



SWAN ENERGY LIMITED

Swan Energy Limited (“**Issuer**” or our “**Company**”) was originally incorporated as “*Swan Mills Limited*” in Mumbai, Maharashtra on February 22, 1909 as a public limited company, under the Companies Act, 1882 and was granted a certificate of incorporation by the Registrar of Companies at Mumbai (“**RoC**”). Subsequently the name of our Company was changed to “*Swan Energy Limited*” and a fresh certificate of incorporation was issued by the RoC consequent upon change of name of our Company on December 16, 2008. For further details, please see the section entitled “*General Information*” on page 250.

Registered Office: 6, Feltham House, 2nd Floor, 10 J.N. Heredia Marg, Ballard Estate, Mumbai, Maharashtra, India, 400001

Telephone No: +91 22 40587300

Corporate Identity Number: L17100MH1909PLC000294

Contact Person: Arun S Agarwal, Company Secretary and Compliance Officer; **Email:** invgrv@swan.co.in, **Website:** www.swan.co.in

Our Company is issuing up to [●] equity shares aggregate of face value ₹1 each (the “**Equity Shares**”) at a price of ₹[●] per Equity Share (the “**Issue Price**”), including a premium of ₹[●] per Equity Share, aggregating up to ₹[●] lakh (the “**Issue**”). For further details, see “*Summary of the Issue*” on page 31.

THE ISSUE IS BEING UNDERTAKEN IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE “SEBI ICDR REGULATIONS”), SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED (THE “COMPANIES ACT, 2013”), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE “PAS RULES”), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER.

OUR COMPANY HAS PREPARED THIS PRELIMINARY PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE. THE ISSUE AND THE DISTRIBUTION OF THIS PRELIMINARY PLACEMENT DOCUMENT TO ELIGIBLE QIBs (AS DEFINED BELOW) IS BEING MADE IN RELIANCE UPON CHAPTER VI OF THE SEBI ICDR REGULATIONS, SECTION 42 OF THE COMPANIES ACT, 2013 READ WITH RULE 14 OF THE PAS RULES AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER. THIS PRELIMINARY PLACEMENT DOCUMENT SHALL BE CIRCULATED TO ONLY SUCH ELIGIBLE QIBs WHOSE NAMES ARE RECORDED BY OUR COMPANY, PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO THE EQUITY SHARES. THIS PRELIMINARY PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR AND DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR ANY OTHER PERSON OR CLASS OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN TO ELIGIBLE QUALIFIED INSTITUTIONAL BUYERS AS DEFINED IN THE SEBI ICDR REGULATIONS (“QIBs”). YOU ARE NOT AUTHORIZED TO AND MAY NOT (1) DELIVER THIS PRELIMINARY PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PRELIMINARY PLACEMENT DOCUMENT, IN ANY MANNER WHATSOEVER; OR (3) RELEASE ANY PUBLIC ADVERTISEMENTS OR UTILIZE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PRELIMINARY PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE SEBI ICDR REGULATIONS, THE COMPANIES ACT, 2013 OR OTHER APPLICABLE LAWS OF INDIA AND OTHER JURISDICTIONS.

INVESTMENTS IN EQUITY SHARES INVOLVE A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ THE SECTION “*RISK FACTORS*” BEGINNING ON PAGE 41 BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES TO BE ISSUED PURSUANT TO THIS PRELIMINARY PLACEMENT DOCUMENT AND THE PLACEMENT DOCUMENT (AS DEFINED HEREINAFTER). PROSPECTIVE INVESTORS SHALL CONDUCT THEIR OWN DUE DILIGENCE ON THE EQUITY SHARES AND OUR COMPANY. IF YOU DO NOT UNDERSTAND THE CONTENTS OF THIS PRELIMINARY PLACEMENT DOCUMENT AND/OR THE PLACEMENT DOCUMENT, YOU SHOULD CONSULT OWN ADVISORS.

The Equity Shares of the Company are listed on National Stock Exchange of India Limited (“**NSE**”) and BSE Limited (“**BSE**”, together with “**NSE**”, the “**Stock Exchanges**”). The closing prices of the outstanding Equity Shares on BSE and NSE as on February 19, 2024 was ₹730.70 and ₹728.45 per Equity Share, respectively. Our Company has received in principle approvals pursuant to Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the “**SEBI Listing Regulations**”), for listing of the Equity Shares to be issued pursuant to the Issue, from BSE and NSE on February 20, 2024. Our Company shall make applications to the Stock Exchanges for obtaining the final listing and trading approvals for the Equity Shares to be issued pursuant to the Issue. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed, or reports contained herein. Admission of the Equity Shares to be issued pursuant to the Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of our Company or the Equity Shares.

A copy of this Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4 (as defined hereafter)) has been delivered to the Stock Exchanges and a copy of the Placement Document (which shall also include disclosures prescribed under Form PAS-4) will be delivered to the Stock Exchanges. Our Company shall also make the requisite filings with the RoC, within the stipulated period as prescribed under the Companies Act, 2013 and the PAS Rules. This Preliminary Placement Document has not been reviewed by the Securities and Exchange Board of India (“**SEBI**”), the Stock Exchanges, the RoC or any other regulatory or listing authority and is intended only for use by Eligible QIBs (as defined hereinafter). This Preliminary Placement Document has not been and will not be filed as a prospectus with the RoC, will not be circulated or distributed to the public in India or any other jurisdiction, and will not constitute a public offer in India or any other jurisdiction.

Invitations, offers and sales of Equity Shares to be issued pursuant to the Issue shall only be made pursuant to this Preliminary Placement Document together with the Application Form, the Placement Document and the Confirmation of Allocation Note (each as defined hereinafter). For further details, see “*Issue Procedure*” beginning on page 198. The distribution of this Preliminary Placement Document or the disclosure of its contents without our Company’s prior consent to any person, other than Eligible QIBs to whom this Preliminary Placement Document is specifically addressed, and persons retained by such Eligible QIBs to advise them with respect to their purchase of the Equity Shares is unauthorized and prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Preliminary Placement Document or any documents referred to in this Preliminary Placement Document.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or the securities laws of any state of the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in “offshore transactions” as defined in, and in reliance on, Regulation S under the U.S. Securities Act (“**Regulation S**”) and the applicable laws of the jurisdiction where those offers and sales are made. For the selling restrictions in certain other jurisdictions, please see “*Selling Restrictions*” on page 214. Also see, “*Transfer Restrictions*” on page 222 for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

The information on our Company’s website or any website directly or indirectly linked to our Company’s website or the website of the Book Running Lead Manager (as defined hereinafter) or any of their respective affiliates does not constitute nor form part of this Preliminary Placement Document and prospective investors should not rely on such information contained in, or available through, any such websites for their investment in this Issue.

This Preliminary Placement Document is dated February 20, 2024.

BOOK RUNNING LEAD MANAGER



SYSTEMATIX CORPORATE SERVICES LIMITED

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NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for the information contained in this Preliminary Placement Document and confirms that to the best of its knowledge and belief, having made all reasonable enquiries, this Preliminary Placement Document contains all information with respect to our Company and its Subsidiaries and the Equity Shares, which is material in the context of the Issue. The statements contained in this Preliminary Placement Document relating to our Company, its Subsidiaries and the Equity Shares are, in all material respects, true and accurate and not misleading, and the opinions and intentions expressed in this Preliminary Placement Document with regard to our Company and its Subsidiaries and the Equity Shares are honestly held, have been reached after considering all relevant circumstances, are based on reasonable assumptions and information presently available to us. There are no other facts in relation to our Company, its Subsidiaries and the Equity Shares to be issued pursuant to the Issue, the omission of which would, in the context of the Issue, make any statement in this Preliminary Placement Document misleading in any material respect. Further, all reasonable enquiries have been made by us to ascertain such facts and to verify the accuracy of all such information and statements. The information contained in this Preliminary Placement Document has been provided by our Company and other sources identified herein.

This Preliminary Placement Document is being furnished on a confidential basis solely for the purpose of enabling a prospective investor to consider subscribing for the particular securities described herein. Distribution of this Preliminary Placement Document to any person other than the Eligible QIBs specified by the Book Running Lead Manager or their representatives, and those persons, if any, retained to advise such investor with respect thereto, is unauthorised, and any disclosure of its contents, without prior written consent of our Company, is prohibited. Any reproduction or distribution of this Preliminary Placement Document, in whole or in part, and any disclosure of its contents to any other person is prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and make no copies of this Preliminary Placement Document or any offering material in connection with the Equity Shares.

The Book Running Lead Manager have not separately verified all of the information contained in this Preliminary Placement Document (financial, legal or otherwise). Accordingly, neither the Book Running Lead Manager nor any of their respective shareholders, employees, counsel, officers, directors, representatives, agents or affiliates make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the Book Running Lead Manager and/or any of its shareholders, employees, counsel, officers, directors, representatives, agents or affiliates as to the accuracy or completeness of the information contained in this Preliminary Placement Document or any other information (financial, legal or otherwise) supplied in connection with our Company, its Subsidiaries and the Issue of the Equity Shares or distribution of this Preliminary Placement Document. Each person receiving this Preliminary Placement Document acknowledges that such person has not relied either on the Book Running Lead Manager or on any of their respective shareholders, employees, counsel, officers, directors, representatives, agents or affiliates in connection with such person's investigation of the accuracy of such information or such person's investment decision, and each such person must rely on its own examination of our Company and its Subsidiaries and the merits and risks involved in investing in the Equity Shares issued pursuant to the Issue.

No person is authorized to give any information or to make any representation not contained in this Preliminary Placement Document and any information or representation not so contained must not be relied upon as having been authorized by or on behalf of our Company or on behalf of the Book Running Lead Manager. The delivery of this Preliminary Placement Document at any time does not imply that the information contained in it is correct as at any time subsequent to its date.

The distribution of this Preliminary Placement Document and the issue of Equity Shares and the offering of the Equity Shares may be restricted in certain jurisdictions by applicable laws. As such, this Preliminary Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. In particular, except for India, no action has been taken by our Company and the Book Running Lead Manager that would permit an offering of the Equity Shares or distribution of this Preliminary Placement Document in any jurisdiction, where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any offering material in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. For a description of the restrictions applicable to the offer and sale of the Equity Shares in the Issue in certain jurisdictions, see "**Transfer Restrictions**" beginning on page 222. The Equity

Shares purchased in the Issue are transferable only in accordance with the restrictions described under “*Selling Restrictions*” beginning on page 214.

The Equity Shares to be issued pursuant to this Issue have not been approved, disapproved or recommended by the securities authority or any other regulatory authority of any jurisdiction, including SEBI, the United States Securities and Exchange Commission (the “SEC”), any other federal or state authorities in the United States, the securities authorities of any non-Indian jurisdiction and any other United States or non-Indian regulatory authority. No authority has passed on or endorsed the merits of the Issue or the accuracy or adequacy of this Preliminary Placement Document. Any representation to the contrary may be a criminal offence in certain jurisdictions.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in “offshore transactions”, as defined in, and in reliance on, Regulation S and the applicable laws of the jurisdiction where those offers and sales are made. For the selling restrictions in certain other jurisdictions, see “*Selling Restrictions*” on page 214. Also see “*Transfer Restrictions*” on page 222 for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

In making an investment decision, the prospective investors must rely on their own examination of our Company, its Subsidiaries and the Equity Shares and the terms of the Issue, including merits and risks involved. Prospective investors should not construe the contents of this Preliminary Placement Document as legal, business, tax, accounting or investment advice. Prospective investors should consult their own counsel and advisors as to business, investment, legal, tax, accounting and related matters concerning this Issue. In addition, our Company and the Book Running Lead Manager is not making any representation to any investor, purchaser, offeree or subscriber of the Equity Shares in relation to this Issue regarding the legality of an investment in the Equity Shares by such investor, purchaser, offeree or subscriber under applicable legal, investment or similar laws or regulations. The prospective investors of the Equity Shares should conduct their own due diligence on the Equity Shares and our Company. If you do not understand the contents of this Preliminary Placement Document, you should consult an authorised financial advisor and/or legal advisor.

Each investor, subscriber, offeree or purchaser of the Equity Shares in the Issue is deemed to have acknowledged, represented and agreed that it is an Eligible QIB and it is eligible to invest in India and in our Company under applicable law, including Chapter VI of the SEBI ICDR Regulations, Section 42 of the Companies Act, 2013 and Rule 14 of the PAS Rules and other applicable provisions of the Companies Act, 2013 and rules made thereunder, and is not prohibited by SEBI or any other statutory, regulatory or judicial authority from buying, selling or dealing in securities, including the Equity Shares or otherwise accessing the capital markets in India. Each subscriber of the Equity Shares in the Issue also acknowledges that it has been afforded an opportunity to request from our Company and review information relating to our Company and the Equity Shares.

This Preliminary Placement Document contains summaries of certain terms of certain documents, which summaries are qualified in their entirety by the terms and conditions of such document.

The information on our Company's website, viz, www.swan.co.in or any website directly or indirectly linked to our Company or on the website of the Book Running Lead Manager or any of their respective affiliates, does not constitute nor form part of this Preliminary Placement Document. Prospective investors should not rely on such information contained in, or available through, any such websites. This Preliminary Placement Document contains summaries of certain terms of certain documents, which are qualified in their entirety by the terms and conditions of such documents.

The Company does not undertake to update the Placement Document to reflect subsequent events after the date of the Placement Document and thus it should not be relied upon with respect to such subsequent events without first confirming the accuracy or completeness with the Company. Neither the delivery of this Preliminary Placement Document nor any issue of Equity Shares made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Company since the date hereof.

Our Company and the Book Running Lead Manager are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of the Placement Document. QIBs are advised

to make their independent investigations and satisfy themselves that they are eligible to apply. QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Placement Document. Further, QIBs are required to satisfy themselves that their Bids would not eventually result in triggering a tender offer under the Takeover Regulations and the QIB shall be solely responsible for compliance with the provisions of the Takeover Regulations, SEBI Insider Trading Regulations and other applicable laws, rules, regulations, guidelines and circulars.

The Company agrees to comply with any undertakings given by it from time to time in connection with the Equity Shares to the Stock Exchanges and, without prejudice to the generality of foregoing, shall furnish to the Stock Exchanges all such information as the rules of the Stock Exchanges may require in connection with the listing of the Equity Shares on the Stock Exchanges.

NOTICE TO INVESTORS IN CERTAIN OTHER JURISDICTIONS

This Preliminary Placement Document is not an offer to sell securities and is not soliciting an offer to subscribe to or buy securities in any jurisdiction where such offer, solicitation, sale or subscription is not permitted. For information to investors in certain other jurisdictions, see “***Selling Restrictions***” and “***Transfer Restrictions***” on pages 214 and 222 respectively. Our Company agrees to comply with any undertakings given by it from time to time in connection with the Equity Shares to the Stock Exchanges and, without prejudice to the generality of foregoing, shall furnish to the Stock Exchanges all such information as the rules of the Stock Exchanges may require in connection with the listing of the Equity Shares on the Stock Exchanges.

REPRESENTATIONS BY INVESTORS

All references herein to “you” or “your” in this section are to the prospective investors in the Issue. By bidding for and/or subscribing to any Equity Shares under this Issue, you are deemed to have represented, warranted, acknowledged and agreed to the sections “*Notice to Investors*”, “*Selling Restrictions*” and “*Transfer Restrictions*” on pages 1, 214 and 222, respectively, and to have represented, warranted, acknowledged and agreed with our Company and the Book Running Lead Manager, as follows:

- Your decision to subscribe to the Equity Shares to be issued pursuant to the Issue has not been made based on any information relating to our Company or Subsidiary which is not set forth in this Preliminary Placement Document;
- You are a “**Qualified Institutional Buyer**” as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, having a valid and existing registration under applicable laws and regulations of India, and undertake to (i) acquire, hold, manage or dispose of any Equity Shares that are Allotted (hereinafter defined) to you in accordance with Chapter VI of the SEBI ICDR Regulations, the Companies Act, 2013, and all other applicable laws; and (ii) comply with all requirements under applicable law in this relation, including reporting obligations, requirements/ making necessary filings, if any, in connection with the Issue or otherwise accessing capital markets;
- You are eligible to invest in India under applicable laws, including the FEMA Rules (as defined hereinafter) and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory authority, statutory authority or otherwise, from buying, selling, or dealing in securities or otherwise accessing capital markets in India;
- If you are not a resident of India, but a QIB, you are an Eligible FPI (and are not an individual, corporate body or a family office), having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and are eligible to invest in India under applicable law, including the SEBI FPI Regulations, FEMA Rules, and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets. You confirm that you are not an FVCI. You will make all necessary filings with appropriate regulatory authorities, including the RBI, as required pursuant to applicable laws;
- You are aware that in terms of the SEBI FPI Regulations and the FEMA Rules, the total holding by each FPI including its investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis. Further, the aggregate limit of all FPIs investments, is up to 100%, being the sectoral cap applicable to the sector in which our Company operates. In terms of the FEMA Rules, for calculating the total holding of FPIs in a company, holding of all registered FPIs shall be included. Hence, Eligible FPIs may invest in such number of Equity Shares in this Issue such that the individual investment of the FPI in our Company does not exceed 10% of the post-Issue paid-up Equity Share capital of our Company on a fully diluted basis and the aggregate investment by FPIs in our Company does not exceed the sectoral cap applicable to our Company. In case the holding of an FPI together with its investor group increases to 10% or more of the total paid-up Equity Share capital, on a fully diluted basis, such FPI together with its investor group shall divest the excess holding within a period of five trading days from the date of settlement of the trades resulting in the breach. If however, such excess holding has not been divested within the specified period of five trading days, the entire shareholding of such FPI together with its investor group will be re-classified as FDI, subject to the conditions as specified by SEBI and the RBI in this regard and compliance by our Company and the investor with applicable reporting requirements and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations;
- You will provide the information as required under the provisions of the Companies Act, 2013 the PAS Rules and applicable SEBI ICDR Regulations and rules for record keeping by our Company, including your name, complete address, phone number, e-mail address, permanent account number (if applicable) and bank account details and such other details as may be prescribed or otherwise required even after the closure of the Issue;

- If you are Allotted Equity Shares, you shall not, for a period of one year from the date of Allotment, sell the Equity Shares so acquired except on the floor of the Stock Exchanges. For more information, see “**Transfer Restrictions**” on page 222;
- You are aware that this Preliminary Placement Document and the Placement Document has not been and will not be registered as a prospectus with the RoC under the Companies Act, 2013, the SEBI ICDR Regulations or under any other law in force in India and, no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs. This Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4) has not been reviewed, verified or affirmed by the RBI, SEBI, the Stock Exchanges, the RoC or any other regulatory or listing authority and is intended only for use by Eligible QIBs. The Preliminary Placement Document has been filed (and the Placement Document shall be filed) with the Stock Exchanges for record purposes only and be displayed on the websites of our Company and the Stock Exchanges;
- You are permitted to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdictions that apply to you and that you have fully observed such laws and you have necessary capacity, have obtained all necessary consents, governmental or otherwise, and authorisations and complied and shall comply with all necessary formalities, to enable you to participate in the Issue and to perform your obligations in relation thereto (including, without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorisations to agree to the terms set out or referred to in this Preliminary Placement Document), and will honour such obligations;
- You are aware that, our Company, the Book Running Lead Manager or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates are not making any recommendations to you or advising you regarding the suitability of any transactions that you may enter into in connection with the Issue and your participation in the Issue is on the basis that you are not, and will not, up to the Allotment, be a client of the Book Running Lead Manager. The Book Running Lead Manager or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents, associates or affiliates do not have any duties or responsibilities to you for providing the protection afforded to their clients or customers or for providing advice in relation to the Issue and are not in any way acting in a fiduciary capacity;
- You confirm that, either: (i) you have not participated in or attended any investor meetings or presentations by our Company or its agents (the “**Company Presentations**”) with regard to our Company or the Issue; or (ii) if you have participated in or attended any Company Presentations: (a) you understand and acknowledge that the Book Running Lead Manager may not have knowledge of the statements that our Company or its agents may have made at such Company Presentations and is therefore unable to determine whether the information provided to you at such Company Presentations may have included any material misstatements or omissions, and, accordingly you acknowledge that the Book Running Lead Manager have advised you not to rely in any way on any information that was provided to you at such Company Presentations, and (b) confirm that you have not been provided any material or price sensitive information relating to our Company and the Issue that was not publicly available;
- You are subscribing to the Equity Shares to be issued pursuant to the Issue in accordance with applicable laws and by participating in this Issue, you are not in violation of any applicable law, including but not limited to the SEBI Insider Trading Regulations, the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, as amended, and the Companies Act, 2013;
- You understand that the Equity Shares issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association of our Company and will be credited as fully paid and will rank *pari passu* in all respects with the existing Equity Shares including the right to receive dividend and other distributions declared;
- All statements other than statements of historical fact included in this Preliminary Placement Document, including, without limitation, those regarding our Company, or our financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our Company’s business), are forward-looking statements. You are aware that, such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied

by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our Company or Subsidiaries present and future business strategies and environment in which our Company or Subsidiaries will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as at the date of this Preliminary Placement Document. Neither our Company nor the Book Running Lead Manager or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates assume any responsibility to update any of the forward-looking statements contained in this Preliminary Placement Document;

- You are aware and understand that the Equity Shares are being offered only to Eligible QIBs on a private placement basis and are not being offered to the general public, or any other category other than Eligible QIBs and the Allotment of the same shall be at the sole discretion of our Company, in consultation with the Book Running Lead Manager;
- You are aware that in terms of the requirements of the Companies Act, 2013 upon Allocation, our Company will be required to disclose names and percentage of post-Issue shareholding of the proposed Allottees in the Placement Document, as applicable. However, disclosure of such details in relation to the proposed Allottees in the Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the Book Running Lead Manager;
- You are aware that if you are Allotted more than 5% of the Equity Shares in the Issue, our Company shall be required to disclose your name and the number of the Equity Shares Allotted to you to the Stock Exchanges and the Stock Exchanges will make the same available on their website and you consent to such disclosures;
- You have been provided a serially numbered copy of this Preliminary Placement Document and have read it in its entirety; including, in particular, “**Risk Factors**” on page 41;
- In making your investment decision, you have (i) relied on your own examination of the Company, its Subsidiaries, the Equity Shares and the terms of the Issue, including the merits and risks involved, (ii) made and will continue to make your own assessment of our Company and its Subsidiaries, the Equity Shares and the terms of the Issue based on information as is publicly available, and in reliance of the information contained in this Preliminary Placement Document and no other disclosure or representation by our Company or any other party, (iii) consulted your own independent counsel and advisors or otherwise have satisfied yourself concerning, without limitation, the effects of local laws (including tax laws), (iv) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of our Company and the Equity Shares, and (v) relied upon your own investigation and resources in deciding to invest in the Issue;
- Neither our Company nor the Book Running Lead Manager nor any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates have provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchase, ownership and disposal of the Equity Shares (including but not limited to the Issue and the use of the proceeds from the Equity Shares). You will obtain your own independent tax advice from a reputable service provider and will not rely on the Book Running Lead Manager or their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates, when evaluating the tax consequences in relation to the Equity Shares (including, in relation to the Issue and the use of proceeds from the Equity Shares). You waive, and agree not to assert any claim against, our Company, the Book Running Lead Manager or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates, with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;
- You are a sophisticated investor and have such knowledge and experience in financial, business and investment matters as to be capable of evaluating the merits and risks of an investment in the Equity Shares. You are experienced in investing in private placement transactions of securities of companies in a similar nature of business, similar stage of development and in similar jurisdictions. You and any accounts for which you are subscribing for the Equity Shares (i) are each able to bear the economic risk of your investment in the Equity Shares, (ii) will not look to our Company and/or the Book Running Lead Manager or any of their respective shareholders, directors, officers, employees, counsel, advisors, representatives, agents or affiliates for all or part of any such loss or losses that may be suffered in connection with the Issue, including losses arising out of non-performance by our Company of any of their respective obligations or any breach of any representations and warranties by our Company, whether to you or otherwise, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the

investment in the Equity Shares, (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares; and (vi) are seeking to subscribe to the Equity Shares in the Issue for your own investment and not with a view to resell or distribute. You are aware that investment in Equity Shares involves a high degree of risk and that the Equity Shares are, therefore a speculative investment;

