

# Swan LNG Private Limited

Audited Accounts

For the year ended March 31, 2019

9th Avenue, Ground Floor, Behind Rajpath  
Club, Memnagar, Bodakdev, Ahmedabad,  
Gujarat - 380059



# SWAN LNG PRIVATE LIMITED

## DIRECTORS' REPORT:

To the members of SWAN LNG PRIVATE LIMITED (SLPL):

1. Your Directors are pleased to present the sixth (6<sup>th</sup>) Annual Report together with the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2019.

## 2. FINANCIAL RESULTS

Particulars	Year Ended 31st March, 2019 (Rs. in Lacs)	Year Ended 31st March, 2018 (Rs. in Lacs)
Profit Before Tax	(1.55)	(1.57)
Provision for:		
Income Tax	(180.59)	-
Earlier Year Tax	-	-
Profit After Tax	(182.14)	(1.57)
Balance brought forward from previous year	(1.73)	(0.16)
Amount available for appropriation	-	(1.57)
Transfer to General Reserve	-	-
Balance carried to Balance Sheet	(183.87)	(1.73)

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

### LNG Port Project:

Your company is setting up India's first Greenfield LNG Port Terminal of 5 MMTPA capacity with Floating Storage and Regasification Unit ("FSRU"), in Jafraabad Port area in the Amreli district of Gujarat. The Project comprises of development of LNG Port facilities, utilizing a FSRU for LNG receipt, storage, regasification and send-out, with a regasification capacity of 5 MMTPA of LNG ("the Project"). The Project was awarded on the basis of international competitive bidding under the 'Swiss Challenge' route and is being developed on PPP basis under the Concession Agreement executed between SLPL, Gujarat Maritime Board ("GMB") and Government of Gujarat ("GoG") on 18<sup>th</sup> October 2017.

The Project shall be operated on tolling business model and regasification agreements of 4.5 MMTPA capacity for a period of 20 years with GSPCL (1.5 MMTPA) and BPCL, IOCL and ONGC (1 MMTPA each). The "Use or Pay" nature of these regasification agreement from highly credit worthy Central & State Govt PSU's and Concession Agreement with GMB & GoG for 30 years (extendable to further 20 years) makes the project very robust. Moreover, all the necessary approvals and EPC Contracts required for project implementation are in place and the construction is progressing well.

### Milestones achieved:

#### i- Agreements / Contracts executed:

- a. **Shareholders Agreement (SHA)** among SLPL, GMB, GSPL and FVIOPL for the investment in the Equity Share Capital of SLPL;
- b. **Concession Agreement (CA)** executed with Gujarat Maritime Board (GMB) and Government of Gujarat (GoG) for developing FSRU based LNG Port Project;



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- c. **Bare boat Charter Agreement (BBC)** with Triumph Offshore Private Limited (TOPL), subsidiary of Swan Energy Limited (SEL), to charter FSRU on a long term lease for 20 years;
- d. **EPCC contract** with M/s Black & Veatch Private Limited, for LNG Jetty topside and onshore facilities;
- e. Agreements with its Project Technical partner M/s Mitsui OSK Lines, Japan (MOL) and M/s Regas Venture India One Private Limited (RVIOPL), its subsidiary, for pre-order technical support, supervision of FSRU construction, its operations & maintenance;
- f. Agreement with Ocean Sparkle Limited for hiring of 4 newly built harbour tugs on Time Charter basis along with the required marine services like mooring crew, pilotage, radio operator etc.;
- g. **Ship Building Contract (SBC)** with M/s Hyundai Heavy Industries Company Limited, South Korea (HHI) for the construction of one (1) FSRU of 1,80,000 Cubic Meter (CBM) storage capacity;
- h. Agreements with MOL & RVIOPL, for hiring a Floating Storage Unit (FSU) on long term BBC basis and its Operations & Maintenance, in order to enhance the LNG storage capacity;

The FSU shall be moored on FSRU and will be connected with the FSRU through cryogenic hoses. For storing LNG, FSRU and FSU will practically act as in integrated unit. The LNG unloading and transfer between LNG carrier and FSRU shall take place through loading and unloading arms mounted on the Jetty along with the Ship to Ship Transfer equipment's.

### **ii- Progress on construction of FSRU:**

The construction of the FSRU is being done at HHI's Ulsan Shipyard in Korea. The scope of Ship Building Contract includes FSRU engineering design, construction, testing and delivery at HHI's shipyard. TOPL has also engaged Mitsui OSK Lines under a separate arrangement to provide technical services, including construction supervision, quality management and field supervision during the FSRU construction period at the shipyard. MOL shall also be responsible for the transportation of the FSRU from the Korean shipyard to the SLPL Project site and for commissioning of FSRU at the Project Site. Subsequent to the completion of detailed design, steel cutting and keel laying for the FSRU, launching of the FSRU was done on 25<sup>th</sup> Jan 2019.

SLPL has entered into Bare Boat Charter ("BBC") Agreement for the FSRU on a long term (20 years) basis with a fixed charter rate. Under the arrangement FSRU hired by SLPL shall be permanently moored on one side of the Jetty, being built as part of the Project, while the LNG carrier shall be moored on the other side of Jetty.



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### **iii- Project Implementation:**

Swan LNG has made considerable progress on the Project implementation and the status of implementation and completion timelines for above-mentioned EPC packages is as under:

SLPL has appointed Ing. Mantovani- Dharti JV, Mantovani DI Dharti Private Limited (MDPL), as EPC Contractor for Breakwater & Groyne Construction. LOA for the same was issued on 11th June 2018 and subsequently the EPC Contract was executed 15th October 2018. Currently, rock production and dumping at Project site from nearby Quarries is in progress and identification of additional Quarries is also in progress. Casting from Batching plant is in progress. Also, 2D Physical Model test for breakwater has been completed by Artelia Lab, France and 3D Physical Model is completed. Further core dumping for Chainage from 0-1100 meters is completed with the height of +5.5 meters and for Chainage from 1100-1600 meters -6 meters is achieved. Also, the Accropode II moulds are mobilized at site and casting of Accropodes is progressing well.

On Jetty & Tug Berths, AFCONs Infrastructure Limited is appointed as EPC Contractor, the EPC contract for the same was signed on 29th September 2018. After, mobilization of the required resources by Afcons at the Project site along with the erection of Gantry, Design basis for Jetties and Tug Berth, Jack-up and installation of the batching plant, the implementation under the scope is in progress. Casting of permanent pile work for unloading platform and approach trestle completed. Major works for super structure for unloading platform i.e. cross beams, long beams, slabs and the inserts for the topside has been completed. Handing over of required work front on unloading platform to the Topside contractor is completed for Topsides facilities by M/s Black & Veatch.

Parallely, compound wall construction is in progress at the Project Site. Compound wall construction of ~ 3800 mtrs has been completed. These works are being carried out under the supervision of Project Management Consultant (PMC) for the Project i.e. D'appolonia S.A (RINA).

The contract for Topside was awarded to M/s Black and Veatch (B&V) and work under the same is progressing as per schedule. Currently, 95% of design is completed and purchase order for all the items including loading and unloading arms have been placed and delivery of the same is expected in August 2019. Construction of control building, sub-station building, work-shop building and fire water tank is in progress. The mechanical completion of works under this contract is envisaged to be achieved by December' 19.

The company has awarded the works for balance dredging to Mantovani DI Dharti Private Limited (MDPL) on 18th September 2018. The EPC Contract for the same was signed on 26th December 2018. The harbour area is required to be dredged to achieve a draft of 14.5 meter. The total dredging volume was estimated to be 8.52 million m<sup>3</sup>. Till date around 80% of dredging and 30% of reclamation work has been completed. The balance capital dredging to commence after monsoon i.e. from September 2019 and shall be completed within 2 months' time i.e. by November 2019.



