<b>Total</b>	<b>4,708.85</b>	<b>5,450.38</b>

## 13 Other Non-current Assets

Particulars	March 31, 2017 ₹ in Lakhs	March 31, 2016 ₹ in Lakhs
<b>Others</b>		
Unamortised Expenses	0.12	1.87
LNG Terminal Project	4,297.45	-
<b>Total</b>	<b>4,297.57</b>	<b>1.87</b>

## 14 Current Investments

Particulars	March 31, 2017 ₹ in Lakhs	March 31, 2016 ₹ in Lakhs
<b>(a) Investments in Mutual Funds</b>		
ICICI Prudential Saving Fund - Growth	502.53	
SBI Saving Fund - Growth	250.43	-
SBI DAF-Series -XVI Reg - Growth	5.24	-
ICICI Pru Money Mkt Fund Cash Option Growth -1571	-	135.34
(b) Fixed Deposit with bank	-	8.00
<b>Total</b>	<b>758.20</b>	<b>143.34</b>

Total Market Value of Mutual Funds

761.36

135.34



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR YEAR ENDED MARCH 31, 2017

## 15 Inventories

Particulars	March 31, 2017 ₹ in Lakhs	March 31, 2016 ₹ in Lakhs
<b>Work-in-progress and Advances</b>	46,765.42	46,374.04
<b>Construction Finished Goods</b>	2,365.12	2,365.12
<b>Textiles</b>		
(a) Raw materials	3,047.39	2,354.34
(b) Work-in-process	3,198.50	3,183.46
(c) Finished goods	3,144.10	3,737.60
(d) Stores and spares	82.28	136.27
<b>Total</b>	<b>58,602.81</b>	<b>58,150.83</b>

## 16 Trade Receivables

Particulars	March 31, 2017 ₹ in Lakhs	March 31, 2016 ₹ in Lakhs
<b>Unsecured, Considered good</b>		
Debts due for more than 6 months	1,680.42	696.63
Less: Provision for Doubtful Debts	-	-
Other Debts	7,586.94	5,159.89
<b>Total</b>	<b>9,267.36</b>	<b>5,856.52</b>

## 17 Cash and Cash Equivalents

Particulars	March 31, 2017 ₹ in Lakhs	March 31, 2016 ₹ in Lakhs
<b>(a) Balances with banks</b>		
In Current Accounts	340.29	351.83
In Deposit Accounts	4,069.92	2,873.95
<b>(b) Cash on hand</b>	57.59	49.94
<b>(c) Others</b>		
Earmarked balance for Unpaid dividend	9.48	8.88
<b>Total</b>	<b>4,477.28</b>	<b>3,284.60</b>

## 18 Short-term Loans and Advances

Particulars	March 31, 2017 ₹ in Lakhs	March 31, 2016 ₹ in Lakhs
<b>Other Loans &amp; Advances</b>		
Advance paid to suppliers	320.15	115.73
Advance Income Tax	7,414.08	7,348.35
Loans & Advances to staff	32.70	32.83
Prepaid Expenses	2.73	7.97
Cenvat Credit	106.47	62.08
Other Advances	5,784.13	3,444.65
<b>Total</b>	<b>13,660.26</b>	<b>11,011.61</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR YEAR ENDED MARCH 31, 2017

## 19 Other Current Assets

Particulars	March 31, 2017 ₹ in Lakhs	March 31, 2016 ₹ in Lakhs
Interest accrued on Fixed Deposits	91.47	111.70
TUF Subsidy Receivable	888.53	888.53
Security Deposit	27.86	17.13
<b>Total</b>	<b>1,007.86</b>	<b>1,017.36</b>

## 20 Revenue from Operations

Particulars	Apr'16 - Mar'17 ₹ in Lakhs	Apr'15 - Mar'16 ₹ in Lakhs
<b>Sale of products;</b>		
- Textile Goods	32,479.09	31,603.15
- Construction and Other Activities	597.09	122.69
- Lease Rent Income	1,787.68	1,448.57
<b>Total</b>	<b>34,863.86</b>	<b>33,174.41</b>