- If you are acquiring the Equity Shares to be issued pursuant to the Issue for one or more managed accounts, you represent and warrant that you are authorised in writing, by each such managed account to acquire such Equity Shares for each managed account and hereby make the representations, warranties, acknowledgements, undertakings and agreements herein for and on behalf of each such account, reading the reference to "you" to include such accounts;
- You are not a "promoter"(as defined under the Companies Act, 2013 and the SEBI ICDR Regulations) of our Company and are not a person related to any of our Promoters, either directly or indirectly and your Bid (hereinafter defined) does not directly or indirectly represent any of our 'Promoters', or members of our 'Promoter Group' (as defined under the SEBI ICDR Regulations) or persons or entities related thereto;
- You have no rights under a shareholders' agreement or voting agreement with the Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee director on our Board, other than the rights acquired, if any, in the capacity of a lender not holding any Equity Shares;
- You agree that in terms of Section 42(7) of the Companies Act, 2013 and Rule 14 of the PAS Rules, we shall file the list of Eligible QIBs (to whom this Preliminary Placement Document will be circulated) along with other particulars including your name, complete address, phone number, e-mail address, permanent account number and bank account details, including such other details as may be prescribed or otherwise required even after the closure of the Issue with the RoC and SEBI within 30 days of circulation of this Preliminary Placement Document and other filings required under the Companies Act, 2013;
- You will have no right to withdraw your Bid or revise your Bid downwards after the Bid/Issue Closing Date (as defined hereinafter);
- You are eligible to Bid for and hold the Equity Shares so Allotted, together with any Equity Shares held by you prior to the Issue. You further confirm that your aggregate holding after the Allotment of the Equity Shares shall not exceed the level permissible, as per any applicable law;
- The Bid made by you would not ultimately result in triggering an open offer under the SEBI Takeover Regulations (as defined hereinafter) and you shall be solely responsible for compliance, if any with all other applicable provisions of the SEBI Takeover Regulations;
- Your aggregate equity shareholding in our Company, together with other Allottees that belong to the same group or are under common control as you, pursuant to the Allotment under the Issue shall not exceed 50% of the Issue Size. For the purposes of this representation;
- Eligible QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIB, its subsidiary or holding company and any other Eligible QIB; and
- 'Control' shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the SEBI Takeover Regulations;
- You shall not undertake any trade in the Equity Shares credited to your beneficiary account with the Depository Participant until such time that the final listing and trading approvals for such Equity Shares to be issued pursuant to this Issue, are issued by the Stock Exchanges;
- You are aware that (i) applications for in-principle approval, in terms of Regulation 28(1)(a) of the SEBI Listing Regulations, for listing and admission of the Equity Shares to be issued pursuant to the Issue and for trading on the Stock Exchanges, were made and an in-principle approval has been received by our Company

from each of the Stock Exchanges, and (ii) the application for the final listing and trading approval will be made only after Allotment. There can be no assurance that the final listing and trading approvals for listing of the Equity Shares will be obtained in time or at all. Neither our Company nor the Book Running Lead Manager nor any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates shall be responsible for any delay or non-receipt of such final listing and trading approvals or any loss arising from such delay or non-receipt;

- You are aware and understand that the Book Running Lead Manager has entered into a Placement Agreement with our Company whereby the Book Running Lead Manager has, subject to the satisfaction of certain conditions set out therein, undertaken to use their reasonable efforts to procure subscriptions for the Equity Shares on the terms and conditions set forth therein;
- You understand the contents of this Preliminary Placement Document are exclusively the responsibility of our Company and that neither the Book Running Lead Manager nor any person acting on their behalf or any of the counsel or advisors to the Issue has, or shall have, any liability for any information, representation or statement contained in this Preliminary Placement Document or any information previously published by or on behalf of our Company and will not be liable for your decision to participate in this Issue based on any information, representation or statement contained in this Preliminary Placement Document or otherwise. By accepting a participation in this Issue, you agree to the same and confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares is contained in this Preliminary Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares, you have neither received nor relied on any other information, representation, warranty or statement made by or on behalf of the Book Running Lead Manager or our Company or any other person, and neither the Book Running Lead Manager nor our Company or any of their respective affiliates, including any view, statement, opinion or representation expressed in any research published or distributed by them, the Book Running Lead Manager and their respective affiliates will not be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty, statement or opinion;
- You understand that the Book Running Lead Manager or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates do not have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including non-performance by our Company of any of its obligations or any breach of any representations or warranties by us, whether to you or otherwise;
- You are able to purchase the Equity Shares in accordance with the restrictions described in “**Selling Restrictions**” on page 214 and you have made, or are deemed to have made, as applicable, the representations, warranties, acknowledgements, undertakings and agreements in “**Selling Restrictions**” on page 214;
- You understand and agree that the Equity Shares are transferable only in accordance with the restrictions described in “**Transfer Restrictions**” on page 222 and you have made, or are deemed to have made, as applicable, the representations, warranties, acknowledgements, undertakings and agreements in “**Transfer Restrictions**” on page 222;
- You are outside the United States, and you are purchasing the Equity Shares in an “offshore transaction” as defined in, and in compliance with, Regulation S of the U.S. Securities Act and in compliance with laws of all jurisdictions applicable to you;
- You are not acquiring or subscribing for the Equity Shares as a result of any “directed selling efforts” (as defined in Regulation S) and you understand and agree that offers and sales are being made in reliance on an exemption to the registration requirements of the U.S. Securities Act;
- You agree that any dispute arising in connection with the Issue will be governed by and construed in accordance with the laws of Republic of India, and the courts in Mumbai, India shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Preliminary Placement Document and the Placement Document;

- Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares in the Issue;
- You agree to indemnify and hold our Company, the Book Running Lead Manager and their respective directors, officers, employees, affiliates, associates, controlling persons and representatives harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the foregoing representations, warranties, acknowledgements and undertakings made by you in this Preliminary Placement Document. You agree that the indemnity set out in this paragraph shall survive the resale of the Equity Shares by, or on behalf of, the managed accounts;
- You acknowledge that this Preliminary Placement Document does not, and the Placement Document shall not confer upon or provide you with any right of renunciation of the Equity Shares offered through the Issue in favour of any person;
- You will make the payment for subscription to the Equity Shares pursuant to this Issue from your own bank account. In case of joint holders, the monies shall be paid from the bank account of the person whose name appears first in the application;
- You confirm that neither is your investment as an entity of a country which shares land border with India nor is the beneficial owner of your investment situated in or a citizen of such country (in each which case, investment can only be through the Government approval route), and that your investment is in accordance with consolidated FDI Policy, issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, and Rule 6 of the FEMA Rules;
- You are aware and understand that you are allowed to place a Bid for Equity Shares. Please note that submitting a Bid for Equity Shares should not be taken to be indicative of the number of Equity Shares that will be Allotted to a successful Bidder. Allotment of Equity Shares will be undertaken by our Company, in its absolute discretion, in consultation with the Book Running Lead Manager;
- You represent that you are not an affiliate of our Company or the Book Running Lead Manager or a person acting on behalf of such affiliate;
- Our Company, the Book Running Lead Manager, their respective affiliates, directors, officers, employees, shareholders, representatives, agents, controlling persons and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, and are irrevocable. It is agreed that if any of such representations, warranties, acknowledgements and undertakings are no longer accurate, you will promptly notify our Company and the Book Running Lead Manager; and
- You will make all necessary filings with appropriate regulatory authorities, including the RBI, as required pursuant to applicable laws.

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an Eligible FPI including the affiliates of the Book Running Lead Manager, which is registered as a category I FPIs may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying, and all such offshore derivative instruments are referred to herein as “**P-Notes**”), and persons who are eligible for registration as Category I FPIs can subscribe to or deal in such P-Notes provided that in the case of an entity that has an investment manager who is from the Financial Action Task Force member country, such investment manager shall not be required to be registered as a Category I FPI. The above-mentioned category I FPIs may receive compensation from the purchasers of such instruments. In terms of Regulation 21 of SEBI FPI Regulations, P-Notes may be issued only by such persons who are registered as Category I FPIs and they may be issued only to persons eligible for registration as Category I FPIs subject to exceptions provided in the SEBI FPI Regulations and compliance with ‘know your client’ requirements, as specified by SEBI and subject to compliance with such other conditions as may be specified from the SEBI from time to time. An Eligible FPI shall also ensure that no transfer of any instrument referred to above is made to any person unless such FPIs are registered as Category I FPIs and such instrument is being transferred only to person eligible for registration as Category I FPIs subject to requisite consents being obtained in terms of Regulation 21 of SEBI FPI Regulations. Such P-Notes can be issued subject to compliance with the KYC norms and such other conditions as specified by SEBI from time to time, including payment of applicable regulatory fee. P-Notes have not been and are not being offered or sold pursuant to this Preliminary Placement Document. This Preliminary Placement Document does not contain any information concerning P-Notes or the issuer(s) of any P-Notes, including without limitation any information regarding any risk factors relating thereto.

Subject to certain relaxations provided under Regulation 22(4) of the SEBI FPI Regulations, investment by a single FPI including its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control,) is not permitted to be 10% or above of our post-Issue Equity Share capital on a fully diluted basis (“**Investment Restrictions**”). The SEBI has, vide a circular dated November 5, 2019, issued the operational guidelines for FPIs, designated depository participants and eligible foreign investors (the “**FPI Operational Guidelines**”), to facilitate implementation of the SEBI FPI Regulations. In terms of such FPI Operational Guidelines, the Investment Restrictions shall also apply to subscribers of offshore derivative instruments and two or more subscribers of offshore derivative instruments having common ownership, directly or indirectly, of more than 50% or common control shall be considered together as a single subscriber of the offshore derivative instruments. Further, in the event a prospective investor has investments as an FPI and as a subscriber of offshore derivative instruments, these Investment Restrictions shall apply on the aggregate of the FPI and offshore derivative instruments investments held in the underlying company.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, read with Consolidated FDI Policy, issued by the Department for Promotion of Industry and Internal Trade, Government of India, investments where the entity is of a country which shares land border with India or where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy and FEMA Rules. These investment restrictions shall also apply to subscribers of offshore derivative instruments.

Affiliates of the Book Running Lead Manager which are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue P-Notes in respect thereof. Any P-Notes that may be issued are not securities of our Company and do not constitute any obligation of, claims on or interests in our Company. Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to our Company. Our Company and the Book Running Lead Manager do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the Book Running Lead Manager and does not constitute any obligations of or claims on the Book Running Lead Manager.

Prospective investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosure as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes or any disclosure related thereto. Prospective investors are urged to consult with their own

financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, a copy of this Preliminary Placement Document has been submitted to each of the Stock Exchanges.

The Stock Exchanges do not in any manner:

- (1) warrant, certify or endorse the correctness or completeness of any of the contents of this Preliminary Placement Document;
- (2) warrant that the Equity Shares to be issued pursuant to this Issue will be listed or will continue to be listed on the Stock Exchanges; or
- (3) take any responsibility for the financial or other soundness of our Company, our Promoters, our management or any scheme or project of the Company;

and it should not for any reason be deemed or construed to mean that this Preliminary Placement Document has been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquire any Equity Shares of our Company may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition, whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

PRESENTATION OF FINANCIAL INFORMATION AND OTHER CONVENTIONS

Certain Conventions

In this Preliminary Placement Document, unless otherwise specified or the context otherwise indicates or implies, references to ‘you’, ‘your’, ‘bidder(s)’, ‘offeree’, ‘purchaser’, ‘subscriber’, ‘recipient’, ‘investor(s)’, ‘prospective investor(s)’ and ‘potential investor(s)’ are to the Eligible QIBs who are the prospective investors in the Equity Shares issued pursuant to the Issue, and references to ‘our Company’, ‘Company’, ‘the Company’ and the ‘Issuer’, are to Swan Energy Limited on a standalone basis and references to ‘we’, ‘us’ or ‘the Group’ are to Swan Energy Limited together with its Subsidiaries on a consolidated basis, unless the context otherwise indicates or implies or unless otherwise specified.

Currency and units of presentation

In this Preliminary Placement Document, all references to ‘₹’, ‘INR’, ‘Rs.’, ‘Indian Rupees’ and ‘Rupees’ are to the legal currency of Republic of India and ‘\$’, ‘USD’ and ‘Dollar’ are legal currency of United States of America. All references herein to the ‘US’ or ‘U.S.’ or the ‘United States’ are to the United States of America and its territories and possessions. All references herein to “India” are to the Republic of India and its territories and possessions and all references herein to the ‘Government’ or ‘GoI’ or the ‘Central Government’ or the ‘State Government’ are to the Government of India, central or state, as applicable.

All the numbers in this Preliminary Placement Document have been presented in ₹ lakhs, unless stated otherwise. Where any figures that may have been sourced from third-party industry sources are expressed in denominations other than ₹ lakhs, such figures appear in this Preliminary Placement Document expressed in such denominations as provided in their respective sources. In this Preliminary Placement Document, references to “Lakhs” represents “100,000”, “million” represents “10 lakh” or “1,000,000”, “Crore” represents “10,000,000” or “10 million” or “100 lakhs”, and “billion” represents “1,000,000,000” or “1,000 million” or “100 Crore”.

Certain figures contained in this Preliminary Placement Document, including financial information, have been subject to rounding adjustments. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given, and (ii) the sum of the figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Any such discrepancies between the totals and the sum of the amounts listed are due to rounding off adjustments. All figures in decimals have been rounded off to the second decimal.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable. Our Company reports its financial statements in Indian Rupees.

Unless otherwise specified, all financial numbers in parenthesis represent negative figures.

Page numbers

Unless stated otherwise, all references to page numbers in this Preliminary Placement Document are to the page numbers of this Preliminary Placement Document.

Financial Data and Other Information

The financial year of our Company commences on April 1 of each calendar year and ends on March 31 of the following calendar year, and, unless otherwise specified or if the context requires otherwise, all references to a particular ‘financial year’, ‘Fiscal Year’, ‘fiscal’ or ‘FY’ are to the twelve-month period ended on March 31 of that year and references to a particular ‘year’ are to the calendar year ending on December 31 of that year.

Our Company reports its financial statements in Indian Rupees. Our Company has published its Unaudited Consolidated Financial Results for the nine months ended December 31, 2023 and its audited consolidated financial statements for the Fiscal 2023 and Fiscal 2022 and Fiscal 2021 in Indian Rupees in lakhs.

Unless stated otherwise or unless the context requires otherwise, the financial data in this Preliminary Placement Document is derived from the Audited Consolidated Financial Statements and the Unaudited Consolidated Financial Results. The Audited Consolidated Financial Statements and the Unaudited Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standards (“**Ind AS**”), notified under the

Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, prescribed under section 133 of the Companies Act, 2013, read with the relevant rules issued thereunder and the other accounting principles generally accepted in India and guidance notes specified by the Institute of Chartered Accountants of India, which have been included in this Preliminary Placement Document. The Audited Consolidated Financial Statements and the Unaudited Consolidated Financial Statements should be read along with the respective reports issued thereon. For further information, see **“Financial Information”** on page 253.

Our Company prepares its financial statements in accordance with Ind AS. Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, including generally accepted accounting principles followed in the U.S. (“**U.S. GAAP**”) or International Financial Reporting Standards (“**IFRS**”) and the reconciliation of the financial information to other accounting principles has not been provided. No attempt has been made to explain those differences or quantify their impact on the financial data included in this Preliminary Placement Document and investors should consult their own advisors regarding such differences and their impact on our Company’s financial data. Accordingly, the degree to which the financial information included in this Preliminary Placement Document will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act, 2013 and the SEBI ICDR Regulations. Any reliance by persons not familiar with Ind AS, the Companies Act, 2013, the SEBI ICDR Regulations and practices on the financial disclosures presented in this Preliminary Placement Document should accordingly be limited. Also see, **“Risk Factors –Significant differences exist between Ind AS, U.S. GAAP and IFRS, which may be material to investors’ assessments of our financial condition.”** on page 41.

Certain figures contained in this Preliminary Placement Document, including financial information, have been subject to rounding adjustments. Any discrepancies in any table between the totals and the sum of the amounts listed are due to rounding off. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given, and (ii) the sum of the figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row. All figures from or derived from the Audited Consolidated Financial Statements and the Unaudited Consolidated Financial Results are in decimals and have been rounded off to two decimal points, as has been presented in the Audited Consolidated Financial Statements and the Unaudited Consolidated Financial Results. Certain operational numbers may have been rounded off to one decimal point in some instances. Unless otherwise specified, all financial numbers in parenthesis represent negative figures. Further, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

Non-GAAP financial measures

Certain non-GAAP measures and certain other statistical information such as EBITDA, EBITDA Margins, ROE, Debt/Equity Ratio, Interest Coverage Ratio, ROCE, RONW, Net Profit Ratio, Current Ratio etc. (together referred as **“Non-GAAP Measures”**) presented in this Preliminary Placement Document are a supplemental measure of our performance and liquidity that are not required by, or presented in accordance with, Ind AS, Indian GAAP, or IFRS. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, or IFRS and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the year/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, or IFRS. In addition, these Non-GAAP Measures are not a standardized term, hence a direct comparison of similarly titled Non-GAAP Measures between companies may not be possible. Other companies may calculate the Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although the Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company’s management believes that it is useful to an investor in evaluating us because it is a widely used measure to evaluate a company’s operating performance or liquidity. Prospective investors should read this information in conjunction with the financial statements included in **“Financial Information”** starting on page 253.

INDUSTRY AND MARKET DATA

Information regarding market size, market share, market position, growth rates and other industry data pertaining to our business contained in this Preliminary Placement Document consists of estimates based on data reports compiled by governmental bodies, professional organisations and analysts and on data from other external sources, and on our knowledge of markets in which we compete.

Unless stated otherwise, statistical information, industry and market data used throughout this Preliminary Placement Document has been obtained from the report titled “*Industry Research Report on Diversified Portfolio of Swan Energy Limited*” dated February, 2024 prepared and issued by CARE Analytics and Advisory Private Limited (“**CARE Report**”).

This data is subject to change and cannot be verified with complete certainty due to limitations on the availability and reliability of raw data and other limitations and uncertainties inherent in any statistical survey. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organizations) to validate market-related analysis and estimates, so we have relied on internally developed estimates.

The extent to which the market and industry data used in this Preliminary Placement Document is meaningful depends solely on the reader’s familiarity with and understanding of the methodologies used in compiling such data. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in “***Risk Factors –Certain sections of this Preliminary Placement Document contain information from the CARE Report which we commissioned and purchased and any reliance on such information for making an investment decision in this Issue is subject to inherent risks.***” on page 41. Thus, neither our Company nor the Book Running Lead Manager can assure you of the correctness, accuracy and completeness of such data. Accordingly, investment decisions should not be based solely on such information.

Disclaimer of the CARE Report

The CARE Report is subject to the following disclaimer:

This report is prepared by CARE Analytics and Advisory Private Limited (CareEdge Research). CareEdge Research has taken utmost care to ensure veracity and adequacy of the information while developing this report based on information available in CareEdge Research’s proprietary database, and other sources including the information in public domain, considered by CareEdge Research as reliable after exercise of reasonable care and diligence. The views and opinions expressed herein do not constitute the opinion of CareEdge Research to buy or invest in this industry, sector or companies operating in this sector or industry and is also not a recommendation to enter into any transaction in this industry or sector in any manner whatsoever.

This report has to be seen in its entirety; the selective review of portions of the report may lead to inaccurate assessments. All forecasts in this report are based on assumptions considered to be reasonable by CareEdge Research at the time of issuance of this report; however, the actual outcome may be materially affected by changes in the industry and economic circumstances, which could be different from the projections.

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CareEdge Research shall reveal the report to the extent necessary and called for by appropriate regulatory agencies, viz., SEBI, RBI, Government authorities, etc., if it is required to do so. By accepting a copy of this report, the recipient accepts the terms of this Disclaimer, which forms an integral part of this report.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Preliminary Placement Document that are not statements of historical fact constitute 'forward-looking statements'. The prospective investors can generally identify forward-looking statements by terminology such as 'aim', 'anticipate', 'believe', 'continue', 'can', 'could', 'estimate', 'expect', 'goal', 'intend', 'may', 'will', 'plan', 'objective', 'potential', 'project', 'pursue', 'seek to', 'shall', 'should', 'will', 'would', 'will likely result', 'will continue', 'will pursue', 'will achieve', 'is likely' or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

The forward-looking statements appear in a number of places throughout this Preliminary Placement Document and include statements regarding the intentions, beliefs or current expectations of our Company concerning, amongst other things, the expected results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy of our Company and the industry in which we operate. In addition, even if the result of operations, financial conditions, liquidity and dividend policy of our Company, and the development of the industry in which we operate, are consistent with the forward-looking statements contained in this Preliminary Placement Document, those results or developments may not be indicative of results or developments in subsequent periods.

All statements regarding our Company's expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements and any other projections include statements as to our Company's business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Preliminary Placement Document regarding matters that are not historical facts. These forward-looking statements contained in this Preliminary Placement Document (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause the actual results, performances and achievements of our Company to be materially different from any of the forward-looking statements include, among others:

- Changing laws, rules and regulations and legal uncertainties, including the withdrawal of certain benefits or adverse application of tax laws, may adversely affect our business, prospects and results of operations.
- Competitive nature of each of our business and significant pricing pressures for us to retain our existing customers and solicit new business;
- Our ability to manage our growth effectively;
- Ability to retain and attract key qualified personnel and operational staff;
- Exposure to complex management, legal, tax and economic risks, including currency fluctuation;
- Reliance on third party vendors for business operations;
- Failure or material weakness of our internal controls system leading to operational errors or incidents of fraud;
- Difficulties in integration of any businesses in our recent or any future acquisitions.

Additional factors that could cause actual results, performance or achievements of our Company to differ materially include, but are not limited to, those discussed under the sections "*Risk Factors*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Industry Overview*" and "*Business*" and on pages 41, 81, 111 and 168, respectively.

By their nature, market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on net interest income and net income could

materially differ from those that have been estimated, expressed or implied by such forward looking statements or other projections. The forward-looking statements contained in this Preliminary Placement Document are based on the beliefs of the management, as well as the assumptions made by, and information currently available to, the management of our Company. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure prospective investors that such expectations will prove to be correct. Given these uncertainties, prospective investors are cautioned not to place undue reliance on such forward-looking statements.