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**iv- Financial Closure:**

Currently, SLPL is in the process to achieve financial closure for the LNG Port Project with Union Bank of India as Lead Bank and for TOPL's FSRU financing with State Bank of India as Lead Bank. We expect to achieve the financial closure for both the projects shortly.

**4. DIVIDEND & RESERVE:**

Since commercial operations have not yet started and there is no profit, the Directors have not recommended any dividend for the year.

The Company has not transferred any amount to the general Reserve during the year.

**5. DEPOSITS:**

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

**6. EXTRACT OF THE ANNUAL RETURN:**

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

**7. NUMBER OF MEETINGS OF THE BOARD:**

During the year under review, 5 (five) Board Meetings were held.

**8. PARTICULARS OF LOAN, GUARANTEE OR INVESTMENT:**

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

**9. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

During the year, the company has not entered into any contract or arrangement with the related parties and hence, Form AOC-2 is not annexed to this Report.

**10. ISSUE OF EQUITY SHARES ON RIGHT BASIS:**

During the financial year, the company has allotted 54,46,72,081 equity shares at par to the following

promoter shareholders:

Name of the Allottees	No. of Equity Shares
Swan Energy Limited	34,31,43,411
Gujarat Maritime Board	8,17,00,812
Gujarat State Petronet Limited	5,99,13,929
FSRU Venture India One Private Limited	5,99,13,929



## SWAN LNG PRIVATE LIMITED

### **11. DIRECTORS:**

During the year, subsequent to resignation by Mr. Ajay Bhadoo as a nominee Director of Gujarat Maritime Board (GMB), Mr. Mukesh Kumar, Vice chairman, GMB, was appointed as the additional director of the company with effect from 19<sup>th</sup> October, 2018.

Subsequent to resignation of Mr. Yutaka Sakanishi, nominee director of FSRU Venture India One Private Limited (FVIOPL), Mr. Kensuke Ito was appointed as the additional director of the company with effect from 19<sup>th</sup> October, 2018.

Both the above additional directors shall hold the office upto the date of the ensuing AGM and being eligible, have offered themselves to be appointed as the directors of the company at the ensuing AGM of the Company.

Mr. Sugavanam Padmanabhan, Mrs. Vinita N. Patel and Mr. Vivek P. Merchant, retires by rotation at the ensuing AGM of the Company and being eligible, offers themselves for re-appointment.

### **12. AUDITORS:**

#### **12.1 Statutory Audit**

M.s V. R. Renuka & Co., Chartered Accountants (Firm's Registration No. 108826W) were appointed as the Statutory Auditors of the Company at the 5<sup>th</sup> AGM of the company to hold the office from the conclusion of 5<sup>th</sup> AGM till conclusion of the ensuing AGM of the company.

M.s V. R. Renuka & Co., Chartered Accountants, is eligible for re-appointment as the Statutory Auditors of the Company at the ensuing 6<sup>th</sup> AGM of the company, to hold the office till the conclusion of 7<sup>th</sup> AGM of the company, at such remuneration, as shall be fixed by the Board of Directors of the Company.

Report of the Auditors, read with the notes to the financial Statements, is self-explanatory and need no comments. The Auditor's Report does not contain any qualification, reservation or adverse remark.

#### **12.2 Secretarial Audit**

Secretarial audit report from M/s Jignesh M. Pandya (CP N. 7318), a practicing Company Secretary, for the year ended 31<sup>st</sup> March, 2019 is annexed to this Report as Annexure - 'B'.

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

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

### **14. SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES:**

As on 31<sup>st</sup> March, 2019, the Company does not have any subsidiary, joint venture or associate companies.

### **15. EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:**

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

### **16. SIGNIFICANT & MATERIAL ORDERS:**

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



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### **17. DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY:**

The Company has been addressing various risks impacting the Company.

### **18. DIRECTORS' RESPONSIBILITY STATEMENT:**

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

- a. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. they have prepared the annual accounts on a going concern basis; and
- e. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **19. ACKNOWLEDGEMENTS**

Your Directors place on record their appreciation for support and timely assistance from Financial Institutions, Banks, Government Authorities and all its Stakeholders, including shareholders, employees and contractors, who has extended their valuable support to the company.

For and on behalf of the Board of  
Directors

(Sugavanam Padmanabhan)  
Chairman  
(DIN: 03229120)



Date: 27<sup>th</sup> May, 2019  
Place: Ahmedabad

<b>FORM NO. MGT 9</b>
<b>EXTRACT OF ANNUAL RETURN</b>
as on financial year ended on 31.03.2019
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

## I REGISTRATION &amp; OTHER DETAILS:

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

## II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

No business activities were undertaken during the year.

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

## III PARTICULARS OF HOLDING, SUBSIDIARY &amp; ASSOCIATE COMPANIES

Sl No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE Holding	% OF SHARES HELD	APPLICABLE SECTION
1	Swan Energy Limited	L17100MH1909PLC000294	Holding	63%	2 (4E)

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

Category of Shareholders (i)	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>									
(1) Indian	0	0	0	0	0	0	0	0	0
a) Individual/HUF	0	0	0	0	0	0	0	0	0
b) Central Govt. or State Govt.	0	0	0	0	0	0	0	0	0
c) Bodies Corporates	0	79365	79365	100	544751446	0	544751446	100.00	0
d) Bank/Fl	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL (A) (1)</b>	0	79365	79365	100	544751446	0	544751446	100.00	0
<b>(2) Foreign</b>									
a) NRI- Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/Fl	0	0	0	0	0	0	0	0	0
e) Any other...	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL (A) (2)</b>	0	0	0	0	0	0	0	0	0
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	0	79365	79365	100	544751446	0	544751446	100.00	0

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<b>B. PUBLIC SHAREHOLDING</b>										
(1) Institutions	0	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL (B)(1):</b>	0	0	0	0	0	0	0	0	0	0
(2) Non Institutions	0	0	0	0	0	0	0	0	0	0
a) Bodies corporates										
i) Indian	0	0	0	0	0	0	0	0	0	0.00
ii) Overseas										
b) Individuals	0	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL (B)(2):</b>	0	0	0	0	0	0	0	0	0	0.00
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	0	0	0	0	0	0	0	0	0	0
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>										
	0	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	0	79365	79365	100	544751446	0	544751446	100.00	0	0

(ii) SHARE HOLDING OF PROMOTERS

Sl No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Swan Energy Limited (SEL)	49994	63.00	-	343793408	63.00	-	-
2	SEL jointly with Nikhil Merchant	1	0.00	-	1	0.00	-	-
3	SEL jointly with Paresch Merchant	1	0.00	-	1	0.00	-	-
4	SEL jointly with Panna Merchant	1	0.00	-	1	0.00	-	-
5	SEL jointly with Aparna Merchant	1	0.00	-	0	0.00	-	-
6	SEL jointly with Vinita Merchant	1	0.00	-	0	0.00	-	-
7	SEL jointly with Navinbhai C. Dave	1	0.00	-	0	0.00	-	-
8	Gujarat Maritime Board	11905	15	-	81712717	15.00	-	-
9	Gujarat State Petronet Limited	8730	11	-	59922659	11.00	-	-
10	FSRU Venture India One Private Limited	8730	11	-	59922659	11.00	-	-
	<b>Total</b>	<b>79365</b>	<b>100.00</b>	<b>-</b>	<b>544751446</b>	<b>100.00</b>	<b>-</b>	<b>-</b>

