

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

1. We have audited the accompanying financial statements of **Swan LNG Private Limited** ("the Company"), which comprise the Balance sheet as at March 31, 2016, the Statement of profit and Loss, Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.

4. We have taken into account the provisions of Act and the Rules made thereunder 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 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 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control systems over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting polices used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its loss 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, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act 2013, is not applicable to the company.
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 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, 2016 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2016 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 Company does not have any pending litigations as at March 31, 2016;
 - 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 March 31, 2016 which was required to be transferred to the Investor Education and Protection Fund by the Company.

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

Sd/-
V. R. Renuka
Proprietor
M. No. 032263
Mumbai, May 30, 2016

SWAN LNG PRIVATE LIMITED
Balance Sheet as at March 31, 2016

(₹ in Lacs)

Particulars	Note No.	As at March 31, 2016	As at March 31, 2015
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	1	5.00	5.00
Reserves and Surplus	2	(1.07)	(0.60)
Non-Current Liabilities			
Long-Term Borrowings	3	0.20	0.10
Current Liabilities			
Other Current Liabilities	4	0.11	0.11
TOTAL		4.24	4.61
ASSETS			
Non-Current Assets			
Other Non Current Assets	5	0.24	0.34
Current Assets			
Cash and Cash Equivalents	6	4.00	4.27
TOTAL		4.24	4.61
Significant Accounting Policies	8		
Notes on Financial Statements	1 to 12		
As per our report of even date			
For V.R.Renuka & Co.		For and on behalf of the Board of Directors	
Chartered Accountants			
Firm Registration No. 108826W			
Sd/-		Sd/-	Sd/-
V.R. Renuka		Vilas A. Gangan	Nikhil V. Merchant
Proprietor		Director	Director
M No. 032263			
Mumbai, May 30, 2016			Mumbai, May 30, 2016

SWAN LNG PRIVATE LIMITED**Statement of Profit and Loss for the year ended March 31, 2016****(₹ in Lacs)**

Particulars	Note No.	Year Ended March 31, 2016	Year Ended March 31, 2015
Income:		-	-
Total Revenue		-	-
Expenses:			
Other Expenses	7	0.47	0.36
Total Expenses		0.47	0.36
Profit/(Loss) before Tax		(0.47)	(0.36)
Tax Expense:			
(1) Current tax		-	-
(2) Deferred Tax		-	-
Profit/(Loss) for the period/year		(0.47)	(0.36)
Earnings Per Equity Share			
Basic and diluted (in ₹)		(0.95)	(0.72)
Significant Accounting Policies	8		
Notes on Financial Statements	1 to 12		
As per our report of even date			
For V.R.Renuka & Co.		For and on behalf of the Board of Directors	
Chartered Accountants			
Firm Registration No. 108826W			
Sd/-		Sd/-	Sd/-
V.R. Renuka		Vilas A. Gangan	Nikhil V. Merchant
Proprietor		Director	Director
M No. 032263			
Mumbai, May 30, 2016		Mumbai, May 30, 2016	

Swan LNG PRIVATE LIMITED**Cash Flow Statement for the Year Ended March 31, 2016**

(₹ in lacs)

Particulars	Year Ended March 31, 2016	Period Ended March 31, 2015
A Cash Flow from Operating Activities		
Profit/(Loss) before tax	(0.47)	(0.36)
Adjustments for :		
Considered Separately:		
Preliminary Expenses	0.12	0.12
Interest Income	-	-
Operating Profit before Working Capital Changes	(0.35)	(0.24)
Adjustments for :		
Trade Payables and Other Liabilities	-	-
Cash generated from operations	(0.35)	(0.24)
Direct Taxes (Paid)/Received	-	-
Net Cash from Operating Activities (A)	(0.35)	(0.24)
B Cash Flow from Investing Activities		
Preliminary Expenses	-	-
Net Cash from Investing Activities (B)	-	-
C Cash Flow from Financing Activities		
Long Term & Short Term Funds Borrowed/(Repaid)	0.10	0.10
Issue of Shares	-	-
Net Cash from Financing Activities (C)	0.10	0.10
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	(0.25)	(0.14)
Opening Balance of Cash & Cash Equivalents	4.27	4.41
Closing Balance of Cash & Cash Equivalents	4.02	4.27
As per our report of even date		
For V.R.Renuka & CO. Chartered Accountants Firm Registration No. 108826W		For and on behalf of the Board of Directors
Sd/- V.R. Renuka Proprietor M No. 032263	Sd/- Vilas A. Gangan Director	Sd/- Nikhil V. Merchant Director
Mumbai, May 30, 2016		Mumbai, May 30, 2015

SWAN LNG PRIVATE LIMITED

Notes to the Financial Statement for the year ended March 31, 2016

1 Share Capital

(a) **Authorised Share Capital:**

Particulars	March 31, 2016	March 31, 2015
	₹ in Lacs	₹ in Lacs
50,000 (March 31, 2015: 50,000) Equity Shares of Rs. 10 each	5.00	5.00
Total	5.00	5.00