In any event, these statements speak only as of the date of this Preliminary Placement Document or the respective dates indicated in this Preliminary Placement Document, and neither our Company nor the Book Running Lead Manager nor any of their respective affiliates undertakes any obligation to update or revise any of them, whether as a result of new information, future events or otherwise, changes in assumptions or changes in factors affecting these forward-looking statements or otherwise. If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements. In accordance with the SEBI and Stock Exchange requirements, our Company and the Book Running Lead Manager will ensure that the Shareholders are informed of material developments until the time of the grant of listing and trading permissions by the Stock Exchanges.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a public company with limited liability incorporated under the laws of India. Majority of our Directors, Senior Management and Key Managerial Personnel of our Company named herein are residents of India and majority of the assets of our Company are located in India. As a result, it may be difficult or may not be possible for the prospective investors outside India to affect service of process upon our Company or such persons in India, or to enforce judgments obtained against such parties outside India.

India is not a signatory to any international treaty in relation to the recognition or enforcement of foreign judgments. However, recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A, respectively, of the Civil Procedure Code (as defined below), on a statutory basis. Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or parties litigating under the same title, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India.

Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the foreign judgment had been rendered by a district court in India. Under Section 14 of the Civil Procedure Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record but such presumption may be displaced by proving want of jurisdiction. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards. The execution of a foreign decree under Section 44A of the Civil Procedure Code is also subject to the exception under Section 13 of the Civil Procedure Code as mentioned above.

Each of the United Kingdom, United Arab Emirates, Singapore and Hong Kong, amongst others has been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code, but the United States of America has not been so declared. A judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. The suit must be filed in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. Accordingly, a judgment of a court in the United States may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it views the amount of damages awarded as excessive or inconsistent with public policy of India and it is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. Further, any judgment or award denominated in a foreign currency would be converted into Indian Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered, and any such amount may be subject to income tax pursuant to execution of such a judgment in accordance with applicable laws.

EXCHANGE RATES INFORMATION

Fluctuations in the exchange rate between the Rupee and foreign currencies will affect the foreign currency equivalent of the Rupee price of the Equity Shares traded on the Stock Exchange. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Rupees on the Equity Shares.

The following table sets forth information, for the period indicated with respect to the exchange rates between the Rupee and the U.S. dollar (in ₹ per US\$), for the periods indicated. No representation is made that any Rupee amounts could have been, or could be, converted into U.S. dollars at any particular rate, the rates stated below, or at all.

US Dollar

	(₹ per US\$)			
	Period End ⁽¹⁾	Average ⁽²⁾	High ⁽³⁾	Low ⁽⁴⁾
Fiscal Ended:				
March 31, 2023	82.22	80.39	83.20	75.39
March 31, 2022	75.81	74.51	76.92	72.48
March 31, 2021	73.50	74.20	76.81	72.29
Months ended:				
January 31, 2024	83.08	83.12	83.33	82.85
December 31, 2023	83.12	83.28	83.40	83.02
November 30, 2023	83.35	83.30	83.39	83.13
October 31, 2023	83.27	83.24	83.27	83.15
September 30, 2023	83.06	83.05	83.26	82.66
August 31, 2023	82.68	82.79	83.13	82.28

Source: www.rbi.org.in and www.fbil.org.in, as applicable.

Period end, high, low and average rates are based on the FBIL reference rates and rounded off to two decimal places. The RBI reference rates are rounded off to two decimal places.

Notes:

1. The price for the period end refers to the price as on the last trading day of the respective fiscal year or monthly periods.
2. Average of the official rate for each Working Day of the relevant period.
3. Maximum of the official rate for each Working Day of the relevant period.
4. Minimum of the official rate for each Working Day of the relevant period.

In case of holidays, the exchange rate on the last traded day of the month has been considered as the rate for the period end.

DEFINITIONS AND ABBREVIATIONS

This Preliminary Placement Document uses the definitions and abbreviations set forth below which you should consider when reading the information contained herein. The following list of certain capitalised terms used in this Preliminary Placement Document is intended for the convenience of the reader / prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalised terms used in this Preliminary Placement Document shall have the meaning as defined hereunder. Further, any references to any statute, rules, guidelines, regulations, agreement, document or policies shall include amendments thereto, from time to time.

The words and expressions used in this Preliminary Placement Document but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, 2013, the SEBI ICDR Regulations, the SCRA, the Depositories Act, or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in the section “*Statement of Possible Special Tax Benefits*”, “*Industry Overview*”, “*Financial Information*” and “*Legal Proceedings*” beginning on page 233, 111, 253 and 242, respectively, shall have the meaning given to such terms in such sections.

General and Company Related Terms

Term	Description
Audit Committee	The audit committee of our Company, constituted in accordance with the applicable provisions of the Companies Act, 2013, the SEBI Listing Regulations, and as described in “ <i>Board of Directors and Senior Management</i> ” on page 180.
Articles or Articles of Association or AoA	Articles of association of our Company, as amended from time to time.
Audited Consolidated Financial Statements	Collectively, the audited consolidated financial statements of our Company and its Subsidiaries as of and for the years ended March 31, 2023, 2022 and 2021 which have been prepared in accordance with the Ind AS, as specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Companies Act, 2013 to the extent applicable, each comprising of the consolidated balance sheet, consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of cash flow and the consolidated statement of changes in equity , including summary of significant accounting policies and other explanatory information to the respective consolidated financial statements.
Auditors / Statutory Auditors	The Current statutory auditors of our Company namely N. N. Jambusaria & Co. Chartered Accountants
Board of Directors / Board	The board of directors of our Company or any duly constituted committee thereof, as context may require.
CARE Report	The report titled “Industry Research Report on Diversified Portfolio of Swan Energy Limited” dated February, 2024 prepared by CARE Analytics and Advisory Private Limited and commissioned and paid for by our Company pursuant to an engagement with CARE Analytics and Advisory Private Limited.
Chief Financial Officer	The chief financial officer of our Company, being Chetan K Selarka
Company Secretary and Compliance Officer	The company secretary and compliance officer of our Company, being Arun S Agarwal
Director(s)	The director(s) on the Board of our Company.
Equity Share(s)	The equity shares of our Company of face value of ₹ 1 each.
Financial Statements	Collectively, Audited Consolidated Financial Statements and Unaudited Consolidated Financial Results.
Fund Raising Committee	The fund raising committee constituted by our Board as disclosed in “ <i>Board of Directors and Senior Management</i> ” on page 180.
Independent Director(s)	The independent Director(s) of our Company as per section 2(47) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations, being Pitamber Tekchandani, Shobhan I. Diwanji, Rajat Kumar Dasgupta, Surekha Oak, and Rohinton Eruch Shroff
“Issuer”, “Company”,	“SEL”, “Our”, Unless the context otherwise indicates or implies, refers to Swan Energy Limited, a limited company incorporated under the Companies Act, 1882 having its

Term	Description
Company”, “the Company” “the Issuer”	registered office at 6, Feltham House, 2nd Floor, 10 J.N. Heredia Marg, Ballard Estate, Mumbai City, Mumbai, Maharashtra, India, 400001
Key Managerial Personnel	Key management personnel of our Company as defined under Regulation 2(1)(bb) of the SEBI ICDR Regulation and as disclosed in “ <i>Board of Directors and Senior Management</i> ” on page 180
Managing Director	The managing director of our Company, being Nikhil V Merchant.
Memorandum or Memorandum of Association	Memorandum of association of our Company, as amended from time to time.
Nomination and Remuneration Committee	The nomination and remuneration committee of our Company, constituted by our Board in accordance with the applicable provisions of the Companies Act, 2013, the SEBI Listing Regulations, and as described in “ <i>Board of Directors. and Senior Management</i> ” on page 180
Promoter(s)	Nikhil V Merchant, Vinita Nikhil Merchant, and Bhavik Nikhil Merchant.
Promoter Group	The promoter group of our Company as determined in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations.
Registered Office	6, Feltham House, 2nd Floor, 10 J.N. Heredia Marg, Ballard Estate, Mumbai City, Mumbai, Maharashtra, India, 400001
“Registrar of Companies” / “RoC”	The Registrar of Companies, Maharashtra at Mumbai.
Risk Management Committee	The risk management committee of our Company, constituted in accordance with the applicable provisions of the Companies Act, 2013, the SEBI Listing Regulations, and as described in “ <i>Board of Directors and Senior Management</i> ” on page 180.
Senior Management	Senior management of our Company in terms of Regulation 2(1)(bbbb) of the SEBI ICDR Regulations and as disclosed in “ <i>Board of Directors and Senior Management</i> ” beginning on page 180.
Shareholder(s)	The holders of the Equity Shares of our Company, from time to time.
Stakeholders’ Relationship Committee	The stakeholders’ relationship committee constituted by our Board of Directors
Subsidiaries	<p>The subsidiaries of our Company namely:</p> <ol style="list-style-type: none"> 1. Cardinal Energy and Infrastructure Private Limited (“CEIPL”) 2. Pegasus Ventures Private Limited (“PVPL”) 3. Swan LNG Private Limited (“SLPL”) 4. Triumph Offshore Private Limited (“TOPL”) 5. Swan Mills Private Limited (“SMPL”) 6. Veritas (India) Limited (“VIL”) 7. Hazel Infra Limited (“HIL”); and 8. Wilson Corporation FZE (“Wilson Corp”) <p>Stepdown subsidiaries of our Company namely:</p> <ol style="list-style-type: none"> 1. Reliance Naval and Engineering Limited (“Reliance Naval”) 2. Verasco FZE (“Verasco”) 3. Veritas International FZE (“Veritas International”) 4. Veritas Polychem Private Limited (“VPPL”) 5. Veritas Infra & Logistics Private Limited (“VILPL”) 6. Veritas Agro Ventures Private Limited (“VAVPL”) 7. Veritas Global PTE Limited (“VGPL”)
Unaudited Consolidated Financial Results	Unaudited consolidated financial results of our Company, and its Subsidiaries for the nine months ended December 31, 2023 (including comparative as at and for the nine months ended December 31, 2022) prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards 34 “Interim Financial Reporting” as prescribed under Section 133 of the Companies Act read with the relevant rules framed thereunder and other

Term	Description
	accounting principles generally accepted in India, and in compliance with Regulation 33 of the SEBI Listing Regulations together with the review report dated January 31, 2024 issued thereon by our Statutory Auditors
“we”, “us” or “our” or “Group”	Unless the context otherwise indicates or implies, refers to our Company together with our Subsidiaries, namely Swan Mills Private Limited, Cardinal Energy and Infrastructure Private Limited, Pegasus Ventures Private Limited, Triumph Offshore Private Limited, Swan LNG Private Limited, Veritas (India) Limited (step down subsidiaries include Veritas International FZE, Versaco FZE, and Veritas Polychem Private Limited, Veritas Infra & Logistics Private Limited, Veritas Agro Ventures Private Limited, Veritas Global PTE Limited), Hazel Infra Limited (step down subsidiaries include Reliance Naval & Engineering Limited) and Wilson Corporation FZE.

Issue related Terms

Term	Description
Allocated/ Allocation	The allocation of Equity Shares by our Company, in consultation with the Book Running Lead Manager, following the determination of the Issue Price to Eligible QIBs on the basis of Application Forms submitted by them, in consultation with the Book Running Lead Manager in compliance with Chapter VI of the SEBI ICDR Regulations
Allot/ Allotment/ Allotted	Unless, the context otherwise requires, allotment of Equity Shares to be issued pursuant to the Issue
Allottees	Eligible QIBs to whom Equity Shares are issued and Allotted pursuant to the Issue
Application Amount	The aggregate amount determined by multiplying the price per Equity Share indicated in the Bid by the number of Equity Shares Bid for by Eligible QIBs and payable by the Eligible QIBs in the Issue on submission of the Application Form
Application Form	The form (including any revisions thereof) which will be submitted by an Eligible QIB for registering a Bid in the Issue during the Bid/ Issue Period An indicative format of such form is set forth in “Sample Application Form” beginning on page 463.
Bid(s)	Indication of an Eligible QIB’s interest, including all revisions and modifications of interest thereto, as provided in the Application Form, to subscribe for the Equity Shares, pursuant to the Issue. The term “Bidding” shall be construed accordingly
Bid/Issue Closing Date	February [●], 2024, the date after which our Company (or the Book Running Lead Manager on behalf of our Company) shall cease acceptance of Application Forms and the Application Amount
Bid/Issue Opening Date	February 20, 2024, the date on which our Company (or the Book Running Lead Manager on behalf of our Company) shall commence acceptance of the Application Forms and the Application Amount
Bid/Issue Period	Period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date, inclusive of both days during which Eligible QIBs can submit their Bids including any revision and/or modifications thereof
Bidder(s)	Any prospective investor, being an Eligible QIB, who makes a Bid pursuant to the terms of the Preliminary Placement Document and the Application Form
BRLM/Book Running Lead Manager/ Lead Manager	Systematix Corporate Services Limited
CARE	CARE Analytics and Advisory Private Limited.
Closing Date	The date on which Allotment of Equity Shares pursuant to the Issue shall be made, i.e. on or about February [●], 2024
Designated Date	The date of credit of Equity Shares, pursuant to the Issue, to the Allottee’s demat account, as applicable to the respective Allottee.
Eligible FPIs	FPIs under FEMA, the SEBI FPI Regulations and any other applicable law, other than individuals, corporate bodies and family offices, that are eligible to participate in the Issue, participating through Schedule II of the FEMA Rules.

Term	Description
Eligible QIBs	<p>QIBs that are eligible to participate in the Issue and which are not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations and are not restricted from participating in the Issue under applicable law.</p> <p>In addition, Eligible QIBs are QIBs who are outside the United States, to whom Equity Shares are being offered in “offshore transactions”, as defined in, and in reliance on Regulation S and the applicable laws of the jurisdiction where those offers, and sales are made.</p>
Escrow Bank	Axis Bank Limited
Escrow Agreement	Agreement dated February 20, 2024 entered into amongst our Company, the Escrow Bank and the Book Running Lead Manager for collection of the Application Amounts and for remitting refunds, if any, of the amounts collected, to the unsuccessful Bidders.
Escrow Account	Special non-interest bearing, no-lien, escrow bank account without any cheques or overdraft facilities, opened with the Escrow Bank by our Company in the name and style of “ <i>Swan Energy Limited – QIP Escrow Account</i> ”, subject to the terms of the Escrow Agreement, into which the Application Amount shall be deposited by Eligible QIBs and from which refunds, if any, shall be remitted, as set out in the Application Form.
Floor Price	The floor price of ₹703.29 per Equity Share, calculated in accordance with Chapter VI of the SEBI ICDR Regulations. Our Company may offer a discount of not more than 5% on the Floor Price in accordance with the approval of the Shareholders of our Company accorded through their special resolution passed by way of a postal ballot dated February 7, 2024 in terms of Regulation 176(1) of the SEBI ICDR Regulations.
Fraudulent Borrower	An entity or person categorised as a fraudulent borrower by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(III) of the SEBI ICDR Regulations.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018, as amended.
Issue	The offer, issue and allotment of [●] Equity Shares at a price of ₹ [●] per Equity Share, including a premium of ₹ [●] per Equity Share, aggregating ₹ [●] lakhs to Eligible QIBs, pursuant to Chapter VI of the SEBI ICDR Regulations and the applicable provisions of Companies Act, 2013 and the rules made thereunder.
Issue Price	₹ [●] per Equity Share
Issue Size	The issue of up to [●] Equity Shares aggregating up to ₹[●] lakhs.
Monitoring Agency	Care Ratings Limited
Monitoring Agency Agreement	Agreement dated February 20, 2024 entered into amongst our Company and the Monitoring Agency in relation to the responsibilities and obligations of the Monitoring Agency for monitoring the utilisation of the net proceeds of the Issue, after deducting fees, commissions and expenses of the Issue.
Mutual Fund	A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
Placement Agreement	The Placement Agreement dated February 20, 2024 entered between our Company and the Book Running Lead Manager.
Placement Document	The placement document to be issued by our Company in accordance with Chapter VI of the SEBI ICDR Regulations and other applicable provisions of the Companies Act, 2013 and rules made thereunder.
Preliminary Placement Document	This preliminary placement document cum application form February 20, 2024 issued in accordance with Chapter VI of the SEBI ICDR Regulations and other applicable provisions of the Companies Act, 2013 and rules made thereunder.
QIBs or Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
QIP	Qualified institutions placement, being a private placement to Eligible QIBs under Chapter VI of the SEBI ICDR Regulations and other applicable sections of the Companies Act, 2013, read with applicable provisions of the Companies (Prospectus and Allotment of Securities) Rules, 2014.

Term	Description
Refund Amount	The aggregate amount to be returned to the Bidders who have not been Allocated Equity Shares for all or part of the Application Amount submitted by such Bidder pursuant to the Issue.
Refund Intimation	The letter from the Company to relevant Bidders intimating them of the Refund Amount, if any, to be refunded to their respective bank accounts.
Relevant Date	February 20, 2024 which is the date of the meeting of the Fund Raising Committee of the Board, a committee duly authorised by our Board, deciding to open the Issue.
Successful Bidders	The Bidders who have Bid at or above the Issue Price, duly paid the Application Amount along with the Application Form and who will be Allocated Equity Shares pursuant to the Issue.
Wilful Defaulter	An entity or person categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(III) of the SEBI ICDR Regulations.
Working Day	Any day other than second and fourth Saturday of the relevant month or a Sunday or a public holiday or a day on which scheduled commercial banks are authorised or obligated by law to remain closed in Mumbai, India or a trading day of the Stock Exchanges, as applicable.

Technical and Industry Related Terms

Term	Description
ARHCs	Affordable Rental Housing Complexes
ATUFS	Amended Technology Upgradation Fund Scheme
CoE	Centres Of Excellence
CPI	Consumer Price Index
CareEdge Research	CARE Analytics And Advisory Private Limited
CEPA	Comprehensive Economic Partnership Agreement
CNG	Compressed Natural Gas
CPVC	Chlorinated Polyvinyl Chloride
C&CL	Chowgule and Co. Limited
CGD	City Gas Distribution
CSL	Cochin Shipyard Limited
CFS	Container Freight Stations
DWT	Dead Weight Tonnage
EWS	Economically Weaker Sections
EBITDA	Earnings Before Interest, Taxes, Depreciation, And Amortization
FDI	Foreign Direct Investment
FSI	Floor Space Index
FOB	Freight On Board
GA	Geographical Areas
GDP	Gross Domestic Product
GCF	Green Climate Fund
GFCF	Gross Fixed Capital Formation
GRSE	Garden Reach Shipbuilders & Engineering Limited
GSL	Goa Shipyard Limited
GVA	Gross Value Added
GST	Goods And Services Tax
HIG	High Income Group
HFO	Heavy Fuel Oil
HSL	Hindustan Shipyard Limited
IMF	International Monetary Fund
IoT	Internet Of Things
IEA	International Energy Agency
ISRF	International Ship Repair Facility
ICDs	Internal Container Depots
IIP	Index Of Industrial Production
IW	Inland Waterways

IBC	Insolvency & Bankruptcy Code
IMD	Indian Meteorological Department
LIG	Low Income Group
LNG	Liquefied Natural Gas
LAF	Liquidity Adjustment Facility
MIG	Middle-Income Gas
MOSPI	Ministry Of Statistics And Programme Implementation
MOP&NG	Ministry Of Petroleum And Natural Gas
MDL	Mazagaon Dock Shipbuilders Limited
MMPLs	Multi-Modal Logistics Parks Policy
MIV 2030	Maritime India Vision 2030
MDD	Mandovi Drydocks Limited
MEG	Mono-Ethylene Glycol
MSF	Marginal Standing Facility
NGD	Next Generation Destroyer
NOx	Nitrogen Oxides
NRI	Non-Resident Indian
NW	National Waterways
NHB	National Housing Bank
NIP	National Infrastructure Pipeline
OGL	Open General Licensing
OEM	Original Equipment Manufacturers
PLL	Petronet Lng Ltd.
PCPIR	Petroleum, Chemicals And Petrochemicals Investment Region
PTA	Purified Terephthalic Acid
PVC	Polyvinyl Chloride
PSU	Public Sector Undertakings
PPP	Purchasing Power Parity
PMAY	Pradhan Mantri Awas Yojana
PMUY	Pradhan Mantri Ujjwala Yojana
PMAY-U	Pradhan Mantri Awas Yojana-Urban
PMGAY	Pradhan Mantri Gramin Awas Yojana
PMGKAY	Pradhan Mantri Garib Kalyan Anna Yojna
PLI	Production-Linked Incentive
PNG	Piped Natural Gas
PESO	Petroleum And Explosives Safety Organization
PM MITRA	PM Mega Integrated Textile Region And Apparel
QSRs	Quick Service Restaurants
QRRs	Quarterly Review Reports
RoDTEP	Remission Of Duties And Taxes On Export Products
RoSCTL	Rebate Of State And Central Taxes And Levies
REIT	Real Estate Investment Trust
RERA	Real Estate And Regulation Act
ROFR	Right Of First Refusal
RNEL	Reliance Naval And Engineering Limited
SO2	Sulphur Dioxide
SEBI	Securities And Exchange Board Of India
SSLNG	Small-Scale LNG
SWR	Soil, Waste And Rainwater
SBFAP	Shipbuilding Financial Assistance Policy
SDF	Standing Deposit Facility
TNHB	Tamil Nadu Housing Scheme Board
TWL	Titagarh Wagons Ltd.
TUFS	Technology Upgradation Fund Scheme
UPVC	Unplasticized Polyvinyl Chloride
Y-O-Y	Year On Year

Conventional and General Terms/Abbreviations

Terms	Description
₹ / Rs. / Re./ Rupees / INR	Indian Rupee
AGM	Annual General Meeting
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
AS or Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India, as required under the Companies Act.
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate (as a %): $(\text{End Year Value}/\text{Base Year Value})^{1/(\text{No. of years between Base year and end year})} - 1$ (^ denotes 'raised to')
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Civil Procedure Code	The Code of Civil Procedure, 1908, as amended
Companies Act	The Companies Act, 1956 or the Companies Act, 2013, as applicable
Companies Act, 1956	The erstwhile Companies Act, 1956 along with the rules made thereunder
Companies Act, 2013	Companies Act, 2013, as amended and the rules, regulations, circulars, modifications and clarifications thereunder, to the extent notified
Consolidated FDI Policy	The consolidated FDI Policy, issued by the Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
CSR	Corporate social responsibility.
Depositories Act	The Depositories Act, 1996, as amended
Depository	NSDL and CDSL, depositories registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018, as amended
Depository Participant	A depository participant as defined under the Depositories Act
DIN	Director Identification Number
EBIT	Earnings Before Interest and Tax
EGM	Extraordinary General Meeting
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization and impairment excluding other income
ESG	Environment, social and governance
EPS	Earnings per share
FBIL	Financial Benchmark India Private Limited
FDI	Foreign Direct Investment
FEMA	The Foreign Exchange Management Act, 1999, as amended and the Regulations issued thereunder
FEMA Non-Debt Rules/ FEMA Rules	The Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, as amended and any notifications, circulars or clarifications issued thereunder
“Financial Year” / “Fiscal Year” / “Fiscal” / “FY”	Unless otherwise stated, the period of 12 months commencing on April 1 of a year and ending on March 31 of the next year
Form PAS-4	Form PAS-4 as prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended
FPI/ Foreign Portfolio Investor(s)	Foreign Portfolio Investors, as defined under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018, as amended
FVCI	Foreign venture capital investors as defined and registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended
GAAP	Generally accepted accounting principles
GBP	Great Britain Pound Sterling
GDP	Gross domestic product
“GoI” / “Government”	Government of India, unless otherwise specified

Terms	Description
GST	Goods and services tax
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards of the International Accounting Standards Board
Ind AS	Indian accounting standards as notified by the MCA pursuant to Section 133 of the Companies Act read with the IAS Rules
Indian GAAP	Generally accepted accounting principles in India
Income Tax Act/IT Act	The Income tax Act, 1961
“Lakh”/” Lac”	Lakhs
MCA	Ministry of Corporate Affairs, GoI
Mn/ mn	Million
N.A./ NA	Not Applicable
NAV	Net Asset Value
NCLT	National Company Law Tribunal
NR/ Non-resident	A person resident outside India, as defined under the FEMA and includes an NRI
“Non-Resident Indian(s)” / “NRI”	A person resident outside India who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or is an ‘Overseas Citizen of India’ cardholder within the meaning of section 7(A) of the Citizenship Act, 1955, as amended.
NRO	Non-resident ordinary account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit after tax / profit for the respective period / year
PBT	Profit before tax
PAS Rules	Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended
RBI	The Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934
Regulation S	Regulation S under the U.S. Securities Act
S&P CNX NIFTY	Regional stock market index endorsed by Standard & Poor's which is composed of 50 of the largest and most liquid stocks found on the National Stock Exchange of India
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended
SEBI AIF Regulations	The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
STT	Securities Transaction Tax
TDS	Tax deducted at source
“USA” or “U.S.” or “United States”	United States of America, its territories and possessions, any State of the United States and the District of Columbia
U.S. GAAP	Generally accepted accounting principles in the United States of America
\$/ U.S.\$ / USD / U.S.	United States Dollar, the legal currency of the United States of America

Terms	Description
dollar	
U.S. Securities Act	United States Securities Act of 1933, as amended
VCF	Venture capital fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be
Year/Calendar Year	Unless context otherwise requires, shall refer to the twelve-month period ending December 31

SUMMARY OF BUSINESS

Overview

Our Company, or SEL, is the flagship company of the Swan Group (“**Group**”). Our Group is a diversified infrastructural industrial group based in India and UAE with presence in the areas of oil and gas, shipbuilding, defence and heavy engineering fabrication, petroleum and petrochemical warehousing, blending, processing & trading, real estate and textile. Our Company was incorporated on February 22, 1909 and taken over by the present management of the Group through an order of the Board for Industrial and Financial Reconstruction (“**BIFR**”) dated December 11, 1995.