## 21 Other Income

Particulars	Apr'16 - Mar'17 ₹ in Lakhs	Apr'15 - Mar'16 ₹ in Lakhs
Interest Income	951.87	154.59
Net gain on sale of Shares and Mutual funds	106.95	68.58
Net gain/(loss) on sale of Fixed Assets	78.63	(3.52)
Other Non-operating Income	130.97	508.63
<b>Total</b>	<b>1,268.42</b>	<b>728.28</b>

## 22 Cost of Materials Consumed

Particulars	Apr'16 - Mar'17 ₹ in Lakhs	Apr'15 - Mar'16 ₹ in Lakhs
<b>Material used in Construction Activities</b>	<b>965.44</b>	<b>592.49</b>
<b>Textile</b>		
Greige	24,406.10	24,720.19
Stores & Spares	423.48	1,179.44
Dyes, Chemicals and others	2,328.10	2,015.93
<b>Total for Textiles</b>	<b>27,157.68</b>	<b>27,915.56</b>
<b>Total</b>	<b>28,123.12</b>	<b>28,508.05</b>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR YEAR ENDED MARCH 31, 2017

23 Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade

Particulars	Apr'16 - Mar'17 ₹ in Lakhs	Apr'15 - Mar'16 ₹ in Lakhs
<b>Finished Goods</b>		
Opening Stock	6,102.72	5,444.72
Closing Stock	5,509.22	6,102.72
<b>Changes in Inventory of Finished Goods</b>	<b>593.50</b>	<b>(658.00)</b>
<b>Work in Progress</b>		
Opening Stock	40,910.59	39,823.04
Closing Stock	42,007.59	40,910.59
<b>Changes in Inventory of Work in Progress</b>	<b>(1,097.00)</b>	<b>(1,087.55)</b>
<b>Total</b>	<b>(503.50)</b>	<b>(1,745.55)</b>

24 Employee Benefit Expenses

Particulars	Apr'16 - Mar'17 ₹ in Lakhs	Apr'15 - Mar'16 ₹ in Lakhs
Salaries Wages and bonus	1,090.00	953.67
Company's Contribution to Provident fund	15.09	11.53
Company's Contribution to ESIC	4.18	3.17
Leave Travel Allowance	11.60	22.70
Staff Welfare Expenses	7.29	10.65
<b>Total</b>	<b>1,128.16</b>	<b>1,001.72</b>

25 Finance Costs

Particulars	Apr'16 - Mar'17 ₹ in Lakhs	Apr'15 - Mar'16 ₹ in Lakhs
Interest expense	2,654.53	1,987.08
Other Borrowing cost	327.22	448.20
<b>Total</b>	<b>2,981.75</b>	<b>2,435.28</b>

26 Other Expenses

Particulars	Apr'16 - Mar'17 ₹ in Lakhs	Apr'15 - Mar'16 ₹ in Lakhs
<b>Towards Construction Activities</b>		
Rates & Taxes	33.81	99.72
Security Charges	49.88	51.53
Power & Fuel	30.72	31.60
Other Development Expenses	2.12	91.54
<b>Sub-Total</b>	<b>116.53</b>	<b>274.39</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR YEAR ENDED MARCH 31, 2017

Advertisement Expenses	4.63	4.62
Audit Fees	5.00	4.15
Brokerage & Commision	181.41	7.80
Business Development Expenses	62.48	110.39
Communication cost	22.64	21.06
Donation	16.37	13.50
Freight Charges	241.82	245.56
Insurance	43.45	14.44
Labour Charges	409.01	464.01
Legal & Professional fees	271.92	150.39
Listing and related expenses	12.95	4.79
Membership & Subscription	135.60	5.16
Power & Fuel	420.01	450.54
Preliminary Expenses Written Off	1.76	8.93
Printing & Stationery	6.94	6.21
Rates & Taxes	68.49	16.88
Rent	14.95	44.23
Repair & Maintainence - Building	13.45	11.95
Repair & Maintainence - Machinery	209.32	104.14
Repair & Maintainence - Others	45.68	109.76
Security Charges	17.21	15.90
Vehicle Expenses	36.03	38.30
Miscellaneous Expenses	605.25	485.24
<b>Total</b>	<b>2,962.90</b>	<b>2,612.34</b>

**27 A Principles of consolidation**

The consolidated financial statements related to Swan Energy Limited ('The Company') and its subsidiary companies. The consolidated financial statements have been prepared on the following basis:

- a) The financial statements of the company and its subsidiary companies are combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements"
- b) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transaction and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

**B Other Significant Accounting Policies**

These are set out under "Significant Accounting Policies" as given in the Company's standalone financial statements.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR YEAR ENDED MARCH 31, 2017

## 28 Earning Per Share

Particulars		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 Lakhs)	44.96	(18.52)
ii)	Weighted average number of shares used as denomination for calculating Basic and Diluted earning per share	221,180,000	221,180,000
iii)	Face value of shares ( ₹ Per Share)	1.00	1.00
iv)	Basic/Diluted earning per share ( in ₹)	0.02	(0.01)

## 29 Contingent Liabilities

i)	Income Tax ( ₹ In Lakhs )	3,172.15	3,230.87
ii)	Corporate guarantee ( ₹ In Lakhs )	38,057.00	39,500.00

## 30 Payment to Auditors (Excluding Service Tax)

i)	Statutory Audit Fees ( ₹ In Lakhs)	3.60	3.20
ii)	Tax Audit Fees ( ₹ In Lakhs)	0.65	0.75
iii)	Other Capacity	1.69	0.88

## 31 Raw Material Consumed

i)	<b>Greige Material</b>		
	Quantity (Meter in Lakhs)	215.09	233.11
	Value ( ₹ In Lakhs)	24,406.10	24,720.19
ii)	Stores & Spares - Value ( ₹ In Lakhs )	423.48	1,179.44
iii)	Dyes, Chemicals and others - Value ( ₹ In Lakhs )	2,328.10	2,015.94

## 32 Sales of Products

i)	<b>Sales - Own</b>		
	Quantity (Meter in Lakhs)	230.98	229.74
	Value ( ₹ In Lakhs)	32,220.30	31,446.71
ii)	<b>Job Work</b>		
	Quantity (Meter in Lakhs)	17.15	7.88
	Value ( ₹ In Lakhs)	258.79	156.44

## 33 Purchase/Manufacture of Products

i)	<b>Greige Material</b>		
	Quantity (Meter in Lakhs)	221.14	232.09
	Value ( ₹ In Lakhs)	25,099.14	24,111.33
ii)	Stores & Spares - Value ( ₹ In Lakhs )	422.47	491.70
iii)	Dyes, Chemicals and others - Value ( ₹ In Lakhs ) - Indigeneous	2,275.13	2,736.22



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR YEAR ENDED MARCH 31, 2017

## 34 Stock in Trade and Construction WIP

	Particulars	Apr'16 - Mar'17	Apr'15 - Mar'16
<b>A</b>	<b>Textiles:</b>		
i)	<b>Greige Material</b>		
	Quantity (Meter in Lakhs)	29.00	22.95
	Value ( ₹ In Lakhs)	3,047.39	2,354.34
ii)	<b>Work In Progress</b>		
	Quantity (Meter in Lakhs)	24.60	25.67
	Value ( ₹ In Lakhs)	3,198.50	3,183.46
iii)	<b>Finished Goods</b>		
	Quantity (Meter in Lakhs)	20.45	27.57
	Value ( ₹ In Lakhs)	3,144.10	3,737.60
iv)	Stores & Consumables - Value ( ₹ In Lakhs)	2.39	3.41
v)	Dyes, Chemicals and others - Value ( ₹ In Lakhs)	79.89	132.86

<b>B</b>	<b>Real Estate and Others</b>		
i)	<b>Work-in-progress and Advances</b>		
	Value ( ₹ In Lakhs)	46,765.42	46,374.04
ii)	<b>Construction Finished Goods</b>		
	Value ( ₹ In Lakhs)	2,365.12	2,365.12

## 35 Value of Imports on CIF Basis

i)	Stores & Spares ( ₹ In Lakhs)	22.81	64.65
----	-------------------------------	-------	-------

## 36 Expenditure in Foreign currency

i)	Travelling Expenses	38.09	9.59
----	---------------------	-------	------

## 37 Earning in Foreign Currency

<b>FOB value of exports</b>		
Quantity (Meter in Lakhs)	8.65	13.32
Value ( ₹ In Lakhs)	1,043.07	1,722.12