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(iii) CHANGE IN PROMOTERS' SHAREHOLDING :

Sl. No	Name of the Directors & KMP	No. of shares	% of total shares of the company	Cumulative Shareholding during the year	% of total shares of the company
	Director				
1	Swan Energy Limited	50000	63	50000	63
	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 beginning of the year				
	At the end of the year	*343143411	62.99	343193411	63
	Gujarat Maritime Board	343143411	63	343143411	63
2					
	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 beginning of the year	11905	15	11905	15
	At the end of the year				
	Gujarat State Petronet Limited	81712717	14.99	81712717	15
	At the beginning of the year				
	At the end of the year	*81700812	14.99	81712717	15
3					
	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 beginning of the year	8730	11	8730	11
	At the end of the year				
	FSRU Venture India One Private Limited	59913929	10.99	59922659	11
	At the beginning of the year	59922659	11	59922659	11
4					
	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 beginning of the year	8730	11	8730	11
	At the end of the year				
	At the end of the year	*59913929	10.99	59922659	11
	At the end of the year	59922659	11	59922659	11

\* Shares allotted on 19-03-2019

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

(v) Shareholding of Directors & KMP: NIL

V INDEBTEDNESS					(Rs. In Lacs)
Indebtedness of the Company including interest outstanding/accrued but not due for payment					
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness	
<b>Indebtedness at the beginning of the financial year</b>					
i) Principal Amount		34,305.43	-		34,355.69
ii) Interest due but not paid	50.26	-	-		-
iii) Interest accrued but not due	-	-	-		-
<b>Total (i+ii+iii)</b>	50.26	34,305.43	-		34,355.69
<b>Change in Indebtedness during the financial year</b>					
Additions	-	20,587.17	-		20,587.17
Reduction	17.57	39,611.94	-		39,629.51
<b>Net Change</b>	<b>(17.57)</b>	<b>(19,024.77)</b>			<b>(19,042.34)</b>
<b>Indebtedness at the end of the financial year</b>					
i) Principal Amount		15,280.66	-		15,313.35
ii) Interest due but not paid	-	-	-		-
iii) Interest accrued but not due	-	-	-		-
<b>Total (i+ii+iii)</b>	32.69	15,280.66	-		15,313.35

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL: NIL

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

B. Remuneration to other directors: NIL

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN I/D/MANAGER/WTD: NIL

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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

For and on behalf of the Board of Directors

*Sugavanam*

(Sugavanam Padmanabhan)  
Chairman  
(DIN: 03229120)

Ahmedabad, 27th May, 2019





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

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BORIVALI (WEST),  
MUMBAI-400 092.

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R. : 2806 6928 Cell : 98203 16018  
E-mail : vishnu\_renuka@vsnl.net

**CA. Vishnu R. Renuka**

B. Com., F.C.A.

cavishnurenuka@gmail.com

**INDEPENDENT AUDITOR'S REPORT**

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

**Report on the Ind AS Financial Statements**

**1. Opinion**

We have audited the accompanying Ind AS financial statements of **Swan LNG Private Limited** ("the Company"), which comprise the Balance sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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, 2019, its Loss and its cash flows for the year ended on that date.

**2. Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**3. Responsibility of Management for the Ind AS Financial Statements**

1. 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and the statement of changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (IAS) specified under Section 133 of the Act read with Rule 7 of The Companies (Accounts) Rule, 2015 as amended.
2. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate

internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
4. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### **4. Auditor's responsibilities for the audit of the financial statements**

1. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.
2. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.
3. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- I. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- II. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- III. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

IV. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

V. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(a) 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;

(b) The reports on the accounts of the branch offices of the Company audited under section 143(8) of the Act do not apply to the Company;

(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 financial statements comply with the Ind AS specified under section 133 of the Act, read with rule 7 of the Companies (Indian Accounting Standards) Rules, 2015;

- (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2019 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 the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
- (g) With respect to the 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 information and according to the explanations given to us;
- i. The Company does not have any pending litigations as on March 31, 2019 which would impact its financial position;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts as at March 31, 2019 which was required to be transferred to the Investor Education and Protection Fund by the Company.

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

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



Ahmedabad, May 27, 2019

**Annexure 'A'**

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

*(Referred to in Paragraph 5(1), under 'Report on other legal and Regulatory Requirements section of our report of even date)*

- (i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) As informed to us, the fixed assets have been physically verified by the management during the period according to a phased programme. Considering the size and the nature of business, the frequency of verification is reasonable. No material discrepancies were noticed on such verification by the management between the book records and physical verification.
- c) The title deeds of immovable properties are held in the name of the Company.
- (ii) The Company is not having any inventory and as such clause (ii) is not applicable.
- (iii) The Company has not granted unsecured loans to any company and not any other party covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause (a), (b) & (c) of clause (iii) are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Act in respect of the loans given, investments made, guarantees and security given.
- (v) The Company has not accepted any deposits from the public within the meaning of sections 73 to 76 of the Act and the notified Rules framed there under.
- (vi) Pursuant to the rules made by the Central Government of India, the Company is not required to maintain cost records as prescribed under Section 148(1) of the Act in respect of its products.
- (vii) (a) According to the information and explanations given to us, undisputed statutory dues including Provident Fund, Employees State Insurance Fund, Income Tax, Sales Tax, Service Tax, Goods and Services tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities.
- (b) According to the information and explanation given to us, there are no undisputed amounts payable in respect of the above statutory dues, that were outstanding at the year end for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no amounts which are payable in respect of the above statutory dues, which have not been deposited with appropriate authorities on account of any dispute.

- (viii) The company has not defaulted in repayment of loans or borrowings to financial institutions/banks/government. The company has not issued any debentures.
- (ix) The company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. However, the company has raised moneys by way of issue of shares on Right basis. The moneys so raised has been applied for the purpose for which it has been raised.
- (x) Based on the audit procedures performed and as per the information and explanations given to us by the management, no fraud on or by the Company has been noticed or reported during the year.
- (xi) No managerial remuneration has been paid / provided for during the year under review.
- (xii) The Company, not being a Nidhi company, the para 3(xii) of the order is not applicable to the Company.
- (xiii) According to the information and explanations given by the management, in our opinion, transactions with related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) The company has not made preferential allotment of equity shares during the year under review, in compliance with the requirements of Section 42 of the Act.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, para 3(xv) of the Order and Sec. 192 of Companies Act, 2013 are not applicable.
- (xvi) In our opinion, the company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

  
V. R. Renuka  
Partner  
M.No. 032263



Ahmedabad, May 27, 2019

## **Annexure 'B'**

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

*(Referred to in Paragraph 5(2)(f), under 'Report on other legal and Regulatory Requirements section of our report of even date)*

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

We have audited the internal financial controls over financial reporting of Swan LNG Private Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the Ind AS 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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