Our Company was originally involved in the textile business and over the years have diversified into real estate, oil & gas, petroleum and petrochemical warehousing, blending, processing & trading, shipbuilding, defence and heavy engineering fabrication. In order to diversify from the original textile business of the Company, we had initially monetised the land parcel of the textile mills into real estate developments (both in commercial and residential) in the year 2004. In the year 2011, we have set up a new textile processing unit at Ahmedabad to continue our legacy in the textile industry. We have forayed into the oil and gas sector in the year 2012 for setting up a Floating Storage and Regasification Unit (“**FSRU**”) based Greenfield LNG terminal at Jafrabad, Gujarat. In the Fiscal 2023, our Company has acquired Veritas (India) Limited and forayed into the business of petroleum and petrochemical warehousing, blending, processing & trading. Further, Hazel Infra Limited (“**Hazel Infra**”), a special purpose vehicle between our Company and Hazel Mercantile Limited (“**HML**”), has acquired Reliance Naval and Engineering Limited (“**Reliance Naval**”) through an approved resolution plan and order dated December 23, 2022 by National Company Law Tribunal, Ahmedabad. As per the provisions contained in the resolution plan, the monitoring committee has handed over the management of Reliance Naval to HML through its SPV, Hazel Infra with the approval / consent of all the Committee of Creditors members and subsequently the Monitoring Committee stands dissolved with effect from January 04, 2024.

Oil and gas: Our Company, through its subsidiaries, Swan LNG Private Limited (“**SLPL**”) and Triumph Offshore Private Limited (“**TOPL**”), is implementing a greenfield port project off the Jafrabad coast in Amreli district in Gujarat (“**LNG Project**”) for regasification of imported LNG by utilizing a Floating Storage Regasification Unit (FSRU) Our LNG Project is essentially a ‘Tolling terminal’ as SLPL has entered into a regasification agreement with major oil & gas PSUs for regasification of imported LNG for 4.5 MTPA aggregate capacity for the period of 20 years from the date of commencement of operation which can be mutually extended. The LNG received at the FSRU converts LNG into regasified LNG which in turn is delivered to the terminal users at the custody transfer point. Terminal Users evacuate the regasified LNG through a downstream regional network which in turn also connects to other cross-country gas pipelines. Our LNG Project’s tolling terminal model provides us an assured revenue flow and mitigates us from any commodity risk in relation to LNG sourcing or gas market/pricing.

Petroleum and petrochemical warehousing, blending, processing & trading: Our Company through its Subsidiary, Veritas India Limited and step down Subsidiaries VERASCO FZE and Veritas International FZE are engaged in the business of international trade, warehousing, drumming, distillation, blending and distribution of petroleum and petrochemicals products.

Shipbuilding, defence and heavy engineering fabrication: Our Company, through its Subsidiary, Hazel Infra Limited, has recently acquired Reliance Naval and Engineering Limited (“**Reliance Naval**”) through a resolution plan and order dated December 23, 2022 by National Company Law Tribunal, Ahmedabad. Reliance Naval is involved in the business of ship construction and repairs for a range of vessels of different sizes and types, including naval vessels and coast guard vessels, as well as the heavy fabrication and construction of products such as offshore platforms, rigs, jackets and vessels.

Real Estate: Our Company, through its Subsidiaries Cardinal Energy and Infrastructure Private Limited (“**CEIPL**”) and Pegasus Ventures Private Limited (“**PVPL**”) are engaged in the development and sale of residential and commercial real estate projects. Our Company had successfully developed 2 large-scale projects in Mumbai - Peninsula Techno commercial IT park at Kurla, Mumbai consisting of 4 corporate towers and Ashok Gardens, a residential complex at Sewri, Mumbai. CEIPL had developed one commercial project in Bengaluru - Sai Tech Park, Whitefield and one commercial project in Hyderabad - Technova Park, Gachibowli which are leased out to multinational companies. Both the projects generate a consistent rental income for the company with an escalation of 15% every three years. Currently, CEIPL is developing a residential project “Cardinal One” at Bengaluru. It is a residential project consisting of a 22 story tower, having 3 wings (A, B, C) and is under

construction under a Joint Development Agreement. Construction of all 3 towers have been completed and the finishing works are currently in process.

Textile: We are engaged in the business of processing, dying and printing a range of fabrics, including cotton, cotton blend fabrics like polyester cotton, linen and viscose fabrics with lycra and non-lycra options located at Narol, Ahmedabad, Gujarat. We have a textile processing unit located at Plot No – 558/559a, Narol – Vatva Road, Ahmedabad, Gujarat and has been accredited with certifications like ISO 9001:2008 and OEKOTEX-100.

The following table sets forth certain information relating to certain key financial performance metrics on a consolidated basis as of the dates and for the periods indicated:

Consolidated performance	Nine months period ended December 31, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
Revenue from Operations (In ₹ lakhs)	3,61,924.06	1,43,814.37	48,719.96	32,046.88
Total Income (In ₹ lakhs)	3,69,301.83	1,44,891.15	49,409.11	32,441.28
Gross margin (%)	24.02%	25.77%	33.24%	43.65%
EBITDA (In ₹ lakhs)	82,392.71	24,190.35	7,518.72	7,165.16
EBITDA margin (%)	22.31%	16.70%	15.22%	22.09%
Profit/(Loss) for the period/ year (Net Profit) (In ₹ lakhs)	53,037.78	-6,104.92	-15,789.29	-6,861.43
Net Profit Ratio (%)	14.36%	-4.21%	-31.96%	-21.15%
Return on Capital Employed (%)	-	2.05%	0.09%	0.68%
Return on Equity (%)	-	-2.14%	-9.63%	-5.12%
Debt Equity Ratio	-	1.75	2.51	2.29
Interest coverage Ratio	4.53	1.09	0.54	0.75
Current Ratio	-	1.26	1.44	0.36
Total Assets (In ₹ lakhs)	-	10,22,478.19	6,39,731.81	4,93,610.23
Total Liabilities (In ₹ lakhs)	-	6,48,971.00	4,69,889.30	3,53,841.44
Total Equity (In ₹ lakhs)	-	3,73,507.19	1,69,842.52	1,39,768.79
Total Borrowings (In ₹ lakhs)	-	4,97,933.36	4,11,635.07	3,06,405.58
Total Current Assets (In ₹ lakhs)	-	2,57,621.00	1,60,062.79	53,560.27
Total Current Liabilities (In ₹ lakhs)	-	2,04,115.24	1,11,200.04	1,49,248.48

We attribute our growth to our experienced, highly qualified and dedicated senior management team. Our senior management team has extensive experience in the various industries in which we operate. Our Board includes a combination of executive as well as independent Directors with significant business experience. We leverage their experience in our strategic decision making and day-to-day operations of our Company.

SUMMARY OF THE ISSUE

The following is a general summary of the term of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Preliminary Placement Document, including under the sections “*Risk Factors*”, “*Use of Proceeds*”, “*Placement and Lock Up*”, “*Issue Procedure*” and “*Description of the Equity Shares*” beginning on pages 41, 71, 212, 198 and 228, respectively.

Issuer	Swan Energy Limited
Face Value	₹ 1 per Equity Share
Issue Price	₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share)
Floor Price	₹ 703.29 per Equity Share calculated in accordance with Regulation 176 under Chapter VI of the SEBI ICDR Regulations.
	In terms of the SEBI ICDR Regulations, the Issue Price cannot be lower than the Floor Price. However, our Company may offer a discount of not more than 5% on the Floor Price in accordance with the approval of the Shareholders of our Company accorded through special resolution passed through a postal ballot dated February 07, 2024 and in terms of Regulation 176(1) of the SEBI ICDR Regulations.
Issue Size	Issue of [●] Equity Shares aggregating up to ₹[●] lakh. A minimum of 10% of the Issue Size i.e. [●] Equity Shares shall be available for Allocation to Mutual Funds only, and balance [●] Equity Shares shall be available for Allocation to all Eligible QIBs, including Mutual Funds. In case of under-subscription or no subscription in the portion available for Allocation only to Mutual Funds, such portion or part thereof may be Allotted to other Eligible QIBs.
Date of Board Resolution approving the Issue	December 28, 2023
Date of Shareholders’ Resolution approving the Issue	February 07, 2024
Eligible Investors	Eligible QIBs, to whom this Preliminary Placement Document and the Application Form are delivered and who are eligible to bid and participate in the Issue. For further details, see “ <i>Issue Procedure</i> ”, “ <i>Selling Restrictions</i> ” and “ <i>Transfer Restrictions</i> ” on pages 198, 214 and 222 respectively. The list of Eligible QIBs to whom this Preliminary Placement Document and Application Form is delivered has been determined by our Company in consultation with the Book Running Lead Manager.
Dividend	Please see section “ <i>Description of the Equity Shares</i> ”, “ <i>Dividends</i> ” and “ <i>Statement of Possible Special Tax Benefits</i> ” on pages 228, 80 and 233, respectively.
Issue procedure	This Issue is being made only to Eligible QIBs in reliance on Section 42 of the Companies Act, read with Rule 14 of the PAS Rules, and all other applicable provisions of the Companies Act, 2013 and Chapter VI of the SEBI ICDR Regulations. For further details, see “ <i>Issue Procedure</i> ” on page 198 .
Taxation	Please see section “ <i>Statement of Possible Special Tax Benefits</i> ” on page 233.
Equity Shares issued and outstanding immediately prior to the Issue	26,39,17,000 Equity Shares, being fully paid-up.
Equity Shares issued and outstanding immediately after the Issue	[●] Equity Shares.
Listing	Our Company has received in-principle approvals from the BSE and the NSE each dated February 20, 2024 under Regulation 28(1)(a) of the SEBI Listing Regulations for the listing of the Equity Shares to be issued pursuant to the Issue.

Trading	<p>The trading of the Equity Shares would be in dematerialized form and only in the cash segment of each of the Stock Exchanges.</p> <p>Our Company will make applications to the respective Stock Exchanges to obtain final listing and trading approvals for the Equity Shares after Allotment of the Equity Shares in the Issue.</p>	
Lock-up	For details of the lock-up, see “ Placement and Lock-up ” on page 212.	
Transferability Restrictions	<p>Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of the Stock Exchanges.</p> <p>Please see section “Transfer Restrictions” and “Selling Restrictions” on pages 222 and 214, respectively.</p>	
Use of Proceeds	<p>The gross proceeds of the Issue will aggregate to approximately ₹[●] lakh. The net proceeds of the Issue, after deducting fees, commissions and expenses of the Issue, is expected to be approximately ₹[●] lakh.</p> <p>See “Use of Proceeds” on page 71 for information regarding the use of net proceeds from the Issue.</p>	
Risk Factors	Please see section “ Risk Factors ” on page 41 for a discussion of risks you should consider before investing in the Equity Shares.	
Closing Date	The Allotment of the Equity Shares offered pursuant to the Issue is expected to be made on or about [●], 2024.	
Ranking and Dividends	<p>The Equity Shares to be issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association and shall rank <i>pari-passu</i> with the existing Equity Shares of our Company, including rights in respect of dividends.</p> <p>The Shareholders of our Company (who hold Equity Shares as on the record date) will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Bid/ Issue Closing Date, in compliance with the Companies Act, 2013, SEBI Listing Regulations and other applicable laws and regulations. Shareholders may attend and vote in shareholders’ meetings in accordance with the provisions of the Companies Act, 2013. Please see sections “Dividends” and “Description of the Equity Shares” on pages 80 and 228, respectively.</p>	
Security Codes/ Symbols for the Equity Shares	ISIN	INE665A01038
	BSE Code	503310
	NSE Symbol	SWANENERGY

SELECTED FINANCIAL INFORMATION

The following tables set out selected financial information derived from our Audited Consolidated Financial Statements and the Unaudited Consolidated Financial Results. For further details, please see “***Management’s Discussion and Analysis of Financial Condition and Results of Operations***” and “***Financial Information***”, on pages 81 and 253, respectively.

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Unaudited Consolidated Financial Results for nine months period ended December 31, 2023

(In ₹ lakhs)

Sr. No.	Particulars	Nine month ended	
		December 31, 2023	December 31, 2022
		(Unaudited)	(Unaudited)
1	INCOME:		
	a) Revenue from Operations	3,61,924.06	50,495.12
	b) Other Income	7,377.77	652.68
	Total Income	3,69,301.83	51,147.80
2	EXPENSES:		
	(a) Cost of materials consumed	2,80,651.96	45,002.38
	(b) Changes in inventories of finished goods, work in progress and stock-in-trade	(5,648.78)	(3,035.92)
	(c) Employee benefits expenses	2,631.48	2,071.13
	(d) Finance Costs	17,328.87	16,117.61
	(e) Depreciation & amortisation expense	8,104.23	5,452.76
	(f) Other Expenses	9,274.46	7,131.15
	Total Expenses	3,12,342.22	72,739.11
3	Profit/(Loss) before exceptional Items and Tax (1-2)	56,959.61	(21,591.31)
4	Exceptional Items - (Expense)/Income	-	-
5	Profit share in associate	-	5,393.68
6	Profit/(Loss) before Tax	56,959.61	(16,197.63)
7	Tax Expenses		
	(1) Current tax	191.72	442.74
	(2) Short/(Excess) provision for earlier years	0.26	-
	(3) Deferred Tax	3,729.85	(4,320.96)
8	Net Profit after Tax (6-7)	53,037.78	(12,319.41)
9	Other Comprehensive Income (Net of Tax)	1,019.57	-
10	Total Comprehensive Income (8+9)	54,057.35	(12,319.41)
11	Attributable to		
	Owners of the Company	27,458.43	(4,146.34)
	Non-Controlling Interest	25,579.35	(8,173.07)
12	Paid - up Equity Share Capital [Face value: ₹ 1/- per share]	2,639.17	2,639.17
13	Earnings per Shares (EPS) Basic & Diluted		
	a) Before Extraordinary Items (In ₹)	20.48	(4.67)
	b) After Extraordinary Items (In ₹)	20.48	(4.67)

Audited Consolidated Balance Sheet as on March 31, 2023, March 31, 2022, and March 31, 2021

(In ₹ lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3,82,646.93	1,83,202.91	1,86,695.84
Right of use Assets	58.08	92.91	127.76
Capital Work in Progress	3,25,291.78	2,38,902.77	1,92,728.71
Other Intangible Assets	0.05	0.05	0.46
Investment Property	39,817.33	40,457.54	41,423.77
Financial Assets			
(i) Investments	1,260.92	213.30	36.00
(ii) Loans	74.34	26.85	12.81
(iii) Other Financial Assets	1.00	-	711.68
Non-Current Tax Assets	-	778.10	545.55
Deferred Tax Assets (Net)	4,523.32	3,760.78	686.16
Other Non-Current Assets	11,183.44	12,233.81	17,081.22
Total Non-Current Assets (A)	7,64,857.19	4,79,669.02	4,40,049.96
Current Assets			
Inventories	26,057.36	17,144.36	14,472.36
Financial Assets			
(i) Investments	1,736.93	79.29	20.89
(ii) Trade Receivables	1,78,559.83	21,375.94	2,866.81
(iii) Cash and Cash Equivalents	14,508.50	90,680.37	7,323.65
(iv) Bank Balances Other Than (iii) above	5,659.20	4,726.01	3,737.97
(v) Loans	13,215.17	8,602.79	7,794.18
(vi) Other Financial Assets	81.06	508.84	54.66
Other Current Assets	17,802.95	16,945.19	17,289.75
Total Current Assets (B)	2,57,621.00	1,60,062.79	53,560.27
TOTAL ASSETS (A+B)	10,22,478.19	6,39,731.81	4,93,610.23
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	2,639.17	2,639.17	2,442.57
Other Equity	2,25,728.69	1,21,892.74	84,985.25
Long Term Loans and Advances			
Non-Controlling Interest	1,45,139.33	45,310.61	52,340.97
Total Equity (A)	3,73,507.19	1,69,842.52	1,39,768.79
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
(i) Borrowings	3,92,789.43	3,53,997.95	1,99,642.73

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
(ii) Trade Payables	22,611.76	-	
(iii) Other Financial Liabilities	7,159.73	2,381.55	2,979.65
Deferred Tax Liability (Net)	-	-	-
Provisions	281.39	148.58	116.81
Total Non-Current Liabilities (B)	4,22,842.31	3,56,528.08	2,02,739.19
Current Liabilities			
Financial Liabilities			
(i) Borrowings	83,694.76	55,513.69	1,04,942.08
(ii) Trade Payables	96,236.66	20,690.81	3,293.96
(iii) Other Financial Liabilities	37,129.28	34,603.99	41,223.18
Other Current Liabilities	8,966.94	2,483.68	1,576.43
Provisions	101.05	69.04	66.60
Total Current Liabilities (C)	2,26,128.69	1,13,361.21	1,51,102.25
TOTAL EQUITY & LIABILITIES (A+B+C)	10,22,478.19	6,39,731.81	4,93,610.23

Audited Consolidated Profit and Loss Account for the years ended as on March 31, 2023, March 31, 2022, and March 31, 2021

(In ₹ lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Income			
Revenue from Operations	1,43,814.37	48,719.96	32,046.88
Other Income	1,076.78	689.15	394.40
Total Income	1,44,891.15	49,409.11	32,441.28
Expenses:			
Cost of Materials Consumed	1,10,440.26	34,662.18	21,031.04
Purchase of stock-in-trade			
(Increase)/Decrease in Finished Goods and Work-in-Progress	(3,683.57)	(2,139.06)	(2,973.67)
Employee Benefit Expenses	3,161.99	2,514.79	1,809.26
Finance Costs	22,279.90	18,914.94	10,803.55
Depreciation and Amortization Expense	8,134.78	7,026.65	4,166.38
Other Expenses	10,782.12	6,852.48	5,409.50
Total Expenses	1,51,115.48	67,831.98	40,246.06
Profit share in Associates			
Profit/(Loss) before Tax	(6,224.33)	(18,422.87)	(7,804.78)
Tax Expense			
(1) Current tax	518.77	441.04	141.58
(2) Short/(Excess) Provisions of Previous Years	-	-	(0.83)
(3) Deferred Tax	(718.96)	(3,074.62)	(1,084.10)
(4) MAT Credit Adjustment	80.78	-	
Profit/(Loss) for the year	(6,104.92)	(15,789.29)	(6,861.43)
Other Comprehensive Income in associate for the year			
Other Comprehensive Income for the year	(542.91)	11.32	14.11
Total Comprehensive Income for the year	(6,647.83)	(15,777.97)	(6,847.32)

Audited Consolidated Cash Flow Statement for the years ended as on March 31, 2023, March 31, 2022, and March 31, 2021

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Cash Flow from Operating Activities			
Profit/(Loss) before tax	(6,767.25)	(18,411.55)	(7,790.67)
Adjustments for			
Depreciation	8,134.78	7,026.65	4,166.38
Foreign Currency Translation Reserve	(176.34)	(0.35)	(0.17)
Quasi Equity in Verasco FZE	-	-	-
(Profit) / Loss on sale of Investments	(118.53)	(21.04)	(33.73)
Ind AS Interest impact of OCD issued	893.16	2.45	-
(Profit) / Loss on sale of Assets	1.31	18.01	36.13
Considered Separately			
Interest Expenses	22,279.90	18,914.94	10,803.55
Interest Income	(764.46)	(623.02)	(349.88)
Dividend Income	(6.06)	(5.40)	-
Operating Profit before Working Capital Changes	23,476.51	6,900.69	6,831.61
Adjustments for			
Decrease/ (Increase) in Other Non Current Assets	1,050.36	4,847.42	63,149.43
Decrease/ (Increase) in Non Current Loans	(47.50)	(14.04)	(7.55)
Decrease/ (Increase) in Non Current Other Financial Assets	(1.00)	711.68	(711.68)
Decrease / (Increase) in Inventory	(8,913.00)	(2,671.99)	(1,849.57)
Decrease / (Increase) in Trade and Other Receivables	(1,57,183.90)	(18,509.13)	2,546.41
Decrease / (Increase) in Other Current Financial Assets	427.78	(454.18)	(38.26)
Decrease / (Increase) in Other Current Assets	(857.77)	344.55	(4,995.01)
Decrease / (Increase) in Investment Property	-	326.01	171.23
(Decrease) / Increase in Other Non-Current Financial Liabilities	4,778.17	(598.10)	189.73
(Decrease) / Increase in Other Current Financial Liabilities	(16,800.45)	(5,671.86)	(32,828.88)
(Decrease) / Increase in Other Current Liabilities	6,483.25	907.22	124.17
(Decrease) / Increase in Provisions	153.75	34.21	(4.64)
(Decrease) / Increase in Trade and Other Payables	98,157.61	17,396.85	(2,338.99)
Cash generated from operations	49,276.19	3,549.33	30,238.00
Direct Taxes (Paid)/Received	189.63	(673.59)	10.10
Net Cash from Operating Activities (A)	49,086.56	2,875.74	30,248.10
Cash Flow from Investing Activities			
Purchase of Property, Plant and Equipment	(2,07,007.82)	(2,952.34)	(1,77,058.98)
Proceeds from Sale of Fixed Assets	20.99	7.65	8.45
Increase in Capital Work In Progress (Net)	(86,307.18)	(46,105.61)	(24,140.10)
Retained Earnings of new subsidiaries acquired during the year	-35.11	0.04	-

Retained Earnings of strike-off subsidiaries during the year	-	16.25	-
Capital Reserve of new subsidiaries acquired during the year	1,08,194.85	-	-
Minority Interest in newly acquired subsidiary	1,02,593.03	-	-
Deferred Tax balance of newly acquired subsidiary	(43.58)	-	-
Purchase of Investments	(19,013.62)	(5,577.30)	(2,394.00)
Proceeds from Sale of Investments	16,426.89	5,362.64	3,174.69
Loan to Others	(1,601.31)	(808.61)	(8.58)
Interest Income	764.46	623.02	349.88
Dividend Income	6.06	5.40	-
Net Cash from Investing Activities (B)	(86,002.34)	(49,428.86)	(2,00,068.64)
Cash Flow from Financing Activities			
Proceeds from Issue of Equity Shares	-	31,849.20	-
Loan from / (Refund) of Loan to Related Parties	42,331.53	1,265.65	1,835.89
(Refund) of / Loan from Other Parties	22,762.16	(50,461.80)	3,664.76
(Repayment) / Proceed of Loan from Banks	17,300.36	1,46,744.03	1,81,556.48
Repayment of Bonds/ Debentures	-	(2,500.00)	-
Proceed from Bonds /Debentures	-	23,160.00	-
Interest Expenses	(22,279.90)	(18,914.94)	(10,803.55)
Dividend Paid	(263.92)	(244.26)	(244.26)
Net Cash from Financing Activities (C)	59,850.23	1,30,897.88	1,76,009.32
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	(75,238.67)	84,344.76	6,188.78
Opening Balance of Cash & Cash Equivalents	95,406.38	11,061.62	4,872.84
Closing Balance of Cash & Cash Equivalents	20,167.71	95,406.38	11,061.62

RELATED PARTY TRANSACTIONS

For details of the related party transactions during (i) Fiscal 2023; (iii) Fiscal 2022; and (iv) Fiscal 2021, as per the requirements under Ind AS 24 'Related party disclosures' notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standard) Rules 2015, as amended and as reported, please see the section titled "***Financial Information***" on page 253.

