



SWAN ENERGY LIMITED

106th ANNUAL REPORT

For the year ended 31.03.2014

From the Desk of Managing Director



Dear Shareholders,

Compared to our previous year's performance, I am happy to say that your Company has made steady progress in each of its three business verticals; Textiles, Real-Estate and Clean energy.

The textile processing unit performed well contributing Rs. 298.7 crores to our total income in the FY14 as compared to Rs. 207.9 crores in the previous year.

On the real estate front, the development of commercial property in Mumbai is nearing completion while the on-going projects in Bangalore, Hyderabad and Mangalore are progressing as planned. Your company has a Land Bank of 418 acres spread across premium location in Goa, Bangalore and Mysore which will be taken up for development shortly. Considering the above, we are very confident that going ahead the real estate division would be a good growth driver for the company.

Exploiting the opportunity in the LNG sector identified in the previous year, your company is setting up a Floating Storage & Regasification Unit(FSRU), which will be the first of its kind in India. Your Company has received all clearances and approvals required for this project. It is important to note that the FSRU project has in place off-take arrangements with Gujarat State Petroleum Corporation (GSPC) for utilisation of capacity on a long term commitment basis and is in the process of tying up with other oil majors. With this project taking off, your company foresees tremendous growth and profitability resulting in a positive impact on the performance of the Company.

I would like to take this opportunity to thank all the team members of Swan for their tireless efforts and dedication and also to all our stakeholders and well wishers, without whose support we would not have achieved our performance.

Warm Regards,
Nikhil V. Merchant



SWAN ENERGY LIMITED

BOARD OF DIRECTORS

CHAIRMAN

NAVINBHAI C. DAVE

DIRECTORS

RAJKUMAR SUKHDEVSINHJI

PITAMBER S. TECKCHANDANI

SHOBHAN I. DIWANJI

NAGARDAS H. PANCHAL

RAJAT KUMAR DAS GUPTA

PADMANABHAN SUGAVANAM, *Whole Time Director*

PARESH V. MERCHANT, *Executive Director*

NIKHIL V. MERCHANT, *Managing Director*

VILAS A. GANGAN, *Whole Time Director (w.e.f. 01/01/2014)*

CHIEF FINANCIAL OFFICER

CHETAN K. SELARKA

COMPANY SECRETARY

ARUN S. AGARWAL

AUDITORS

V. R. RENUKA & CO.

REGISTERED OFFICE

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

106th ANNUAL GENERAL MEETING

**On Monday, the 29th September, 2014
at 4.00 PM**

At Walchand Hirachand Hall, Indian Merchant
Chamber Building, 4th Floor, IMC Marg,
Churchgate, Mumbai – 400 020

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“A request”

Shareholders are requested to bring with them the attendance slip and their copy of the Balance Sheet.



NOTICE

Notice is hereby given that the 106th (One Hundred and Sixth) Annual General Meeting of the Company will be held on Monday, 29th September, 2014 at 4.00 P.M. at Walchand Hirachand Hall, 4th Floor, Indian Merchant Chamber Building, IMC Marg, Churchgate, Mumbai - 400 020 to transact the following businesses:

ORDINARY BUSINESS :

Adoption of audited Annual Accounts and Reports of the Auditors and Directors

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended 31st March, 2014 and the Balance Sheet as at that date, together with the Reports of the Board of Directors and the Auditors thereon.

Declaration of dividend

2. To declare a dividend for the financial year ended 31st March, 2014 on the Equity Shares.

Re-appointment of Directors retiring by rotation

3. To appoint a Director in place of Mr. Nikhil V. Merchant (DIN: 00614790), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Paresh V. Merchant (DIN: 00660027), who retires by rotation and being eligible, offers himself for re-appointment.

Appointment of Auditors

5. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

“RESOLVED THAT M/s. V. R. Renuka & Company, Chartered Accountants, (Firm’s Registration No. 108826W), be and is hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual general meeting (AGM) till the conclusion of the Hundred and Ninth (109th) AGM of the Company (subject to ratification of their appointment at every AGM), at such remuneration, as shall be fixed by the Board of Directors of the Company.”

SPECIAL BUSINESS:

Appointment of Mr. Rajkumar Sukhdevsinhji as Independent Director of the Company

6. To consider and if thought fit, to pass, with or without modifications, the following Resolution as Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (the Act), the Rules made thereunder and Clause 49 of the Listing Agreement, Mr. Rajkumar Sukhdevsinhji, (DIN: 00372612), a non-executive Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years from 29th September, 2014 to 28 September, 2019”.

Appointment of Mr. Pitamber Teckchandani as Independent Director of the Company

7. To consider and if thought fit, to pass, with or without modifications, the following Resolution as Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (the Act), the Rules made thereunder and Clause 49 of the Listing Agreement, Mr. Pitamber Teckchandani, (DIN: 00319820), a non-executive Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years from 29th September, 2014 to 28 September, 2019”.

Appointment of Mr. Shobhan Diwanji as Independent Director of the Company

8. To consider and if thought fit, to pass, with or without modifications, the following Resolution as Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (the Act), the Rules made thereunder and Clause 49 of the Listing Agreement, Mr. Shobhan Diwanji, (DIN: 01667803), a non-executive Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years from 29th September, 2014 to 28 September, 2019”.

Appointment of Mr. Rajat Kumar Dasgupta as Independent Director of the Company

9. To consider and if thought fit, to pass, with or without modifications, the following Resolution as Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (the Act), the Rules made thereunder and Clause 49 of the Listing Agreement, Mr. Rajat Kumar Dasgupta, (DIN: 01725758), a non-executive Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years from 29th September, 2014 to 28 September, 2019”.

**Appointment of Mr. Nagardas Panchal as Independent Director of the Company**

10. To consider and if thought fit, to pass, with or without modifications, the following Resolution as Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (the Act), the Rules made thereunder and Clause 49 of the Listing Agreement, Mr. Nagardas Panchal, Director (DIN: 01787226), a non-executive Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years from 29th September, 2014 to 28 September, 2019”.

Appointment of Mrs. Dharmistha Tanna as Independent Director of the Company

11. To consider and if thought fit, to pass, with or without modifications, the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (the Act), the Rules made thereunder and Clause 49 of the Listing Agreement, Mrs. Dharmistha Tanna (DIN: 02045912), be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years from 29th September, 2014 to 28 September, 2019”.

Appointment of Mr. Vilas A. Gangan as Whole Time Director of the Company

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

“RESOLVED THAT pursuant to the provisions of Sections 152 and 161 of the Companies Act, 2013 and the Rules made thereunder, Mr. Vilas A. Gangan (DIN: 00281984), appointed as an Additional Director of the Company, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT pursuant to Sections 196, 197, 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, the Company hereby approves the appointment and terms of remuneration of Mr. Vilas A. Gangan (DIN: 00281984), Whole time Director of the Company for the period of five years from 1st January, 2014 to 31st December, 2018, not liable to retire by rotation, upon the terms & conditions including remuneration, as set out in the explanatory statement annexed to the Notice, with liberty to the Directors to alter and vary the terms and conditions of the said appointment in such manner so as to not exceed the limits specified in Schedule V to the Act.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.

Appointment of Mr. Nikhil V. Merchant as Managing Director of the Company

13. To consider and if thought fit, to pass, with or without modifications, the following Resolution as a Special Resolution:

“RESOLVED THAT, pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, approval of the Company be and is hereby accorded to the re-appointment of Mr. Nikhil V. Merchant (DIN: 00614790) as the ‘Managing Director’ of the Company, for a period of five years with effect from 1st September, 2014, on the terms and conditions, including remuneration, as set out in the explanatory statement annexed to the Notice, with liberty to the Directors to alter and vary the terms and conditions of the said appointment in such manner so as to not exceed the limits specified in Schedule V to the Act.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.

Appointment of Mr. Paresh V. Merchant as Executive Director of the Company

14. To consider and if thought fit, to pass, with or without modifications, the following Resolution as a Special Resolution:

“RESOLVED THAT, pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, approval of the Company be and is hereby accorded to the re-appointment of Mr. Paresh V. Merchant (DIN: 00660027) as the ‘Executive Director’ of the Company, for a period of five years with effect from 1st September, 2014, on the terms and conditions, including remuneration, as set out in the explanatory statement annexed to the Notice, with liberty to the Directors to alter and vary the terms and conditions of the said appointment in such manner so as to not exceed the limits specified in Schedule V to the Act.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.

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

Arun S. Agarwal
Company Secretary

Mumbai, August 14, 2014

**NOTES**

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, setting out all the material facts relating to item No. 6 to 14 of the Notice is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies, in order to be effective, must be received at the Company's Registered Office not less than 48 hours before the meeting. Members are requested to note that a person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/ authority, as applicable. Proxy shall not vote except on a poll.
3. Pursuant to provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from Monday, 22nd September, 2014 to Monday, 29th September, 2014 (both days inclusive).
4. The dividend on equity shares, if approved at the meeting, will be paid to those members whose names are on the Company's Register of Members on Friday, 19th September, 2014. In respect of shares held in electronic form, the dividend will be payable to the beneficial owners of shares as at the end of business hours on Friday, 19th September, 2014 as per the details furnished by the Depositories for this purpose.
5. Members holding shares in physical form are requested to intimate Registrar and Transfer Agents of the Company viz., Purva Sharegistry (India) Pvt. Ltd., Unit: Swan Energy Limited, 9, Shiv Shakti Ind Estate, J.R. Boricha Marg, Lower Parel, Mumbai – 400 011, changes, if any, in their Bank details, registered address, etc. along with their Pin Code. Members holding shares in electronic form are requested to update such details with their respective Depository Participants.
6. Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013, Members are requested to note that dividend not encashed/claimed within seven years from the date of transfer to unpaid Dividend Account of the Company will be transferred to the Investor Education and Protection Fund (IEPF).
7. Re-appointment / Appointment of Directors:

The information required to be provided under the Listing Agreement in respect of Directors being appointed/ re-appointed is given herein below:

Name of the Director	Brief Resume, experience and nature of expertise in functional area	Directorship held in other Public Companies	Committee position held in other Public Companies	No. of Shares held in Swan Energy Limited
Mr. Rajkumar Sukhdevsinhji	Graduate-Economics, Ex-Chairman & MD, BPCL; Ex-MD, Essar Oil Ltd. 50 years experience in all functional areas related to the Oil & Gas Sector	Asahi Songwon Colors Limited	Nil	Nil
Mr. Pitamber Teckchandani	Graduate-Mechanical Engineering. 45 years experience in the Oil & Gas Sector	Nil	Nil	Nil
Mr. Shobhan Diwanji	BA-Economics, MBA-Finance(USA). 42 years experience in financing and structuring.	Standard Industries Limited	Nil	Nil



Mr. Rajat Kumar Dasgupta	MTech-IT-Mechanical Engineering. 45 years experience in the field of Product development , Energy Conservation in Green field projects.	Paramount Limited	Nil	Nil
Mr. Nagardas Panchal	Graduate-Chemical Engineering. 50 years experience in consultancy & project implementation in the field of Textiles	Swan Mills Limited	Nil	Nil
Mrs. Dharmistha Tanna	BA ,LLB. 25 years experience in corporate and property matters	Swan Mills Limited	Nil	Nil
Mr. Vilas A. Gangan	BA, LLB, DMS (Bom). 48 years experience in all the functional areas related to the Textile, Real Estate	Swan International Limited	Nil	Nil
Nikhil V. Merchant	B.S. (Tex. Eng.) USA, DMTC MEP (IIM). 30 years experience in all functional areas related to the Textile, Real Estate	Swan International Limited	Nil	4000
Paresh V. Merchant	B.Com., MEP (IIM). 30 years experience in all functional areas related to the Textile, Real Estate	i) Swan International Limited ii) Swan Mills Limited	Nil	Nil

8. Voting through electronic means:

Pursuant to section 108 of the Companies Act, 2013, read with Companies (Management and Administration) Rules, 2014 and the revised Clause 35B of the Listing Agreement, the company is pleased to offer e-voting facility for the members to enable them to cast their votes electronically. For e-voting facility, the Company has entered into an agreement with the CDSL for facilitating e-voting.

The instructions for e-voting are as under:-

(A) In case of Shareholders receiving e-mail or physical copy

- i. Log on to the e-voting website www.evotingindia.com
- ii. Now click on "Shareholders" tab.
- iii. Now, select the "SWAN ENERGY LIMITED" from the drop down menu and click on "SUBMIT"
- iv. Now enter your User ID
 - a) For NSDL :- 8 Character DP ID followed by 8 Digits Client ID
 - b) For CDSL :- 16 digits beneficiary ID
 - c) Members holding shares in Physical Form should enter the Folio Number registered with the Company
- v. Enter the image verification as displayed and click on login.
- vi. If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- vii. If you are a first time user, follow the steps given below:



For Members holding shares in Demat and Physical Form	
PAN*	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department(Applicable for both Demat as well as Physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the demat account/ folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> Please enter the DOB or dividend Bank details in order to login. If the details are not recorded with the depository or company please enter number of shares held by you as on the cut off date in the Dividend Bank details field.

- viii. After entering these details appropriately, click on "SUBMIT" tab.
- ix. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi. Click on the EVSN (140826070) for 'Swan Energy Limited' on which you choose to vote.
- xii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvii. If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii. Note for Non – Individual Shareholders and Custodians
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to www.evotingindia.com and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they should create a compliance user using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

**(B) Other Instructions:**

- i. If you wish to provide feedback or in case you have any queries or issues regarding e- voting, please contact helpdesk.evoting@cdslindia.com or arun@swan.co.in
- ii. The voting rights of the members shall be in proportion to their shares of the paid up equity share capital of the company as on 22nd August, 2014.
- iii. M/s. Jignesh M. Pandya, Practicing Company Secretary (CP No. 7318) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- iv. The Scrutinizer shall within 3 working days from the conclusion of the e-voting period unblock the votes in the presence of at least 2 witnesses not in the employment of the company and make a Scrutinizer`s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- v. The e-voting period starts from 10.00 a.m. on Tuesday, 23rd September, 2014 and ends at 6.00 p.m. on Thursday, 25th September, 2014. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on 22nd August, 2014 may cast their vote electronically. The e-voting module will be disabled by CDSL for voting thereafter.
- vi. The Results declared along with the Scrutinizer`s Report shall be placed on the Company`s website www.swan.co.in and CDSL www.evotingindia.com within 2 days of passing of the resolutions at the AGM of the Company and communicated to BSE and NSE, where shares of the Company are listed.

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

Mumbai, August 14, 2014

Arun S. Agarwal
Company Secretary



ANNEXURE TO NOTICE

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

Item No. 6 to 11:

Following have been the Non-Executive Directors of the Company and are considered as Independent Directors under Clause 49 of the Listing Agreement.

- i. Mr. Rajkumar Sukhdevsinhji;
- ii. Mr. Pitamber Teckchandani;
- iii. Mr. Shobhan Diwanji;
- iv. Mr. Rajat Kumar Dasgupta;
- v. Mr. Nagardas Panchal.

Further, in compliance to requirement of having at least one woman director in terms of Section 149 (1) of the Act and amended Clause 49 of the Listing Agreement, the Board of Directors of the company has proposed that Mrs. Dharmishta Tanna be appointed as an Independent Director of the Company.

As per Section 149 of the Act, an independent director shall hold office for a term up to five consecutive years on the Board of the Company and shall not be liable to retire by rotation.

All the above independent directors have given declarations to the Board that they meet with the criteria of independence as provided under section 149(6) of the Act. Notices have also been received from the member/s proposing their candidature as directors of the Company. In the opinion of the Board, each of the directors fulfill the conditions specified in the Act and the rules made thereunder for appointment as independent director and they are independent of the management.

The terms and conditions of appointment of the above Independent Directors shall be open for inspection at the Registered Office of the Company by any member during business hours.

The above Directors are interested and concerned in the respective resolutions for their appointments. None of the other directors or key managerial personnel of the Company or their relatives are concerned or interested in the proposed resolutions.

The Board recommends the Ordinary Resolutions as set out at item nos. 6 to 11 of the Notice for approval by the members.

Item No. 12 to 14:

Mr. Vilas A. Gangan has been associated with the group for more than 25 years and was the member of the Board of Directors earlier also. In view of his active involvement in the ongoing energy and real estate projects of the company, the Board of Directors of the company appointed him as an Additional Director at its meeting held on 4th December, 2013 with effect from 1st January, 2014.

Further, the Board, at its meeting held on 14th August, 2014, has, subject to the approval of the members, re-appointed Mr. Nikhil V. Merchant and Mr. Paresh V. Merchant as Managing Director and Executive Director respectively for a period of 5 years from expiry of their present terms on 31st August, 2014, at the remuneration recommended by Remuneration committee and approved by the Board.