Ahmedabad, May 27, 2019

**SWAN LNG PRIVATE LIMITED**  
Balance Sheet as at March 31, 2019

(₹ in lacs)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
<b>ASSETS</b>			
<b>A Non-Current Assets</b>			
a Property, Plant and Equipment	2	0.84	1.74
b Capital Work in Progress	2	86,386.82	31,143.22
C Non Current Tax Assets	3	46.15	6.07
<b>Total (A)</b>		<b>86,433.81</b>	<b>31,151.03</b>
<b>B Current Assets</b>			
a Financial Assets			
(i) Current Investments	4	10,401.66	18,539.15
(ii) Cash and Cash Equivalents	5	396.59	1,379.94
(iii) Bank Balances Other Than Cash and cash equivalents	6	1,209.73	1,090.00
(iv) Loans	7	4.19	3.67
(v) Other Financial Assets	8	3,258.69	49.25
b Other Current Assets	9	24,613.93	4,126.59
<b>Total (B)</b>		<b>39,884.79</b>	<b>25,188.60</b>
<b>TOTAL ASSETS (A+B)</b>		<b>1,26,318.60</b>	<b>56,339.63</b>
<b>EQUITY AND LIABILITIES</b>			
<b>A Equity</b>			
a Equity Share Capital	10	54,475.14	7.94
b Other Equity	11	(183.87)	(1.73)
<b>Total (A)</b>		<b>54,291.27</b>	<b>6.21</b>
<b>B Non-Current Liabilities</b>			
a Financial Liabilities			
(i) Long Term Borrowings	12	13.62	32.69
b Long Term Provisions	13	11.93	15.77
<b>Total (B)</b>		<b>25.55</b>	<b>48.46</b>
<b>C Current Liabilities</b>			
a Financial Liabilities			
(i) Short Term Borrowings	14	15,280.66	34,305.43
(ii) Trade Payables	15	49,362.00	21,373.14
(ii) Other Financial Liability	16	19.08	17.57
b Other Current Liabilities	17	3,128.15	588.14
c Short Term Provisions	18	4,211.89	0.68
<b>Total (C)</b>		<b>72,001.78</b>	<b>56,284.96</b>
<b>TOTAL LIABILITIES (A+B+C)</b>		<b>1,26,318.60</b>	<b>56,339.63</b>
Significant Accounting Policies	1		
Notes on Financial Statements			
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	
 V.R. Renuka Partner M No. 032263		 Vinita N. Patel Director Din:06389083	 P. Sugavanam Director Din:03229120
Ahmedabad, May 27, 2019		Ahmedabad, May 27, 2019	

**SWAN LNG PRIVATE LIMITED****Statement of Profit and Loss for the year ended March 31, 2019**

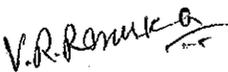
(₹ in lacs)

Particulars	Note No.	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>Income:</b>			
Other Income		-	-
<b>Total Revenue (A)</b>		-	-
<b>Expenses:</b>			
Depreciation	2	0.90	0.90
Other Expenses	19	0.65	0.67
<b>Total Expenses (B)</b>		<b>1.55</b>	<b>1.57</b>
<b>Profit/(Loss) before Tax</b>		<b>(1.55)</b>	<b>(1.57)</b>
<b>Tax Expense:</b>			
(1) Current tax		(180.59)	-
(2) Deferred Tax		-	-
<b>Profit/(Loss) for the year</b>		<b>(182.14)</b>	<b>(1.57)</b>
Other Comprehensive Income for the year		-	-
<b>Total Comprehensive Income for the year</b>		<b>(182.14)</b>	<b>(1.57)</b>
<b>Earnings Per Equity Share</b>			
Basic and diluted ( in ₹)		(0.94)	(2.89)
Significant Accounting Policies	1		
<b>Notes on Financial Statements</b>			

As per our Report of even date

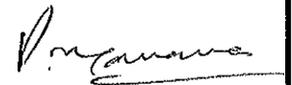
For V.R.Renuka & Co.  
Chartered Accountants  
Firm Registration No. 108826W

For and on behalf of the Board of Directors

  
V.R. Renuka  
Partner  
M No. 032263

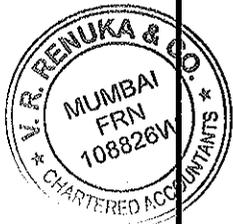


  
Vinita N. Patel  
Director  
Din:06389083

  
P. Sugavanam  
Director  
Din:03229120

Ahmedabad, May 27, 2019

Ahmedabad, May 27, 2019



**Swan LNG PRIVATE LIMITED**
**Cash Flow Statement for the year ended March 31, 2019**

(₹ in lacs)

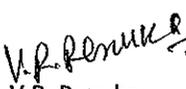
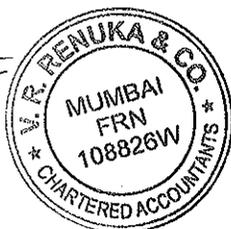
Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>A Cash Flow from Operating Activities</b>		
Profit/(Loss) before tax	(1.55)	(1.57)
Adjustments for :		
Depreciation	0.90	0.90
Considered Separately:		
Preliminary Expenses	-	0.12
<b>Operating Profit before Working Capital Changes</b>	<b>(0.65)</b>	<b>(0.55)</b>
Adjustments for :		
(Increase) in Other Current Assets	(20,487.35)	(4,125.59)
(Increase) in Other Financial Assets	(3,209.44)	(47.35)
Increase/(Decrease) in Long Term Provisions	(3.84)	15.77
Increase in Trade Payables	27,988.86	21,360.99
Increase in Other Current Liabilities	2,540.02	581.14
Increase in Short Term Provisions	4,030.62	0.68
<b>Cash generated from operations</b>	<b>10,858.22</b>	<b>17,785.09</b>
Direct Taxes (Paid)/Received	(40.08)	(6.08)
<b>Net Cash from Operating Activities ( A )</b>	<b>10,818.14</b>	<b>17,779.01</b>
<b>B Cash Flow from Investing Activities</b>		
Purchase of Property, Plant and Equipment	-	-
Increase in Capital Work In Progress (Net)	(55,243.60)	(26,845.76)
Investment in Mutual Funds	8,137.49	(18,539.15)
<b>Net Cash from Investing Activities ( B )</b>	<b>(47,106.11)</b>	<b>(45,384.91)</b>
<b>C Cash Flow from Financing Activities</b>		
Proceeds from Issue of Equity Shares	54,467.21	2.94
Repayment of Bank Loan (Long Term)	(19.07)	50.26
Proceeds/(Repayment) from/of Intercorporate Borrowings (Short Term)	(19,024.77)	28,895.46
Refund of Loan / Loan Given to Others	0.98	0.38
<b>Net Cash from Financing Activities ( C )</b>	<b>35,424.35</b>	<b>28,949.04</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(863.62)</b>	<b>1,343.14</b>
<b>Opening Balance of Cash &amp; Cash Equivalents</b>	<b>2,469.94</b>	<b>1,126.80</b>
<b>Closing Balance of Cash &amp; Cash Equivalents</b>	<b>1,606.32</b>	<b>2,469.94</b>

As per our report of even date

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

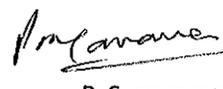
Chartered Accountants

Firm Registration No. 108826W

  
 V.R. Renuka  
 Partner  
 M No. 032263


Ahmedabad, May 27, 2019


  
 Vinita N. Patel  
 Director  
 Din:06389083

  
 P. Sugavanam  
 Director  
 Din:03229120

Ahmedabad, May 27, 2019

**SWAN LNG PRIVATE LIMITED****Statement of Changes in Equity for the year ended March 31, 2019 (SOCIE)****(a) Equity Share Capital (Refer Note No.10)**

Particulars	March 31, 2019		March 31, 2018	
	Number of shares	₹ in Lacs	Number of shares	₹ in Lacs
Outstanding At the beginning of the year	79,365	7.94	50,000	5.00
Add: Issued during the period	54,46,72,081	54,467.21	29,365	2.94
Outstanding At the end of the year	54,47,51,446	54,475.14	79,365	7.94

**(b) Other Equity (Refer Note No.11)**

Particulars	March 31, 2019		March 31, 2018	
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
<b>Retained Earnings</b>				
At the beginning of the year	(1.73)		(0.16)	
Add: Profit/(Loss) during the year	(182.14)		(1.57)	
At the end of the year		(183.87)		(1.73)
<b>Total</b>		<b>(183.87)</b>		<b>(1.73)</b>

For V.R.Renuka &amp; Co.