RISK FACTORS

The risks described below are those that we consider to be most significant to our business, results of operations and financial conditions at the date of this Preliminary Placement Document. However, they are not the only risks and uncertainties relevant to us or the Equity Shares or the industries in which we currently operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our business prospects, results of operations and financial condition. In order to obtain a complete understanding about us, investors should read this section in conjunction with “Our Business”, “Industry Overview” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations and Financial Information” on pages 168, 111, 81 and 253, respectively, as well as the other financial and statistical information contained in this Preliminary Placement Document. If any of the risks described below, or other risks that are not currently known or are currently deemed immaterial actually occur, our business prospects, results of operations and financial condition could be adversely affected, the trading price of the Equity Shares could decline, and investors may lose all or part of the value of their investment. Any potential investor in the Equity Shares should pay particular attention to the fact that we are subject to a regulatory environment in India which may differ significantly from that in other jurisdictions. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the financial impact is not quantifiable and, therefore, cannot be disclosed in such risk factors. In making an investment decision, prospective investors must rely on their own examination of us on a consolidated basis and the terms of the Issue, including the merits and risks involved. Investors should consult their respective tax, financial and legal advisors about the particular consequences of an investment in this Issue.

This Preliminary Placement Document also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from such forward-looking statements as a result of certain factors including the considerations described below and elsewhere in this Preliminary Placement Document. For further information, see “Forward-Looking Statements” on page 16.

Our Company’s Fiscal commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Fiscal are to the 12 months ended March 31 of that particular year. Unless the context otherwise requires, references in this section to “we”, “us”, “our” or “our Company” (including in the context of any financial or operational information) are to Swan Energy Limited on a consolidated basis.

Unless otherwise indicated, the financial information included herein is based on our Financial Statements for Fiscal 2021, Fiscal 2022 and Fiscal 2023 and our Unaudited Financial Results for the nine months period ended December 31, 2023, included in this Preliminary Placement Document. For further information, see “Financial Information” on page 253.

*Unless otherwise indicated, industry and market data used in this section has been derived from the report titled “Industry Report on Diversified Portfolio Swan Energy Limited” dated February, 2024 prepared and issued by CARE Analytics and Advisory Private Limited (“**CARE Report**”). There are no parts, data or information (which may be relevant for the proposed issue), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the CARE Report and included herein with respect to any particular year refers to such information for the relevant calendar year. For more information, see “**Risk Factors – Certain sections of this Preliminary Placement Document contain information from the CARE Report which we commissioned and purchased and any reliance on such information for making an investment decision in this Issue is subject to inherent risks.**” on page 41. Also see, “**Industry and Market Data**” on page 15.*

RISKS ASSOCIATED WITH OUR BUSINESS

Risk Related to Real Estate Business

- 1) ***We may not be aware of legal uncertainties and defects on our land parcels or completed projects or other properties, which may have an adverse impact on our ability to develop and market our projects.***

In relation to our land parcels, we may be unable to identify various legal defects and irregularities to the title of the land or properties. Property records in India have not been fully computerized and are generally maintained

and updated manually through physical records of all land-related documents. This process may take a significant amount of time and result in inaccuracies or errors. For example, there could be discrepancies in the land area in revenue records, the area in title deeds or the actual physical area of some of our land. In certain cases, our name may not have been updated in the land records (including revenue records, mutation extracts and 7/12 extracts) as owners or developers of the land.

In addition, we may not be aware of all the risks associated with the land or property or our completed projects. We may not have good and marketable title to some of our land as a result of non-execution, non-registration or inadequate stamping of conveyance deeds and other acquisition documents, or not having obtained requisite approvals from courts or concerned governmental authorities for acquisition of land or property, or may be subject to, or affected by, encumbrances of which we may not be aware. We may not be able to assess or identify disputes, unregistered encumbrances or adverse possession rights over title to real property which we own or may invest in. Further, there may be premium (including lease premium) which may be pending to be paid by us to the governmental authorities with respect to acquisition of certain land or property, and we may also be exposed to risk of litigation on account of acquisition of land or property without requisite approvals, which could affect our title to such land or property. Legal disputes in respect of land title can take several years and considerable expense to resolve if they become the subject of court proceedings and their outcome can be uncertain. If either we or the owner of the land which is the subject of our future development agreements are unable to resolve such disputes with these claimants, we may lose our interest in the land. Further, if we are unable to comply with the terms and conditions of such development agreements in the future, we may be exposed to risk of litigation as well as termination, and we may lose our interest in the land or property.

Further, we may also be subject to claims resulting from defects in our completed projects and from the buyers and tenants of our completed projects. Our failure to settle such claims from our buyers and tenants, may expose us to risk of litigation and could have a material adverse effect on our business, financial condition and results of operations.

2) *While we have obtained independent title reports or search reports for a large part of the land comprising our land reserves, we do not have and may not obtain title insurance guaranteeing title or land development rights.*

The title to the lands in India is often fragmented and the land may, in many cases, have multiple owners. This also makes the acquisition and development process more complicated and may expose us to legal disputes and adversely affect our land valuations. Typically, we conduct diligence and assessment exercises internally prior to acquiring land, entering into development agreements with landowners and assessing the financial viability of the projects on the basis of the documents made available. We may thereafter engage local counsel to issue title reports. With regard to certain land parcels, it is often difficult for legal counsels to satisfy themselves of certain technical requirements while assessing the title. While, we have obtained independent title reports or search reports for a large part of the land comprising our land reserve, we cannot assure you that such title reports or search reports will not be disputed and we may face litigations in relation to such land in the future which may adversely affect our business operations, financial condition and results of operations.

Our failure to obtain legal opinions and search reports in respect of our land reserves in the future may result in our inability to obtain financing or sell our units constructed on such land reserves in the future in a timely manner, which may adversely affect our business and results of operations.

Further, title guarantee insurance is not available in India at a commercially viable cost to guarantee title or development rights in respect of land. As a result, we may not obtain title guarantee insurance or obtain inadequate coverage for the title guarantee insurance. This, coupled with difficulties in verifying title to land, may increase our exposure to third parties claiming title to the property. Consequently, we may be required to sell the property or lose our title to the property, which could adversely affect our business, results of operations and financial condition.

3) *Changing laws, rules and regulations and legal uncertainties, including the withdrawal of certain benefits or adverse application of tax laws, may adversely affect our business, prospects and results of operations.*

In India and more particularly in Mumbai, our business is governed by various laws and regulations including the the RERA and the rules made thereunder, including state specific rules, the Maharashtra Tenancy and Agricultural Lands Act, 1948, as amended, the Maharashtra Land Revenue Code, 1966, as amended, and rules made thereunder, the Indian Stamp Act, 1899, as amended, the Maharashtra Regional and Town Planning Act, 1966, as

amended, the Maharashtra Stamp Act, 1958, as amended, the Indian Registration Act, 1908, as amended, the Maharashtra Ownership of Flats (Regulation of the Promotion, Construction, Sale, Management and Transfer) Act, 1963, as amended, the Environment (Protection) Act, 1986, the Maharashtra Co-operative Societies Act, 1960, Maharashtra Housing and Area Development Act, 1976 and the Consumer Protection Act, 1986, as amended.

Further, our development activities are governed by laws such as the Development Control Regulations for Mumbai Metropolitan Region and other laws issued and made by various regulatory authorities in the state and centre. Our business and development activities could be adversely affected by any change in such laws, municipal plans or interpretation of existing laws, or promulgation of new laws, rules and regulations as applicable to us.

Unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations governing our business, operations and group structure could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, prospects and results of operations.

Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect our business, prospects and results of operations.

- 4) *We may not be able to identify the most ideal use of our land parcels or enter into development agreements for land development rights at reasonable or favourable terms which may adversely affect our business and results of operations.***

Our Real Estate Division holds land parcels and properties in Mumbai, Hyderabad, Chennai, Mangalore, Ramnathpuram and Bengaluru. Our performance is dependent on our ability to monetize these land parcels for appropriate use such as commercial or residential at an appropriate price and on favourable terms. Some of our land parcels are yet to be developed and there is no guarantee that we will be able to monetize these land parcels or enter into agreements for their development at favourable terms and conditions. Further, there are other factors that are beyond our control such as the ability of real estate developer to perceive the best use of our land and the inability to obtain the necessary permits and approvals for land development, etc.

The real estate market may be affected by various factors outside our control, including prevailing socio-economic and market conditions, changes in supply of and demand for real estate developments, changes in applicable governmental regulations and related policies, availability of financing for real estate projects and applicable interest rates, change in demographic trends, employment and income levels, among other factors. The development of real estate projects may involve a significant time period, and the real estate market is relatively illiquid, which may limit our ability to respond promptly to changing market conditions. Such factors may delay our efforts to optimize the value from the land parcels this may cause us to modify, delay or abandon projects, which could adversely affect our business and results of operations.

- 5) *Our projects require approvals or permits and we are required to fulfil certain conditions precedent in respect of some of them, which may require us to reschedule our current or planned projects.***

We require statutory and regulatory approvals and permits, and applications need to be made at appropriate stages for us to successfully execute our projects. For example, we are required to obtain requisite development certificate, fire safety clearances and the commencement, completion and occupation certificates and other applicable approvals from the competent governmental authorities. Any delay or our inability to obtain such statutory and regulatory approvals may require us to reschedule or completely stop our plans on the current or planned projects which will adversely affect all aspects of our business.

Further, if we may not be able to adapt to new laws, regulations or policies that may come into effect from time to time with respect to the real estate industry in general or the particular processes with respect to the granting of approvals, we may have to reschedule the implementation schedule of some of our planned projects in the future. This may lead to delay in executing our planned/ proposed projects which will further adversely affect our business, financial condition and results of operations.

- 6) *Our business and growth plan could be adversely affected by the incidence and change in the rate of***

property taxes and stamp duties.

Our real estate development business is subject to the property tax regime in the respective States in which they are located and goods and services tax under the Goods and Services Tax Act, 2017, as amended, (“GST”). We are also subject to stamp duty for the agreement entered into in respect of the properties we sell

These taxes could increase in the future, and new forms of property taxes and stamp duties may be introduced which may increase our overall costs. If the prevailing property taxes and stamp duties increase or change in form, the cost of buying, selling and owning properties may rise and could have an adverse effect on our financial condition and results of operations. Unfavourable changes in or interpretations of existing or withdrawal of any benefits or adverse application of tax laws or the promulgation of new, laws, rules and regulations including foreign investment laws governing our business, operations.

- 7) ***We rely on specialized contractors and professional project management firms to execute our development projects and any failure on their part to perform their obligations could adversely affect our business, results of operations and cash flows.***

We appoint specialized contractors to construct our development projects and specific specialized sub-contractors for completion of various technical aspects of the building. Further, aspects of project construction with respect to cost, schedule, safety, adherence to safety standards etc. are managed by a professional project management firm. If such a contractor or professional project management firm fails to perform its obligations satisfactorily or within the prescribed time periods with regard to a project, or terminates its arrangement with us or not able to adhere to cost, schedule, safety, adherence to safety standards etc., we may be unable to develop the project within the intended timeframe and at the intended cost or face potential litigation or pay fines or other penalties for noncompliance. If this occurs, we may be required to incur additional cost or time to develop the property to appropriate quality standards in a manner consistent with our development objective, which could result in reduced profits or, in some cases, significant penalties and losses, which we may not be able to recover from the relevant independent contractor. In addition, we may be subject to claims in the future in relation to defaults and late payments to our contractors, which may adversely affect our business, results of operations, and cash flows.

We cannot assure you that the services rendered by any of our independent contractors will always be satisfactory or match our requirements for quality. Further, we may be subject to litigation challenging the quality of our projects, which may adversely affect our business and reputation. In addition, we may be subject to claims in the future in relation to defaults and late payments to our contractors, which may adversely affect our business, results of operations, and cash flows.

- 8) ***Our real estate business is subject to the RERA and any non-compliance of the provisions of RERA or the applicable state specific legislations may have an adverse effect on our business, results of operations and financial condition.***

The Central Government had notified the RERA in the official gazette on March 26, 2016. The RERA was introduced to regulate the real estate industry and to ensure, amongst others, imposition of certain responsibilities on real estate developers and accountability towards customers and protection of their interest.

The RERA has imposed certain obligations on real estate developers, including us, such as mandatory registration of real estate projects, not issuing any advertisements or accepting advances unless real estate projects are registered under RERA, maintenance of a separate escrow account for amounts realized from each real estate project and restrictions on withdrawal of amounts from such escrow accounts and taking customer approval for major changes in sanction plan. Any non-compliance of the provisions of RERA or the applicable state specific legislations may result in punishments (including penalties and/or imprisonment), revocation of registration of the ongoing projects, if any which may have an adverse effect on our business, results of operations and financial condition.

- 9) ***If we are not able to sell our project inventories in a timely manner or at all, it may adversely affect our business, results of operations and financial condition.***

We have certain unsold residential project inventory in our completed constructed projects. If we are unable to sell such inventory at acceptable prices and in a timely manner or at all, our business, results of operations and financial condition could be adversely affected.

10) Our business is dependent on the availability/supply and cost of raw materials. Any significant increase in the prices including the taxes and levies or decrease in the availability of any of the raw materials may adversely affect our results of operations.

Our major raw materials including but not limited to cement, bricks, water, wood, iron rods, steel and aluminium. The timely availability, cost and quality of the raw materials being supplied to us plays an important role in the construction of the projects. In case any of our or our contractor's regular suppliers curtail or discontinue supply of key raw materials at competitive prices or at all, our business and results of operations could be adversely affected. The prices and supply of such plotting and/ or building materials depend on factors not under our control, including cost of the raw materials, increased demand or reduced supply, general economic conditions, competition, production costs and levels, transportation costs, indirect taxes, etc. Our ability to develop the projects profitably is dependent upon our ability and the ability of our contractors to source adequate and timely building supplies within our estimated budget. Any disruption in either of the factors mentioned above are not under our control, including general economic conditions, competition, production levels, transportation costs and government taxes and levies. Real estate business is also dependant on supply of various products and in case of any force majeure change in laws that impact the supply timeline can in turn impact the final delivery timeline. If, for any reason, our regular/primary suppliers of materials refuse or delay or discontinue the delivery of the raw materials to us in the quantities we need and at prices that are competitive, our ability to meet our raw material requirements for real estate projects shall come to a temporary standstill and our project schedules could be disrupted. Further, we may also not be able to pass on any increase in the prices of these raw materials to our customers which could affect our results of operations and impact our financial condition.

During periods of shortages in materials, especially cement and steel, we may not be able to complete projects according to our project schedules, at our estimated cost, or at all, which could adversely affect our results of operations and financial condition. In addition, during periods where the prices of materials or labour significantly increase, we may not be able to pass these price increases on to our customers, which could reduce or eliminate the profits we intend to attain from our projects or cause us to incur losses. Prices of certain materials, such as cement and steel, in particular, are susceptible to rapid increases. In addition, our contractors may also revise the agreed contract price in the event the price of certain raw materials increases above an agreed threshold. These factors could adversely affect our business, results of operations and cash flows.

Additionally, our supply chain for these building supplies may be periodically interrupted by circumstances beyond our control, including but not limited to shortages of skilled labour, work stoppages, transport strikes and labour disputes affecting our suppliers, their distributors, or the transporters of our supplies, including poor quality roads and other transportation related infrastructure problems, inclement weather, and road accidents. If any of these risks occur, our financial condition and results of operations could be adversely affected. We also require adequate supply of labour for the timely execution of our projects. Our supply of labour may be adversely affected by, among other things, work stoppages and labour disputes. Such events may also increase the cost of labour that we can source for our projects. The occurrence of any of these events could adversely affect our business, financial condition and results of operations.

11) The Government of India or state governments may exercise rights of compulsory purchase over our land, which could adversely affect our business.

The right to own property in India is subject to restrictions that may be imposed by the Government. In particular, the Government, under the provisions of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 ("**Land Acquisition Act**") has right to compulsorily acquire any land if such acquisition is for a public purpose, after providing compensation to the owner. However, the compensation paid pursuant to such acquisition may not be adequate to compensate the owner for the loss of such property. The likelihood of such acquisitions may increase as central and state governments seek to acquire land for, among other things, the development of infrastructure projects such as roads, railways, airports, industrial areas/parks and townships.

Additionally, we may face difficulties in interpreting and complying with the provisions of the Land Acquisition Act due to limited jurisprudence on them or if our interpretation differs from or contradicts any judicial pronouncements or clarifications issued by the government. In the future, we may face regulatory actions or we may be required to undertake remedial steps. Any such action in respect of any of the projects in the future may adversely affect our business, financial condition or results of operations.

12) *Our vacant land parcels are exposed to the risk of encroachment*

We are yet to begin our development activities on our land parcels at Bengaluru. The vacant land parcels may be encroached by nearby or other communities thereby creating encumbrances and hampering our clear titles. Further such encroachments may expose us to the risk of litigations leading to delay in our activities which will adversely affect our business, financial condition or results of operations.

13) *Our sales revenue is dependent on factors affecting prospective consumer's purchasing power that are out of our control.*

Our sales revenue is dependent on the financial ability and financial availability of our prospective customers to invest or purchase properties. Besides this, consumers also have the option of borrowing funds either from the banks or in the form of home loans from lenders at the current interest rates. While, the favourable interest rates on financing from banks/financial institutions and housing finance companies, particularly for residential real estate, combined with the tax treatment of loans, has helped the consumers in investing or purchasing properties, any changes in the interest rates, tax treatment with respect to the repayment of principal on housing loans and interest paid on housing loans may further affect demand for residential real estate.

14) *The real estate industry in India is intensely competitive and our inability to compete effectively may adversely affect our business, financial condition and results of operations.*

We operate in an intensely competitive and highly fragmented industry with low entry barriers. We face significant competition in our business from a large number of Indian real estate development companies who also operate in the same regional markets as us. The extent of the competition we face in a potential property market depends on a number of factors, such as the size and type of property development, contract value and potential margins, the complexity and location of the property development, facilities and supporting infrastructure services, the reputation of our competitors, and the risks relating to revenue generation amongst others. Given the fragmented nature of the real estate industry, we often do not have adequate information about the property developments that our competitors are developing and accordingly, we run the risk of underestimating supply in the market.

Some of our competitors are larger than us and have greater land reserves or financial resources or a more experienced management team. They may also benefit from greater economies of scale and operating efficiencies and may have greater experience in regional markets, especially in relation to local laws and regulations. Competitors may, whether through consolidation or growth, present more credible integrated or lower cost solutions than we do. We cannot assure you that we can continue to compete effectively with our competitors in the future, and failure to compete effectively may have an adverse effect on our business, financial condition and results of operations. Further, intensified competition between property developers may result in increased land prices, oversupply of properties, lower real estate prices, and lower sales at our properties, all of which may adversely affect our business. Further, our real estate development business may be subject to increased competition from other real estate development companies. We cannot assure you that we will be able to compete successfully in the future against our existing or potential competitors or that increased competition will not have an adverse effect on our profitability.

Risk Related to Textile Business

15) *Any increase in the prices of raw material or any decrease in the supply of raw materials, primarily greige will materially and adversely affect our business, results of operations and financial condition.*

The primary raw material for our textile business is greige which is made from cotton and any fluctuations in price of cotton due to the changes in weather condition among other factors will impact the price of our raw material. Any increase in raw material prices may have an adverse effect on our business, financial condition and results of operations. Further any material shortage or interruption in the supply of greige could result in increased costs that we may not be able to pass on to customers.

Our suppliers help us in procuring raw materials and majority of them have been associated with our Company for over substantial period of time. There are no minimum committed volumes of raw material that our suppliers assure us. Any failure of our suppliers to arrange for raw material in the necessary quantities or as per our requirement with respect to our schedule, quality, standards and specifications, may adversely affect our production processes, which may in turn result in a material adverse effect on our business, financial condition and results of operations. Although we have not encountered any significant disruptions in the sourcing and/or

supply of our raw materials, we cannot assure you that such disruptions will not occur and/or we shall continue to be able to source raw materials in a cost-effective manner.

16) *We do not have long term contracts with our customers.*

We have not executed any long-term contracts with our customers. Our sales are based on purchase orders that are placed by our customers depending on their requirements, with typical delivery periods ranging from one to three months. In the absence of long-term contracts, there can be no assurance that a particular customer would continue to source their supplies from us in the future. A reduction in the purchase orders placed by the customers may adversely affect our business and revenues; and may require us to shift to different markets and/or look for alternative buyers. Further, any loss of our major customers arising out of competition or from cheaper sources can lead to reduced margins and our results and operations may be affected.

17) *Any decrease in demand for our products may adversely affect our business and financial condition.*

The sales of our products rely heavily on the demand and preferences of end-user consumers of garments and other textile products. Our revenue from textile segment accounted for 66.20 %, 34.56 %, 16.92 % and 4.48 % of our total revenue from operations for Fiscal 2021, 2022, 2023 and for the nine months period ended December 31, 2023 respectively. If the preferences of end-users for textile products undergo a change which is driven by fashion, or if our industry experience lower or negative growth, demand for our products may decrease and our revenue from sales of such products may decline, which may in turn materially adversely affect our business, financial condition and results of operations. In addition, we make significant decisions, including setting up of additional capacities, determining the levels of business that we will seek and accept, production schedules, raw material procurement, personnel requirements, and other resource requirements, based on our estimates of future sales projections. This may require us to increase staffing, increase borrowings and incur other expenses to meet the anticipated demand. However, any decrease in the demand for our product may result in such expenses causing reductions in our margins and significantly impact our results and operations. We cannot assure you that we will be able to realise the sales value on the basis of our estimates and any such losses may have an adverse impact on our results of operations.