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

Particulars	March 31, 2016	March 31, 2015
	₹ in Lacs	₹ in Lacs
50,000 (March 31, 2015: 50,000) Equity Shares of Rs. 10 each fully paid	5.00	5.00
Total	5.00	5.00

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

Particulars	March 31, 2016		March 31, 2015	
	Number of shares	₹ in Lacs	Number of shares	₹ in Lacs
Outstanding At the beginning of the year	50,000	5.00	50,000	5.00
Add: Issued during the period	-	-	-	-
Outstanding At the end of the year	50,000	5.00	50,000	5.00

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

Particulars	March 31, 2016		March 31, 2015	
	Number of shares	₹ in Lacs	Number of shares	₹ in Lacs
Holding Company				
Swan Energy Limited	50,000	5.00	50,000	5.00

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

Name of the Shareholder	March 31, 2016		March 31, 2015	
	Number of shares	% holding	Number of shares	% holding
Swan Energy Limited	50,000	100.00	50,000	100.00

2 Reserves and Surplus

Particulars	March 31, 2016		March 31, 2015	
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
Surplus i.e. balance in Statement of Profit & Loss				
At the beginning of the year	(0.60)		(0.24)	
Add: Profit/(Loss) during the year	(0.47)		(0.36)	
At the end of the year		(1.07)		(0.60)
Total		(1.07)		(0.60)

SWAN LNG PRIVATE LIMITED

Notes to the Financial Statement for the year ended March 31, 2016

3 Long Term Borrowings

Particulars	March 31, 2016	March 31, 2015
	₹ in Lacs	₹ in Lacs
Other loans and advances		
From related party (Unsecured)		
Swan Energy Limited - Holding Company	0.20	0.10
Total	0.20	0.10

4 Other current liabilities

Particulars	March 31, 2016	March 31, 2015
	₹ in Lacs	₹ in Lacs
Other payables		
Outstanding Expense	0.11	0.11
Total	0.11	0.11

5 Other Non current Assets

Particulars	March 31, 2016	March 31, 2015
	₹ in Lacs	₹ in Lacs
Others		
Preliminary Expense	0.24	0.34
Total	0.24	0.34

6 Cash and cash equivalents

Particulars	March 31, 2016	March 31, 2015
	₹ in Lacs	₹ in Lacs
(a)Balances with banks;		
In Current Accounts	4.00	4.27
Total	4.00	4.27

SWAN LNG PRIVATE LIMITED

Notes to the Financial Statement for the year ended March 31, 2016

7 Other Expenses

Particulars	Apr'15-Mar'16	Apr'14-Mar'15
	₹ in Lacs	₹ in Lacs
Audit Fees	0.11	0.11
Professional Fees	0.05	-
Miscellaneous Expenses	0.18	-
Rates & Taxes	0.01	0.13
Preliminary Expenses W/Off	0.12	0.12
Total	0.47	0.36

8 SIGNIFICANT ACCOUNTING POLICIES

A Basis of Preparation of Financial Statements

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

B Use of Estimates

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

C Revenue Recognition

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

D Taxation

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

a) Current Tax

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

b) Deferred Tax

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

E Borrowing Costs

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

F Provisions, Contingent Liabilities and Contingent Assets

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

G Capital Work in Progress

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

H Cash & Cash Equivalents

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

SWAN LNG PRIVATE LIMITED

Notes on Financial Statement for the year ended March 31, 2016

9 Earning Per Share	Apr'15-Mar'16	Apr'14-Mar'15
i) Net profit/(Loss) after tax as per Statements of Profit & Loss attributable to Equity Shareholders (₹ In Lacs)	(0.47)	(0.36)
ii) Weighted average number of shares used as denomination for calculating Basic and Diluted earning per share	50,000	50,000
iii) Face value of shares (₹ Per Share)	10.00	10.00
iv) Basic/Diluted earning per share (in ₹)	(0.95)	(0.72)

10 Payment to Auditors (Excluding Service Tax)		
i) Statutory Audit Fees (₹ In lacs)	0.10	0.11
ii) Other Capacity (₹ In lacs)	0.05	-

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

A List of Related Parties

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

B Transaction during the year with Related Parties

i) Swan Energy Limited		
Loans & Advance taken (₹ In lacs)	0.20	0.10
Loans & Advance paid back (₹ In lacs)	-	-
Payable (₹ In Lacs)	0.20	0.10

12 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

For and on behalf of the Board of Directors

Sd/-

V.R. Renuka

Proprietor

M No. 032263

Sd/-

Vilas A. Gangan

Director

Sd/-

Nikhil V. Merchant

Director

Mumbai, May 30, 2016

Mumbai, May 30, 2016