Broad particulars of the terms of appointment / re-appointment and remuneration payable to the above directors are as under:

1. Period:
 - a. Mr. Nikhil V. Merchant : From 1st September, 2014 to 31st August, 2019
 - b. Mr. Paresh V. Merchant : From 1st September, 2014 to 31st August, 2019
 - c. Mr. Vilas A. Gangan : From 1st January, 2014 to 31st December, 2018

2. Nature of duties:

The above directors shall devote their whole time and attention to the business of the Company and/or its associated companies, joint venture companies, subsidiaries and/or any committees of such companies. They shall carry out such powers/duties as may be entrusted by the Board from time to time in the best interest of the company.



3. a. Remuneration:
- Mr. Nikhil V. Merchant : Salary ₹ 8,00,000/- per month, in the scale of ₹ 8,00,000 to ₹ 13,00,000/- per month;
 - Mr. Paresh V. Merchant : Salary ₹ 8,00,000/- per month, in the scale of ₹ 8,00,000 to ₹ 13,00,000/- per month.
 - Mr. Vilas A. Gangan : Salary ₹ 3,03,281/- per month, in the scale of ₹ 3,00,000 to ₹ 6,00,000/- per month;
- The annual increments shall be effective 1st April each year, as may be decided by the Board, based on merit and taking into account the Company`s performance for the year.
- b. Bonus, benefits, perquisites and allowances shall be as may be determined by the Board from time to time.
4. In the event of loss or inadequacy of profits in any financial year, the above directors shall be paid remuneration by way of salary, bonus, benefits, perquisites and allowances, as approved by the Board and to the extent permitted under the Act.
5. The terms and conditions of above appointments may be altered or varied from time to time by the Board, as it may, in its discretion, deem fit, in such manner as may be mutually agreed to, subject to such approvals as may be required.
6. The above directors shall not be liable to retire by rotation as Directors of the Company.

Mr. Vilas A. Gangan, Mr. Nikhil V. Merchant and Mr. Paresh V. Merchant satisfy all the conditions of Part-I of Schedule V and sub-section (3) of the Section 196 of the Act for being eligible for appointment / re-appointment. They are not disqualified from being appointed as Directors in terms of Section 164 of the Act.

The above may be treated as a written memorandum setting out the terms of appointment / re-appointment of the above directors under section 190 of the Act.

Brief resume of the above directors, nature of expertise in specific functional areas, names of companies in which they hold directorships/chairmanships of Board committees and shareholding inter-se as stipulated under clause 49 of Listing agreement, are provided in the Notes forming part of Notice of the Annual Report.

The agreements entered into between the Company and the above Directors are available for inspection at the Registered Office of the Company by any member during business hours.

The above Directors are interested and concerned in the respective resolutions for their appointments. None of the other directors or key managerial personnel of the Company or their relatives are concerned or interested in the proposed resolutions.

The Board recommends the Ordinary Resolutions as set out at item nos. 12 to 14 of the Notice for approval by the members.

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

Arun S. Agarwal
Company Secretary

Mumbai, August 14, 2014

**DIRECTORS' REPORT**

Your Directors have the pleasure to present herewith their 106th Annual Report with Audited Statement of Accounts for the year ended on March 31, 2014. The operating results are as under:

Financial Results	For the year ended on 31.3.2014 (₹ in lacs)	For the year ended on 31.3.2013 (₹ in lacs)
Profit before interest & depreciation	4185.05	5301.91
Less: Interest	2803.33	1758.38
: Depreciation	431.58	427.48
Profit before Tax	950.14	3116.05
Less: Provision for Taxation	295.18	1062.74
Net Profit for the year	654.96	2053.31
Add: Amount of Profit & Loss Account brought forward	12573.05	11071.79
Amount available for Appropriation	13228.01	13125.10
Less: Appropriations:		
Transfer to General Reserve	372.00	-
Provision for Proposed Dividend (including tax)	388.16	552.05
Balance of Profit & Loss Account transferred to Balance sheet	12467.85	12573.05

Review of Operations

The possession of 'Tower D' at the Kurla commercial project 'Peninsula Techno-park' could not be handed over to the buyer in the financial year 2013-14 due to certain unavoidable reasons. However, it is contemplated that the same shall be handed over to the buyer in the financial year 2014-15.

The Process House of the Company at Ahmedabad has posted profit before tax of ₹ 745.09 lacs during the current financial year.

During the year, the Company has attained profitability with EBIDT of Rs. 4185.05 lacs for the current year as compared to ₹ 5301.91 lacs in the previous year. Net profit for the current year is ₹ 654.96 lacs as compared to ₹ 2053.31 lacs in the previous year.

The Company has received major permissions, including environmental clearance, from the relevant authorities for its FSRU project at Jafrabad, Gujarat.

The Company, through its two subsidiary companies, had acquired properties in the South. During the year, it has made significant progress in the direction of starting development of the properties acquired. The Company intends to start construction on few of the projects during the year.

Dividend

In spite of lower profitability as compared to previous year, as an investor friendly measure, your Directors are pleased to recommend for approval of the members, payment of a dividend at the rate of ₹ 0.15 per Equity Share (15%) on 22,11,80,000 Equity Shares of ₹ 1/- each for the year ended 31st March, 2014. The amount of dividend and the tax thereon will be ₹ 3,31,77,000/- and ₹ 56,38,431.15 (tax rate being @ 16.995%) respectively.

Fixed Deposits

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

Finance

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

Directors

At the ensuing Annual General Meeting, Mr. Nikhil V. Merchant and Mr. Paresh V. Merchant, retire by rotation and being eligible, have offered themselves for re-appointment.



As per the provision of Section 149 and other applicable provisions, if any, of the Companies Act, 2013, Mr. Rajkumar Sukhdevsinhji, Mr. Pitamber Teckchandani, Mr. Shobhan Diwanji, Mr. Rajat Kumar Dasgupta and Mr. Nagardas Panchal are proposed to be appointed as Independent Directors of the Company for a period of five years commencing from 29th September, 2014.

Pursuant to Section 149(1) of the Act, every listed company is required to appoint at least one woman director on the Board of the company. Accordingly, Mrs. Dharmistha Tanna is proposed to be appointed as an Independent Director of the Company for a period of five years commencing from 29th September, 2014.

Resolutions for the approval of the Members for the aforesaid appointments are included in the notice calling the ensuing Annual General Meeting. As required under clause 49 of the Listing Agreement, the brief resumes of the Directors are furnished in the Notice of the Annual General Meeting.

Auditors

The Auditors, M/s. V. R. Renuka & Co., Chartered Accountants, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. Pursuant to the Section 139 of the Companies Act, 2013, it is proposed to appoint M/s. V. R. Renuka & Co. as statutory auditors of the company for a term of 3 years from the conclusion of the ensuing AGM till the conclusion of the 109th AGM to be held in the year 2017, subject to annual ratification by members at AGM. Consent and certificate from the auditors has been received as required under section 139 of the Act.

Auditors' Report

Report of the auditors read with the notes on accounts is self-explanatory and need no elaboration.

Particulars of Employees

The particulars required under Section 217(2A) of the Companies Act, 1956, are furnished in the Annexure to the Report.

Corporate Governance

A report on the 'Management Discussions and Analysis' and the 'Corporate Governance', along with a certificate from the Auditors of the Company regarding the compliance of the conditions of the Corporate Governance, as stipulated under Clause 49 of the Listing Agreement, is annexed to this report.

Further, as required under the said Clause 49, your Company has adopted a 'Code of Conduct and Ethics' for its Directors and Senior Executives.

Directors' Responsibility Statement

Pursuant to Section 217 (2AA) of the Companies Act, 1956, on the basis of information placed before them, the Directors confirm that:

- i. In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii. Appropriate accounting policies have been selected and applied consistently, and the judgments and estimates that have been made are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March 2014 and of the profit of the Company for the said year;
- iii. Proper and sufficient care has been taken for the maintenance of the adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. The annual accounts have been prepared on a going concern basis.

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

The particulars relating to energy conservation, technology absorption, foreign exchange earning and outgo, as required to be disclosed under section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 are provided in the Annexure to the Report.

Subsidiary Company

A statement pursuant to Section 212 of the Companies Act, 1956, relating to subsidiary companies, is attached to the Accounts. In terms of General Exemption, under Section 212 (8) of the Companies Act, 1956, granted by Ministry of Corporate Affairs vide its circular no. 02/2011 dated 8th February, 2011, and in compliance with conditions enlisted therein, the Audited Statement of Accounts, Auditors Report thereon and the Reports of the



Board of Directors of the Company's subsidiaries for the financial year ended 31st March, 2014 have not been annexed. The Annual Accounts and related documents of the Subsidiary companies shall be kept open for inspection at the Registered office of the Company.

Further, pursuant to Accounting Standard [AS-21] issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company in this Annual Report include the financial information of its subsidiaries.

Industrial relations

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

Appreciation

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

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

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

Navinbhai C. Dave
Chairman

Mumbai, August 14, 2014

**ANNEXURE TO THE DIRECTORS' REPORT****I) Statement of particulars of Employees, pursuant to Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975:**

Paid for the full year:

Name	Age	Designation	Gross Remuneration (₹)	Qualification	Total Experience	Date of commencement	Previous employment
Mr. Nikhil V. Merchant	54	Managing Director	1,01,00,000/-	B.S.(Tex. Eng Eng.) USA, DMTC MEP (IIM).	30 years	25-03-1992	Indian Organic Chemicals Limited
Mr. Paresh V. Merchant	51	Executive Director	101,00,000/-	B.Com., MEP (IIM).	27 years	01-12-1992	---

II) Information pursuant to Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988:**A) CONSERVATION OF ENERGY****a) Energy conservation measures taken at Process House, Ahmedabad :**

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

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

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

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

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

FORM A - PARTICULARS WITH RESPECT TO ENERGY CONSERVATION

Particulars	Units	2013-14	2012-13
A. Power and fuel consumption			
1. Electricity			
(a) Purchased			
i) Connected Load	KWH	750	750
ii) Purchase of Units	Units	61,60,380	57,60,300
iii) Total Amount	Rs.	3,64,82,318	3,29,32,272
iv) Rate per unit (Average)	Rs.	5.92	5.72
(b) Own generation			
i) Through diesel Generator		NIL	NIL
ii) Through steam turbine/generator		NIL	NIL
2. Coal/Furnace oil/Others		NIL	NIL
B. Consumption per unit of production			
1. Processed Fabrics	Mtrs	2,40,98,615	2,11,84,966
Electricity/Meter Fabric processed	Unit	0.26	0.27

B) TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT (R&D)**1. Specific areas in which R& D carried out by the Company:**

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



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

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

	2013-2014	2012-2013
Earnings - Export	-	3.86
Outgo - Import of Capital Goods	-	21.63
Raw Material – Dyes & Chemicals	-	5.48
Stores & Spares	14.92	-

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

Navinbhai C. Dave
Chairman

Mumbai, August 14, 2014



Management Discussion & Analysis

INTRODUCTION TO SWAN

Your company is a diversified player with a presence in textile, real estate and energy sectors. Your Company has been investing aggressively in the real estate and energy sectors, and plan to continue to do so to drive future growth and to cater to increase in domestic demand for housing and natural gas in the long term

GLOBAL ECONOMY OVERVIEW

The financial year 2013-14 was an encouraging year with global activity improving during the second half of 2013 and is expected to improve further in 2014–15 according to the International Monetary Fund (IMF) World Economic Outlook Report dated April 2014, with much of the impetus coming from advanced economies. Emerging market economies have had a less encouraging growth rate due to poor external financial environment, although they continue to contribute more than two-thirds of the global growth.

According to the IMF, with supportive monetary conditions and a smaller drag from fiscal consolidation, annual growth is projected to rise above trend in the United States and to be close to trend in the core euro area economies. In the stressed euro area economies, however, growth is projected to remain weak and fragile as high debt and financial fragmentation hold back domestic demand. Growth in emerging market economies is projected to pick up modestly. These economies are adjusting to a more difficult external financial environment in which international investors are more sensitive to policy weakness. As a result, financial conditions in emerging market economies have tightened further, although their output growth is expected to be lifted by stronger exports to advanced economies.

Source: (International Monetary Fund, World Economic Outlook— Recovery Strengthens, Remains Uneven (Washington, April 2014).

INDIAN ECONOMY OVERVIEW

The financial year gone by 2013-14 in India, was marred by continued low GDP growth, declining industrial output, decline in investments, higher inflation, lower quality of bank assets, high current account deficit, which has been brought down drastically through affirmative policy action, and depreciation in the domestic exchange rate.

The weakness in the Indian economy persisted in FY14 with GDP growth as per the advance estimates showing a growth of 4.86%, marginally higher than the 4.5% of FY13. The country has been witness to a sharp drop in its economic growth from an average 8.2% during FY04 - FY12 to sub 5% in FY13 and FY14.

According to the IMF, India's growth is expected to recover from 4.4% in 2013 to 5.4% in 2014, supported by slightly stronger global growth, improving export competitiveness, and implementation of recently approved investment projects. A pickup in exports in recent months and measures to curb gold imports has contributed to lowering the current account deficit. Policy measures to bolster capital flows have further helped reduce external vulnerabilities. Overall growth is expected to firm up on policies supporting investment and a confidence boost from recent policy actions.

Source: (International Monetary Fund, World Economic Outlook Recovery Strengthens, Remains Uneven (Washington, April 2014, CARE Research:).

INDIAN TEXTILE INDUSTRY

The most significant change in the Indian textiles industry has been the advent of man-made fibres (MMF). India has successfully placed its innovative range of MMF textiles in almost all the countries across the globe. MMF production increased by about 4% during the period April 2013–February 2014. Cotton yarn production increased by about 10% during April 2013–February 2014. Blended and 100% non-cotton yarn production increased by 8% during the period April 2013–February 2014.

Cloth production by mill sector registered a growth of 6% during April 2013–February 2014. The total cloth production grew by 3% during the period April 2013–February 2014.

Textiles exports stood at US\$ 28.53 billion during April 2013–January 2014 as compared to US\$ 24.90 billion during the corresponding period of the previous year, registering a growth of 14.58%.

Garment exports from India is expected to touch US\$ 60 billion over the next three years, with the help of government support

FUTURE OF TEXTILE INDUSTRY

The Indian textiles industry is set for strong growth, buoyed by both strong domestic consumption as well as export demand. The industry is expected to reach US\$ 220 billion by 2020.



The Central Silk Board sets targets for raw silk production and encourages farmers and private players to grow silk. To achieve these targets, alliances with the private sector, especially major agro-based industries in pre-cocoon and post-cocoon segments have been encouraged.

For the textiles industry, the proposed hike in FDI limit in multi-brand retail will bring in more players, thereby providing more options to consumers. It will also bring in greater investments along the entire value chain – from agricultural production to final manufactured goods.

With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with several international players such as Marks & Spencer, Guess and Next having entered the Indian market. The organised apparel segment is expected to grow at a compound annual growth rate (CAGR) of more than 13 per cent over a 10-year period.

Exchange Rate Used: INR 1 = US\$ 0.01665 as on May 3, 2014

(Source IBEF)

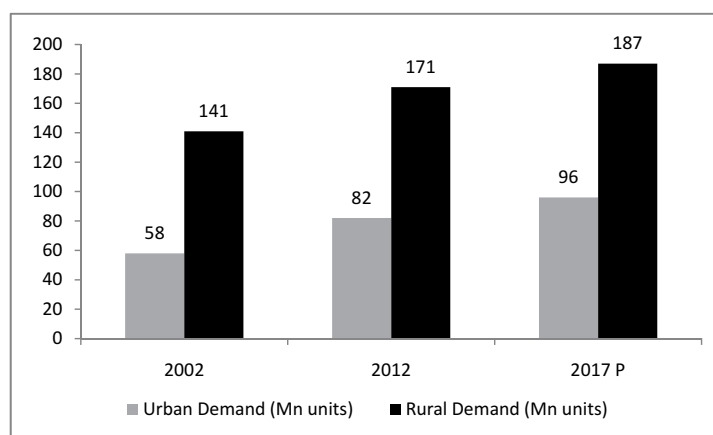
REAL ESTATE SECTOR

The real estate sector continues to be at the core of the Indian Economy and a meaningful contributor to its GDP growth, employment and foreign direct investment and to the banking and finance industry (BFSI).