18) *Our failure to accurately forecast and manage inventory could result in an unexpected shortfall and/or surplus of products, which could have a material adverse impact on our profitability.*

We monitor our inventory levels based on our projections of future demand. Because of the length of time necessary to produce commercial quantities of our products, we make production decisions well in advance of sales for some of our products. Our inventory stood at ₹ 14,472.36 lakhs, ₹ 17,144.36 lakhs, ₹ 26,057.36 lakhs and ₹ 32,169.47 lakhs for the fiscals 2021, 2022, 2023 and for the nine months period ended December 31, 2023. An inaccurate forecast of demand for any product may result in unavailability/surplus of products. This unavailability of products in high demand may depress sales volumes and adversely affect customer relationships. Conversely, an inaccurate forecast can also result in an over-supply of products, which may increase costs, negatively impact cash flow, reduce the quality of inventory, erode margins substantially due to writing down of inventory cost from its carrying value to the net realisable value. Any of the aforesaid circumstances could have a material adverse effect on our business, results of operations and financial condition.

19) *Our business involves a substantial level of dependence on machinery and any disruption to the same may have a material adverse effect on our business, results of operations and financial condition.*

We operate a manufacturing facility in Ahmedabad, Gujarat which is subject to operating risks, such as unavailability of machinery, break-down, obsolescence or failure of machinery, disruption in power supply or processes, performance below expected levels of efficiency, labour disputes, natural disasters, industrial accidents and statutory and regulatory restrictions.

In addition, our customers rely significantly on the timely delivery of our products and our ability to provide an uninterrupted supply of our products is critical to our business. Any disruption of operations of our manufacturing facility could result in delayed delivery of our products or defects in the garments delivered to our customers, which in turn may lead to disputes and legal proceedings with them on account of any losses suffered by them or any interruption of their business operations due to such delay or defect. Our business and financial results may be adversely affected by any disruption of operations of our manufacturing facility, on account of factors including any or all of the factors mentioned above.

20) *We operate in a competitive business environment. Competition from existing players and new entrants and consequent pricing pressures could have a material adverse effect on our business growth and prospects, financial condition, and results of operations.*

We face huge competition in our industry from the existing players and new entrants especially producers of manmade fibre, which is a cheaper alternative to the natural fibre we use. If there is a change in trend and increase in demand of man-made fibre may put pressures on pricing, product quality, turnaround time, order size etc., which may put strain on our profit margins. Failure to compete with producers of man-made fibre may have adverse effect on our business, financial condition, and results of operations.

21) *We are subject to strict quality requirements and are consequently required to incur significant expenses to maintain our product quality. Any failure to comply with such quality standards may lead to cancellation of existing and future orders which may adversely affect our reputation, financial conditions, cash flows and results of operations.*

We face inherent business risks of exposure to product liability or recall claims and in the event that our products fail to meet the required quality standards or are alleged to result in harm to customers. Our manufacturing facility has been found to be in conformity with the Global Organic Textile Standard (GOTS) – Version 6.0, Organic Content Standard (OCS) (Version 3.0), Global Recycled Standard (GRS) (Version 4.0), certified by Control Union. Despite putting in place strict quality control procedures we cannot assure that our products will always be able to satisfy our clients/customer's quality standards. Any negative publicity regarding our Company, or products, including those arising from any deterioration in quality of our products from our vendors, or any other unforeseen events could adversely affect our reputation and our operations. We face the risk of non-renewal or withdrawal of such certification from the respective authorities in case we are not able to fulfil their quality standards and other parameters.

We are focused on improving quality systems and their effectiveness to lessen the incidence of such risks and simultaneously improving its operational efficiencies. However, there can be no assurance that there could not still be some deviation from prescribed quality standards due to factors including human error. We face the risk of legal proceedings and product liability claims being brought by various entities, including customers, distributors and government agencies for various reasons including for defective products sold or services rendered. We cannot assure you that we will not experience product recalls or product liability losses in the future. Any product recall, product liability claim or adverse regulatory action may adversely affect our reputation and brand image, as well as entail significant costs in excess of available insurance coverage, which could adversely affect our reputation, business, results of operations and financial condition.

22) *Our textile business is impacted by seasonality*

We are impacted by seasonal variations in sales volumes, which may cause our revenues to vary significantly between different quarters in a Fiscal. Typically, we see an increase in our business before Diwali and during end of season sales. As a result, our revenue and profits may vary significantly during different financial periods and certain periods may not be indicative of our financial position for a full financial year and may be significantly below the expectations of the market, analysts and investors. Therefore, our results of operations and cash flows across quarters in a Fiscal may not be comparable and any such comparisons may not be meaningful, or may not be indicative of our annual financial results or our results in any future quarters or periods. Further, any decrease in sales during festive period or other periods may adversely affect our business, results of operations and financial condition.

23) *Inconsistent product quality could lead to customer dissatisfaction, hampering reputation, sales and business which may materially and adversely affect our business and prospects.*

We face business risks relating to our products not meeting the customer's technical specifications or the required quality standards. We have prescribed stringent quality checks and continue to improve its resource utilization and minimize in-process rejections by leveraging quality tests across all manufacturing facilities. We are focused on improving quality systems and their effectiveness to lessen the incidence of such risks and simultaneously improving its operational efficiencies. However, there can be no assurance that there could not still be some deviation from prescribed quality standards due to factors such as human error. Despite putting in place strict quality control procedures we cannot assure that our products will always be able to satisfy our clients/customer's quality standards.

Any negative publicity regarding our Company, or products, including those arising from any deterioration in quality of our products from our vendors, or any other unforeseen events could adversely affect our reputation and our operations. Introduction of new products or for any other reason, any failure on our part to meet our customers' expectation could adversely affect our business, result of operations and financial condition. Such risks may be controlled, but not eliminated, by adherence to good manufacturing practices and finished product testing. We have little, if any, control over proper handling once our products are delivered to our customers. In case our products do not meet the customer, requirements or fails to adhere to the technical specifications or quality standards, our customers may cancel the order. Any such cancellation by our customers may adversely affect our reputation and brand image, which could adversely affect our business, results of operations and financial condition.

Risk Related to Oil and Gas and Petroleum and petrochemical warehousing, blending, processing and trading business

24) *The construction and commencement of commercial operations of our LNG terminal, the PVC and PMB plants (jointly referred to as the “Projects”) involve many uncertainties and risks that may have a material adverse effect on our business, results of operations and financial condition.*

A key part of our strategy is dependent upon the timely completion of the Projects

The Project involves engineering, construction and other commercial risks, including:

- the availability of financing on acceptable terms;
- reliance on third parties to construct and complete, among other things, the Projects,
- construction and development delays or defects;
- engineering design and technological changes;
- mobilizing the required resources, including housing and training a large workforce;
- failure to obtain necessary governmental and other approvals
- changes in management's views of the desirability of our current plans;
- changes in market conditions;
- actions of our competitors;
- accidents, natural disasters and weather-related delays;
- time and cost overruns and unanticipated expenses; and
- regulatory changes.
- termination/changes in our off -take agreements

In addition, we rely upon third-party engineering, procurement and construction (“EPC”) contractors that undertake turnkey contracts for the Projects. Our reliance on EPC contractors to complete the Projects may subject us to construction delays which are beyond our control. Any delay in completing the Project may lead to cost overruns.

The dangers inherent in our proposed operations could cause disruptions and could expose us to significant losses, costs or liability.

25) *We cannot be certain that operations at our LNG Terminal, PVC and PMB plants (“Projects”) will reach full capacity or will achieve desirable results.*

As new facilities, operation of the Projects will be subject to various uncertainties including the potential failure of any key equipment or default in construction of the Projects. We are new in these sectors and cannot assure you that our projects will reach full capacity or achieve desirable results.

26) *Exchange rate fluctuations may have a material adverse effect on our business, results of operations and financial condition.*

We will be exposed to foreign exchange risks. Accordingly, significant movements in currency rates may have a material adverse effect on our business, results of operations and financial condition. Our costs for procurement of raw materials/materials will be mainly incurred in foreign currencies, we also have debt of which the principal and interest costs are denominated in foreign currencies. If the value of the currency in which we incur our costs strengthens relative to the value of the currency in which we sell our products, there would be an adverse impact on

our results of operations and financial condition. Changes in exchange rates may have a material adverse effect on our competitive and financial position. Although we will seek to manage our foreign exchange risks in order to minimize any negative impact caused by exchange rate volatility, there can be no assurance that we will be able to do so successfully.

27) Any delay in completion of our LNG Project may lead to cost overrun and extension of charter contract for our FSRU which could have a material adverse effect on our business, results of operations and financial condition.

Our LNG Project is due for completion but our FSRU Project is already operational which forms an integral part of our LNG Project. Since our LNG Project is yet to be commissioned, we have deployed our FSRU with third party on rental basis. We anticipate that once the LNG Project is ready, our FSRU shall also be made available. Any delay in commissioning of our LNG Project may lead to cost overrun. Further, if our LNG Project is not completed on expected time and the term of deployment of FSRU lapses as per the charter, FSRU will sit idle and un-deployed. Our inability to charter the FSRU in the interim period may impact our profitability of our oil & gas business.

28) The LNG project site and Reliance Naval project site are located in the west coast of Gujarat which has experienced severe natural disasters in the past which could have a material adverse effect on our business, results of operations and financial condition.

The state of Gujarat in India, where our LNG project site and Reliance Naval project site are located, has experienced severe cyclones like cyclone Vayu and cyclone Taukate in the past. Our operations depend upon our ability to protect our facilities against damage from fire, earthquakes, floods, storms, power loss and similar events and to construct facilities that are not vulnerable to the effects of such events. The occurrence of a natural disaster or other unanticipated problem at our facilities or work sites could cause interruptions in the construction of our facilities. Any damage or failure that causes interruptions during the construction of our facilities or its subsequent operations may have a material adverse effect on our business, operating results and financial condition.

29) Our LNG terminal is dependent on the domestic regional pipeline for its functioning and any obstruction in the pipeline may impact our business, results of operations and financial condition.

Our terminal users are dependent on domestic regional pipelines for the off-take of re-gasified LNG from the LNG terminal. In case of any disruption in the connectivity of the pipeline with our terminal due to uncertain events and natural disasters, the terminal user may not be able to evacuate the re-gasified LNG through the regional pipeline network which will affect our operations and financial condition.

30) The cyclical and overcapacity of the petrochemical industry may impact our business, results of operations and financial condition.

The petrochemicals industry is highly cyclical and volatile due to the nature of the supply-demand balance. The industry historically has experienced alternating periods of inadequate capacity and tight supply, causing prices and profit margins to increase, followed by periods when substantial capacity is added, resulting in oversupply, declining capacity utilisation rates and declining prices and profit margins. There can be no assurance that future growth in product demand will be sufficient to utilise current or additional capacity.

The global economic and political environment continues to be uncertain, contributing to low industry operating rates, adding to the volatility of raw material and energy costs, and forestalling the industry's recovery from tough conditions, all of which may place pressure on our results of operations. As a result of excess industry capacity and weak demand for products, as well as rising energy costs and raw material prices, our operating income may decline and be volatile.

31) Significant or extended changes in demand and supply fundamentals for crude oil, gas, LNG and other petroleum products may have a material impact on its market prices, which could have a material negative effect on our margins, business, results of operations and financial condition.

The market prices for crude oil and other petroleum products are subject to significant fluctuations resulting from a variety of factors affecting demand and supply, which are outside our control. It is difficult to accurately predict future demand and supply trends and their impact on prices of crude oil, gas, LNG and other petroleum products. Significant pricing level changes during the period between the procurement of crude oil and other petroleum products could have a material negative effect on our business, results of operations and financial condition.

Prices of crude oil, gas, LNG and other petroleum products depend on numerous factors beyond our control, including:

- changes in global and domestic economic and political conditions;
- global demand for crude oil;
- the level of production of crude oil and other petroleum products;
- discoveries of, and commercial availability of, alternative and competing fuels;
- Indian and foreign governmental regulations and actions, fiscal or otherwise, including tariffs on imports;
- price and availability of new technology;
- pricing and other actions taken by suppliers and competitors that impact the market;
- the ability of the members of the Organisation of Petroleum Exporting Countries, or OPEC, to maintain oil price and production controls;
- lack of demand for the quality of product that we intend to produce; and
- seasonality and weather conditions.

General Risks Related to Businesses

32) A shortage or non-availability of electricity, fuel or water and associated price fluctuations may adversely affect our manufacturing operations and have an adverse effect on our business, results of operations and financial condition

Our businesses have significant electricity requirements and any kind of interruption in such supply may disrupt our operations. We source our power requirements mainly from state electricity boards. Any failure on our part to obtain alternate sources of electricity or fuel, in a timely manner, and at an acceptable cost, may have an adverse effect on our business, financial condition, results of operations and prospects. There can be no assurance that our Company will be in a position to successfully tackle/avoid such disruption in our operations in a timely manner or at all due to any failure on our part to obtain alternate sources of electricity, fuel or water, and at an acceptable cost and any such failure may have an adverse effect on our business, results of operations and financial condition.

33) Our real estate, oil and gas and naval businesses are capital intensive and requires significant expenditure and are therefore dependent on the availability of real estate financing, which may not be available on terms acceptable to us in a timely manner or at all.

Our real estate, oil and gas and naval businesses are capital intensive. The actual amount and timing of our future capital requirements may also differ from estimates as a result of, among other things, unforeseen delays or cost overruns in developing our projects, change in business plans due to prevailing economic conditions and unanticipated expenses. Our ability to borrow and the terms of our borrowings will depend on our financial condition, the stability of our cash flows and our capacity to service debt in a rising interest rate environment. If we are unable to sell our inventory of units, or there are cancellation of pre-sales or regulatory changes restricting the use of revenue generated from presales, our working capital requirements are likely to increase significantly and may thereby adversely impact our operations and our ability to service our borrowings, increase or refinance our borrowings. All these factors may result in increases in the amount of our receivables and short-term borrowings. Our ability to make payments on our future indebtedness will depend on our future performance and our ability to generate cash, which, to a certain extent, is subject to general economic, financial, competitive, legislative, legal, regulatory and other factors, many of which are beyond our control. If our future cash flows from operations and other capital resources are insufficient to pay our future debt obligations, our contractual obligations, or to fund our other liquidity needs, we may be forced to sell our assets or attempt to restructure or refinance our existing indebtedness.

34) We have no operating history for our Oil and Gas and naval businesses and limited experience with regards to our petroleum and petrochemical business vertical; it is difficult to estimate our future performance.

We have no operating history for our Oil and Gas and naval business from which we can evaluate our business and future prospects and viability and a very limited experience with regards to our petroleum and petrochemical business vertical. Furthermore, our revenue and profitability estimates may not be indicative of our future results of operations. We have acquired Reliance Naval and Engineering Limited through resolution plan dated December 13, 2021 and intend to foray into the naval business and further we intend to commence commercial operations of our LNG terminal at Jafrabad, Gujarat and PVC and PMB plants in Maharashtra through our subsidiaries and

therefore our prospects must be considered in light of the risks and uncertainties encountered in evolving markets where supply and demand may change significantly in a short span of time. As a result, we cannot give you any assurance about our future performance or that our business strategy will be successful.

35) *Completion of issue and allotment of equity shares Reliance Naval may cause delays in the operation of Reliance Naval as a step down subsidiary of our Company, thus having a negative impact on the business of our Company.*

The successful acquisition of Reliance Naval is an essential component of our Company's strategic expansion plan. As per our resolution plan for acquisition of Reliance Naval dated December 13, 2021 our Company has to pay ₹ 2,55,800 lakhs, out of which payment of ₹33,567 lakhs has been made towards settlement of CIRP cost, dues to lenders and creditors as per the approved resolution plan, and for various overheads / yard restoration activities. As on the date of this Preliminary Placement Document, equity shares of Reliance Naval have not yet been issued to formally establish Reliance Naval as a subsidiary of our Company. This may cause significant delay in the anticipated synergies and benefits associated with the acquisition, including operational efficiencies, market diversification, and cost savings, which may not be realized in a timely manner or to the extent initially projected.

36) *We have acquired Reliance Naval through Corporate Insolvency Resolution Process and the Committee of Creditors ("COC") has given us definite timeline to pay the entire consideration. Any delay or non-payment would have an adverse impact on our financials, share price and reputation.*

We have acquired Reliance Naval through Corporate Insolvency Resolution Process approved by NCLT, Ahmedabad on December 23, 2022 and as per the approval of the COC and the NCLT, Ahmedabad the balance payment has to be made as per the below schedule approved by committee of creditors.

Period	December 23, 2024	December 23, 2025	December 23, 2026	December 23, 2027
Amount (₹ in lakhs)	50,800.00 [#]	18,800.00	28,000.00	86,400.00

[#] Plus applicable interest.

Any delay or default in payment as per the approved payment schedule will have an adverse impact on our expansion plans and therefore impact our financial condition and reputation.

37) *The discontinuation of, the loss of business with respect to, or a lack of commercial success of, a particular business segment could affect our business and results of operation.*

Our subsidiary Veritas India Limited has divested its wind mill business at Rameshwar village in Satara, Maharashtra. We cannot assure that our existing business will continue to be with our Company and as per the decision of Board of Directors of our Company we may invest in new business or divest our existing business. Any discontinuation of, loss of business with respect to, or a lack of commercial success of, a particular, business segment in future due to unanticipated reasons could have an adverse effect on our business and results of operations.

38) *Our Company was incorporated in 1909 and we are unable to trace some of our historical records. We cannot assure you that no legal proceedings or regulatory actions will be initiated against our Company in the future in relation to the missing filings and corporate records, which may impact our financial condition and reputation.*

We are unable to trace some of our historical records, including the form filings made with the RoC. We may be unable to obtain copies of these documents in the future to ascertain details of the relevant transactions. While no legal proceedings or regulatory action has been initiated against our Company in relation to the unavailable filings and statutory lapses as of the date of this Preliminary Placement Document, we cannot assure you that such proceedings or regulatory actions will not be initiated against our Company in the future in relation to the missing filings and corporate records. The actual amount of the penalty which may be imposed or loss which may be suffered by our Company cannot be ascertained at this stage and depends on the circumstances of any potential action which may be brought against our Company. We cannot assure you that any such proceedings will not have a material adverse effect on our financial condition or reputation. We have relied on RoC search report obtained from Rahul A Jain, Practicing Company Secretary dated February 20, 2024 in respect of some of our missing statutory compliances.

39) *We are subject to certain government regulation and if we fail to obtain, maintain or renew our statutory and regulatory licenses, permits, registrations and approvals required to operate our business, our business and results of operations may be adversely affected.*

Our operations are subject to government regulations and we are required to obtain and maintain a number of statutory and regulatory permits, approvals, registrations and consents under central, state and local government rules in India, generally for carrying out our business and for each of our manufacturing facilities.

The introduction of additional government control or newly implemented laws and regulations, depending on the nature and extent thereof and our ability to make corresponding adjustments, may adversely affect our business, results of operations and financial condition. In particular, decisions taken by regulators concerning economic policies or goals that are inconsistent with our interests could adversely affect our results of operations. These laws and regulations and the way in which they are implemented and enforced may change from time to time and there can be no assurance that future legislative or regulatory changes will not have an adverse effect on our business, financial condition, cash flows and results of operations.

The approvals required by us are subject to numerous conditions and we cannot assure you that these would not be suspended or revoked in the event of non-compliance or alleged noncompliance with any terms or conditions thereof, or pursuant to any regulatory action. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business. In case we fail to comply with these requirements, or a regulator alleges we have not complied with these requirements, we may be subject to penalties and compounding proceedings.

40) *If we are unable to successfully execute our growth strategies, our business, prospects and results of operations could be materially and adversely affected.*

We propose to expand our business by adopting a series of strategies. For further details, see “*Competitive Strategies*” in the chapter titled “*Our Business*” beginning on page 168. Our growth depends on our ability to commence business, expand our market share and our inability to do so may adversely affect our growth prospects. Our growth strategies could place significant demand on our management and our administrative, operational and financial infrastructure. We could also encounter difficulties and delays in executing our growth strategies due to a number of factors, including, without limitation, delays in implementation, lack of appropriate infrastructure, unavailability of human and capital resources, or any other risks that we may or may not have foreseen. Our management may also change its view on the desirability of current strategies, and any resultant change in our strategies could put significant strain on our resources. Further, we may be unable to achieve any synergies or successfully integrate any acquired business into our portfolio. Any business that we acquire may subject us to additional liabilities, including unknown or contingent liabilities, liabilities for failure to comply with laws and regulations, and we may become liable for the past activities of such businesses.

Additionally, expansion into new geographic regions, including new regions in India and international markets shall subject us to various challenges, including those relating to our lack of familiarity with the social, political, economic and cultural conditions of these new regions, language barriers, difficulties in staffing and managing such operations and the lack of brand recognition and reputation in such regions. We may also encounter other additional anticipated risks and significant competition in such markets. If we are unable to successfully execute our growth strategies, our business, prospects and results of operations could be materially and adversely affected.

41) *We rely on third party transportation and logistics providers for the supply of our raw materials and the distribution of our products. Any deficiency or interruption in their services could adversely affect our business and reputation.*

We depend heavily on road transport and water transport to procure materials with regards to all our business segments. We do not have long term contracts with such parties which may affect our ability to procure raw materials/materials and deliver our finished products to our customers in a timely manner. Disruptions of transportation services because of weather-related problems, strikes, lock-outs, loss of products, geo-political issues, inadequacies in road infrastructure and port facilities and other forms of damage or events could impair our ability to supply our products to our customers. There is no assurance that such disruptions will not again occur in the future. Any such disruptions could materially adversely affect our business, financial condition and results of operations. In addition, in case of a delayed shipment of our products to our customers, the customer may reject the shipment or demand significant pricing discounts. Non-conforming shipments could also give

rise to order rejections, discounts or other claims.

Further, smooth supply and transportation of the various raw materials required for our businesses are subject to various uncertainties and risks. We use third party transportation providers for the supply of most of our raw materials, stores, spares and other consumables. Transportation strikes in the future could have an adverse effect on supplies from our suppliers. In addition, raw materials and products maybe lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery of raw materials and products which may also affect our business and results of operation negatively. A failure to maintain a continuous supply of raw materials could have a material and adverse effect on our business, financial condition and results of operations. Additionally, our third-party transportation providers may not carry enough insurance coverage and therefore, any losses that may arise during the transportation process may have to borne by our Company thereby adding to our expenses and having an adverse effect on our business, financial condition and results of operations.

42) Certain sections of this Preliminary Placement Document contain information from the CARE Report which we commissioned and purchased and any reliance on such information for making an investment decision in this Issue is subject to inherent risks.