Chartered Accountants

Firm Registration No. 108826W

V.R. Renuka

Partner

M No. 032263



For and on behalf of the Board of Directors



Vinita N. Patel

Director

Din:06389083

P. Sugavanam

Director

Director

Din:03229120

Ahmedabad, May 27, 2019

Ahmedabad, May 27, 2019

# Swan LNG PRIVATE LIMITED

Notes to the Standalone Financial Statement for the year ended March 31, 2019

## 1 SIGNIFICANT ACCOUNTING POLICIES

### 1.1 Company Overview

Swan LNG Private Limited ("The Company") is a private limited company incorporated in India. Its holding company is Swan Energy Limited.

The registered office of the company is situated at 9th Avenue, Ground Floor, Behind Rajpath Club, Memnagar, Bodakdev, Ahmedabad, Gujarat - 380059. The Company is engaged in the construction of LNG Port project at Jafrabad, Gujarat.

### 1.2 Statement of compliance

The financial statements have been prepared in accordance with Ind AS's notified under the Companies (Indian Accounting Standards) Rules, 2015.

### 1.3 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety.

### 1.4 Use of Estimates

The preparation of the financial statements in conformity with Ind AS 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.

### 1.5 Property Plant and Equipment

Property Plant and Equipment including Capital Work In Progress held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

#### 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. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period.

**1 SIGNIFICANT ACCOUNTING POLICIES**

**1.6 Financial Instruments**

**(A) Financial Assets**

**(i) Classification**

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

**(ii) Initial Recognition and Measurement**

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

**(iii) Subsequent Measurement**

For purposes of subsequent measurement financial assets are classified into two broad categories:

**(a) Financial asset at fair value**

**(b) Financial asset at amortised cost**

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit or loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

**(iv) Equity Investments**

All equity investments other than investment in subsidiaries are measured at fair value. No Equity instruments are held for trading.

**(B) Financial Liability**

**(i) Classification**

The Company classifies all financial liabilities as subsequently measured at amortised cost or at fair value through Profit and Loss.

**(ii) Initial Recognition and Measurement**

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings and payables, net off directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and financial guarantee contracts.

**(iii) Subsequent Measurement**

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss. This category generally applies to interest amortised bearing loans and borrowings.

# Swan LNG PRIVATE LIMITED

Notes to the Standalone Financial Statement for the year ended March 31, 2019

## 1 SIGNIFICANT ACCOUNTING POLICIES

### 1.7 Revenue Recognition

- a) The Company is developing LNG FSRU Terminal. Revenue has not yet started accruing.
- b) Interest income is recognised on time basis determined by the amount outstanding and the rate applicable.

### 1.8 Foreign Currency Transactions

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

### 1.9 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.

### 1.10 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.

### 1.11 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.

**1 SIGNIFICANT ACCOUNTING POLICIES**

**1.12 Provisions and Contingencies**

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.

Contingent Assets are not recognised in Financial Statements. If an inflow of economic benefits has become probable, contingent assets are disclosed.

**1.13 Segment Reporting**

Based on the "Management Approach" as defined in Ind AS 108 - Operating Segments, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators of business, the segments in which the Company operates. The Company is primarily engaged in the development of FSRU Terminal which the Management and CODM recognise as the sole business segment. Hence disclosure of segment- wise information is not required and accordingly not provided.

**1.14 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.

**1.15 Cash Flow Statement**

Cash flows are reported using the indirect method where by the profit/(loss) before tax is adjusted for the effect of the transactions of a non-cash nature, any deferrals or accruals of past and future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

**1.16 Earnings Per Share**

Basic EPS is arrived at based on net profit/(loss) after tax available to equity shareholders to the weighted average number of equity shares outstanding during the year.

The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares unless impact is anti-dilutive. if any

**SWAN LNG PRIVATE LIMITED**

Notes to the Financial Statement for the year ended March 31, 2019

**2 Property, Plant and Equipment**

(₹ in lacs)

Description of Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 01/04/2018	Additions for the Year	Deductions For the Year ^	As at 31/03/2019	As at 01/04/2018	For the Year	Adjustments for the Year	As at 31/03/2019	As at 31/03/2018
<b>Tangible-Assets</b>									
Computer	2.84	-	-	2.84	1.10	0.90	-	0.84	1.74
	<b>2.84</b>	<b>-</b>	<b>-</b>	<b>2.84</b>	<b>1.10</b>	<b>0.90</b>	<b>-</b>	<b>0.84</b>	<b>1.74</b>
<b>Capital Work in Progress</b>									
LNG Terminal Project*	31,143.22	56,039.39	795.79	86,386.82	-	-	-	86,386.82	31,143.22
	<b>31,143.22</b>	<b>56,039.39</b>	<b>795.79</b>	<b>86,386.82</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>86,386.82</b>	<b>31,143.22</b>

^ The amount represents Profit on Sale of Liquid Mutual Funds of Rs. 537.85 Lacs and Interest Income on Fixed Deposit of Rs.257.94 Lacs

**2 Property, Plant and Equipment**

(₹ in lacs)

Description of Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 01/04/2017	Additions for the Year	Deductions For the Year ^	As at 31/03/2018	As at 01/04/2017	For the Year	Adjustments for the Year	As at 31/03/2018	As at 31/03/2017
<b>Tangible-Assets</b>									
Computer	2.84	-	-	2.84	0.20	0.90	-	1.74	2.64
	<b>2.84</b>	<b>-</b>	<b>-</b>	<b>2.84</b>	<b>0.20</b>	<b>0.90</b>	<b>-</b>	<b>1.74</b>	<b>2.64</b>
<b>Capital Work in Progress</b>									
LNG Terminal Project*	4,297.46	45,975.95	19,130.19	31,143.22	-	-	-	31,143.22	4,297.46
	<b>4,297.46</b>	<b>45,975.95</b>	<b>19,130.19</b>	<b>31,143.22</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31,143.22</b>	<b>4,297.46</b>

^ The amount represents Performance Guarantee Encashed for Rs. 19039.07 Lacs, Profit on Sale of Liquid Mutual Funds of Rs. 36.15 Lacs, and Interest Income on Fixed Deposit of Rs. 54.97 Lacs.

## SWAN LNG PRIVATE LIMITED

Notes to the Financial Statement for the year ended March 31, 2019

### 3 Non Current Tax Assets

Particulars	March 31, 2019	March 31, 2018
	₹ in Lacs	₹ in Lacs
Advance Tax	46.15	6.07
<b>Total</b>	<b>46.15</b>	<b>6.07</b>

### 4 Current Investments

Particulars	March 31, 2019	March 31, 2018
	₹ in Lacs	₹ in Lacs
Investment in Mutual Funds	10,401.66	18,539.15
	<b>10,401.66</b>	<b>18,539.15</b>

Market Value 10,434.34 18,624.28

### 5 Cash and cash equivalents

Particulars	March 31, 2019	March 31, 2018
	₹ in Lacs	₹ in Lacs
Cash in hand	1.38	0.34
<b>Balances with banks</b>		
In Current Accounts	103.75	40.10
In Deposit Accounts	291.46	1,339.50
<b>Total</b>	<b>396.59</b>	<b>1,379.94</b>

### 6 Bank Balances Other Than Cash and cash equivalents

Particulars	March 31, 2019	March 31, 2018
	₹ in Lacs	₹ in Lacs
<b>Balances with banks</b>		
In Deposit Accounts (where original maturity does not exceed twelve months)	1,209.73	1,090.00
<b>Total</b>	<b>1,209.73</b>	<b>1,090.00</b>

Note:- Deposit Account is held as Margin against BG of ₹ 7,257 Lacs, issued to Gujarat Maritime Board for Construction Guarantee.