Although FY2013-14 was a difficult year for the real estate sector the long-term potential for the sector remains intact and it continues to be an important catalyst to the nation’s overall economic growth. During FY2013-14, subdued sales, increased unsold inventory levels and high leverage undermined the sector’s performance. Political uncertainty, slow economic growth, sustained weakening of the Indian Rupee, rising inflation and hardening interest rates continued to be the key barriers to improving demand. Further, adverse regulatory developments and increased borrowing rates pushed up project costs and delayed execution timelines. The real estate market also witnessed a general slowdown in absorption rates in the residential and commercial asset classes. Delays in obtaining approvals, demand-supply gaps and rising input costs continued to be a cause for concern. Monetary tightening on account of the Reserve Bank of India’s (RBI) measures to control inflation was a major macro influence on the sector. Overall, liquidity in the sector remained tight as banks continued to be selective in extending loans. In January 2014, RBI increased the repo rate to 8% as a measure to control inflation which affected borrowing costs and hampered supply and new launches. Increased lending rates translated into an increase in housing loan rates which in turn softened residential sales. On the policy front, the year witnessed the introduction of several new state and local approvals and environment clearances. While some of these regulations increased project costs and deadlines, some showcased the Government’s inclination to increase investments and usher in transparency. An encouraging development during the year was the passing of draft guidelines on Real Estate Investment Trusts (REITs)

FUTURE OUTLOOK

Despite many obstacles, India’s real estate market has been resilient, demonstrating steadiness even in times of economic sluggishness. The silver lining has been a slow but gradual increase in sales momentum, a moderate rise in capital values across a few cities and the holding up of prices across major cities. Between 2013 and 2017, demand for housing (measured against the total number of households) to grow at a CAGR of 2.3%, similar to the CAGR witnessed during 2001-12. It is expected that urban demand will grow at a CAGR of 3.3% compared with 1.8% for rural demand during 2013-17.



(Source: Crisil research)



OIL & GAS INDUSTRY

Introduction

During FY 2013–14, the total consumption of petroleum products in India was 158.2 million tonnes (MT). The consumption stood at 14.2 MT in March 2014, according to data released by the Petroleum Planning and Analysis Cell, Ministry of Petroleum and Natural Gas.

The share of fuels in the country's exports surged from 5.59 per cent in 2003–04 to 20.05 per cent during 2013–14. Total exports of fuel products stood at US\$ 62.69 billion in value terms during FY 2013–14. The country had total reserves of 1354.76 billion cubic metres (BCM) of natural gas and 758.27 million metric tonnes (MMT) of crude oil at the end of FY 2012–13.

The Indian oil and gas industry is expected to be worth US\$ 139,814.7 million by 2015. India's economic growth is closely connected to energy demand. The need for oil and gas is therefore projected to grow further, providing vast opportunities for investment.

To meet this demand, the Government of India has adopted various policies, such as allowing 100 per cent foreign direct investment (FDI) in many segments of the sector, such as natural gas, petroleum products, pipelines, and refineries. This move along with various others has made the oil and gas sector in India a more viable place to invest. Today, India's oil and gas sector attracts both domestic and foreign investment, as seen by the presence of Reliance Industries Ltd (RIL) and Cairn India in the country.

FUTURE OUTLOOK

The use of shale gas can be the first step in the road to 'economic freedom', as per Mr Moily. The minister feels that the country could do something similar to the US, which became a net exporter of energy from a net importer of energy, on the back of shale gas and oil. By 2015–16, India's demand for gas is expected to touch 124 MTPA, as per projections of India's Petroleum and Natural Gas Ministry.

LIQUEFIED NATURAL GAS

In India Domestic gas production will soar up with new gas pricing but will never be sufficient for the Country, Domestic gas production cannot be more than 30-40% of the consumption. The share of gas in the overall energy basket will go up to 20% from the current scenario of 8-9%.

Imports of liquefied natural gas (LNG) by India will soar in the next decade to fuel an expanding economy, pitting India against China and Japan for supplies as its domestic gas output struggles and overland delivery remains a dream.

India's trillion-dollar economy is already one of world's largest importers of LNG. The rapid increase in LNG demand from Japan will limit the ability of emerging markets such as India to source LNG. The extra supplies that India needs are more likely to come from Qatar and Australia, Qatar already supplies India on long-term contracts.

While buyers often complain of the link with expensive oil in long-term Asian contracts for liquefied natural gas, India will have no choice but to sign up quickly if it wants to avoid being beaten to the supply by Japan and China. Competition for supply is likely to be intense. Japanese companies have had to increase imports to fuel gas generators after shutting down nuclear power generation capacity after the earthquake and tsunami. China's imports are expected to rise about fivefold, to 46 million tonnes it imported in 2020 from about 9 million tonnes in 2010.

Indian buyers have already had to outbid Japan for spot, or immediate delivery, shipments of LNG from Qatar.

With costs rising for already pricey Australian LNG projects, holding off on securing of long-term supply deals could end up costing Indian buyers. For many years, Indian companies have held back from signing long-term contracts, hoping to get a better price for LNG. Signing long-term deals now would ensure more profitable operations for importers of LNG, who are planning to build expensive import facilities.

Indian companies should definitely go for midterm, 10 to 15 year LNG contracts. By 2020, with galloping economic growth of about 8 per cent increasingly attractive against coal and oil, which produce heavier carbon emissions, India could need twice as much natural gas as it consumes now. The gulf between domestic demand and supply is widening. Hopes, for a hefty contribution to meet demand earlier this year when Reliance Industries acknowledged that production was slipping at its D6 field.

Lacklustre domestic exploration results give little reason to expect a turnaround at home. Geopolitical hurdles to pipeline supplies through fractious neighbours like Iran, Pakistan and Afghanistan have made LNG only serious source of supplies. To cope with rising imports, India plans to spend billions to increase the capacity of import terminals for LNG to 26 million tonnes per year from 13.7 million. Existing terminals are operated by Petronet and Royal Dutch Shell.



In India, especially the East coast there are no pipelines, except the East-West pipeline owned by RGTIL. Another One is being done by GSPC from Mallavaram in Andhra Pradesh to Bhilwara in Rajasthan .India's pipeline network would need an overhaul and expansion to get the gas to market, work that would require an investment of as much as INR 350 billion.

(Source: <http://www.deccanherald.com/content/164939/indias-future-lies-liquified-natural.html>)

BUSINESS OVERVIEW:

Energy Project

Your Company is developing the first LNG Port Terminal with Floating Storage & Regasification Unit (FSRU) in India. The project is being implemented at the existing Jafrabad port in Gujarat.

SEL's project is also based on a unique business model of 'Tolling Terminal', which again will be the first of its kind in India. The Tolling Model is based on a long term "Take or Pay" Contract model. Customers will pay Re-gas charge per MMBTU for the agreed Annual Quantity on a long term say 10/15/20 years. Commodity Price risk is on the Customer

Project details

Project	LNG Port Terminal Unit with FSRU - Tolling terminal
Capacity	Planned Capacity – 5 MMTPA, Expandable to 10 MMTPA
Project Cost	Approximate Project Cost – INR 45,000 mn; Equity Stake - SEL 51%, GSPL 11% Debt:Equity – 70:30
Expected to be Completed by	Mid 2017
Project Status	Off-take tie-ups – In principal long term agreements with GSPC and BPCL
Description	Location – Jafrabad port in Gujarat, Vessel Tie-Up – In talks, equipment vessel supplier shortlisted Approval – Received Environmental Clearance from Ministry received on 11th December, 2013

Real estate

Post the partial closure of its textile operations in 2002, Your Company ventured into property development in 2004 to utilize the large area of land available. The management of your Company decided to strategically convert all its premises into lucrative real estate projects considering their prime location in the heart of Mumbai City. Your Company's business entry into real-estate has been a well thought and planned strategy by the company promoters to encash its value optimally and then re-invest the cash flows in other projects and real estate.

Completed projects:

Ashoka Gardens - Sewri

Ashoka Gardens, Sewri, is an elegant complex of Two 23 storey towers with three wings each, sprawling over 12 acres, and which has been well thought and designed keeping in mind the multi-faceted needs of its residents.

Saleable Area	0.84 Mn sq. ft.
Completion	March 2010
Status	Sold out
Project Revenue	INR 5,140mn

Peninsula Technopark – Kurla

Peninsula Techno Park is a complex that caters to every need and requirement of IT and ITES companies and its workforce.

Saleable Area	0.88 Mn sq. ft
Status	Sold out completely to Essar Group
Building A,B,C	Completed
Building D	Expected to be completed June 2015 - area 0.43 Mn sq.ft



Project Revenue	Total project revenue – INR 9,507mn, Tower D Revenue INR 5,550mn to be recognized in FY14
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Whitefield – Bangalore

SEL had acquired a 0.3mn sq. ft. IT Park building in Whitefield, EOIZ Industrial area in Bangalore. This is a ready building with a long term leasing agreement with reputed MNC

Saleable Area	0.3 Mn sq. ft
Completion	January 2013
Status	Completely leased out to reputed MNC
Project Revenue	Rs 140mn/p.a.

Upcoming projects

- BTM Layout – Bangalore
- IT park – Hyderabad
- Bondel - Mangalore
- HMT Layout – Bangalore
- Kovilambakkam – Chennai

Textiles:

“Swan” Textiles has been a household name for decades as its products catered to the needs of men, women and children. The company manufactured various products from Dhotis, Saris, Dress Materials to Suitings and Shirtings.

In 2010, your company started its textile processing activity in Ahmedabad, Gujarat, with the vision leveraging on its successful brand image, to cater to the booming demand from the garment sector. The plant has been built up in a 4 acre plot with an installed production capacity of 1 Lakh meters per day

The products are manufactured from natural and synthetic fibres, mainly cotton, polyester, viscose, acrylic, nylon etc. The company does gray to finished processing, dyeing, printing etc.

Financial Highlights:

Total standalone income, during the financial year ended 31st March, 2014 is INR 332.7 crore as against INR 287.4 crores in FY13. However, the Net Profit after tax during the year FY14 is INR 6.6 crore as against INR 20.6 crores in FY13.

Strengths

Natural gas consumption is expected to increase at a CAGR of just 6.2% over the next five years to 213 mmscmd in 2017-18 on account of low domestic gas supplies and increase in prices, particularly the doubling of domestic gas price. Fertiliser and power sectors are expected to continue to be the major consumers of natural gas over the forecast period. Your company with its FSRU project is well positioned to take advantage of the growing demand of LNG.

Your Company's FSRU project is located 2 kms away from Bhankodar village and is close to Jafrabad port in Amreli district of Gujarat. The location is fairly uninhabited (barren land) with connectivity to Gujarat's State Highway (SH-34) at a distance of 2 kms and broad gauge rail (single line) at a distance of 1 km. Presence of GSPL gas grid, about 2 kms from the location, is another advantage as it will reduce the pipeline construction cost. All these points make the project location ideal for handling natural gas and reduce the risk of delay in project execution

Your Company is well poised to exploit emerging opportunities in tier-1 and tier-2 cities with a land bank of 397.2 acres and is well placed to cater to corporate demand for commercial properties in Bengaluru and Hyderabad with one operational and two upcoming commercial properties

Risks and Concerns

Some of the key risks and concerns have been identified and appropriate steps will be taken to mitigate the adverse impact of the same.

**Energy Business:**

Foreign currency volatility- Any foreign currency funds raised by the company for FSRU, will expose the company to foreign currency volatility risk

Dependence on cash flows from real estate projects – We plan to fund the FSRU project from real estate income, any delay in the execution of the residential real estate projects, still in a nascent stage, may lead to a decline in its solvency parameters and create cash flow issues for us

Real Estate Business:

Exposed to sales and marketing risk - The ability of the company to develop and sell in a timely manner in new geography, and any delay in timely mobilisation of funds for execution of planned projects could impact profitability.

Client concentration risk - We have leased our entire wWhitefield commercial property to one single tenant leading to concentration risk

Internal Control Systems and their Adequacy

Your Company has adequate and appropriate internal control systems. On the Finance and Administrative side, the internal checks and balances are augmented by a formal system of internal and management audit. The Audit Committee of the Board reviews and will continue to review the adequacy and effectiveness of the internal control systems and suggest improvements for strengthening them.

Human Resources and Industrial Relations

Human capital continued to be recognized as the most valued asset. Your Company is adequately managed with experienced professionals to take care of all operations and allied activities. The Company has recruited skilled managerial and operational team to manage new projects. As on 31st March 2014, there were 147 employees including 4 whole time Directors. Industrial relations continue to be harmonious and cordial.

Forward Looking Statements

This report contains forward looking statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures and financial results, based on certain assumptions and expectations of future events. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward looking statements.

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

Mumbai, August 14, 2014

Nikhil V. Merchant
Managing Director



REPORT ON CORPORATE GOVERNANCE

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

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

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

2 BOARD OF DIRECTORS:

As on 31st March, 2014, the Company's Board comprises Ten members, consisting of Five Non-Executive/Independent Directors. The composition of the Board meets with the requirements of the Clause 49 of the Listing Agreement.

Your Company held Nine Board meetings during the year on 30th May, 2013, 13th July, 2013, 31st July, 2013, 14th August, 2013, 19th September, 2013, 13th November, 2013, 4th December, 2013, 20th January, 2014 and 14th February, 2014.

The required details of the Board of Directors as on 31st March, 2014 are as under:

Name of the Director	Category	No. of meetings held	No. of meetings attended	Whether attended last AGM	Number of outside directorships held (*)	Membership in Committees (**)	Chairmanship in Committees (**)
Navinbhai C. Dave	Non-Executive Chairman	9	9	Yes	--	1	--
Nikhil V. Merchant	Managing Director	9	9	Yes	2	--	--
Paresh V. Merchant	Executive Director	9	9	Yes	2	1	--
Padmanabhan Sugavanam	Whole time Director	9	9	Yes	1	--	--
Rajkumar Sukhdevsinhji	Non- Executive/ Independent	9	8	Yes	1	--	--
Pitamber S.Teckchandani	Non-Executive/ Independent	9	9	Yes	--	2	--
Nagardas H. Panchal	Non- Executive/ Independent	9	8	No	1	3	3
Shobhan I. Diwanji	Non- Executive/ Independent	9	7	Yes	--	2	--
Rajat kumar Das Gupta	Non- Executive/ Independent	9	8	Yes	1	--	--
Vilas Anant Gangan***	Additional Director	9	2	Yes	--	-	--

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

** Committees considered are Audit Committee, Shareholders' Grievance Committee and Remuneration Committee.

*** Mr. Vilas Anant Gangan was appointed as additional director on 1st January, 2014.

3 BOARD - LEVEL COMMITTEES:

The Company has three Board level Committees, namely;

- Audit Committee.
- Shareholders'/Investors' Grievances Committee.



c) Remuneration Committee.

a) **Audit Committee:**

The Audit Committee of the Company consists of three (3) independent and non-executive Directors, namely, Mr. Nagardas H. Panchal, (Chairman & Independent Director), Mr. Pitamber S. Teckchandani and Mr. Shobhan I. Diwanji. The terms of reference of the Committee are as per Clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013.

The Committee met four times during the year under review on 30th May 2013, 14th August, 2013, 13th November, 2013 and 14th February, 2014.

The Audit Committee held discussions with the Statutory Auditors on the "Limited Review" of the quarterly, half-yearly & final accounts and matters relating to compliance of accounting standards, their observations arising from the annual audit of the Company's accounts and other related matters.

b) **Shareholders'/Investors' Grievances Committee:**

The Shareholders'/Investors' Grievances Committee, comprising Mr. Nagardas H. Panchal (Chairman & Independent Director), Mr. Paresh V. Merchant, and Mr. Navinbhai C. Dave, has been constituted for redressing shareholders and investors' complaints. Mr. Arun S. Agarwal, Company Secretary has been designated as Compliance Officer. The Committee met Four times during the year 2012-13 on 30th May 2013, 14th August, 2013, 13th November, 2013 and 14th February, 2014.

During the year, Company has received 2 complaints from the shareholders, which were duly resolved/ replied.

Pursuant to Clause 47(f) of the Listing Agreement, the Company has designated the following exclusive E-mail ID for the convenience of **investors.invgrv@swan.co.in**

Pursuant to Clause 54 of the Listing Agreement, Company's website www.swan.co.in is updated with the Quarterly information conveyed to the Stock Exchange and other relevant information.

c) **Remuneration Committee:**

The Remuneration Committee comprises of three (3) independent and non-executive Directors, namely, Mr. Nagardas H. Panchal (Chairman & Independent Director), Mr. Shobhan I. Diwanji, and Mr. Pitamber S. Teckchandani. The terms of reference of Remuneration Committee, inter-alia, consists of recommendation for appointment/ re-appointment of Managing Director, Executive/ whole time Director/s and senior executives and review of terms of appointment. The Committee met once during the year 2013-14.

4 GENERAL BODY MEETING

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

Financial Year ended	Date	Time	Venue
31 March, 2011	24.09.2011	11.30 A.M.	Walchand Hirachand Hall, IMC Building, Churchgate, Mumbai – 400 020.
31 March, 2012	18.09.2012	11.30 A.M.	Walchand Hirachand Hall, IMC Building, Churchgate, Mumbai – 400 020.
31 March, 2013	19.09.2013	11.30 A.M.	Walchand Hirachand Hall, IMC Building, Churchgate, Mumbai – 400 020.