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR YEAR ENDED MARCH 31, 2017

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

## A List of Related Parties

	Name of the parties	Relationship
i)	Mr. Nikhil V. Merchant	Key Management Personnel
ii)	Mr. Paresh V. Merchant	
iii)	Mr. Padmanabhan Sugavanam	
iv)	Mr. Vilas A. Gangan	
v)	Ms. Vinita N. Merchant	Relative of Key Management Personnel
vi)	Mr. Bhavik N. Merchant	
vii)	Mr. Vivek P. Merchant	
viii)	Good Earth Commodities (India) Private Limited	Enterprise over which Key Management Personnel is able to exercise significant influence
ix)	Feltham Trading Private Limited	
x)	Ami Tech (india) Private Limited	
xi)	Dave Impex India Private Limited	
xii)	Dave Leasing & Holdings Private Limited	
xiii)	Sahajanand Soaps and Chemicals Private Limited	
xiv)	Swan International Limited	

## B Transaction during the year with related parties

(₹ In Lakhs)

Sr No.	Name of the Company	Opening Balance Dr	Opening Balance Cr	Remuneration Paid	Sales	Purchase	Rent Paid	Advance Given	Advance received back	Advance taken	Advance paid back	Closing Balance Dr	Closing Balance Cr
i)	Mr. Nikhil V. Merchant	-	-	128.83	-	-	-	0.50	0.50	-	-	-	-
ii)	Mr. Paresh V. Merchant	-	-	128.83	-	-	3.00	-	-	361.00	361.00	-	-
iii)	Mr. Padmanabhan Sugavanam	-	-	29.04	-	-	-	-	-	-	-	-	-
iv)	Mr. Vilas A. Gangan	-	-	17.73	-	-	-	-	-	-	-	-	-
v)	Ms. Vinita N. Merchant	-	-	9.86	-	-	-	2.48	2.48	-	-	-	-
vi)	Mr. Bhavik N. Merchant	-	-	9.86	-	-	-	-	-	-	-	-	-
vii)	Mr. Vivek P. Merchant	-	-	9.86	-	-	-	-	-	-	-	-	-
viii)	Good Earth Commodities (India) Private Limited	1,219.49	-	-	7,334.15	4,342.09	-	-	-	2,075.54	-	-	839.03
ix)	Feltham Trading Private Limited	-	-	-	-	-	1.80	0.20	0.20	-	-	-	-
x)	Ami Tech (india) Private Limited	-	-	-	-	-	-	867.03	867.03	-	-	-	-
xi)	Dave Impex India Private Limited	-	-	-	-	-	-	-	-	399.04	399.04	-	-
xii)	Dave Leasing & Holdings Private Limited	-	-	-	-	-	-	-	-	54.16	54.16	-	-
xiii)	Sahajanand Soaps and Chemicals Private Limited	-	-	-	-	-	-	-	-	59.82	59.82	-	-
xiv)	Swan International Limited	-	-	-	-	-	-	-	-	23.92	23.92	-	-
	<b>Total</b>	<b>1,219.49</b>	<b>-</b>	<b>334.01</b>	<b>7,334.15</b>	<b>4,342.09</b>	<b>4.80</b>	<b>870.21</b>	<b>870.21</b>	<b>2,973.49</b>	<b>897.94</b>	<b>-</b>	<b>839.03</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR YEAR ENDED MARCH 31, 2017

## 39 Segment Reporting

The company has identified business segment as primary segments. The reportable business segments are textile and Property development/others

Particulars	Apr'16 - Mar'17 ₹ in Lakhs	Apr'15 - Mar'16 ₹ in Lakhs
<b>Segment Revenue</b>		
Textiles	32,549.20	31,645.08
Property development/Others	3,583.08	2,257.61
<b>Total</b>	<b>36,132.28</b>	<b>33,902.69</b>
<b>Segment Results (Before Interest &amp; Tax)</b>		
Textiles	2,223.82	2,159.93
Property development/Others	1,014.15	289.45
<b>Total</b>	<b>3,237.97</b>	<b>2,449.38</b>

	Year Ended March 31, 2017 ₹ in Lakhs	Year Ended March 31, 2016 ₹ in Lakhs
<b>Segment Assets</b>		
Textiles	25,352.83	21,542.88
Property development/*Others	152,025.61	149,576.56
<b>Total</b>	<b>177,378.44</b>	<b>171,119.44</b>
<b>Segment Liabilities</b>		
Textiles	13,513.76	10,902.27
Property development/*Others	124,451.99	120,865.66
<b>Total</b>	<b>137,965.75</b>	<b>131,767.93</b>