### 7 Loans

Particulars	March 31, 2019	March 31, 2018
	₹ in Lacs	₹ in Lacs
<b>Loans to other than Related Parties</b>		
Loan to employees	4.19	3.67
<b>Total</b>	<b>4.19</b>	<b>3.67</b>

### 8 Other Financial Assets

Particulars	March 31, 2019	March 31, 2018
	₹ in Lacs	₹ in Lacs
<b>Balances with banks</b>		
In Deposit Accounts (where original maturity exceed twelve months)	3,155.00	-
Interest Accrued but not due	103.69	49.25
<b>Total</b>	<b>3,258.69</b>	<b>49.25</b>

Note:- Deposit Account is held as Margin against BG of equal value, issued to Afcons for Payment Security Guarantee.

### 9 Other Current Assets

Particulars	March 31, 2019	March 31, 2018
	₹ in Lacs	₹ in Lacs
Project Advances	17,358.66	2,559.75
Prepaid Insurance	262.63	-
Security Deposit	5.26	7.80
Other Advances	5.04	3.49
Input Tax Credit	6,982.34	1,555.55
<b>Total</b>	<b>24,613.93</b>	<b>4,126.59</b>

## SWAN LNG PRIVATE LIMITED

Notes to the Financial Statement for the year ended March 31, 2019

### 10 Share Capital

(a) Authorised Share Capital:

Particulars	March 31, 2019	March 31, 2018
	₹ in Lacs	₹ in Lacs
2,00,00,00,000 (March 31, 2018: 2,00,00,00,000) Equity Shares of Rs. 10 each	2,00,000.00	2,00,000.00
<b>Total</b>	<b>2,00,000.00</b>	<b>2,00,000.00</b>

(b) Issued, subscribed and paid up:

Particulars	March 31, 2019	March 31, 2018
	₹ in Lacs	₹ in Lacs
54,47,51,446 (March 31, 2018: 79,365) Equity Shares of Rs. 10 each fully paid	54,475.14	7.94
<b>Total</b>	<b>54,475.14</b>	<b>7.94</b>

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

Particulars	March 31, 2019		March 31, 2018	
	Number of shares	₹ in Lacs	Number of shares	₹ in Lacs
Outstanding At the beginning of the year	79,365	7.94	50,000	5.00
Add: Issued during the period	54,46,72,081	54,467.21	29,365	2.94
Outstanding At the end of the year	<b>54,47,51,446</b>	<b>54,475.14</b>	<b>79,365</b>	<b>7.94</b>

Terms/rights attached to Equity shares :

The Company has only one class of issued Equity Shares having a par value of ₹ 10 per share. Each Shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the residual assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(d) Details of shares held by Controlling entity:

Particulars	March 31, 2019		March 31, 2018	
	Number of shares	₹ in Lacs	Number of shares	₹ in Lacs
<b>Holding Company</b>				
Swan Energy Limited	34,31,93,411	34,319.34	50,000	5.00

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

Name of the Shareholder	March 31, 2019		March 31, 2018	
	Number of shares	% holding	Number of shares	% holding
Swan Energy Limited	34,31,93,411	63.00	50,000	63.00
Gujarat Maritime Board	8,17,12,717	15.00	11,905	15.00
Gujarat State Petronet Limited	5,99,22,659	11.00	8,730	11.00
FSRU Venture India One Private Limited	5,99,22,659	11.00	8,730	11.00

### 11 Other Equity

Particulars	March 31, 2019		March 31, 2018	
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
<b>Retained Earnings</b>				
At the beginning of the year	(1.73)		(0.16)	
Add: Profit/(Loss) during the year	(182.14)		(1.57)	
At the end of the year		(183.87)		(1.73)
<b>Total</b>		<b>(183.87)</b>		<b>(1.73)</b>

# SWAN LNG PRIVATE LIMITED

Notes to the Financial Statement for the year ended March 31, 2019

## 12 Long Term Borrowings

Particulars	March 31, 2019	March 31, 2018
	₹ in Lacs	₹ in Lacs
<b>Secured Loan from Bank</b>		
From Banks	13.62	32.69
<b>Total</b>	<b>13.62</b>	<b>32.69</b>

## 13 Long Term Provision

Particulars	March 31, 2019	March 31, 2018
	₹ in Lacs	₹ in Lacs
Provision for Gratuity	11.93	15.77
<b>Total</b>	<b>11.93</b>	<b>15.77</b>

## 14 Short Term Borrowings

Particulars	March 31, 2019	March 31, 2018
	₹ in Lacs	₹ in Lacs
<b>Unsecured Loan from related party</b>		
Swan Energy Limited - Holding Company	15,280.66	34,305.43
<b>Total</b>	<b>15,280.66</b>	<b>34,305.43</b>

## 15 Trade Payables

Particulars	March 31, 2019	March 31, 2018
	₹ in Lacs	₹ in Lacs
Due to Micro and Small Enterprises	-	-
Others	49,362.00	21,373.14
<b>Total</b>	<b>49,362.00</b>	<b>21,373.14</b>

**Note** - In absence of information regarding dues outstanding to Micro, Small and Medium Enterprise, the Company has not classified the payables outstanding to Micro, Small and Medium Enterprise.

## 16 Other Financial Liability

Particulars	March 31, 2019	March 31, 2018
	₹ in Lacs	₹ in Lacs
Current Maturities of Long Term Borrowings	19.08	17.57
<b>Total</b>	<b>19.08</b>	<b>17.57</b>

## 17 Other Current Liability

Particulars	March 31, 2019	March 31, 2018
	₹ in Lacs	₹ in Lacs
Statutory Dues Payable	587.93	588.14
Retention money	2,540.22	-
<b>Total</b>	<b>3,128.15</b>	<b>588.14</b>

## 18 Short Term Provision

Particulars	March 31, 2019	March 31, 2018
	₹ in Lacs	₹ in Lacs
Provision for Gratuity	0.31	0.68
Provision for Tax	180.59	-
Provision for Expenses	4,030.99	-
<b>Total</b>	<b>4,211.89</b>	<b>0.68</b>

## SWAN LNG PRIVATE LIMITED

Notes to the Financial Statement for the year ended March 31, 2019

### 19 Other Expenses

Particulars	Apr'18-Mar'19	Apr'17-Mar'18
	₹ in Lacs	₹ in Lacs
Audit Fees	0.65	0.55
Preliminary Expenses W/Off	-	0.12
Miscellaneous Expenses	-	0.00
<b>Total</b>	<b>0.65</b>	<b>0.67</b>

# SWAN LNG PRIVATE LIMITED

## Notes to the Financial Statement for the year ended March 31, 2019

### B Financial Risk Management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

The source of risk are as follows -

Risk	Exposure from	Measurement
Credit Risk	Trade Receivable, Cash and cash equivalents, financial assets measured at amortised cost	Credit Ratings
Liquidity Risk	Borrowings, Trade Payables and other liabilities	Cash flow forecast
Market Risk - Interest Rate Risk, Currency Risk and Price Risk	Price risk from investments, currency risk from foreign currency payables	Sensitivity analysis

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework, which is reviewed by them periodically.