POSTAL BALLOT

Particulars of Resolutions passed by way of Postal ballot during Financial Year 2013-14 are as detailed herein:

Date of Notice: July 31, 2014	Date of Result: September 12, 2013	
	Details of votes cast (Number of Shares & % of total shares for which votes were cast)	
Particulars of Special Resolution	For	Against
1. Issue of Equity Shares on Preferential Basis to Promoters and Non – Promoters	7,24,38,479 (99.99%)	350 (0.01%)



Date of Notice: December 4, 2013	Date of Result: January 20, 2014	
	Details of votes cast (Number of Shares & % of total shares for which votes were cast)	
Particulars of Special Resolutions	For	Against
1. Split/Sub-Division of Face value of Equity Shares from Rs. 2/- to Rs. 1/- per share	8,82,28,859 (99.99%)	450 (0.01%)
2. Alteration of the Articles of Association of the Company	8,82,20,518 (99.99%)	8,791 (0.01%)
3. Increase in the Borrowing Limits	8,82,24,494 (99.99%)	4,815 (0.01%)
4. Creation of Charge	8,82,24,033 (99.99%)	5,276 (0.01%)

Mr. Jignesh M. Pandya, Practicing Company Secretary was appointed as a Scrutinizer in respect of all the above resolutions, to ensure that the postal ballot voting process is conducted in fair and transparent manner. All the above resolutions were passed with requisite majority.

None of the resolution(s) proposed at the ensuing Annual General Meeting are required to be passed by way of Postal Ballot.

5 DISCLOSURE BY MANAGEMENT TO THE BOARD

All disclosures relating to financial and commercial transactions where Directors may have a potential interest are provided to the Board, and the interested Directors do not participate in the discussion nor do they vote on such matters.

6 CEO/CFO CERTIFICATION

As required under Clause 49 V of the Listing Agreement with the Stock Exchange, the Managing Director and the Chief Financial Officer of the Company have certified to the Board regarding their review on the Financial Statements, Cash Flow Statements and matters related to internal controls etc. in the prescribed format for the year ended 31st March, 2014.

7 MEANS OF COMMUNICATION

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

8 SHAREHOLDER INFORMATION

a) Annual General Meeting

Date	:	29th September, 2014
Time	:	4.00 P.M.
Venue	:	Walchand Hirachand Hall, 4th Floor, IMC Building, Churchgate, Mumbai – 400 020.

b) Financial Calendar

Financial reporting for

Quarter ending Sept 30, 2014 : Upto 14th November, 2014

Quarter ending Dec 31, 2014 : Upto 14th February, 2015

Quarter ending March 31, 2015 : Upto 30th May, 2015

Annual General Meeting for

the year ended March 31, 2015 : Upto end of September, 2015

c) Dates of Book closure : September 22, 2014 to September 29, 2014 (both days inclusive)

d) Dividend payment date : On or after September 29, 2014



- e) Listing on Stock Exchange at : Bombay Stock Exchange Limited
National Stock Exchange of India Limited
The Calcutta Stock Exchange Asso. Ltd.
- f) Demat ISIN Number : INE665A01038
- g) Stock Market Data : BSE Scrip Code: 503310

Month	Volume (No. of Shares)	Price (₹)*	
		High	Low
April, 2013	20,02,897	125.00	116.20
May, 2013	23,36,264	125.00	114.50
June, 2013	25,47,050	123.50	107.50
July, 2013	29,07,052	116.50	104.50
August, 2013	40,19,845	120.00	96.25
September, 2013	42,47,517	118.30	99.00
October, 2013	48,09,159	118.80	99.70
November, 2013	39,51,399	115.00	104.00
December, 2013	57,58,004	154.70	107.75
January, 2014	49,00,963	133.95	128.00
February, 2014	78,16,273	72.00	62.00
March, 2014	89,26,894	65.00	61.50

- Source: Website of Bombay Stock Exchange Limited (www.bseindia.com)

Note : The face value of the shares was split from ₹ 2/- to ₹ 1/- per share on record date i.e., 4th February, 2014.

* NSE Scrip Code: SWANENERGY

Month	Volume (No. of Shares)	Price (₹)*	
		High	Low
April, 2013	18,45,787	125.00	114.10
May, 2013	20,75,015	125.70	114.85
June, 2013	23,41,759	123.55	107.90
July, 2013	26,60,467	117.45	104.45
August, 2013	36,62,356	117.00	99.15
September, 2013	40,67,639	117.95	99.00
October, 2013	46,93,591	116.90	99.70
November, 2013	39,70,309	115.00	104.30
December, 2013	65,12,339	154.40	107.60
January, 2014	53,00,584	136.00	127.40
February, 2014	80,94,312	72.00	62.40
March, 2014	88,23,367	64.95	61.50

- Source: Website of National Stock Exchange of India Limited (www.nseindia.com)

Note: The face value of the shares was split from ₹ 2/- to ₹ 1/- per share on record date i.e., 4th February, 2014.

9 Registrar and Share Transfer Agent

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

**10 Share Transfer Systems**

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

11 Distribution of Shareholding (as on 31.03.2014)

Category	Number of Shareholders	% of Shareholders	No. of Shares held	% of shareholding
1-5,000	6,366	96.60	31,71,897	1.43
5,001-10,000	99	1.50	7,10,107	0.32
10,001-20,000	45	0.68	6,56,041	0.30
20,001-30,000	21	0.32	5,16,473	0.23
30,001-40,000	10	0.15	3,49,620	0.16
40,001-50,000	8	0.12	3,48,990	0.16
50,001- 1,00,000	9	0.14	6,57,785	0.30
1,00,001 and above	32	0.49	21,47,69,087	97.10
Total	6,950	100.00	22,11,80,000	100.00

12 Categories of Shareholders (as on 31.03.2014)

Category	Number of Shares held	% of Shareholdings
Resident Individuals	63,51,732	2.87
L.I.C.	56,13,090	2.54
Financial Institutions	710	0.00
Corporate Promoter	15,83,93,000	71.61
Bodies Corporate	2,74,69,585	12.42
Clearing members	1,56,513	0.07
Directors	4,000	0.00
Directors Relatives	82,500	0.04
Private Sector Banks	35,030	0.02
Nationalised Banks	99,000	0.04
Indian Mutual Funds	924	0.00
F.I.I.	2,18,18,472	9.86
N.R.I. (Non Repat)	13,325	0.01
N.R.I. (Repat)	5,64,486	0.26
Trust	2,100	0.00
Hindu Undivided Family	5,75,533	0.26
Total	22,11,80,000	100.00

13 Dematerialization of Shares and liquidity

The Company's shares are traded compulsorily in dematerialized form at Bombay Stock Exchange and National Stock Exchange. 99.12% of the Equity shares of your Company have been dematerialized upto 31st March 2014.

14 Address of the correspondence

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

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

Nikhil V. Merchant
Managing Director

Mumbai, August 14, 2014



CEO/CFO CERTIFICATION

To,
The Board of Directors,
Swan Energy Limited

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

- (a) We have reviewed the Financial Statements for the Financial Year ended 31st March, 2014 and based on our knowledge and belief state that :
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
 - (ii) these statements together presents a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- (b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We hereby declare that all the members of the Board of Directors and the senior Management employees have confirmed compliance with the Code of Conduct as adopted by the Company.
- (d) We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the Financial Reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (e) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee :
 - (i) significant changes, if any, in the internal control over the Financial Reporting during the year;
 - (ii) significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over Financial Reporting.

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

Mumbai, August 14, 2014

Nikhil V. Merchant
Managing Director

Chetan K. Selarka
Chief Financial Officer



Auditors Certificate on Corporate Governance

To the members of Swan Energy Limited,

We have examined the records concerning the company's compliance of the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement entered into by the Company with the Stock Exchange of India for the financial year ended on March 31, 2014.

The objective of our examinations is to give our opinion on whether the Company has complied with the conditions of Corporate Governance as stipulated in the provisions of Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchange of India.

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

We have conducted our examination on the basis of the relevant records and documents maintained by the Company and furnished to us for examination and the information and explanations given to us by the Company.

Based on such examination, in our opinion, the Company has complied with Clause 49 of the Listing Agreement of the Stock Exchange.

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

For V.R.Renuka & Co.

Chartered Accountants

Firm Registration No. 108826W

V.R. Renuka

Proprietor

M. No. 032263

Mumbai, August 14, 2014



Independent Auditors' Report

To the Members of

SWAN ENERGY LIMITED.

Report on the Financial Statements

We have audited the accompanying financial statements of **Swan Energy Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and the 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

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act) read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards 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.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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:

- a. In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b. In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227 (4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
- e. On the basis of written representations received from the directors as on March 31, 2014, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of Section 274 (1) (g) of the Act.

For V.R.Renuka & Co.

Chartered Accountants

Firm Registration No. 108826W

V.R. Renuka

Proprietor

M. No. 032263

Mumbai, May 30, 2014



Annexure to the Independent Auditors' Report

Referred to in Paragraph 1 of the Auditors' Report under the head of 'Report on Other Legal and Regulatory Requirements' of our report of even date.

- 1) In respect of its fixed assets:
 - a. The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets on the basis of available information.
 - b. As explained to us, all the fixed assets have been physically verified by the management in a phased manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c. In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
- 2) In respect of its inventories:
 - a. The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
 - c. The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on verification of inventories as compared to the book records.
- 3) In respect of the loans, secured or unsecured, granted or taken by the company to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956:
 - a. The Company has given interest free loans to two subsidiaries. In respect of the said loans, the maximum amount outstanding at any time during the year was ₹ 41,385.10 Lacs and the year-end balance is ₹ 33,174.93 Lacs.
 - b. In our opinion and according to the information and explanation given to us, the rate of interest wherever charged and other terms and conditions of the loans given by the company, are not prima facie prejudicial to the interest of the company. Repayment is regular.
 - c. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the requirement of sub clauses (iii) (f) & (g) of paragraph 4 of the Order are not applicable to the company.
- 4) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory/material, fixed assets and for the sale of goods/flats/offices and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in such internal control system.
- 5) In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:
 - a. According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the Register maintained under Section 301 of the Act, have been so entered.
 - b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of ₹ 5,00,000/- in respect of any party have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- 6) The Company has not accepted any deposit from the public within the meaning of Sections 58A and 58AA of the Act and the Rules made there under.
- 7) In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- 8) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government U/s 209 (1) (d) of the Act and are of the opinion that prima facie the prescribed Cost Records have been maintained. We have, however, not



made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

- 9) In respect of Statutory dues:
- According to the information and explanation provided to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Value Added Tax, Wealth tax, Excise duty, Cess and other material statutory dues applicable to it.
 - Details of dues of Income tax which has not been deposited as on March 31, 2014 on account of disputes are given below:

Sr. No	Name of Statute	Nature of dues	Amount (₹ in Lacs)	Period to which it relates	Forum where dispute is pending
1	Income Tax Act, 1961	Income Tax	415.18	A.Y. 2011-12	CIT(A)
	Total		415.18		

- The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- According to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks and financial institutions during the year.
- The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debenture and other securities. Therefore, the provisions of Clause 4(xii) of the Order are not applicable to the Company.
- In our opinion, the Company is not a chit fund or nidhi/mutual benefit fund/ society. Therefore, the provisions of clause 4 (xiii) of the Order are not applicable to the Company.
- According to the information and explanations given to us, the Company has not dealt (other than in Mutual Fund Units) or traded in shares, securities, debentures or other investments during the year. For dealings in units of Mutual Funds, the Company has maintained proper records of transactions and contracts. All the investments have been held by the Company in its own name.
- In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks or financial institutions during the year, are not prejudicial to the interest of the Company.
- In our opinion and according to the information and explanation given to us, the term loans have been applied for the purposes for which they were obtained.
- In our opinion and according to the information and explanation given to us and on an overall examination of the Balance Sheet and Cash Flow Statement of the Company, we are of the opinion that no funds raised on the short term basis have been utilized for long term investment.
- During the year, the Company has made preferential allotment of shares to the Companies covered in the Register under section 301 of the Act. In our opinion and according to the information and explanations given to us, the price at which shares have been issued is not prejudicial to the interest of the Company.
- According to the information and explanations given to us, the Company has not issued any secured debentures; therefore the provisions of clause (xix) of the order are not applicable to the Company.
- The Company has not raised any money by way of public issue during the year.
- In our opinion and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

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

V.R. Renuka
Proprietor
M. No. 032263

Mumbai, May 30, 2014

**Balance Sheet as at March 31, 2014**

(₹ in lacs)

Particulars	Note No.	As at March 31, 2014	As at March 31, 2013
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	1	2,211.80	1,900.00
Reserves and Surplus	2	41,738.62	18,398.62
Non-Current Liabilities			
Long-Term Borrowings	3	233.24	4,449.20
Deferred Tax Liabilities (Net)	4	643.83	538.75
Other Long Term Liabilities	5	41,685.75	66,181.01
Current Liabilities			
Short-Term Borrowings	6	8,924.06	8,966.46
Trade Payables	7	6,466.14	3,737.58
Other Current Liabilities	8	10,426.50	6,072.79
Short-Term Provisions	9	3,125.71	4,527.08
TOTAL		1,15,455.65	1,14,771.49
ASSETS			
Non-Current Assets			
Fixed Assets - Tangible	10	9,625.13	9,988.85
Non-Current Investments	11	2,508.00	2,766.00
Long-Term Loans and Advances	12	36,612.37	39,703.11
Current Assets			
Current Investments	13	132.59	53.83
Inventories	14	49,743.07	45,452.63
Trade Receivables	15	6,582.83	4,294.86
Cash and Cash Equivalents	16	1,437.69	2,195.75
Short-Term Loans and Advances	17	7,897.39	9,497.80
Other Current Assets	18	916.58	818.66
TOTAL		1,15,455.65	1,14,771.49
Significant Accounting Policies	26		
Notes on Financial Statements	1 to 41		

As per our report of even date attached hereto

For and on behalf of the Board of Directors

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

Navinbhai C. Dave
Chairman

Nikhil V. Merchant
Managing Director

V.R. Renuka
Proprietor
M. No. 032263

Pareesh V. Merchant
Executive Director

Chetan K. Selarka
Chief Financial Officer

Arun S. Agarwal
Company Secretary

Mumbai, May 30, 2014

Mumbai, May 30, 2014

**Statement of Profit and Loss for the Year Ended March 31, 2014**

(₹ in lacs)

Particulars	Note No.	As at March 31, 2014	As at March 31, 2013
Income:			
Revenue from Operations	19	31,867.82	27,574.05
Other Income	20	1,407.06	1,162.19
Total Revenue		33,274.88	28,736.24
Expenses:			
Cost of Materials Consumed	21	28,887.90	23,615.07
(Increase)/Decrease in Finished Goods and Work-in-Progress	22	(3,303.38)	(3,081.21)
Employee Benefit Expenses	23	709.82	557.77
Finance Costs	24	2,803.33	1,758.38
Depreciation and Amortization Expense	10	431.58	427.48
Other Expenses	25	2,795.49	2,342.70
Total Expenses		32,324.74	25,620.19
Profit before Tax		950.14	3,116.05
Tax Expense:			
(1) Current tax		190.10	890.00
(2) Deferred Tax		105.08	172.74
Profit for the Year		654.96	2,053.31
Earnings Per Equity Share			
Basic and diluted (in ₹)		0.32	2.16
Significant Accounting Policies	26		
Notes on Financial Statements	1 to 41		

As per our report of even date attached hereto

For and on behalf of the Board of Directors

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

V.R. Renuka
Proprietor
M. No. 032263

Mumbai, May 30, 2014

Navinbhai C. Dave
Chairman

Paresh V. Merchant
Executive Director

Nikhil V. Merchant
Managing Director

Chetan K. Selarka
Chief Financial Officer

Arun S. Agarwal
Company Secretary

Mumbai, May 30, 2014

**Cash Flow Statement for the Year Ended March 31, 2014**

(₹ in lacs)

	Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
A	Cash Flow from Operating Activities		
	Profit before tax	950.14	3,116.05
	Adjustments for :		
	Depreciation	431.58	427.48
	Considered Separately:		
	Interest Income	(420.91)	(480.16)
	Finance Cost	2,803.33	1,758.38
	Operating Profit before Working Capital Changes	3,764.14	4,821.75
	Adjustments for :		
	Trade & Other Receivables	558.73	(31,836.87)
	Inventories	(4,290.44)	(5,195.58)
	Trade Payables and Other Liabilities	(21,207.69)	15,562.31
	Cash generated from operations	(21,175.26)	(16,648.39)
	Direct Taxes (Paid)/Received	318.97	(5,246.67)
	Net Cash from Operating Activities (A)	(20,856.29)	(21,895.06)
B	Cash Flow from Investing Activities		
	Purchase of Fixed Assets	(67.86)	(115.03)
	Sale of Other Investments	264.00	3,906.99
	Purchase of Other Investments	(79.76)	-
	Purchase of Investment in Subsidiary	(5.00)	(1,001.00)
	Interest Income	420.91	480.16
	Net Cash from Investing Activities (B)	532.29	3271.12
C	Cash Flow from Financing Activities		
	Long Term & Short Term Funds Borrowed/(Repaid)	(627.57)	5,424.33
	Issue of Shares	23,385.00	-
	Finance Cost	(2,803.33)	(1,758.38)
	Dividend Paid	(331.77)	(475.00)
	Tax on Dividend	(56.39)	(77.05)
	Net Cash from Financing Activities (C)	19,565.94	3,113.90
	Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	(758.06)	(15,510.04)
	Opening Balance of Cash & Cash Equivalents	2,195.75	17,705.79
	Closing Balance of Cash & Cash Equivalents	1,437.69	2,195.75