Certain sections of this Preliminary Placement Document include information based on, or derived from, the CARE Report or extracts of the CARE Report commissioned by our Company exclusively for the purpose of this Issue and prepared by CARE, which is not related to our Company, Directors or Promoters. We commissioned and paid for this report for the purpose of confirming our understanding of the industry in connection with this Issue. All such information in this Preliminary Placement Document indicates the CARE Report as its source. Accordingly, any information in this Preliminary Placement Document derived from, or based on, the CARE Report should be read taking into consideration the foregoing. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Industry sources do not guarantee the accuracy, adequacy or completeness of the data. Further, the CARE Report is not a recommendation to invest / disinvest in any company covered in the CARE Report. Accordingly, prospective investors should not place undue reliance on, or base their investment decision solely on this information. In view of the foregoing, you may not be able to seek legal recourse for any losses resulting from undertaking any investment in this Issue pursuant to reliance on the information in this Preliminary Placement Document based on, or derived from, the CARE Report. You should consult your own advisors and undertake an independent assessment of information in this Preliminary Placement Document based on, or derived from, the CARE Report before making any investment decision regarding this Issue. See “*Industry Overview*” beginning on page 111. For the disclaimers associated with the CARE Report, see “*Presentation of Financial and Other Data*” beginning on page 13 and “*Industry and Market Data*” beginning on page 15.

43) We are highly dependent on our Key Managerial Personnel and Senior Management and the inability to attract or retain such persons could adversely affect our business, results of operations and financial condition.

Our performance largely depends on the abilities and abilities of our senior management, whose inputs and efforts are extremely valuable in development of our business and operations. For further information on the experience of our key management personnel, see “*Board of Directors and Senior Management*” beginning on page 180. We may require a long period of time to hire and train replacement personnel if the qualified personnel terminate their employment with the Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires. Competition for qualified personnel with relevant industry expertise in India is intense. A loss of the services of our key personnel may adversely affect our business, results of operations and financial condition.

44) We are exposed to counterparty credit risk and any delay in receiving payments or non-receipt of payments may impact our results of operations.

Due to the nature of, and the inherent risks in, the arrangements with our customers, we are subject to counterparty credit risk and a significant delay in receiving large payments or non-receipt of large payments may adversely impact our results of operations. Our operations involve extending unsecured credit to our customers in respect of sale of our products and consequently, we face the risk of the uncertainty regarding the receipt of these outstanding amounts. For nine months period ended December 31, 2023, our trade receivables were ₹ 1,94,240.80 lakhs. There is no assurance that we will accurately assess the creditworthiness of our customers. Further,

macroeconomic conditions which are beyond our control, such as a potential credit crisis in the global financial system, could also result in financial difficulties for our customers, including limited access to the credit markets, insolvency or bankruptcy. Such conditions could cause our customers to delay payment, request modifications of their payment terms, or default on their payment obligations to us, all of which could increase our receivables. Timely collection of dues from customers also depends on our ability to complete our contractual commitments and subsequently bill for and collect from our clients. If we are unable to meet our contractual obligations, we may experience delays in the collection of, or be unable to collect, our customer balances, which could adversely affect our results of operations and cash flows.

45) *Our inability to meet our obligations, including financial and other covenants under our credit facilities could adversely affect our business and financial results.*

As of December 31, 2023, our aggregate outstanding indebtedness was ₹ 5,31,954.00 lakhs comprising of long-term borrowings, short-term borrowings, secured and unsecured facilities. Our credit facilities contain certain restrictive and financial covenants that may require the prior written approval of and intimation to lenders and limit our ability to undertake certain types of transactions, any of which could adversely affect our business and financial results. Upon the occurrence of certain events or otherwise, certain lenders to our Company have the right to inter alia, impose penalty/default interest, enforce the security and accelerate the repayment of facility and declare all amounts payable by us in respect of the facility to be due and payable immediately or otherwise payable on demand.

Further, our Company proposes to utilize ₹ 3,00,000 lakhs from the Net Proceeds towards investment into our Subsidiaries for repayment / pre-payment, in full or in part, of certain outstanding borrowings (including accrued interest) availed by our Subsidiaries, namely Triumph Offshore Private Limited and Swan LNG Private Limited and such prepayment of our existing loan facilities may require us to pay certain charges and penalties. There can be no assurance that we will continue to be in compliance with all covenants in our loan agreements and any such breach of conditions and covenants in our loan agreement may result in an event of default in terms of loan agreements which may have an adverse impact on our financial condition, business or operations.

46) *We have entered into certain credit facilities that are repayable on demand. Any unexpected demand for repayment of such facilities by the lenders may adversely affect our business, financial condition, cash flows and result of operations.*

As of December 31, 2023, our current borrowings repayable on demand amounted to ₹ 107.08 lakhs. Any failure to service such indebtedness, comply with a requirement to obtain lender consent or otherwise perform such obligations under such financing agreements (including unsecured borrowings) may lead to a such borrowing being repayable on demand or termination of one or more of our credit facilities or default or penalties and acceleration of amounts due under such credit facilities, which may adversely affect our business, financial condition, results of operations and prospects.

47) *Any downgrade of our credit ratings may increase our borrowing costs and constrain our access to capital and loan markets and, as a result, may adversely affect our business, financial condition and our results of operations*

The cost and availability of capital is dependent, among other factors, on our short-term and long-term credit ratings. Ratings reflect a rating agency's opinion of our financial strength, operating performance, strategic position, and ability to meet our obligations. Our debt has been rated by ACUTE Ratings and Research Limited and has assigned a credit rating of long-term debt credit ratings of ACUTE BBB-(rating watch with developing implications), and our short-term debt has been assigned credit rating of ACUTE A3 (rating watch with developing implications) through, through its letter dated October 17, 2023. Any future performance issues for our Company or the industry may result in a downgrade of our credit ratings, which may in turn lead to an increase in our borrowing costs and constrain our access to funds and debt markets and, as a result, may adversely affect our business growth. In addition, any downgrade of our credit ratings could result in default under our financing arrangements or lenders imposing additional terms and conditions in any future financing or refinancing arrangements including recall of credit facilities in the future. Any such adverse development may adversely affect our business operations, future financial performance and the price of our Equity Shares.

48) *We are subject to stringent labour laws or other industry standards and any strike, labour unrest, work stoppage or increased wage demand by our employees or any other kind of disputes with our employees or*

trade unions could adversely affect our business, financial condition, results of operations and cash flows.

Our manufacturing activities are labour intensive, require our management to undertake significant labour interface, and expose us to the risk of industrial action. As on December 31, 2023 we have 334 permanent employees. We are also subject to a number of stringent labour laws that protect the interests of workers, including legislation that sets forth detailed procedures for dispute resolution and employee removal and legislation that imposes financial obligations on employers upon retrenchment. There can be no assurance that we will not experience disruptions to our operations due to disputes or other problems with our work force or trade unions such as strikes, labour unrests, work stoppages or increased wage demands. While we strive to maintain good relations with our work force, any such events in the future could adversely affect the operations of our business.

If labour laws become more stringent or are more strictly enforced, it may become difficult for us to maintain flexible human resource policies, discharge employees or downsize, any of which could have an adverse effect on our business, financial condition, results of operations and cash flows. We also enter into contracts with independent contractors who, in turn, engage on-site contract labour to perform certain operations. Although, we generally do not engage such labour directly, it is possible under Indian law that we may be held responsible for payments to the labour engaged by contractors should the contractor's default on wage payments and other statutory obligations. Any requirement to fund such payments will adversely affect us, our business, financial condition, results of operations and cash flows. Furthermore, under the Contract Labour (Regulation and Abolition) Act, 1970, we may be required to absorb a portion of such contract labour as permanent employees. Any order from a regulatory body or court requiring us to absorb such contract labour may have an adverse effect on our business, financial condition, results of operations and cash flows.

49) We are subject to various law and regulations, in jurisdictions where we operate, including environmental and health and safety laws and regulations, which may subject us to increased compliance costs, which may in turn result in an adverse effect on our financial condition.

Our operations are subject to various national, state and local laws and regulations relating to the protection of the environment and occupational health and safety. For instance, we require certain material approvals including approvals under the Water (Prevention and Control of Pollution) Act, 1974, as amended, the Air (Prevention and Control of Pollution) Act, 1981, as amended and the Boilers Act, 1923 in order to establish and operate our manufacturing facility in India, and registrations with the relevant tax, labour and municipal authorities in India.

We are also required to obtain and comply with environmental permits for certain of our operations. There can be no assurance that the relevant authorities will issue such permits or approvals in the timeframe anticipated by us or at all. A majority of these approvals are granted for a limited duration. We cannot assure you that our applications for renewal of these approvals will be issued or granted to us in a timely manner, or at all. Failure by us to renew, maintain or obtain the required permits or approvals may result in the fines or otherwise and interrupt our operations and may have a material adverse effect on our business, financial condition, results of operations and cash flows.

Environmental laws and regulations in India have been increasing in stringency and it is possible that they will become significantly more stringent in the future. Stricter laws and regulations, or stricter interpretation of the existing laws and regulations, may impose new liabilities on us or result in the need for additional investment in pollution control equipment, either of which could adversely affect our business, financial condition or prospects.

50) Certain of our properties are on leased premises. If we are unable to occupy and use these premises or fail to extend the lease period on lease expiry on reasonable terms, it may have a material adverse effect on the business, financial condition, results of operations and future prospects of our Company.

Certain of our immovable properties including our registered office are leased. If we are unable to renew existing leases or relocate our operations on commercially reasonable terms, there may be an adverse effect on our business, financial condition and operations. Some of our business operations are being conducted on premises leased from third parties. The tenure of the leases is generally agreed in the relevant lease agreements and in some cases are subject to renewal after the agreed period of time. The term of lease agreements for these properties ranges from 5 years to 35 years with restricted right to terminate the leases available with the lessors in majority of leases. While there are currently no instances of non-compliance of the terms of our lease agreements, there can be no assurance that there will be no such non-compliance leading to termination of such leases in the future. Any change in the terms and conditions of the lease agreements and any premature termination of such lease agreements may have an adverse impact on our operations.

Any adverse impact on the title, ownership rights, development rights of the owners from whose premises we operate, breach of the contractual terms of any lease, leave and license agreements, or any inability to renew such agreements on acceptable terms may also affect our operations. In addition, the terms of certain of our leases require us to obtain the lessor's prior consent/permission for certain actions, including making structural alterations to the leased premises and using the premises for the implementation of any other project other than as specified in the lease agreements, which may be required if we were to undertake an expansion in the future. There can be no assurance that we will be able to renew these leasing arrangements at commercially favourable terms, or at all. If we are unable to renew all or any of our leasing arrangements, it may cause disruptions in our business and we may incur substantial costs associated with shifting to new premises, all of which may adversely affect our business operations.

51) *There are outstanding legal and tax proceedings involving our Company. Any adverse decision in such proceedings may expose us to liabilities or penalties and may adversely affect our business, financial condition, results of operations, cash flows and future prospects.*

Our Company, Directors and Promoters are involved in certain legal proceedings at different levels of adjudication before various courts, tribunals and appellate authorities. We face a significant risk of litigation, regulatory investigations and similar actions in the ordinary course of our business, including the risk of lawsuits and other legal actions relating to suitability, claims payments and procedures, product design, distribution, disclosure, denial or delay of benefits and breaches of fiduciary or other duties. Any such action may include claims for substantial or unspecified compensatory and punitive damages, as well as civil, regulatory or criminal proceedings against our directors, officers or employees, and the probability and amount of liability, if any, may be significant or remain unknown for significant periods of time.

In the event of adverse rulings in these proceedings or consequent actions by regulatory and other statutory authorities, our Company, Subsidiaries, Directors or Promoters may need to make payments or provisions for future payments, be subject to other liabilities, harm our reputation or adversely affect our business, financial condition and results of operations. For further details, see “*Legal Proceedings*” beginning on page 242. Any decision against us may have an adverse effect on our profitability and results of operations.

Responding to or defending these regulatory or legal proceedings, regardless of their ultimate outcome, is time consuming and expensive and can divert the time and effort of our senior management from our business. Moreover, our provisions for regulatory or legal proceedings may be inadequate. Given the uncertainties and complexity of many of these regulatory or legal proceedings, their outcome generally cannot be predicted with any reasonable degree of certainty.

A substantial liability arising from a lawsuit judgment or a significant regulatory action against us or a disruption in our business arising from adverse adjudications in proceedings against our directors, officers or employees could have a material adverse effect on our liquidity, business, financial condition and results of operations. Moreover, even if we ultimately prevail in the litigation, regulatory action or investigation, we could suffer significant harm to our reputation, which could materially affect our prospects and future growth, including our ability to attract new customers, retain current customers and recruit and retain employees and agents.

52) *We have a number of contingent liabilities, and our profitability could be adversely affected if any of these contingent liabilities materialises.*

Our contingent liabilities as at March 31, 2023 were as follows:

Sr. No.	Particulars	Amount (₹ lakhs)
i.	Income Tax	6,733.43
ii.	Corporate Guarantee	5,53,654.00
iii.	Bank guarantee	14,771.00
iv.	Sales Tax And GST Demand pending Appeal	427.80

If any of these contingent liabilities materialises, our results of operations and financial condition may be adversely affected. For further details on our contingent liabilities, see “*Management's Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 81.

53) *We have in the past entered into related party transactions and may continue to do so in the future and*

there can be no assurance that we could not have achieved more favourable terms if such transactions had not been entered into with related parties.

In the ordinary course of our business, we have entered into transactions with related parties including reimbursement of expenses and remuneration to key managerial personnel and senior management. While we believe that all related party transactions that we have entered into are legitimate business transactions conducted on an arms' length basis, we cannot assure you that we could not have achieved more favourable terms if such transactions had been entered into with unrelated parties. Furthermore, it is likely that we will continue to enter into related party transactions in the future. While all related party transactions that we enter into, will be subject to board or shareholder approval, as necessary under the Companies Act, 2013 and the Listing Regulations and the policy on related party transactions adopted by our Board, there can be no assurance that these or any future related party transactions that we may enter into, individually or in the aggregate, will not have an adverse effect on our business, financial condition, results of operations and future prospects. Further, the transactions we have entered into and any future transactions with our related parties have involved or could potentially involve conflicts of interest which may be detrimental to our Company and against your interest. For further details regarding our related party transactions, see the section "Related Party Transactions" as disclosed beginning on page 40.

54) We may fail to protect our intellectual property rights or we may be exposed to misappropriation and infringement claims by third parties, either of which may have a material adverse effect on our business and reputation

We have obtained 6 trademark registrations of our Company and its Subsidiaries. Any unauthorized use of our trademarks by unrelated third parties may damage our reputation and brand. Preventing trademark infringement, particularly in India, is difficult, costly and time-consuming. The measures we take to protect our trademarks may not be adequate to prevent unauthorized use by third parties, which may affect our brand and in turn adversely affect our business, financial condition, results of operations and prospects.

The measures we take to protect our intellectual property, which may not be adequate to prevent unauthorized use of our intellectual property by third parties. Notwithstanding the precautions we take to protect our intellectual property rights, it is possible that third parties may copy or otherwise infringe on our rights, which may have an adverse effect on our business, results of operations, cash flows and financial condition. Third parties, including our competitors, may claim that our products infringe their proprietary rights. Such infringement claims may increase as the number of products and competitors in our market increases and overlaps occur. Such claims and any resulting legal proceeding may subject us to additional financial burden; divert our management's attention and resources away from our core business; and if decided against our favour, may restrict us from utilising that intellectual property and require us to undertake significant inventory and product write-offs, recall our products already sold and/or refund the amounts received from selling those products. While we take care to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty whether we are infringing any existing third-party intellectual property rights, which may force us to alter our offerings. Any of the foregoing could have an adverse effect on our business, results of operations, cash flows and financial condition.

55) Our insurance coverage may not be sufficient to cover all risks or losses and failure to recover any damages or indemnity due to us under our contracts, could have a negative impact on our business, financial condition and results of operations.

Our operations are subject to inherent risks, such as equipment defects, malfunctions and failures and natural disasters that can result in fires and explosions. However, we believe we have taken appropriate insurance coverage, for instance, standard fire and special perils policy, group personal accident policy, burglary policy, commercial vehicle package policy, marine hull insurance policy, weather insurance policy, amongst others.

Our activities also involve the operation of heavy machinery and other operating hazards. These risks could expose us to substantial liability for personal injury, wrongful death, or property damage. We cannot assure you that our current insurance policies will insure us fully against all risks and losses that may arise in the future. In addition, even if such losses are insured the amount of the loss may exceed our coverage for the loss. Similarly, although we have obtained insurance for our employees as required by Indian laws and regulations, as well as for our properties, premises and assets, our insurance may not be adequate to cover all potential liabilities.

However, we cannot assure that our insurance arrangements will be sufficient to cover any material losses that

may arise in connection with our business. If our losses exceed our insurance coverage or if we face claims in relation to risks against which we are not currently insured, our result of operations may be adversely affected. If we incur substantial liability and the damages are not covered by insurance or exceed policy limits, or we are unable to obtain liability insurance, our business, results of operations, financial condition and future viability as a going concern may be materially adversely affected.

56) *Our funding requirements and the proposed deployment of Net Proceeds are based on management estimates and have been not appraised by any independent agency and may be subject to change based on various factors, some of which are beyond our control.*

We propose to use the Net Proceeds for the purposes described in “Use of Proceeds” beginning on page 71 of this Preliminary Placement Document. Our funding requirements are based on management estimates and our current business plans and has not been appraised by any bank or financial institution. The deployment of the Net Proceeds will be monitored by CARE Ratings Limited, a Monitoring Agency in relation to the Issue. The deployment of the Net Proceeds will be at the discretion of our Board. We may have to reconsider our estimates or business plans due to changes in underlying factors, some of which are beyond our control, such as interest rate fluctuations, changes in input cost and other financial and operational factors. Accordingly, you will need to rely upon our management’s judgment with respect to the use of proceeds. If we are unable to deploy the Net Proceeds in a timely or an efficient manner, it may affect our business and results of operations.

57) *Our Company’s ability to pay dividends in the future will depend on future earnings, financial condition, cash flows, working capital requirements and required or planned capital expenditures and terms of its financing arrangements.*

Our Company declared dividends in Fiscal 2023, Fiscal 2022 and Fiscal 2021. However, our ability to pay dividends in the future will depend on a number of factors identified in the dividend policy of our Company, liquidity position, profits, capital requirements, financial commitments and financial requirements including business expansion plans, cost of borrowings, other corporate actions, permissions pertaining to the restrictive covenants included in our financing agreements and other relevant or material factors considered relevant by our Board, and external factors, such as the state of the economy and capital markets, applicable taxes including dividend distribution tax, regulatory changes and other relevant or material factors considered relevant by our Board. The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act, 2013. We may retain all future earnings, if any, for use in the operations and expansion of the business. As a result, we may not declare dividends in the foreseeable future. Additionally, in the future, we may be restricted by the terms of our financing agreements in making dividend payments unless otherwise agreed with our lenders. We cannot assure you that we will be able to pay dividends in the future.

58) *Our Promoters along with the Promoter Group will continue to retain significant shareholding in us after the Issue, which will allow them to exercise significant influence over us. If any conflict of interest arises, we cannot assure you that it will not result in an adverse effect on our business.*

As on December 31, 2023, our Promoters along with the Promoter Group collectively holds 64.09% of our Company’s issued and outstanding Equity Shares. Accordingly, our Promoters along with the Promoter Group will continue to exercise significant influence over our business and all matters requiring shareholders’ approval, including the composition of our Board of Directors, the adoption of amendments to our constitutional documents, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. This concentration of ownership may also delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of our Promoters. Further, the SEBI Takeover Regulations may limit the ability of a third party to acquire control. The interests of our Promoters, as our Company’s controlling shareholder, could conflict with our Company’s interests, your interests or the interests of our other shareholders. There is no assurance that our Promoter will act to resolve any conflicts of interest in our Company’s or your favour.

59) *We have experienced negative cash flows in prior periods and any negative cash flows in the future may adversely affect our financial condition and the trading price of our Equity Shares.*

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet its capital expenditure, pay dividends, repay loans and make new investments without raising finance from

external resources. If we are not able to generate sufficient cash flow, it may adversely affect our business and financial operations. We experienced negative cash flows in the following years/periods.

(₹ in lakhs)

Particulars	For the Fiscal ended March 31,		
	2023	2022	2021
Net cash from /(used in) operating activities (A)	(49,086.56)	2,875.74	30,248.10
Net cash from /(used in) investing activities (B)	(86,002.34)	(49,428.86)	(2,00,068.64)
Net cash from/(used in) Financing Activities (C)	59,850.23	1,30,897.88	1,76,009.32
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(75,238.67)	84,344.76	6,188.78

EXTERNAL RISK FACTORS

60) *Political, economic or other factors that are beyond our control may have an adverse effect on our business and results of operations.*

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investor's reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholder's equity and the price of our Equity Shares.

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our products may be adversely affected by an economic downturn in domestic, regional and global economies. Consequently, any future slowdown in the Indian economy could harm our business, results of operations and financial condition. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

61) *The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.*

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition.

Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighboring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

62) *If inflation were to rise in India, we might not be able to increase the prices of our services in order to pass costs on to our customers and our profits might decline.*

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. Increasing inflation in India could cause a rise in the price of transportation, wages, raw materials and other

expenses, and we may be unable to reduce our costs or fully pass the increased costs on to our customer by increasing the price that we charge for our products, and our business, prospects, financial condition and results of operations may therefore be adversely affected.

High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to pass on to our customers, whether entirely or in part, and the same may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase the amount of commission to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected. Further, the GoI has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. This may adversely impact our business, profitability and results of operations.

63) *Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, prospects and results of operations.*

Any change in Indian tax laws could adversely affect our operations. The GoI has announced the interim union budget for the financial year 2024-2025 and the Finance Bill, 2024 has been tabled before the Parliament. While the Finance Bill, 2024 does not propose any significant changes to the IT Act, the full union budget which is likely to be announced later this year may introduce amendments to the IT Act. In addition, unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations, and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs relating to compliance with such new requirements, which may also require management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent, may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

Furthermore, unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations, and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs relating to compliance with such new requirements, which may also require management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent, may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

Similarly, the Finance Act, 2020, had notified changes and provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and exemption from dividend distribution tax (“DDT”), in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020. We are also subject to these risks in all our overseas operations depending on each specific country. Any unfavourable changes to the laws and regulations applicable to us could also subject us to additional liabilities. As a result, any such changes or interpretations may adversely affect our business, financial condition and financial performance. Further, changes in capital gains tax or tax on capital market transactions or sale of shares may affect investor returns.

64) *Significant differences exist between Ind AS, U.S. GAAP and IFRS, which may be material to investors’ assessments of our financial condition.*

The Audited Consolidated Financial Statements and Unaudited Consolidated Financial Results included in this Preliminary Placement Document have been prepared in accordance with Ind AS. We have not attempted to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Preliminary Placement Document, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Ind AS. Accordingly, the degree to which the Ind AS financial statements included in this Preliminary Placement Document will provide meaningful

information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Preliminary Placement Document should accordingly be limited.

65) *A slowdown in economic growth in India could cause our business to suffer.*

Our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. Any slowdown or perceived slowdown in the Indian economy could adversely affect our business. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. The domestic policy response includes localized micro-containment measures, state-specific movement restrictions, mobilization of health supplies and ramping up of health infrastructure.

India's economy could be adversely affected by a general rise in interest rates or inflation, adverse weather conditions affecting agriculture, commodity and energy prices as well as various other factors. A slowdown in the Indian economy could adversely affect the policy of the GoI towards our industry, which may in turn adversely affect our financial performance and our ability to implement our business strategy. The Indian economy is also influenced by economic and market conditions in other countries, particularly emerging market conditions in Asia. A decline in India's foreign exchange reserves and exchange rate fluctuations may also affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition.