#### a Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from loans and investment in debt securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

The Company's maximum exposure to credit risk as at March 31, 2019 is the carrying value of each class of financial assets.

#### i Loans (Project Advances)

The Loans have been given in the ordinary course of business and the management does not expect any impairment in the same.

Carrying amount of Loans that were not impaired was as follows -

(₹ in Lacs)

Particulars (Current & Non Current)	Carrying Amount		
	March 31, 2019	March 31, 2018	March 31, 2017
Project Advance	17,358.66	2,559.75	-

#### ii Cash and Cash Equivalents

The Company held cash, deposits and bank balance with credit worthy banks of ₹ 4,761.32 lacs at March 31, 2019 (March 31, 2018: ₹ 2,469.94 lacs). The credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks where credit risk is largely perceived to be extremely insignificant.

# SWAN LNG PRIVATE LIMITED

## Notes to the Financial Statement for the year ended March 31, 2019

### b Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Management monitors rolling forecasts of the Company's liquidity position on the basis of expected cash flows. The Company manages its liquidity risk by preparing monthly cash flow projections to monitor liquidity requirements. In addition, the Company projects cash flows and considering the level of liquid assets necessary to meet these, monitoring the Balance Sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

### Exposure to Liquidity Risk

The company has outstanding borrowing through Banks for car loan and short term borrowings from its parent company.

Carrying amount is as below

(₹ in Lacs)

Particulars	March 31, 2019			
	Carrying Amount	Within 1 Year	Between 1-5 years	More than 5 Years
Long Term Borrowings	13.62	-	13.62	-
Short Term Borrowings*	15,280.66	15,280.66	-	-
Current Maturities of Long Term Debt	19.08	19.08	-	-

\* The amount shown under 'Short term borrowings' is interest free advances received from holding company for the FSRU project. The said amount is fully convertible into Equity in the next year/s.

# SWAN LNG PRIVATE LIMITED

## Notes to the Financial Statement for the year ended March 31, 2019

### c Market Risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices and will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The Company is exposed to market risk primarily related to interest rate risk and the market value of the investments.

### i Currency Risk

The Company is not exposed to currency risk. The functional currency of the Company is Indian Rupee. The Company does not have any exposure in foreign currency.

### ii Interest Rate Risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

#### Exposure to interest rate risk

According to the Company interest rate risk exposure is only for floating rate borrowings. Company does not have any floating rate borrowings on any of the Balance Sheet date disclosed in this financial statements.

### iii Price Risk

Price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. It arises from financial assets such as investments in quoted instruments and units of mutual funds.

The Company is exposed to price risk arising mainly from investments in mutual funds measured at amortised cost, having carrying value ₹ 10,401.66 lacs as at March 31 2019, (March 31, 2018: ₹ 18,539.15).

#### a Fair value sensitivity analysis for fixed rate Instruments

The Company does not account for any fixed rate financial assets or financial liabilities at fair value through Profit or Loss. Therefore, a change in interest rates at the reporting date would not affect Profit or Loss.

#### b Cash flow sensitivity analysis for variable rate Instruments

The company does not have any variable rate instrument in Financial Assets or Financial Liabilities.

## 21 Segment Reporting

Based on the "Management Approach" as defined in Ind AS 108 - Operating Segments, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators of business, the segments in which the Company operates. The Company is primarily engaged in the FSRU Terminal which the Management and CODM recognise as the sole business segment. Hence disclosure of segment-wise information is not required and accordingly not provided.

**22 Employee Benefits - Gratuity**

Gratuity is payable to all eligible employees of the Company on superannuation, death and permanent disablement in terms of provisions of the Payment of Gratuity Act as per the Company's Scheme whichever is more beneficial. Benefit would be paid at the time of separation based on the last drawn base salary.

**Gratuity Disclosure Statement as Per Indian Accounting Standard 19 (Ind AS 19) for the Year 01/04/2018 to 31/03/2019**

Type of Benefit	Gratuity
Country	India
Reporting Currency	INR
Reporting Standard	Indian Accounting Standard 19 (Ind AS 19)
Funding Status	Unfunded
Starting Period	01-04-18
Date of Reporting	31-03-19
Period of Reporting	12 Months

**Assumptions (Previous Year 01/04/2017 to 31/03/2018)**

Expected Return on Plan Assets	N.A.
Rate of Discounting	7.71%
Rate of Salary Increase	8.33%
Rate of Employee Turnover	5.00%
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)
Mortality Rate After Employment	N.A.

**Assumptions (Current Year 01/04/2018 to 31/03/2019)**

Expected Return on Plan Assets	N.A.
Rate of Discounting	7.59%
Rate of Salary Increase	8.33%
Rate of Employee Turnover	5.00%
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)
Mortality Rate After Employment	N.A.

SWAN LNG PRIVATE LIMITED

Notes to the Financial Statement for the year ended March 31, 2019

22 Employee Benefits - Gratuity

<b>Table Showing Change in the Present Value of Projected Benefit Obligation</b>	
Present Value of Benefit Obligation at the Beginning of the Period	16,45,867
Interest Cost	1,26,896
Current Service Cost	7,06,431
Past Service Cost	-
Liability Transferred In/ Acquisitions	-
(Liability Transferred Out/ Divestments)	-
(Gains)/ Losses on Curtailment	-
(Liabilities Extinguished on Settlement)	-
(Benefit Paid Directly by the Employer)	-
(Benefit Paid From the Fund)	-
The Effect Of Changes in Foreign Exchange Rates	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	15,473
Actuarial (Gains)/Losses on Obligations - Due to Experience	(12,70,630)
Present Value of Benefit Obligation at the End of the Period	12,24,037

<b>Table Showing Change in the Fair Value of Plan Assets</b>	
Fair Value of Plan Assets at the Beginning of the Period	-
Interest Income	-
Contributions by the Employer	-
Expected Contributions by the Employees	-
Assets Transferred In/Acquisitions	-
(Assets Transferred Out/ Divestments)	-
(Benefit Paid from the Fund)	-
(Assets Distributed on Settlements)	-
Effects of Asset Ceiling	-
The Effect of Changes In Foreign Exchange Rates	-
Return on Plan Assets, Excluding Interest Income	-
Fair Value of Plan Assets at the End of the Period	-

<b>Amount Recognized in the Balance Sheet</b>	
(Present Value of Benefit Obligation at the end of the Period)	(12,24,037)
Fair Value of Plan Assets at the end of the Period	-
Funded Status (Surplus/ (Deficit))	(12,24,037)
Net (Liability)/Asset Recognized in the Balance Sheet	(12,24,037)

# SWAN LNG PRIVATE LIMITED

Notes to the Financial Statement for the year ended March 31, 2019

## 22 Employee Benefits - Gratuity

<b>Net Interest Cost for Current Year 01/04/2018 to 31/03/2019</b>	
Present Value of Benefit Obligation at the Beginning of the Period	16,45,867
(Fair Value of Plan Assets at the Beginning of the Period)	-
Net Liability/(Asset) at the Beginning	16,45,867
Interest Cost	1,26,896
(Interest Income)	-
Net Interest Cost for Current Period	1,26,896

<b>Expenses Recognized in the Statement of Profit or Loss for Current Year 01/04/2018 to 31/03/2019</b>	
Current Service Cost	7,06,431
Net Interest Cost	1,26,896
Past Service Cost	-
(Expected Contributions by the Employees)	-
(Gains)/Losses on Curtailments And Settlements	-
Net Effect of Changes in Foreign Exchange Rates	-
Expenses Recognized	8,33,327