As per our report of even date attached hereto

For and on behalf of the Board of Directors

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

Navinbhai C. Dave
Chairman

Nikhil V. Merchant
Managing Director

V.R. Renuka
Proprietor
M. No. 032263

Paresh V. Merchant
Executive Director

Chetan K. Selarka
Chief Financial Officer

Arun S. Agarwal
Company Secretary

Mumbai, May 30, 2014

Mumbai, May 30, 2014



Notes to the Financial Statement for year ended March 31, 2014

1 Share Capital

(a) Authorised Share Capital:

Particulars	March 31, 2014 ₹ in Lacs	March 31, 2013 ₹ in Lacs
15,000 (2012-2013 : 15,000) 11% Cumulative Redeemable Preference Shares of ₹ 100/- each	15.00	15.00
10,000 (2012-2013 : 10,000) 11% Cumulative Preference Shares of ₹ 100/- each	10.00	10.00
1,00,00,00,000 (2012-2013 : 50,00,00,000 of ₹ 2/- each) Equity Shares of ₹ 1/- each	10,000.00	10,000.00
Total	10,025.00	10,025.00

(b) Issued, subscribed and paid up:

Particulars	March 31, 2014 ₹ in Lacs	March 31, 2013 ₹ in Lacs
22,11,80,000 (2012-2013 : 9,50,00,000 of ₹ 2/- each) Equity Shares of ₹ 1/- each fully paid up.	2,211.80	1,900.00
Total	2,211.80	1,900.00

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

Particulars	March 31, 2014		March 31, 2013	
	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
Outstanding At the beginning of the year (Face Value ₹ 2/- per share)	95,000,000	1,900.00	95,000,000	1,900.00
Add: Issued during the year (Face Value ₹ 2/- per share)	15,590,000	311.80	-	-
Outstanding At the end of the year (Face Value ₹ 1/- per share)	221,180,000	2,211.80	95,000,000	1,900.00

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

Name of the Shareholder	March 31, 2014		March 31, 2013	
	No. of Shares	% holding	No. of Shares	% holding
Dave Impex Private Limited	46,030,400	20.81	23,015,200	24.23
Swan Engitech Works Private Limited	38,402,858	17.36	19,201,429	20.21
Swan Realtors Private Limited	41,589,000	18.80	20,794,500	21.89

2 Reserves and Surplus

Particulars	March 31, 2014 ₹ in Lacs	March 31, 2013 ₹ in Lacs
Capital Reserve		
At the beginning of the year	5,810.64	5,810.64
Add: Transferred from Securities Premium A/c	0.43	-
Add: Transferred from Workmen's Welfare Reserve	0.25	-
At the end of the year	5,811.32	5,810.64
Capital Redemption Reserve	14.25	14.25
Securities Premium Reserve		
At the beginning of the year	0.43	0.43
Add: On shares issued during the year	23,073.20	-
Less:- Transferred to Capital Reserve	(0.43)	-



At the end of the year		23,073.20		0.43
General Reserve				
At the beginning of the year		-		-
Add: Transferred from Profit & Loss Appropriation Account	372.00			-
At the end of the year		372.00		-
Other Reserves				
Workmen's Welfare Reserve				
At the beginning of the period	0.25		0.25	
Add: On shares issued during the period	-		-	
Less:- Transferred to Capital Reserve	(0.25)		-	
At the end of the period			-	0.25
Surplus i.e. balance in Statement of Profit & Loss				
At the beginning of the year	12,573.05		11,071.79	
Add: Profit during the year	654.96		2,053.31	
Less: Appropriation				
Transferred to General Reserve	(372.00)		-	
Proposed dividend on equity shares	(331.77)		(475.00)	
Tax on proposed equity dividend	(56.39)		(77.05)	
At the end of the year		12,467.85		12,573.05
Total		41,738.62		18,398.62

3 Long Term Borrowings

Particulars		March 31, 2014 ₹ in Lacs	March 31, 2013 ₹ in Lacs
(a)	Term loans		
	From Banks (Secured)	229.74	4,449.20
	Vehicle Loan	3.50	-
	Total	233.24	4,449.20

Term loan from banks include:

- ICICI Bank loan : ₹ 165.00 lacs (2012-2013: ₹ 3,147.39). Secured by unsold property at Mumbai, charge on scheduled receivables, extension of charge on the escrow account of property, exclusive charge on DSR account.
- Union Bank of India and Oriental Bank of Commerce : ₹ 64.74 lacs (2012-2013: ₹ 1,301.81 lacs). Secured by mortgage of property at Ahmedabad for Textile project.
- Vehicle loan : Secured by hypothecation of Vehicle.

4 Deferred Tax Liabilities (Net)

Particulars	March 31, 2014 ₹ in Lacs	March 31, 2013 ₹ in Lacs
Deferred Tax Liability		
Related to Fixed Assets	643.83	538.75
Total	643.83	538.75

**5 Other Long Term Liabilities**

Particulars		March 31, 2014 ₹ in Lacs	March 31, 2013 ₹ in Lacs
(a)	Trade payables	-	-
(b)	Others		
	Project Advances	41,648.06	66,173.33
	Rental Deposits	37.69	7.68
Total		41,685.75	66,181.01

6 Short-term borrowings

Particulars		March 31, 2014 ₹ in Lacs	March 31, 2013 ₹ in Lacs
Working Capital and Other Short Term Loans			
From Banks/Financial Institutes and Others (Secured)		5,495.51	3,232.22
From other parties (Unsecured)		3,428.55	5,734.24
Total		8,924.06	8,966.46

Working Capital and Other Short Term Loans Loan from banks/Financial Institutes and Others include:

- i) Union Bank of India and Oriental Bank of Commerce ₹ 2,999.67 lacs (2012-2013: ₹ 2,681.61 lacs), which is secured against 1st pari passu charge on hypothecation of Inventories and Book debts of the textiles division.
- ii) Yes Bank ₹ 495.84 lacs (2012-2013: ₹ 550.61 lacs), which is secured against subservient charge on the entire current assets of the textile division. Pledge of 8,45,000 shares of Swan Energy Limited held by promoters/group companies.
- iii) Sicom loan: ₹ 2,000 Lacs (2012-2013: NIL). Secured by pledge of Equity Shares of Swan Energy Limited held by the promoters/group company(s).

7 Trade Payables

Particulars		March 31, 2014 ₹ in Lacs	March 31, 2013 ₹ in Lacs
Micro, Small & Medium Enterprises		-	-
Others		6,466.14	3,737.58
Total		6,466.14	3,737.58

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

8 Other current liabilities

Particulars		March 31, 2014 ₹ in Lacs	March 31, 2013 ₹ in Lacs
(a)	Current maturities of long-term debt		
	Term loan from Banks/Financial institutions and Others (Secured)	8,482.39	4,850.00
	Vehicle loan	2.00	3.58
(b)	Interest accrued but not due on borrowings	20.89	17.36
(c)	Other payables		
	Advance received from Customer	0.32	-
	Outstanding Expenses	55.56	44.12
	Salary Payable	25.78	24.02
	Bonus Payable	15.96	14.15



Duties & Taxes	681.88	76.66
Retention Money	774.70	799.64
Unpaid Dividend	2.34	2.38
Creditors for Capital Expenditure	70.52	69.93
Creditors for Revenue Expenditure	294.16	170.95
Total	10,426.50	6,072.79

Current maturities of long-term debt includes:

- ICICI Bank loan: ₹ 2,982.39 lacs (2012-2013: ₹ NIL). Secured by unsold property at Mumbai, charge on scheduled receivables, extension of charge on the escrow account of property, exclusive charge on DSR account.
- Union Bank of India and Oriental Bank of Commerce : ₹ 1,500 lacs (2012-2013: ₹ 1,450 lacs) Secured by mortgage of property at Ahmedabad for Textile project.
- Sicom loan: NIL (2012-2013: ₹ 2,000 lacs). Secured by pledge of Equity Shares of Swan Energy Limited held by the promoters/group company(s).
- TATA Capital: NIL (2012-2013: ₹ 1,400 Lacs). Secured by pledge of Equity Shares of Swan Energy Limited held by the Guarantor/Security provider.
- Arum Investments: ₹ 4,000Lacs (2012-2013: NIL). Secured by pledge of Equity Shares of Swan Energy Limited held by promoters and mortgage of Kovilambakkam property at Chennai.
- Vehicle loan: Secured by hypothecation of Vehicle.

9 Short-term provisions

Particulars	March 31, 2014 ₹ in Lacs	March 31, 2013 ₹ in Lacs
Proposed Dividend on Equity Shares	331.77	475.00
Tax Payable on Proposed Dividend	56.39	77.05
Provision for taxation	2,737.55	3,975.03
Total	3,125.71	4,527.08

10 Fixed Assets - Tangible

(₹ in Lacs)

Description of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01/04/2013	Additions for the Year	Deductions for the Year	As at 31/03/2014	As at 01/04/2013	For the Year	Adjustments for the Year	As at 31/03/2014	As at 31/03/2014	As at 31/03/2013
Land	3,202.19	-	-	3,202.19	-	-	-	-	3,202.19	3,202.19
Buildings	1,197.63	31.04	-	1,228.67	85.30	40.14	-	125.44	1,103.23	1,112.33
Plant & Machinery	5,588.28	14.23	-	5,602.51	691.98	294.97	-	986.95	4,615.56	4,896.30
Computers	60.75	3.37	-	64.12	18.00	10.11	-	28.11	36.01	42.75
Furniture, fixtures & Equipments	479.15	6.96	-	486.11	96.61	28.47	-	125.08	361.03	382.54
Motor Vehicles	607.40	12.26	-	619.66	254.66	57.89	-	312.55	307.11	352.74
Total	11,135.40	67.86	-	11,203.26	1,146.55	431.58	-	1,578.13	9,625.13	9,988.85
Previous year	11,020.37	115.03	-	11,135.40	719.07	427.48	-	1,146.55	9,988.85	10,301.30

**11 Non-current Investments**

Particulars	March 31, 2014 ₹ in Lacs	March 31, 2013 ₹ in Lacs
Investment in Equity Instruments		
Subsidiary Company - Unquoted		
1,50,10,000 (2012-2013: 1,50,10,000) Equity Shares of ₹ 10/- each in Cardinal Energy & Infrastructure Pvt. Ltd. - 100% holding (2012-2013: 100% holding)	1,501.00	1,501.00
1,00,10,000 (2012-2013: 1,00,10,000) Equity Shares of ₹ 10/- each in Pegasus Ventures Pvt. Ltd. - 100% holding (2012-2013: 100% holding)	1,001.00	1,001.00
50,000 (2012-2013: NIL) Equity Shares of ₹ 10/- each in Swan LNG Ltd. - 100% holding (2012-2013: NIL)	5.00	-
Other Company - Unquoted	1.00	264.00
Total	2,508.00	2,766.00

12 Long-term Loans and Advances

Particulars	March 31, 2014 ₹ in Lacs	March 31, 2013 ₹ in Lacs
(a) Capital Advances	871.76	133.99
(b) Security Deposits	123.80	136.47
(c) Loans and advances to related parties		
Cardinal Energy & Infrastructure Pvt. Ltd - Subsidiary	16,381.07	23,743.60
Pegasus Ventures Private Limited - Subsidiary	16,793.86	12,245.01
(d) Other loans and advances (Unsecured, considered good)	2,441.88	3,444.04
Total	36,612.37	39,703.11

13 Current Investments

Particulars	March 31, 2014 ₹ in Lacs	March 31, 2013 ₹ in Lacs
(a) Investments in Mutual Funds		
P8096 ICICI Prudential Liquid Plan - Direct - Growth (11,412 Units)	-	19.80
1565 ICICI Prudential Liquid - Regular Plan - Growth (53,798 Units)	100.00	-
(b) Fixed Deposit with bank	32.59	34.03
Total	132.59	53.83

Total Market Value of Mutual Funds **102.11** **19.80**

14 Inventories (As verified, valued and certified by the management)

Particulars	March 31, 2014 ₹ in Lacs	March 31, 2013 ₹ in Lacs
Work-in-progress and Advances	41,797.18	40,850.32
Construction Finished Goods	2,365.12	-
Textiles		
(a) Raw materials	2,228.50	2,765.39
(b) Work-in-progress	1,876.36	983.04
(c) Finished goods	1,364.45	774.51
(d) Stores and spares	111.46	79.37
Total	49,743.07	45,452.63

**15 Trade Receivables**

Particulars	March 31, 2014 ₹ in Lacs	March 31, 2013 ₹ in Lacs
Unsecured, Considered good		
Debts due for more than 6 months	651.80	651.78
Less: Provision for Doubtful Debts	-	-
Other Debts	5,931.03	3,643.08
Total	6,582.83	4,294.86

16 Cash and Cash equivalents

Particulars	March 31, 2014 ₹ in Lacs	March 31, 2013 ₹ in Lacs
(a) Balances with banks		
In Current Accounts	219.62	1,345.84
In Deposit Accounts	1,196.48	819.67
(b) Cash on hand	19.25	27.86
(c) Others		
Earmarked balance for Unpaid dividend	2.34	2.38
Total	1,437.69	2,195.75

17 Short-term Loans and Advances

Particulars	March 31, 2014 ₹ in Lacs	March 31, 2013 ₹ in Lacs
Other Loans & Advances		
Advance paid to suppliers	51.92	20.62
Advance Income Tax	7,124.92	8,871.46
Loans & Advances to staff	17.00	18.33
Prepaid Expenses	9.57	11.37
Cenvat Credit	84.87	16.83
Other Advances	609.11	559.19
Total	7,897.39	9,497.80

18 Other Current Assets

Particulars	March 31, 2014 ₹ in Lacs	March 31, 2013 ₹ in Lacs
Interest accrued on Fixed Deposits	15.19	31.33
TUF Subsidy Receivable	888.53	784.13
Security Deposit	12.86	-
Insurance Claim Receivable	-	3.20
Total	916.58	818.66

19 Revenue from Operations

Particulars	March 31, 2014 ₹ in Lacs	March 31, 2013 ₹ in Lacs
Sale of products;		
- Textile Goods	29,700.75	20,631.89
- Construction and Other Activities	2,167.07	6,942.16
Total	31,867.82	27,574.05

**20 Other Income**

Particulars	March 31, 2014 ₹ in Lacs	March 31, 2013 ₹ in Lacs
Interest Income	420.91	480.16
Net gain on sale of Shares and Mutual funds	825.04	486.66
Net gain on foreign exchange transaction/translation	-	4.52
TUF Subsidy	104.39	157.01
Other non-operating income	56.72	33.84
Total	1,407.06	1,162.19

21 Cost of Materials Consumed

Particulars	March 31, 2014 ₹ in Lacs	March 31, 2013 ₹ in Lacs
Material used in Construction Activities	1,525.25	5,551.59
Textile		
Greige	23,772.37	15,351.13
Stores & Spares	395.12	289.15
Dyes, Chemicals and others	3,195.16	2,423.20
Total for Textiles	27,362.65	18,063.48
Total	28,887.90	23,615.07

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

Particulars	March 31, 2014 ₹ in Lacs	March 31, 2013 ₹ in Lacs
Finished Goods		
Opening Stock	774.51	517.83
Closing Stock	3,729.57	774.51
Changes in Inventory of Finished Goods	(2,955.06)	(256.68)
Work in Progress		
Opening Stock	36,509.51	33,684.98
Closing Stock	36,857.83	36,509.51
Changes in Inventory Work in Progress	(348.32)	(2,824.53)
Total	(3,303.38)	(3,081.21)

23 Employee Benefit Expenses

Particulars	March 31, 2014 ₹ in Lacs	March 31, 2013 ₹ in Lacs
Salaries Wages and bonus	681.73	533.52
Company's Contribution to Provident fund	0.32	0.26
Company's Contribution to ESIC	4.36	4.54
Leave Travel Allowance	15.75	11.92
Staff Welfare Expenses	7.66	7.53
Total	709.82	557.77

24 Finance Costs

Particulars	March 31, 2014 ₹ in Lacs	March 31, 2013 ₹ in Lacs
Interest expense	2,707.28	1,604.99
Other Borrowing cost	96.05	153.39
Total	2,803.33	1,758.38

**25 Other Expenses**

Particulars	March 31, 2014 ₹ in Lacs	March 31, 2013 ₹ in Lacs
Towards Construction Activities		
Architect fees	10.11	63.43
Rates & Taxes	51.93	139.81
Security Charges	65.34	70.61
Power & Fuel	34.18	88.56
Other Development Expenses	133.31	65.99
	294.87	428.40
Advertisement Expenses	7.22	2.72
Audit Fees	2.25	2.25
Brokerage & Commission	178.55	145.57
Business Development Expenses	143.41	66.01
Communication cost	16.59	15.18
Donation	23.52	92.92
Freight Charges	359.95	249.44
Insurance	15.61	10.50
Labour Charges	437.77	397.18
Legal & Professional fees	456.90	150.46
Listing and related expenses	5.89	3.12
Membership & Subscription	2.93	4.14
Power & Fuel	376.89	369.30
Printing & Stationery	10.78	13.99
Rates & Taxes	13.50	33.08
Rent	7.04	6.69
Repair & Maintenance - Building	4.46	5.94
Repair & Maintenance - Machinery	74.97	16.14
Repair & Maintenance - Others	23.10	27.63
Security Charges	14.17	12.91
Vehicle Expenses	31.67	30.59
Miscellaneous Expenses	293.45	258.54
Total	2,795.49	2,342.70

26 SIGNIFICANT ACCOUNTING POLICIES**A Basis of Preparation of Financial Statements**

The financial statements have been prepared to comply with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. 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 and are consistent with those used in the previous year. The financial statements are presented in the general format specified in Revised Schedule VI to the Companies Act, 1956.