**Note:**

- i) \* Others include expenses/ investments made on the projects related to Energy/FSRU
  - ii) All development and Trading activity have been undertaken in India only, hence Geographical segment reporting is not required.
- 40 Quarterly financial results are published in accordance with the guidelines issued by SEBI. The recognition and measurement principles as laid down in the standards are followed with respect to such results.
  - 41 At the Balance Sheet date, an assessment is done to determine whether there is any indication of impairment in the carrying amount of the fixed assets. No impairment loss is determined.
  - 42 Membership & Subscription expenses include a sum of ₹ 125.35 Lakhs paid to CCI & Shirke Recreation Enterprises towards entrance/membership fees.
  - 43 The Company had entered into Development Agreement with Peninsula Land Limited (Formerly Piramal Holdings Ltd) to develop and sale properties at Mumbai and as per the said agreement, they are entitled to 22% of the gross receipt. The transactions and effect thereof are already given in these accounts.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR YEAR ENDED MARCH 31, 2017**

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

₹ in Lakhs

Particulars	SBNs	Other Denomsination Notes	Total
Closing Cash in hand as on 08.11.2016	5.77	38.75	44.52
+ Permitted Rreceipts	-	26.24	26.24
- Permitted payments	-	16.19	16.19
- Amount deposited in Banks	5.77	2.12	7.89
Closing cash in hand as on 30.12.2016	-	<b>46.68</b>	<b>46.68</b>

- 45 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

**Mumbai, May 30, 2017**

**For and on behalf of the Board of Directors**

**Navinbhai C. Dave**

Chairman  
DIN: 01787259

**Paresh V. Merchant**

Executive Director  
DIN: 00660027

**Nikhil V. Merchant**

Managing Director  
DIN:00614790

**Chetan K. Selarka**

Chief Financial Officer

**Arun S. Agarwal**

Company Secretary

**Mumbai, May 30, 2017**







## SWAN ENERGY LIMITED

CIN No. : L17100MH1909PLC000294; website: www.swan.co.in

Registered Office : 6, Feltham House, 2nd Floor, 10, J.N Heredia Marg, Ballard Estate, Mumbai – 400 001.

### Attendance Slip

To be handed over at the entrance of the Meeting venue

Folio No. .... DP ID No..... Client ID No. ....

Full Name of the Shareholder/ Proxy ..... Signature .....

I record my presence at the 109th Annual General Meeting at Babasaheb Dahanukar Sabhagriha, Maharashtra Chamber of Commerce, Industry & Agriculture (MACCIA), Oricon House, 6th Floor, Maharashtra Chamber of Commerce Lane, Kala Ghoda, Fort, Mumbai - 400 001 on 21st September, 2017 at 11.30 A.M.

Member's/Proxy's Signature



## SWAN ENERGY LIMITED

CIN No. : L17100MH1909PLC000294; website: www.swan.co.in

Registered Office : 6, Feltham House, 2nd Floor, 10, J.N Heredia Marg, Ballard Estate, Mumbai – 400 001.

### PROXY FORM

I/We: .....

of: .....

being a Member/Members of SWAN ENERGY LTD. hereby appoint : .....

Of .....

or failing him : .....

Of : .....

or failing him .....

Of .....

as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 109th Annual General Meeting of the Company to be held at Mumbai on Thursday, 21st September, 2017 at 11.30 A.M. and at any adjournment thereof in respect of such resolutions as are indicated below:

Item No.	Resolution	For	Against
1.	Adoption of Annual Accounts (standalone & consolidated)		
2.	Declaration of dividend		
3.	Re-appointment of Mr. Paresh V. Merchant, Director retiring by rotation		
4.	Appointment of Statutory Auditor		
5.	Ratification of Cost Auditor's Remuneration		

Signed this ..... day of ..... 2017

Signature of Shareholder .....

Signature of Proxyholder(s).....



**NOTE:** If a Member is unable to attend the Meeting, he may sign this form and send it to the Company's Registered Office so as to reach not less than 48 hours before the Meeting.