<b>Expenses Recognized in the Other Comprehensive Income (OCI) for Current Year 01/04/2018 to 31/03/2019</b>	
Actuarial (Gains)/Losses on Obligation For the Period	(12,55,157)
Return on Plan Assets, Excluding Interest Income	-
Change in Asset Ceiling	-
Net (Income)/Expense For the Period Recognized in OCI	(12,55,157)

<b>Balance Sheet Reconciliation</b>	
Opening Net Liability	16,45,867
Expenses Recognized in Statement of Profit or Loss	8,33,327
Expenses Recognized in OCI	(12,55,157)
Net Liability/(Asset) Transfer In	-
Net (Liability)/Asset Transfer Out	-
(Benefit Paid Directly by the Employer)	-
(Employer's Contribution)	-
Net Liability/(Asset) Recognized in the Balance Sheet	12,24,037

**SWAN LNG PRIVATE LIMITED**

Notes to the Financial Statement for the year ended March 31, 2019

**22 Employee Benefits - Gratuity**

<b>Category of Assets</b>	
Government of India Assets	-
State Government Securities	-
Special Deposits Scheme	-
Debt Instruments	-
Corporate Bonds	-
Cash And Cash Equivalents	-
Insurance fund	-
Asset-Backed Securities	-
Structured Debt	-
Other	-
<b>Total</b>	<b>-</b>

<b>Other Details</b>	
No of Active Members	15
Per Month Salary For Active Members	14,88,567
Weighted Average Duration of the Projected Benefit Obligation	12
Average Expected Future Service	9
Projected Benefit Obligation (PBO)	12,24,037
Prescribed Contribution For Next Year (12 Months)	-

<b>Net Interest Cost for Next Year 01/04/2019 to 31/03/2020</b>	
Present Value of Benefit Obligation at the End of the Period	12,24,037
(Fair Value of Plan Assets at the End of the Period)	-
<b>Net Liability/(Asset) at the End of the Period</b>	<b>12,24,037</b>
Interest Cost	92,904
(Interest Income)	-
<b>Net Interest Cost for Next Year</b>	<b>92,904</b>

<b>Expenses Recognized in the Statement of Profit or Loss for Next Year 01/04/2019 to 31/03/2020</b>	
Current Service Cost	5,04,638
Net Interest Cost	92,904
(Expected Contributions by the Employees)	-
<b>Expenses Recognized</b>	<b>5,97,542</b>

# SWAN LNG PRIVATE LIMITED

Notes to the Financial Statement for the year ended March 31, 2019

## 22 Employee Benefits - Gratuity

<b>Maturity Analysis of the Benefit Payments: From the Fund</b>	
Projected Benefits Payable in Future Years From the Date of Reporting	
1st Following Year	-
2nd Following Year	-
3rd Following Year	-
4th Following Year	-
5th Following Year	-
Sum of Years 6 To 10	-
Sum of Years 11 and above	-

<b>Maturity Analysis of the Benefit Payments: From the Employer</b>	
Projected Benefits Payable in Future Years From the Date of Reporting	
1st Following Year	31,093
2nd Following Year	32,296
3rd Following Year	46,592
4th Following Year	63,288
5th Following Year	75,616
Sum of Years 6 To 10	6,23,419
Sum of Years 11 and above	23,14,551

<b>Sensitivity Analysis</b>	
Projected Benefit Obligation on Current Assumptions	12,24,037
Delta Effect of +1% Change in Rate of Discounting	(1,20,788)
Delta Effect of -1% Change in Rate of Discounting	1,40,666
Delta Effect of +1% Change in Rate of Salary Increase	99,470
Delta Effect of -1% Change in Rate of Salary Increase	(91,908)
Delta Effect of +1% Change in Rate of Employee Turnover	(19,736)
Delta Effect of -1% Change in Rate of Employee Turnover	19,722
<p>The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.</p> <p>The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.</p> <p>Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.</p>	

**22 Employee Benefits - Gratuity**

Notes
<p>Actuarial gains/losses are recognized in the period of occurrence under Other Comprehensive Income (OCI). All above reported figures of OCI are gross of taxation.</p> <p>Salary escalation &amp; attrition rate are considered as advised by the company; they appear to be in line with the industry practice considering promotion and demand &amp; supply of the employees.</p> <p>Maturity Analysis of Benefit Payments is undiscounted cashflows considering future salary, attrition &amp; death in respective year for members as mentioned above.</p> <p>Average Expected Future Service represents Estimated Term of Post - Employment Benefit Obligation.</p>

Qualitative Disclosures
<p><b>Para 139 (a) Characteristics of defined benefit plan</b></p> <p>The Company has a defined benefit gratuity plan in India (unfunded). The company's defined benefit gratuity plan is a final salary plan for employees.</p> <p>Gratuity is paid from company as and when it becomes due and is paid as per company scheme for Gratuity.</p>
<p><b>Para 139 (b) Risks associated with defined benefit plan</b></p> <p>Gratuity is a defined benefit plan and company is exposed to the Following Risks:</p> <p>Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision.</p> <p>Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.</p> <p>Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Company has to manage pay-out based on pay as you go basis from own funds.</p> <p>Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.</p>
<p><b>Para 139 (c) Characteristics of defined benefit plans</b></p> <p>During the year, there were no plan amendments, curtailments and settlements.</p>
<p><b>Para 147 (a)</b></p> <p>Gratuity plan is unfunded.</p>

# SWAN LNG PRIVATE LIMITED

## Notes to the Financial Statement for the year ended March 31, 2019

23 Earning Per Share	Apr'18-Mar'19	Apr'17-Mar'18
i) Net profit/(Loss) after tax as per Statements of Profit & Loss attributable to Equity Shareholders ( ₹ In Lacs)	(182.14)	(1.57)
ii) Weighted average number of shares used as denomination for calculating Basic and Diluted earning per share	1,94,78,645	54,344
iii) Face value of shares ( ₹ Per Share)	10.00	10.00
iv) Basic/Diluted earning per share ( in ₹)	(0.94)	(2.89)

24 Contingent Liabilities	Apr'18-Mar'19	Apr'17-Mar'18
i) Bank Guarantee	10,412.00	7,257.00
ii) EPC - PBG Encashment	-	19,039.07

25 Payment to Auditors (Excluding Service Tax/GST)	Apr'18-Mar'19	Apr'17-Mar'18
i) Statutory Audit Fees ( ₹ In lacs)	0.65	0.55
ii) Other Capacity ( ₹ In lacs)	0.13	0.56

### 26 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
ii)	Gujarat Maritime Board	Enterprise able to exercise significant influence

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

i) Swan Energy Limited		
Opening Payable ( ₹ In Lacs)	34,305.43	5,409.97
Loans & Advance taken ( ₹ In lacs)	20,587.17	34,250.46
Issue of Shares ( ₹ In lacs)	34,314.34	-
Loans & Advance paid back ( ₹ In lacs)	5,297.60	5,355.00
Closing Payable ( ₹ In Lacs)	15,280.66	34,305.43
ii) Gujarat Maritime Board		
Payment of Lease Rent ( ₹ In Lacs)	213.55	213.55

### 27 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*  
V.R. Renuka  
Partner  
M No. 032263



For and on behalf of the Board of Directors



*Vinita N. Patel*  
Vinita N. Patel  
Director  
Din:06389083

*P. Sugavanam*  
P. Sugavanam  
Director  
Din:03229120

Ahmedabad, May 27, 2019

Ahmedabad, May 27, 2019