B Use of Estimates

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

**C Fixed Assets**

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

D Depreciation and Amortisation

Depreciation is provided on Straight Line Method as per the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

E Investments

Investments are classified into Non-Current and Current Investments.

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

F Inventories

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

G Revenue Recognition

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

H Foreign Currency Transactions

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

I Taxation

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

a) Current Tax

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

b) Deferred Tax

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

J Borrowing Costs

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

K Impairment of Assets

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

**L Provisions, Contingent Liabilities and Contingent Assets**

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

M Government Grants

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

N Segment Reporting

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

O Construction Activities

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

P Cash & Cash Equivalents

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

27 Earning Per Share

Particulars		March 31, 2014 ₹ in Lacs	March 31, 2013 ₹ in Lacs
i)	Net profit after tax as per Statements of Profit & Loss attributable to Equity Shareholders (₹ In Lacs)	654.96	2,053.31
ii)	Weighted average number of shares used as denomination for calculating Basic and Diluted earning per share	206,572,384	95,000,000
iii)	Face value of shares (₹ Per Share)	1.00	2.00
iv)	Basic/Diluted earning per share (in ₹)	0.32	2.16

28 Contingent Liabilities

i)	Income Tax (₹ In Lacs)	415.18	1,593.69
ii)	Corporate guarantee (₹ In Lacs)	25,910.00	19,500.00

29 Payment to Auditors (Excluding Service Tax)

i)	Statutory Audit Fees (₹ In Lacs)	1.50	1.50
ii)	Tax Audit Fees (₹ In Lacs)	0.50	0.50
iii)	Other Capacity	0.25	0.25

**30 Raw Material Consumed**

Particulars		March 31, 2014 ₹ in Lacs	March 31, 2013 ₹ in Lacs
i)	Greige Material		
	Quantity (Meter in Lacs)	246.27	210.31
	Value (₹ In Lacs)	23,772.37	15,351.13
ii)	Stores & Consumables - Value (₹ In Lacs)	395.12	289.15
iii)	Dyes, Chemicals and others - Value (₹ In Lacs)	3,195.16	2,423.20

31 Sales of Products

i)	Sales - Own		
	Quantity (Meter in Lacs)	237.13	211.18
	Value (₹ In Lacs)	29,669.49	20,134.05
ii)	Job Work		
	Quantity (Meter in Lacs)	1.10	27.95
	Value (₹ In Lacs)	26.87	497.84

32 Purchase/Manufacture of Products

i)	Greige Material		
	Quantity (Meter in Lacs)	239.67	227.91
	Value (₹ In Lacs)	23,235.48	17,459.51
ii)	Stores & Consumables - Value (₹ In Lacs)	395.14	291.19
iii)	Dyes, Chemicals and others - Value (₹ In Lacs) - Indigeneous	3,227.22	2,421.66
iv)	Dyes, Chemicals and others - Value (₹ In Lacs) - Import	-	5.48

33 Stock in Trade and Construction WIP

A	Textiles:		
i)	Greige Material		
	Quantity (Meter in Lacs)	18.73	25.33
	Value (₹ In Lacs)	2,228.50	2,765.39
ii)	Work In Progress		
	Quantity (Meter in Lacs)	14.55	8.19
	Value (₹ In Lacs)	1,876.36	983.04
iii)	Finished Goods		
	Quantity (Meter in Lacs)	9.82	5.96
	Value (₹ In Lacs)	1,364.45	774.51
iv)	Stores & Consumables - Value (₹ In Lacs)	2.79	2.76
v)	Dyes, Chemicals and others - Value (₹ In Lacs)	108.68	76.61
B	Real Estate and Others		
i)	Work-in-progress and Advances		
	Value (₹ In Lacs)	41,797.18	35,526.47
ii)	Construction Finished Goods		
	Value (₹ In Lacs)	2,365.12	-

**34 Value of Imports on CIF Basis**

Particulars		March 31, 2014 ₹ in Lacs	March 31, 2013 ₹ in Lacs
i)	Capital Goods (₹ In Lacs)	-	21.63
ii)	Raw Material - Dyes & Chemicals (₹ In Lacs)	-	5.48
ii)	Stores & Spares (₹ In Lacs)	14.92	-

35 Earning in Foreign Currency

FOB value of exports		
Quantity (Meter in Lacs)	-	0.04
Value (₹ In Lacs)	-	3.86

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

	Name of the Parties	Relationship
i)	Cardinal Energy & Infrastructure Private Limited	Subsidiary
ii)	Pegasus Venture Private Limited	
iii)	Swan LNG Limited	
iv)	Mr. Nikhil V. Merchant	Key Management Personnel
v)	Mr. Paresh V. Merchant	
vi)	Mr. Padmanabhan Sugavanam	
vii)	Mr. Vilas A. Gangan	
viii)	Ms. Vinita N. Merchant	Relative of Key Management Personnel
ix)	Ami Tech (India) Private Limited	Enterprise over which Key Management Personnel is able to exercise significant influence
x)	Feltham Trading Private Limited	
xi)	Good Earth Commodities (India) Private Limited	
xii)	Dave Impex Private Limited	
xiii)	Dave Leasing and Holdings Private Limited	
xiv)	Sahajanand Soaps and Chemicals Private Limited	
xv)	Swan International Limited	
xvi)	Storm Soft Technologies Private Limited	

B Transaction during the year with related parties

(₹ In Lacs)

Sr No.	Name of the Company	Opening Balance Dr	Opening Balance Cr	Purchase of Shares	Remuneration Paid	Sales	Purchase	Brokerage Paid	Rent Paid	Advance Given	Advance received back	Advance taken	Advance paid back	Closing Balance Dr	Closing Balance Cr
i)	Cardinal Energy & Infrastructure Private Limited	23,743.60	-	-	-	-	-	-	-	3,862.86	11,225.39	-	-	16,381.07	-
ii)	Pegasus Venture Private Limited	12,245.01	-	-	-	-	-	-	-	6,239.53	1,690.68	-	-	16,793.86	-
iii)	Swan LNG Limited	-	-	5.00	-	-	-	-	-	1.43	1.43	-	-	-	-
iv)	Mr. Nikhil Merchant	-	-	-	101.00	-	-	-	-	-	-	592.00	592.00	-	-
v)	Mr. Paresh Merchant	-	-	-	101.00	-	-	-	-	-	-	1,037.70	1,037.70	-	-
vi)	Mr. Padmanabhan Sugavanam	-	-	-	24.00	-	-	-	-	-	-	-	-	-	-
vii)	Mr. Vilas A. Gangan	-	-	-	9.10	-	-	-	-	-	-	-	-	-	-
viii)	Ms. Vinita N. Merchant	-	-	-	0.69	-	-	-	-	-	-	-	-	-	-
ix)	Ami Tech (India) Private Limited	1,349.53	-	-	-	-	-	-	-	1,631.33	2,980.86	-	-	-	-
x)	Feltham Trading Private Limited	-	-	-	-	-	-	-	1.80	-	-	-	-	-	-



xii)	Good Earth Commodities (India) Private Limited	5.75	-	-	-	380.52	306.70	5.00	-	-	-	-	-	-	75.32
xiii)	Dave Impex Private Limited	-	-	-	-	-	-	-	-	522.04	261.04	-	-	261.00	-
xiv)	Dave Leasing and Holdings Private Limited	1.25	-	-	-	-	-	-	-	48.75	50.00	-	-	-	-
xv)	Sahajanand Soaps and Chemicals Private Limited	-	75.00	-	-	-	-	-	-	-	-	92.00	167.00	-	-
xvi)	Swan International Limited	-	74.50	-	-	-	-	-	-	-	-	37.78	112.28	-	-
xvii)	Storm Soft Technologies Private Limited	0.11	-	-	-	-	-	-	-	-	0.11	-	-	-	-
Total		37,345.25	149.50	5.00	235.79	380.52	306.70	5.00	1.80	12,305.93	16,209.50	1,759.48	1,908.98	33,435.93	75.32

37 Segment Reporting

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

Particulars	March 31, 2014 ₹ in Lacs	March 31, 2013 ₹ in Lacs
Segment Revenue		
Textiles	29,866.83	20,631.89
Property development/*Others	3,408.05	8,104.35
Total	33,274.88	28,736.24
Segment Results (Before Interest & Tax)		
Textiles	1,613.90	1,037.99
Property development/*Others	2,139.58	3,836.44
Total	3,753.48	4,874.43

Segment Assets		
Textiles	19,001.74	16,716.14
Property development/*Others	89,328.99	98,055.35
Total	108,330.73	114,771.49
Segment Liabilities		
Textiles	11,745.96	9,743.01
Property development/*Others	55,989.73	84,177.82
Total	67,735.69	93,920.83

Note:

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

38 Quarterly financial results are published in accordance with the guidelines issued by SEBI. The recognition and measurement principles as laid down in the standards are followed with respect to such results.

39 At the Balance Sheet date, an assessment is done to determine whether there is any indication of impairment in the carrying amount of the fixed assets. No impairment loss is determined.



- 40 The Company had entered into Development Agreement with Peninsula Land Limited (Formerly Piramal Holdings Ltd) to develop and sale properties at Mumbai and as per the said agreement, they are entitled to 22% of the gross receipt. The transactions and effect thereof are already given in these accounts.
- 41 Previous Year's figures are regrouped/rearranged wherever necessary.

As per our report of even date attached hereto

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

V.R. Renuka
Proprietor
M. No. 032263

Mumbai, May 30, 2014

For and on behalf of the Board of Directors

Navinbhai C. Dave
Chairman

Paresh V. Merchant
Executive Director

Nikhil V. Merchant
Managing Director

Chetan K. Selarka
Chief Financial Officer

Arun S. Agarwal
Company Secretary

Mumbai, May 30, 2014



Independent Auditors' Report on Consolidated Financial Statements

To The Board of Directors of

Swan Energy Limited

We have audited the accompanying consolidated financial statement of **Swan Energy Limited** (the "Company") and its subsidiaries, which comprise the consolidated Balance Sheet as at March 31, 2014, the consolidated statement of Profit & Loss and the consolidated Cash Flow Statement for the year ended, and a summary of the significant accounting policies and other explanatory information.

Managements Responsibility for the Consolidated Financial Statements

The company's management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated Cash flow of the Company in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true fair view and are free from material misstatements, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statement based on our audit. We conducted our audit in accordance with the Standard on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedure selected depends on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statement that gives true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanation given to us, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.

- (a) In case of the Consolidated Balance Sheet , of the state of affairs as at March 31, 2014;
- (b) In case of the Consolidated Statement of Profit and Loss , of the loss for the year ended on that date; and
- (c) In case of the Consolidated Cash Flow Statement, of the Cash Flows for the year ended on that date.

Other matters

We have relied on unaudited financial statement of subsidiary. This unaudited financial statement as approved by the respective Board of Directors of these company have been furnished to us by the Management and our report insofar as it relates to the amounts included in respect of company is based solely on such approved unaudited financial statements. Financial statement of above subsidiary reflects total assets (net) of ₹ 1,162.55 Lacs.

Our opinion is not qualified in respect of other matters.

For V.R.Renuka & Co.

Chartered Accountants
Firm Registration No. 108826W

V.R. Renuka

Proprietor
M. No. 032263

Mumbai, May 30, 2014

**Consolidated Balance Sheet as at March 31, 2014**

(₹ in lacs)

Particulars	Note No.	As at March 31, 2014	As at March 31, 2013
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	1	2,211.80	1,900.00
Reserves and Surplus	2	40,869.00	18,193.00
Non-Current Liabilities			
Long-Term Borrowings	3	9,473.82	18,143.14
Deferred Tax Liabilities (Net)	4	643.83	538.75
Other Long Term Liabilities	5	43,160.91	67,656.17
Current Liabilities			
Short-Term Borrowings	6	31,593.28	19,198.08
Trade Payables	7	7,549.50	4,612.17
Other Current Liabilities	8	17,874.50	8,206.78
Short-Term Provisions	9	3,125.89	4,529.10
TOTAL		156,502.53	142,977.19
ASSETS			
Non-Current Assets			
Fixed Assets	10		
- Tangible		37,863.32	29,760.57
- Capital work in progress		45,035.94	41,746.78
Non-Current Investments	11	1.00	798.14
Long-Term Loans and Advances	12	4,648.01	3,714.50
Other Non-Current Assets	13	19.83	28.28
Current Assets			
Current Investments	14	132.59	53.83
Inventories	15	49,743.07	45,452.63
Trade Receivables	16	6,583.40	4,634.34
Cash and Cash Equivalents	17	1,637.14	2,491.33
Short-Term Loans and Advances	18	9,868.02	12,929.49
Other Current Assets	19	970.21	1,367.30
TOTAL		156,502.53	142,977.19
Significant Accounting Policies			
Notes on Financial Statements	1 to 42		

As per our report of even date attached hereto

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

V.R. Renuka
Proprietor
M. No. 032263

Mumbai, May 30, 2014

For and on behalf of the Board of Directors

Navinbhai C. Dave
Chairman

Paresh V. Merchant
Executive Director

Nikhil V. Merchant
Managing Director

Chetan K. Selarka
Chief Financial Officer

Arun S. Agarwal
Company Secretary

Mumbai, May 30, 2014



Consolidated Statement of Profit and Loss for the Year Ended March 31, 2014

(₹ in lacs)

Particulars	Note No.	Year Ended March 31, 2014	Year Ended March 31, 2013
Income:			
Revenue from Operations	20	33,287.18	27,876.19
Other Income	21	1,425.30	1,187.60
Total Revenue		34,712.48	29,063.79
Expenses:			
Cost of Materials Consumed	22	28,887.90	23,615.07
(Increase)/Decrease in Finished Goods and Work-in-Progress	23	(3,303.38)	(3,081.21)
Employee Benefit Expenses	24	781.27	572.29
Finance Costs	25	3,824.28	2,030.52
Depreciation and Amortization Expense	10	1,159.55	587.80
Other Expenses	26	3,110.28	2,423.78
Total Expenses		34,459.90	26,148.25
Profit before Tax		252.58	2,915.54
Tax Expense:			
(1) Current tax		190.10	890.00
(2) Deferred Tax		105.08	172.92
Profit for the Year		(42.60)	1,852.62
Earnings Per Equity Share			
Basic and diluted (in ₹)		(0.02)	1.95
Significant Accounting Policies			
Notes on Financial Statements	1 to 42		

As per our report of even date attached hereto

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

V.R. Renuka
Proprietor
M. No. 032263

Mumbai, May 30, 2014

For and on behalf of the Board of Directors

Navinbhai C. Dave
Chairman

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Managing Director

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Chief Financial Officer

Arun S. Agarwal
Company Secretary

Mumbai, May 30, 2014

**Consolidated Cash Flow Statement for the Year Ended March 31, 2014**

(₹ in lacs)

	Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
A	Cash Flow from Operating Activities		
	Profit before tax	252.58	2,915.54
	Adjustments for :		
	Depreciation	1,159.55	587.80
	Considered Separately:		
	Preliminary Expenses	9.03	12.60
	Interest Income	(439.15)	(505.57)
	Exchange Rate Difference	(12.82)	-
	Finance Cost	3,824.28	2,030.52
	Operating Profit before Working Capital Changes	4,793.47	5,040.89
	Adjustments for :		
	Trade & Other Receivables	(959.29)	(10,787.44)
	Inventories	(4,290.44)	(5,195.57)
	Trade Payables and Other Liabilities	(15,655.69)	19,963.01
	Cash generated from operations	(16,111.95)	9,020.89
	Direct Taxes (Paid)/Received	227.71	(5,246.67)
	Net Cash from Operating Activities (A)	(15,884.24)	3,774.22
B	Cash Flow from Investing Activities		
	Purchase of Fixed Assets	(11,242.93)	(33,600.55)
	Sale of Investments	349.84	3,906.99
	Purchase of Investment	(79.76)	(534.14)
	Payment of Preliminary Expenses	(0.58)	(8.20)
	Interest Income	439.15	505.57
	Net Cash from Investing Activities (B)	(10,534.28)	(29,730.33)
C	Cash Flow from Financing Activities		
	Long Term & Short Term Funds Borrowed/(Repaid)	6,391.77	12,349.90
	Issue of Shares	23,385.00	-
	Finance Cost	(3,824.28)	(2,030.52)
	Dividend Paid	(331.77)	(475.00)
	Tax on Dividend	(56.39)	(77.05)
	Net Cash from Financing Activities (C)	25,564.33	9,767.33
	Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	(854.19)	(16,188.78)
	Opening Balance of Cash & Cash Equivalents	2,491.33	18,680.11
	Closing Balance of Cash & Cash Equivalents	1,637.14	2,491.33

As per our report of even date attached hereto

For and on behalf of the Board of Directors

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

Navinbhai C. Dave
Chairman

Nikhil V. Merchant
Managing Director

V.R. Renuka
Proprietor
M. No. 032263

Paresh V. Merchant
Executive Director

Chetan K. Selarka
Chief Financial Officer

Arun S. Agarwal
Company Secretary

Mumbai, May 30, 2014

Mumbai, May 30, 2014

**Notes to the Consolidated Financial Statement for year ended March 31, 2014****1 Share Capital****(a) Authorised Share Capital:**

Particulars	March 31, 2014 ₹ in Lacs	March 31, 2013 ₹ in Lacs
15,000 (2012-2013 : 15,000) 11% Cumulative Redeemable Preference Shares of ₹ 100/- each	15.00	15.00
10,000 (2012-2013 : 10,000) 11% Cumulative Preference Shares of ₹ 100/- each	10.00	10.00
1,00,00,00,000 (2012-2013 : 50,00,00,000 of ₹ 2/- each) Equity Shares of ₹ 1/- each	10,000.00	10,000.00
Total	10,025.00	10,025.00

(b) Issued, subscribed and paid up:

Particulars	March 31, 2014 ₹ in Lacs	March 31, 2013 ₹ in Lacs
22,11,80,000 (2012-2013 : 9,50,00,000 of ₹ 2/- each) Equity Shares of ₹ 1/- each fully paid up.	2,211.80	1,900.00
Total	2,211.80	1,900.00

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

Particulars	March 31, 2014		March 31, 2013	
	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
Outstanding At the beginning of the year (Face Value ₹ 2/- per share)	95,000,000	1,900.00	95,000,000	1,900.00
Add: Issued during the period (Face Value ₹ 2/- per share)	15,590,000	311.80	-	-
Outstanding At the end of the year (Face Value ₹ 1/- per share)	221,180,000	2,211.80	95,000,000	1,900.00

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

Name of the Shareholder	March 31, 2014		March 31, 2013	
	No. of Shares	% holding	No. of Shares	% holding
Dave Impex Private Limited	46,030,400	20.81	23,015,200	24.23
Swan Engitech Works Private Limited	38,402,858	17.36	19,201,429	20.21
Swan Realtors Private Limited	41,589,000	18.80	20,794,500	21.89

2 Reserves and Surplus

Particulars	March 31, 2014 ₹ in Lacs		March 31, 2013 ₹ in Lacs	
Capital Reserve				
At the beginning of the year	5,810.64		5,810.64	
Add: Transferred from Securities Premium A/c	0.43			
Add: Transferred from Workmen's Welfare Reserve	0.25			
At the end of the year		5,811.32		5,810.64
Capital Redemption Reserve		14.25		14.25
Securities Premium Reserve				
At the beginning of the year	0.43		0.43	
Add: On shares issued during the year	23,073.20		-	
Less:- Transferred to Capital Reserve	(0.43)			



At the end of the year		23,073.20		0.43
General Reserve				
At the beginning of the year		-		
Add: Transferred from Profit & Loss Appropriation Account	372.00			
At the end of the year		372.00		
Other Reserves				
Workmen's Welfare Reserve				
At the beginning of the year	0.25		0.25	
Add: On shares issued during the year	-			
Less:- Transferred to Capital Reserve	(0.25)			
At the end of the year		-		0.25
Currency Translation Reserve				
At the beginning of the year	-			
Add: Exchange translation difference on investment in foreign subsidiary	33.56			
At the end of the year		33.56		
Surplus i.e. balance in Statement of Profit & Loss				
At the beginning of the year	12,367.43		11,066.86	
Add: Profit during the year	(42.60)		1,852.62	
Less: Appropriation				
Transferred to General Reserve	(372.00)			
Proposed dividend on equity shares	(331.77)		(475.00)	
Tax on proposed equity dividend	(56.39)		(77.05)	
At the end of the year		11,564.67		12,367.43
Total		40,869.00		18,193.00

3. Long Term Borrowings

Particulars		March 31, 2014 ₹ in Lacs	March 31, 2013 ₹ in Lacs
(a)	Term loans		
	From Banks (Secured)	9,470.32	12,143.14
	From Other parties (Secured)	-	6,000.00
	Vehicle Loan	3.50	-
	Total	9,473.82	18,143.14

Term loan from banks in Swan Energy Limited include:

- i) ICICI Bank loan: ₹ 165.00 lacs (2012-2013: ₹ 3,147.38 lacs). Secured by unsold property at Mumbai, charge on scheduled receivables, extension of charge on the escrow account of property, exclusive charge on DSR account.
- ii) Union Bank of India and Oriental Bank of Commerce : ₹ 64.74 lacs (2012-2013: ₹ 1,301.81 lacs). Secured by mortgage of property at Ahmedabad for Textile project.
- iii) Vehicle loan: Secured by hypothecation of Vehicle.

Term loan from banks in Cardinal Energy and Infrastructure Private Limited include:

- iv) ICICI Bank Loan: ₹ 440 lacs (2012-2013: ₹ 800 lacs) are secured by way of equitable mortgage by means of deposit of title of the Property, Exclusive charge on the scheduled receivables of the projects, Second charge by way of hypothecation on scheduled receivables of Other property, personal guarantees of Directors.



- v) Vijaya Bank loan: ₹ 8550.27 lacs (2012-2013: ₹ NIL) is secured by the property at Bengaluru.
- vi) Standard Chartered Bank loan: ₹ NIL (2012-2013: ₹ 6,893.95 lacs) is secured by the property at Bengaluru.
- vii) Backett Holding Limited loan: ₹ 250.31 lacs (2012-2013: ₹ NIL) secured by personal guarantee of director.

Term loan from Other Parties in Pegasus Ventures Private Limited Include :

- viii) Arum Investments Private Limited Loan of ₹ NIL (2012-13: ₹ 6000 lacs) is secured by pledge of unencumbered dematerialized equity shares of Swan Energy Limited.

4 Deferred Tax Liabilities (Net)

Particulars	March 31, 2014 ₹ in Lacs	March 31, 2013 ₹ in Lacs
Deferred Tax Liability		
Related to Fixed Assets	643.83	538.75
Total	643.83	538.75

5 Other Long Term Liabilities

Particulars	March 31, 2014 ₹ in Lacs	March 31, 2013 ₹ in Lacs
(a) Trade payables	-	-
(b) Others		
Project Advances	41,648.06	66,173.33
Rental Deposits	1,512.85	1,482.84
Total	43,160.91	67,656.17

6 Short-term Borrowings

Particulars	March 31, 2014 ₹ in Lacs	March 31, 2013 ₹ in Lacs
Working Capital and Other Short Term Loans		
From Banks/Financial Institutes and Others (Secured)	20,127.62	13,263.19
From other parties (Unsecured)	11,465.66	5,934.89
Total	31,593.28	19,198.08

Working Capital and Other Short Term Loans Loan from banks/Financial Institutes and Others in Swan Energy Limited include:

- i) Union Bank of India and Oriental Bank of Commerce ₹ 2,999.67 lacs (2012-2013: ₹ 2,681.61 lacs), which is secured against 1st pari passu charge on hypothecation of Inventories and Book debts of the textiles division.
- ii) Yes Bank ₹ 495.84 lacs (2012-2013: ₹ 550.61 lacs), which is secured against subservient charge on the entire current assets of the textile division. Pledge of 8,45,000 shares of Swan Energy Limited held by promoters / group companies.
- iii) Sicom loan: ₹ 2,000 lacs (2012-2013: ₹ NIL). Secured by pledge of Equity Shares of Swan Energy Limited held by the promoters/group company(s).

Working Capital Loan from banks in cardinal Energy and Infrastructure Private Limited include:

- iv) Indian Overseas Bank: ₹ 14632.11 lacs (2012-2013: ₹ 10030.97 lacs) is secured by the property at Hyderabad.

**7 Trade Payables**

Particulars	March 31, 2014 ₹ in Lacs	March 31, 2013 ₹ in Lacs
Micro, Small & Medium Enterprises	-	-
Others	7,549.50	4,612.17
Total	7,549.50	4,612.17

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

8 Other Current Liabilities

	Particulars	March 31, 2014 ₹ in Lacs	March 31, 2013 ₹ in Lacs
(a)	Current maturities of long-term debt		
	Term loan from Banks/Financial institutions and Others (Secured)	15,397.09	5,240.05
	Vehicle loan	2.00	3.58
(b)	Interest accrued but not due on borrowings	422.43	57.70
(c)	Other payables		
	Advance received from Customer	0.32	-
	Other Payables	-	1,594.00
	Outstanding Expenses	56.46	44.69
	Salary Payable	25.78	24.02
	Bonus Payable	15.96	14.15
	Duties & Taxes	746.80	166.95
	Retention Money	774.70	799.64
	Unpaid Dividend	2.34	2.38
	Creditors for Capital Expenditure	70.52	86.76
	Creditors for Revenue Expenditure	360.10	172.86
	Total	17,874.50	8,206.78

Current maturities of long-term debt in Swan Energy Limited includes:

- i) ICICI Bank loan: ₹ 2,982.39 lacs (2012-2013: ₹ NIL). Secured by unsold property at Mumbai, charge on scheduled receivables, extension of charge on the escrow account of property, exclusive charge on DSR account.
- ii) Union Bank of India and Oriental Bank of Commerce : ₹ 1,500 lacs (2012-2013: ₹ 1,450 lacs) Secured by mortgage of property at Ahmedabad for Textile project.
- iii) Sicom loan: ₹ NIL (2012-2013: ₹ 2,000 lacs). Secured by pledge of Equity Shares of Swan Energy Limited held by the promoters/group company(s).
- iv) TATA Capital: ₹ NIL (2012-2013: ₹ 1,400 lacs). Secured by pledge of Equity Shares of Swan Energy Limited held by the Guarantor/Security provider.
- v) Arum Investments: ₹ 4,000 lacs (2012-2013: ₹ NIL). Secured by pledge of Equity Shares of Swan Energy Limited held by promoters and mortgage of Kovilambakkam property at Chennai.
- vi) Vehicle loan: Secured by hypothecation of Vehicle.

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

- vii) Standard Chartered Bank loan: ₹ NIL Lacs (2012-2013: ₹ 390.05 lacs) is secured by the property at Bengaluru.
- viii) ICICI Bank Loan: ₹ 360 lacs (2012-2013: ₹ NIL) are secured by way of equitable mortgage by means of deposit of title of the Property, Exclusive charge on the scheduled receivables of the projects, Second charge by way of hypothecation on scheduled receivables of Other property, personal guarantees of Directors.



- ix) Vijaya Bank loan: ₹ 281.64 lacs (2012-2013: ₹ NIL) is secured by the property at Bengaluru.
- x) Backett Holding Limited loan: ₹ 273.06 lacs (2012-2013: ₹ NIL) secured by personal guarantee of Director.

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

- xi) Arum Investments Private Limited Loan of ₹ 6,000 lacs (2012-2013 : ₹ NIL) is secured by pledge of unencumbered dematerialized equity shares of Swan Energy Limited.

9 Short-term Provisions

Particulars	March 31, 2014 ₹ in Lacs	March 31, 2013 ₹ in Lacs
Proposed Dividend on Equity Shares	331.77	475.00
Tax Payable on Proposed Dividend	56.39	77.05
Provision for taxation	2,737.73	3,975.20
Other Provisions	-	1.85
Total	3,125.89	4,529.10

10 Fixed Assets - Tangible

(₹ In lacs)

Description of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01/04/2013	Additions for the year	Deductions for the year	As at 31/03/2014	As at 01/04/2013	For the year	Adjustments for the Year	As at 31/03/2014	As at 31/03/2014	As at 01/04/2013
Land	3,202.19	8,822.54	-	12,024.73	-	-	-	-	12,024.73	3,202.19
Buildings	18,493.74	117.74	-	18,611.48	215.08	621.37	-	836.45	17,775.03	18,278.66
Plant & Machinery	7,528.81	179.98	-	7,708.79	712.64	396.04	-	1,108.68	6,600.11	6,816.17
Computers	62.53	4.15	-	66.68	18.11	10.49	-	28.60	38.08	44.42
Furniture, fixtures & Equipments	1,172.77	125.63	-	1,298.40	106.38	73.76	-	180.14	1,118.26	1,066.39
Motor Vehicles	607.40	12.26	-	619.66	254.66	57.89	-	312.55	307.11	352.74
Total	31,067.44	9,262.30	-	40,329.74	1,306.87	1,159.55	-	2,466.42	37,863.32	29,760.57
Previous year - Tangible Assets	11,020.37	20,047.07	-	31,067.44	719.07	587.80	-	1,306.87	29,760.57	10,301.30
Capital work-in-progress	43,055.30	10,803.18	8,822.54	45,035.94	-	-	-	-	45,035.94	43,055.30
Previous year - CWIP	28,193.30	26,995.38	13,441.90	41,746.78	-	-	-	-	41,746.78	28,193.30

11 Non-current Investments

Particulars	March 31, 2014 ₹ in Lacs	March 31, 2013 ₹ in Lacs
Investment in Equity Instruments		
Other Company - Unquoted	1.00	798.14
Total	1.00	798.14

12 Long-term Loans and Advances

Particulars	March 31, 2014 ₹ in Lacs	March 31, 2013 ₹ in Lacs
(a) Capital Advances	1,665.91	133.99
(b) Security Deposits	540.22	136.47
(c) Other loans and advances (Unsecured, considered good)	2,441.88	3,444.04
Total	4,648.01	3,714.50

**13 Other Non-current Assets**

Particulars	March 31, 2014 ₹ in Lacs	March 31, 2013 ₹ in Lacs
Others		
Unamortised Expenses	19.83	28.28
Total	19.83	28.28

14 Current Investments

Particulars	March 31, 2014 ₹ in Lacs	March 31, 2013 ₹ in Lacs
(a) Investments in Mutual Funds		
P8096 ICICI Prudential Liquid Plan - Direct - Growth (11,412 Units)	-	19.80
1565 ICICI Prudential Liquid - Regular Plan - Growth (53,798 Units)	100.00	-
(b) Fixed Deposit with bank	32.59	34.03
Total	132.59	53.83
Total Market Value of Mutual Funds	102.11	19.80

15 Inventories (As verified, valued and certified by the management)

Particulars	March 31, 2014 ₹ in Lacs	March 31, 2013 ₹ in Lacs
Work-in-progress and Advances	41,797.18	40,850.32
Construction Finished Goods	2,365.12	-
Textiles		
(a) Raw materials	2,228.50	2,765.39
(b) Work-in-progress	1,876.36	983.04
(c) Finished goods	1,364.45	774.51
(d) Stores and spares	111.46	79.37
Total	49,743.07	45,452.63

16 Trade Receivables

Particulars	March 31, 2014 ₹ in Lacs	March 31, 2013 ₹ in Lacs
Unsecured, Considered good		
Debts due for more than 6 months	651.80	651.78
Less: Provision for Doubtful Debts	-	-
Other Debts	5,931.60	3,982.56
Total	6,583.40	4,634.34

17 Cash and Cash Equivalents

Particulars	March 31, 2014 ₹ in Lacs	March 31, 2013 ₹ in Lacs
(a) (a) Balances with banks		
In Current Accounts	331.23	1,437.68
In Deposit Accounts	1,258.20	1,006.38
(b) Cash on hand	45.37	44.89
(c) Others		
Earmarked balance for Unpaid dividend	2.34	2.38
Total	1,637.14	2,491.33

**18 Short-term Loans and Advances**

Particulars	March 31, 2014 ₹ in Lacs	March 31, 2013 ₹ in Lacs
Other Loans & Advances		
Advance paid to suppliers	310.09	543.68
Advance Income Tax	7,236.92	8,892.00
Loans & Advances to staff	17.05	18.33
Prepaid Expenses	9.57	11.38
Cenvat Credit	90.25	16.83
Other Advances	2,204.14	3,447.27
Total	9,868.02	12,929.49

19 Other Current Assets

Particulars	March 31, 2014 ₹ in Lacs	March 31, 2013 ₹ in Lacs
Interest accrued on Fixed Deposits	19.12	31.33
TUF Subsidy Receivable	888.53	784.13
Security Deposit	16.26	548.64
Other Receivables	46.30	-
Insurance Claim Receivable	-	3.20
Total	970.21	1,367.30

20 Revenue from Operations

Particulars	March 31, 2014 ₹ in Lacs	March 31, 2013 ₹ in Lacs
Sale of products;		
- Textile Goods	29,700.75	20,631.89
- Construction and Other Activities	2,167.07	6,942.16
- Lease Rent Income	1,419.36	302.14
Total	33,287.18	27,876.19

21 Other Income

Particulars	March 31, 2014 ₹ in Lacs	March 31, 2013 ₹ in Lacs
Interest Income	439.15	505.57
Net gain on sale of Shares and Mutual funds	825.04	486.66
Net gain on foreign exchange transaction/translation	-	4.52
TUF Subsidy	104.39	157.01
Other non-operating income	56.72	33.84
Total	1,425.30	1,187.60

22 Cost of Materials Consumed

Particulars	March 31, 2014 ₹ in Lacs	March 31, 2013 ₹ in Lacs
Material used in Construction Activities	1,525.25	5,551.59
Textile		
Greige	23,772.37	15,351.13
Stores & Spares	395.12	289.15
Dyes, Chemicals and others	3,195.16	2,423.20
Total for Textiles	27,362.65	18,063.48
Total	28,887.90	23,615.07

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

Particulars	March 31, 2014 ₹ in Lacs	March 31, 2013 ₹ in Lacs
Finished Goods		
Opening Stock	774.51	517.83
Closing Stock	3,729.57	774.51
Changes in Inventory of Finished Goods	(2,955.06)	(256.68)
Work in Progress		
Opening Stock	36,509.51	33,684.98
Closing Stock	36,857.83	36,509.51
Changes in Inventory Work in Progress	(348.32)	(2,824.53)
Total	(3,303.38)	(3,081.21)

24 Employee Benefit Expenses

Particulars	March 31, 2014 ₹ in Lacs	March 31, 2013 ₹ in Lacs
Salaries Wages and bonus	751.31	547.11
Company's Contribution to Provident fund	0.32	0.26
Company's Contribution to ESIC	4.36	4.54
Leave Travel Allowance	15.75	11.92
Staff Welfare Expenses	9.53	8.46
Total	781.27	572.29

25 Finance Costs

Particulars	March 31, 2014 ₹ in Lacs	March 31, 2013 ₹ in Lacs
Interest expense	3,728.23	1,877.13
Other Borrowing cost	96.05	153.39
Total	3,824.28	2,030.52

26 Other Expenses

Particulars	March 31, 2014 ₹ in Lacs	March 31, 2013 ₹ in Lacs
Towards Construction Activities		
Architect fees	10.11	63.43
Rates & Taxes	51.93	139.81
Security Charges	65.34	70.61
Power & Fuel	34.18	88.56
Other Development Expenses	133.31	65.99
	294.87	428.40
Advertisement Expenses	7.22	2.72
Audit Fees	3.39	3.11
Brokerage & Commission	178.55	145.57
Business Development Expenses	143.41	66.01
Communication cost	20.54	16.56
Donation	23.52	92.92
Freight Charges	359.95	249.44



Insurance	37.33	10.50
Labour Charges	437.77	397.18
Legal & Professional fees	463.52	151.27
Listing and related expenses	5.89	3.12
Membership & Subscription	2.93	4.14
Power & Fuel	381.20	371.46
Preliminary Expenses Written Off	9.03	12.60
Printing & Stationery	10.99	14.33
Rates & Taxes	15.36	33.11
Rent	43.95	41.57
Repair & Maintenance - Building	4.46	5.94
Repair & Maintenance - Machinery	74.97	16.14
Repair & Maintenance - Others	66.20	31.01
Security Charges	14.65	19.96
Vehicle Expenses	31.67	30.61
Miscellaneous Expenses	478.91	276.11
Total	3,110.28	2,423.78

A Principles of consolidation

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

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

B Other Significant Accounting Policies

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

27 Earning Per Share

Particulars		March 31, 2014 ₹ in Lacs	March 31, 2013 ₹ in Lacs
i)	Net profit/(loss) after tax as per Statements of Profit & Loss attributable to Equity Shareholders (₹ In Lacs)	(42.60)	1,852.62
ii)	Weighted average number of shares used as denomination for calculating Basic and Diluted earning per share	206,572,384	95,000,000
iii)	Face value of shares (₹ Per Share)	1.00	2.00
iv)	Basic/Diluted earning per share (in ₹)	(0.02)	1.95

**28 Contingent Liabilities**

Particulars		March 31, 2014 ₹ in Lacs	March 31, 2013 ₹ in Lacs
i)	Income Tax (₹ In Lacs)	415.18	1,593.69
ii)	Corporate guarantee (₹ In Lacs)	25,910.00	19,500.00

29 Payment to Auditors (Excluding Service Tax)

i)	Statutory Audit Fees (₹ In Lacs)	2.20	2.10
ii)	Tax Audit Fees (₹ In Lacs)	0.65	0.65
iii)	Other Capacity	0.50	0.25

30 Raw Material Consumed

i)	Greige Material		
	Quantity (Meter in Lacs)	246.27	210.31
	Value (₹ In Lacs)	23,772.37	15,351.13
ii)	Stores & Consumables - Value (₹ In Lacs)	395.12	289.15
iii)	Dyes, Chemicals and others - Value (₹ In Lacs)	3,195.16	2,423.20

31 Sales of Products

i)	Sales - Own		
	Quantity (Meter in Lacs)	237.13	211.18
	Value (₹ In Lacs)	29,669.49	20,134.05
ii)	Job Work		
	Quantity (Meter in Lacs)	1.10	27.95
	Value (₹ In Lacs)	26.87	497.84

32 Purchase/Manufacture of Products

i)	Greige Material		
	Quantity (Meter in Lacs)	239.67	227.91
	Value (₹ In Lacs)	23,235.48	17,459.51
ii)	Stores & Consumables - Value (₹ In Lacs)	395.14	291.19
iii)	Dyes, Chemicals and others - Value (₹ In Lacs) - Indigeneous	3,227.22	2,421.66
iv)	Dyes, Chemicals and others - Value (₹ In Lacs) - Import	-	5.48

33 Stock in Trade and Construction WIP

A	Textiles:		
i)	Greige Material		
	Quantity (Meter in Lacs)	18.73	25.33
	Value (₹ In Lacs)	2,228.50	2,765.39
ii)	Work In Progress		
	Quantity (Meter in Lacs)	14.55	8.19
	Value (₹ In Lacs)	1,876.36	983.04



Particulars		March 31, 2014 ₹ in Lacs	March 31, 2013 ₹ in Lacs
iii)	Finished Goods		
	Quantity (Meter in Lacs)	9.82	5.96
	Value (₹ In Lacs)	1,364.45	774.51
iv)	Stores & Consumables - Value (₹ In Lacs)	2.79	2.76
v)	Dyes, Chemicals and others - Value (₹ In Lacs)	108.68	76.61
B	Real Estate and Others		
i)	Work-in-progress and Advances		
	Value (₹ In Lacs)	41,797.18	35,526.47
ii)	Construction Finished Goods		
	Value (₹ In Lacs)	2,365.12	-

34 Value of Imports on CIF Basis

i)	Capital Goods (₹ In Lacs)	-	21.63
ii)	Raw Material - Dyes & Chemicals (₹ In Lacs)	-	5.48
ii)	Stores & Spares (₹ In Lacs)	14.92	-

35 Earning in Foreign Currency

FOB value of exports			
	Quantity (Meter in Lacs)	-	0.04
	Value (₹ In Lacs)	-	3.86

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

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

**B Transaction during the year with related parties**

(₹ In Lacs)

Sr No.	Name of the Company	Open- ing Bal- ance Dr	Open- ing Bal- ance Cr	Pur- chase of Shares	Remu- nera- tion Paid	Sales	Pur- chase	Broker- age Paid	Rent Paid	Ad- vance Given	Ad- vance re- ceived back	Ad- vance taken	Ad- vance paid back	Closing Bal- ance Dr	Closing Bal- ance Cr
i)	Mr. Nikhil Merchant	-	-	-	101.00	-	-	-	-	-	-	592.00	592.00	-	-
ii)	Mr. Paresh Merchant	-	-	-	101.00	-	-	-	-	-	-	1,037.70	1,037.70	-	-
iii)	Mr. Padmanabhan Sugavanam	-	-	-	24.00	-	-	-	-	-	-	-	-	-	-
iv)	Mr.Vilas A. Gangan	-	-	-	9.10	-	-	-	-	-	-	-	-	-	-
v)	Ms.Vinita N. Merchant	-	-	-	0.69	-	-	-	-	-	-	-	-	-	-
vi)	Ami Tech (India) Private Limited	1,349.53	-	-	-	-	-	-	1.80	1,631.33	2,980.86	-	-	-	-
vii)	Feltham Trading Private Limited	-	-	-	-	-	-	-	1.80	-	-	-	-	-	-
viii)	Good Earth Commodities (India) Private Limited	5.75	-	-	-	380.52	306.70	5.00	-	-	-	-	-	-	75.32
ix)	Dave Impex Private Limited	-	-	-	-	-	-	-	-	522.04	261.04	-	-	261.00	-
x)	Dave Leasing and Holdings Private Limited	1.25	-	-	-	-	-	-	-	48.75	50.00	-	-	-	-
xi)	Sahajanand Soaps and Chemicals Private Limited	-	75.00	-	-	-	-	-	-	-	-	92.00	167.00	-	-
xii)	Swan International Limited	-	74.50	-	-	-	-	-	-	-	-	37.78	112.28	-	-
xiii)	Storm Soft Technologies Private Limited	0.11	-	-	-	-	-	-	-	-	0.11	-	-	-	-
Total		1,356.64	149.50	-	235.79	380.52	306.70	5.00	1.80	2,202.12	,292.00	1,759.48	1,908.98	261.00	75.32

37 Segment Reporting

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

Particulars	March 31, 2014 ₹ in Lacs	March 31, 2013 ₹ in Lacs
Segment Revenue		
Textiles	29,866.83	20,788.90
Property development/*Others	4,845.65	7,244.30
Total	34,712.48	28,033.20
Segment Results (Before Interest & Tax)		
Textiles	1,613.90	1,037.99
Property development/*Others	2,462.97	3,908.07
Total	4,076.87	4,946.06
Segment Assets		
Textiles	19,001.74	16,716.14
Property development/*Others	130,263.86	126,261.05
Total	149,265.60	142,977.19
Segment Liabilities		
Textiles	11,745.96	9,743.01
Property development/*Others	97,906.02	112,589.13
Total	109,651.98	122,332.14

Note:

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



- 38 Quarterly financial results are published in accordance with the guidelines issued by SEBI. The recognition and measurement principles as laid down in the standards are followed with respect to such results.
- 39 At the Balance Sheet date, an assessment is done to determine whether there is any indication of impairment in the carrying amount of the fixed assets. No impairment loss is determined.
- 40 The Company had entered into Development Agreement with Peninsula Land Limited (Formerly Piramal Holdings Ltd) to develop and sale properties at Mumbai and as per the said agreement, they are entitled to 22% of the gross receipt. The transactions and effect thereof are already given in these accounts.
- 41 **Statement Pursuant to Section 212 (3) and 212 (5) of the Companies Act, 1956**

The Subsidiaries companies considered in the consolidated financial statements are:

Name of the Subsidiaries	Country of Incorporation	Proportion of Ownership Interest
Cardinal Energy and Infrastructure Private Limited	India	100%
Pegasus Venture Private Limited	India	100%
Swan LNG Limited	India	100%
Ceau Limited (100% Subsidiary of Cardinal Energy and Infrastructure Private Limited)	Isle of Man	100%

During the year, the Company has invested in 50,000 number of shares of Swan LNG Limited which incorporated on 12/02/2013, and hence the figures of the said company consolidated is from the date of incorporation.

The details of subsidiaries in terms of General Circular No. 2/2011 dated 8th February,2011 issued by Government of India, Ministry of Corporate Affairs under Section 212(8) of the Companies Act, 1956 are as under :

Sr.No	Name of the Subsidiary	Cardinal Energy and Infrastructure Private Limited	Pegasus Ventures Private Limited	Swan LNG Limited	Ceau Limited *
		(₹ In Lacs)	(₹ In Lacs)	(₹ In Lacs)	(\$ In Lacs)
	Reporting Currency	INR	INR	INR	USD
1	Share Capital	1,501.00	1,001.00	5.00	18.35
2	Reserves and Surplus	(865.76)	(3.62)	(0.24)	-
3	Total Assets	51,957.53	27,441.05	4.87	30.10
4	Total Liabilities	51,957.53	27,441.05	4.87	30.10
5	Investments	-	-	-	-
6	Turnover and Total Income	1,435.63	1.97	-	-
7	Profit/(Loss) before tax	(693.33)	(3.99)	(0.24)	-
8	Provision for Taxation	-	-	-	-
9	Profit/(Loss) after Taxation	(693.33)	(3.99)	(0.24)	-
10	Proposed Dividend	-	-	-	-
11	Country	INDIA	INDIA	INDIA	ISLE OF MAN

* As on 31.03.2014: \$1 = ₹ 59.94, Financial Information is based on Unaudited Results.



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

As per our report of even date attached hereto

For V.R.Renuka & Co.

Chartered Accountants
Firm Registration No. 108826W

V.R. Renuka

Proprietor
M. No. 032263

Mumbai, May 30, 2014

For and on behalf of the Board of Directors

Navinbhai C. Dave
Chairman

Paresh V. Merchant
Executive Director

Nikhil V. Merchant
Managing Director

Chetan K. Selarka
Chief Financial Officer

Arun S. Agarwal
Company Secretary

Mumbai, May 30, 2014



SWAN ENERGY LIMITED

Registered Office : 6, Feltham House, 2nd Floor, 10, J.N Heredia Marg, Ballard Estate, Mumbai – 400 001.
CIN No. : L17100MH1909PLC000294; website: www.swan.co.in

Attendance Slip

To be handed over at the entrance of the Meeting venue

Folio No. DP ID No. Client ID No.

Name of the Shareholder/ Proxyholder Signature

I record my presence at the 106th Annual General Meeting at Walchand Hirachand Hall, 4th Floor, Indian Merchant Chamber Building, IMC Marg, Churchgate, Mumbai – 400 020 on Monday, 29th September, 2014 at 4.00 PM

----- TEAR HERE ----- TEAR HERE -----



SWAN ENERGY LIMITED

Registered Office : 6, Feltham House, 2nd Floor, 10, J.N Heredia Marg, Ballard Estate, Mumbai – 400 001.
CIN No. : L17100MH1909PLC000294; website: www.swan.co.in

PROXY FORM

I/We :

of :

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

.....

Of

or failing him :

Of :

or failing him

Of

as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 106th Annual General Meeting of the Company to be held at Mumbai on Monday, 29th September, 2014 at 4.00 P.M. and at any adjournment thereof in respect of such resolutions as are indicated below:

Item No.	Resolution	For	Against
1.	Adoption of audited Annual Accounts and Reports of the Auditors and Directors thereon		
2.	Declaration of dividend		
3.	Re-appointment of Mr. Nikhil Merchant as Director		
4.	Re-appointment of Mr. Paresh Merchant as Director		
5.	Appointment of Auditors		
6.	Appointment of Mr. Rajkumar Sukhdevsinhji as Independent Director		
7.	Appointment of Mr. Pitamber Teckchandani as Independent Director		
8.	Appointment of Mr. Shobhan Diwanji as Independent Director		
9.	Appointment of Mr. Rajatkumar Dasgupta as Independent Director		
10.	Appointment of Mr. Nagardas Panchal as Independent Director		
11.	Appointment of Mrs. Dharmishta Tanna as Independent Director		
12.	Appointment of Mr. Vilas A. Gangan as Whole Time Director		
13.	Appointment of Mr. Nikhil Merchant as Managing Director		
14.	Appointment of Mr. Paresh Merchant as Executive Director		

Signed this day of 2014

Signature of Shareholder

Signature of Proxyholder(s).....

Affix
₹1
Revenue
Stamp

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