A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy, which could materially and adversely affect our business, financial condition, results of operations and prospects. Further, other factors which may adversely affect the Indian economy are scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing of our developments and expansions; volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges; changes in India's tax, trade, fiscal or monetary policies, like application of GST; political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries; occurrence of natural or man-made disasters; infectious disease outbreaks or other serious public health concerns; prevailing regional or global economic conditions, including in India's principal export markets; and other significant regulatory or economic developments in or affecting India or its financial services sectors.

66) *Investors may have difficulty enforcing foreign judgements against our Company, our Directors or our management.*

Our Company is a limited liability company incorporated under the laws of India. Majority of our Company's Directors, key management personnel and Senior Management are residents of India and our assets and such persons are located in India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons outside India, or to enforce judgments obtained against such parties outside India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court was of the view that the amount of damages awarded was excessive or inconsistent with public policy, or if judgments are in breach or contrary to Indian law. In addition, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to execute such a judgment or to repatriate outside India any amounts recovered.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908. India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, such as the United Kingdom, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements established in the Indian Code of Civil Procedure, 1908. The CPC only permits the enforcement and execution of monetary decrees in the reciprocating jurisdiction, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India, including the United States, cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be directly enforceable in India. The party in whose favour a final foreign judgment in a non-reciprocating territory is rendered may bring a fresh suit in a competent court in India

based on the final judgment within three years of obtaining such final judgment. However, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with the public policy in India. A party seeking to enforce a foreign judgment in India may be required to obtain approval from the RBI under the Foreign Exchange Management Act, 1999 to repatriate outside India any amount recovered pursuant to execution. Any judgment in a foreign currency would be converted into Indian Rupees on the date of the judgment and not on the date of the payment. Our Company cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

67) *Any downgrading of India's debt rating by a domestic or international rating agency could adversely affect our business.*

There could be a downgrade of India's sovereign debt rating due to various factors, including changes in tax or fiscal policy, or a decline in India's foreign exchange reserves, which are outside our control. Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India, which may cause fluctuations in the prices of our Equity Shares. This could have an adverse effect on our business and financial performance, and ability to obtain financing for expenditures.

RISKS RELATING TO THE EQUITY SHARES

68) *Applicants to this Issue are not allowed to withdraw their Bids after the Bid/Issue Closing Date.*

Under the SEBI ICDR Regulations, applicants in the Issue are not allowed to withdraw or revise their Bids downwards after the Bid/Issue Closing Date. The Allotment of Equity Shares in the Issue and the credit of Equity Shares to the applicant's demat account with its depository participant could take approximately seven days to 10 Working Days from the Bid/Issue Closing Date. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events or material adverse changes in our business, results of operation or financial condition, or other events affecting the applicant's decision to invest in the Equity Shares, would not arise between the Bid/Issue Closing Date and the date of Allotment of Equity Shares in the Issue. The occurrence of any such event after the Bid/Issue Closing Date could also impact the market price of the Equity Shares. The applicants will not have the right to withdraw their Bids in the event of any such occurrence without the prior approval of SEBI. We may complete the Allotment of the Equity Shares even if such events may limit the applicants' ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

69) *Any future issuance of the Equity Shares, or convertible securities by our Company may dilute your future shareholding and sales of the Equity Shares by our Promoters or other major shareholders of our Company may adversely affect the trading price of the Equity Shares.*

We cannot assure you that we will not issue additional Equity Shares. Any future issuance of the Equity Shares, or convertible securities by our Company, including through exercise of employee stock options or restricted stock units may lead to dilution of your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. Further, any future sales of the Equity Shares by the Promoters, or other major shareholders of our Company may adversely affect the trading price of the Equity Shares. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares. There can be no assurance that we will not issue Equity Shares or securities linked to Equity Shares or that our Shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

70) *You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.*

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. A securities transaction tax ("STT") is levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realized on the sale of listed equity shares held for more than 12 months may be subject to long term capital gains tax in India at the

specified rates depending on certain factors, such as STT is paid, the quantum of gains and any available treaty exemptions. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

71) *Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.*

The Equity Shares are quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Equity Shareholders. The volatility of the Indian Rupee against other currencies may subject investors who convert funds into Indian rupees to purchase our Equity Shares to currency fluctuation risks. For example, the exchange rate between the Indian Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

72) *Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby suffer future dilution of their ownership position.*

Under the Companies Act, 2013, a company incorporated in India must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares voting rights on such resolution.

However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. Our decision to file a registration statement will depend on the costs and potential liabilities associated with any such registration as well as the perceived benefits of enabling holders in such jurisdiction to exercise their pre-emptive rights and any other factors we consider appropriate at such time. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available to you by Indian law. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, you may suffer future dilution of your ownership position and your proportional interests in our Company may be reduced.

73) *Listed companies in India are highly regulated and we are subject to continuous reporting requirements.*

We are subject to the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed company, we incur significant legal, accounting, corporate governance and other expenses. We are subject to the SEBI Listing Regulations which requires us to file audited annual and unaudited quarterly reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as promptly as other listed companies. Further, as a listed company, we are required to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions. We are also required to monitor trading in the Equity Shares in terms of the SEBI Insider Trading Regulations. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management attention are required. As a result, our management's attention may be diverted from our business concerns,

which may affect our business, prospects, financial condition and results of operations. In addition, we may need to hire additional legal and accounting staff with appropriate experience and technical accounting knowledge, but we cannot assure you that we will be able to do so in a timely and efficient manner.

74) *The trading price of the Equity Shares may be subject to volatility and you may not be able to sell the Equity Shares at or above the Issue Price.*

The Issue Price shall be determined by us in consultation with the Lead Managers, based on the Bids received, in compliance with Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013 read with rules made thereunder. It may not necessarily be indicative of the market price of the Equity Shares after this Issue is complete. We cannot assure you that you will be able to resell your Equity Shares at or above the Issue Price. There can be no assurance that an active trading market for the Equity Shares will be sustained after this Issue, or that the price at which the Equity Shares have historically traded will correspond to the price at which the Equity Shares will trade in the market subsequent to the Issue.

The trading price of the Equity Shares may fluctuate due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors and the perception in the market about investments in the construction equipment sector, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments.

For example, conditions in the Indian securities markets may cause the trading price of the Equity Shares to fluctuate. The Indian securities markets are generally smaller and more volatile than securities markets in developed economies. In the past, the Indian stock exchanges have experienced high volatility and other problems that have affected the market price and liquidity of the listed securities, including temporary exchange closures, broker defaults, settlement delays and strikes by brokers. Excessive volatility may, in turn, trigger the imposition of circuit breakers. See "*There are restrictions on daily movements in the trading price of the Equity Shares, which may adversely affect a shareholder's ability to sell the Equity Shares or the price at which Equity Shares can be sold at a particular point in time.*" below. A closure of, or trading stoppage on, either of BSE and NSE could adversely affect the trading price of the Equity Shares.

In addition, if the stock markets in general experience a loss of investor confidence, the trading price of the Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of the Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Additionally, in recent years, there have been changes in laws and regulations regulating the taxation of dividend income, which have impacted the Indian equity capital markets. See "*Dividends*" on page 80. Any of these factors could adversely affect the market price and liquidity of the Equity Shares.

75) *There are restrictions on daily movements in the trading price of the Equity Shares, which may adversely affect a shareholder's ability to sell the Equity Shares or the price at which Equity Shares can be sold at a particular point in time.*

The Equity Shares are subject to a daily circuit breaker imposed on listed companies by all stock exchanges in India, which does not allow transactions beyond certain volatility in the trading price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on the Stock Exchanges. The percentage limit on the Equity Shares' circuit breaker will be set by the Stock Exchanges based on historical volatility in the price and trading volume of the Equity Shares. The Stock Exchanges are not required to inform us of the percentage limit of the circuit breaker, and they may change the limit without our knowledge. This circuit breaker would effectively limit the upward and downward movements in the trading price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell the Equity Shares or the price at which Shareholders may be able to sell their Equity Shares.

76) *Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.*

A company based in India may issue equity instruments to a person resident outside India subject to entry

routes, sectoral caps and attendant conditions prescribed in the FEMA Rules. Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the requirements specified by the RBI. If the transfer of shares is not in compliance with such requirements or falls under any of the specified exceptions, then prior approval of the RBI will be required.

Further, in accordance with the Consolidated FDI Policy dated October 15, 2020, Government of India, investments where the beneficial owner of the equity shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route. These investment restrictions shall also apply to subscribers of offshore derivative instruments.

In addition, shareholders who seek to convert the Indian Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no-objection or tax clearance certificate from the income tax authority. Additionally, the Indian government may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Indian government experiences extreme difficulty in stabilizing the balance of payments or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Indian government's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

77) *The right of the Equity Shareholders to receive payments pursuant to under the Equity Shares will be subject to tax and other liabilities upon insolvency of our Company.*

The Equity Shares will be subordinated to other liabilities preferred by law, such as claims of the Government of India on account of taxes and certain liabilities incurred in the ordinary course of our Company's business (including workmen's dues, debts owed to secured creditors, wages and any unpaid dues owed to employees other than workmen, financial debts owed to unsecured creditors etc. in accordance with the mechanism as specified under Section 53 of the Insolvency and Bankruptcy Code, 2016). In the event that bankruptcy or insolvency proceedings or composition, scheme of arrangement or similar proceedings to avert bankruptcy or insolvency are instituted by or against our Company, the payment of sums or dividends to the Equity Shares may be substantially reduced or delayed, or the shareholding in our Company may be significantly diluted or otherwise completely extinguished.

78) *An investor will not be able to sell any of the Equity Shares subscribed in this Issue other than on a recognized Indian stock exchange for a period of 12 months from the date of the allotment of the Equity Shares.*

The Equity Shares in this Issue are subject to restrictions on transfers. Pursuant to the SEBI ICDR Regulations, for a period of 12 months from the date of the allotment of the Equity Shares in this Issue, eligible QIBs subscribing for each of the Equity Shares may only sell their Equity Shares on NSE or BSE and may not enter into any off-market trading in respect of these Equity Shares. We cannot be certain that these restrictions will not have an impact on the price of the Equity Shares. This may affect the liquidity of the Equity Shares purchased by investors and it is uncertain whether these restrictions will adversely impact the market price of the Equity Shares purchased by investors.

79) *There may not be an active or liquid market for our Equity Shares, which may cause the price of the Equity Shares to fall and may limit your ability to sell the Equity Shares.*

The price at which the Equity Shares will trade after this Issue will be determined by the marketplace and may be influenced by many factors, including:

- our financial results and the financial results of the companies in the businesses we operate in;
- the history of, and the prospects for, our business and the sectors in which we compete;
- the valuation of publicly traded companies that are engaged in business activities similar to us; and
- Significant developments in India's economic liberalization and deregulation policies.

In addition, the Indian equity share markets have from time to time experienced significant price and volume fluctuations that have affected the market prices for the securities of Indian companies. As a result, investors

in the Equity Shares may experience a decrease in the value of the Equity Shares regardless of our operating performance or prospects.

- 80) *There is no guarantee that the Equity Shares will be listed on the Stock Exchanges in a timely manner, or at all, and prospective investors will not be able to immediately sell their Equity Shares on the Stock Exchange.***

In accordance with Indian law and practice, final approval for listing and trading of the Equity Shares will not be applied for or granted until the Equity Shares have been issued and allotted. Such approval will require the submission of all other relevant documents authorising the issuance of the Equity Shares. Accordingly, there could be a failure or delay in listing the Equity Shares on the Stock Exchanges, which would adversely affect your ability to sell the Equity Shares. Since the Equity Shares are currently traded on the BSE and the NSE, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Furthermore, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor's demat account in a timely manner or that trading in the Equity Shares will commence in a timely manner.

MARKET PRICE INFORMATION

As on the date of this Preliminary Placement Document, our Company's issued, subscribed and paid-up capital comprises 26,39,17,000 Equity Shares of face value of ₹1 each. The Equity Shares have been listed on BSE and on NSE. The Equity Shares are listed and traded on NSE under the symbol SWANENERGY and BSE under the scrip code 503310.

The closing prices of the outstanding Equity Shares on BSE and NSE as on February 19, 2024, is ₹730.70 and ₹728.45 per Equity Share, respectively. Since the Equity Shares are available for trading on BSE and NSE, the market price and other information for each of BSE and NSE has been given separately.

- The following tables set out the reported high, low and average prices of the Equity Shares on NSE and BSE and number of Equity Shares traded on the days on which such high and low prices were recorded and the total trading turnover for Fiscals 2023, 2022 and 2021.

BSE

BSE									
Financial Year	High (₹)	Date of high	Number of Equity Shares traded on the date of high	Total turnover of Equity Shares traded on date of high (₹ lakhs)	Low (₹)	Date of low	Number of Equity Shares traded on the date of low	Total turnover of Equity Shares traded on date of low (₹ lakhs)	Average price for the year (₹)
2023	379.00	23-Jan-23	2,04,920	740.89	180.30	08-Jul-22	9,931	18.37	249.81
2022	202.00	30-Mar-22	31,633	62.17	112.50	30-Nov-21	3,977	460.23	142.68
2021	158.30	06-Aug-20	1,84,845	278.38	97.50	14-May-20	38,109	38.53	128.85

(Source: www.bseindia.com)

Note:

- High price indicates intraday high price, low price indicates intraday low price and average prices are based on the daily closing prices, for the respective periods.
- In case of two days with the same high price, low price, the date with the higher traded volume has been chosen.
- In the case of a year, average price for the year represents the average of the closing prices on each day of each year

NSE

NSE									
Financial Year	High (₹)	Date of high	Number of Equity Shares traded on the date of high	Total turnover of Equity Shares traded on date of high (₹ lakhs)	Low (₹)	Date of low	Number of Equity Shares traded on the date of low	Total turnover of Equity Shares traded on date of low (₹ lakhs)	Average price for the year (₹)
2023	379.00	23-Jan-23	31,32,910	11,272.89	180.50	08-Jul-22	1,92,548	353.99	249.87
2022	203.50	30-Mar-22	8,77,696	1,700.28	113.70	29-Nov-21	29,770	34.60	142.73
2021	160.00	10-Aug-20	1,37,236	205.73	90.00	14-May-20	75,152	76.02	128.80

(Source: www.nseindia.com)

Note:

1. High price indicates intraday high price, low price indicates intraday low price and average prices are based on the daily closing prices, for the respective periods.
 2. In case of two days with the same high price, low price, the date with the higher traded volume has been chosen.
 3. In the case of a year, average price for the year represents the average of the closing prices on each day of each year
2. The following tables set out the reported high and low prices of our Equity Shares recorded on NSE and BSE and the number of Equity Shares traded on the days on which such high and low prices were recorded and the volume of Equity Shares traded in each of the last six months:

BSE

BSE											
Month	High (₹)	Date of high	Number of Equity Shares traded on date of high	Total turnover of Equity Shares traded on date of high (₹ lakhs)	Low (₹)	Date of low	Number of Equity Shares traded on date of low	Total turnover of Equity Shares traded on date of low (₹ lakhs)	Average price for the month (₹)	Equity Shares traded in the month	
										Volume	Turnover (₹ lakhs)
Jan-24	641.90	31-Jan-24	2,71,208	1,708.74	496.60	02-Jan-24	1,89,263	952.99	560.11	49,35,551	27,765.55
Dec-23	525.00	29-Dec-23	2,66,303	1,366.66	413.00	01-Dec-23	82,998	347.86	478.95	92,94,198	43,543.28
Nov-23	463.45	12-Nov-23	1,71,376	767.69	368.10	07-Nov-23	41,789	159.23	416.80	32,05,656	13,624.94
Oct-23	399.85	31-Oct-23	2,43,218	955.56	282.85	04-Oct-23	1,37,477	392.71	316.49	37,64,123	12,816.52
Sep-23	342.75	25-Sep-23	6,13,403	1,939.03	273.50	13-Sep-23	59,274	166.52	293.59	22,08,771	6,664.35
Aug-23	317.65	30-Aug-23	1,06,810	334.92	214.35	02-Aug-23	36,315	79.37	271.88	26,67,569	7,449.01

(Source: www.bseindia.com)

Note:

1. High price indicates intraday high price, low price indicates intraday low price and average prices are based on the daily closing prices, for the respective periods.
2. In case of two days with the same high price, low price, the date with the higher traded volume has been chosen.
3. In the case of a month, average price for the month represents the average of the closing prices on each day of each month.

NSE

NSE											
Month	High (₹)	Date of high	Number of Equity Shares traded on date of high	Total turnover of Equity Shares traded on date of high (₹ lakhs)	Low (₹)	Date of low	Number of Equity Shares traded on date of low	Total turnover of Equity Shares traded on date of low (₹ lakhs)	Average price for the month (₹)	Equity Shares traded in the month	
										Volume	Turnover (₹ lakhs)
Jan-24	641.90	31-Jan-24	87,45,894	55,359.05	496.90	02-Jan-24	23,72,316	11,954.02	560.29	14,34,60,133	8,12,427.19
Dec-23	525.30	29-Dec-23	81,36,438	41,745.02	413.00	04-Dec-23	80,79,317	34,310.84	479.18	17,92,57,151	8,62,427.89
Nov-23	463.80	12-Nov-23	35,93,234	16,133.19	368.35	07-Nov-23	20,33,443	7,776.86	417.02	7,21,96,045	3,05,569.67
Oct-23	399.90	31-Oct-23	55,80,744	21,947.77	282.25	04-Oct-23	8,74,418	2,507.24	316.56	9,29,33,829	3,17,856.45

NSE											
Month	High (₹)	Date of high	Number of Equity Shares traded on date of high	Total turnover of Equity Shares traded on date of high (₹ lakhs)	Low (₹)	Date of low	Number of Equity Shares traded on date of low	Total turnover of Equity Shares traded on date of low (₹ lakhs)	Average price for the month (₹)	Equity Shares traded in the month	
										Volume	Turnover (₹ lakhs)
Sep-23	342.80	25-Sep-23	1,35,32,783	42,840.04	273.05	13-Sep-23	5,79,474	1,629.34	293.57	3,55,30,577	1,08,032.45
Aug-23	317.70	30-Aug-23	15,91,687	5,006.48	214.25	02-Aug-23	5,30,967	1,156.76	271.85	3,52,80,621	98,372.26

(Source: www.nseindia.com)

Note:

1. High price indicates intraday high price, low price indicates intraday low price and average prices are based on the daily closing prices, for the respective periods.
 2. In case of two days with the same high price, low price, the date with the higher traded volume has been chosen.
 3. In the case of a month, average price for the month represents the average of the closing prices on each day of each month.
3. The following table sets forth the market price on the Stock Exchanges on December 29, 2023 that is, the first working day following the approval dated December 28, 2023 of our Board of Directors for the Issue:

Date	BSE					
	Open	High	Low	Close	Number of Equity Shares traded	Volume (₹ lakhs)
29-Dec-2023	519.80	525.00	505.00	510.05	2,66,303	1,366.66

(Source: www.bseindia.com)

Date	NSE					
	Open	High	Low	Close	Number of Equity Shares traded	Volume (₹ lakhs)
29-Dec-2023	520.00	525.30	505.15	511.00	81,36,438	41,745.02

(Source: www.nseindia.com)

USE OF PROCEEDS

The gross proceeds from this Issue shall be approximately ₹ [●] lakhs. Subject to compliance with applicable laws, the net proceeds from this Issue, after deducting fees, commissions and estimated expenses relating to this Issue of approximately ₹[●] lakhs, are ₹[●] lakhs (“**Net Proceeds**”).

Purpose/Objects of the Issue

Subject to compliance with applicable laws and regulations, we intend to utilise the Net Proceeds towards the following objects (“**Use of Proceeds**”):

1. Investment into our Subsidiaries for repayment / pre-payment, in full or in part, of certain outstanding borrowings (including accrued interest) availed by our Subsidiaries, namely Swan LNG Private Limited and Triumph Offshore Private Limited;
2. General Corporate Purposes

(collectively, referred to hereinafter as the “**Objects**”).

Our main objects and objects incidental or ancillary to the attainment of the main objects of our Memorandum of Association enable us to undertake the Objects contemplated by us in this Issue.

Requirement of Funds

The Net Proceeds are proposed to be used in accordance with the details provided in the following table:

(₹ in lakhs)		
S. No.	Particulars	Amount
1.	Investment into our Subsidiaries for repayment / pre-payment, in full or in part, of certain outstanding borrowings (including accrued interest) availed by our Subsidiaries, namely Swan LNG Private Limited and Triumph Offshore Private Limited	3,00,000.00
2.	General corporate purposes ⁽¹⁾	[●]
	Total Net Proceeds	[●]

(1) The amount to be utilised for general corporate purposes alone shall not exceed 25% of the Gross Proceeds.

In the event of a change in the final Issue size, the amounts shown in the table above against each of the use of proceeds specified therein shall be modified basis the final Issue size in the Placement Document.

Utilization of Net Proceeds and Schedule of Deployment

We propose to deploy the Net Proceeds towards the Use of Proceeds in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

(₹ in lakhs)				
Sr. No.	Particulars	Amount which will be financed from Net Proceeds	Estimated amount to be deployed from the Net Proceeds in Fiscal 2024	Estimated amount to be deployed from the Net Proceeds in Fiscal 2025
1.	Investment into our Subsidiaries for repayment / pre-payment, in full or in part, of certain outstanding borrowings (including accrued interest) availed by our Subsidiaries, namely Swan LNG Private Limited and Triumph Offshore Private Limited	3,00,000	3,00,000	-
2.	General corporate purposes ⁽¹⁾	[●]	[●]	[●]

Sr. No.	Particulars	Amount which will be financed from Net Proceeds	Estimated amount to be deployed from the Net Proceeds in Fiscal 2024	Estimated amount to be deployed from the Net Proceeds in Fiscal 2025
	Total Net Proceeds	[●]	[●]	[●]

(1) The amount to be utilised for general corporate purposes alone shall not exceed 25.00% of the Gross Proceeds.

The funding requirements, deployment of funds and the intended use of Net Proceeds indicated above is based on management estimates, current circumstances of our business, our existing business plans, the prevailing market conditions and other commercial and technical factors. Given the nature of our business, we may have to revise our funding requirements and intended deployment schedule on account of a variety of factors such as our financial condition, business strategy and external factors such as market conditions, competitive environment, price fluctuations and interest or exchange rate fluctuations and other external factors which may not be within the control of our management. Depending upon such factors, we may have to reduce or extend the deployment period for the stated objects. Subject to applicable law, if the actual utilisation towards the objects is lower than the proposed deployment, such balance will be used for general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the Gross Proceeds.

In case of a shortfall in raising requisite capital from the Net Proceeds, business considerations may require us to explore a range of options including utilising our internal accruals and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. Further, in case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in the Issue, subject to compliance with applicable laws.

Our Company proposes to deploy the entire Net Proceeds towards the Objects stated above. If the Net Proceeds are not utilized (in full or in part) for the Objects for the period stated above due to any reason, including (i) the timing of completion of the Issue; (ii) market conditions outside the control of our Company; and (iii) any other economic, business and commercial considerations, the remaining Net Proceeds shall be utilized (in part or full) in subsequent periods in such manner as may be determined by our Company, in accordance with applicable laws. Further, our Company may also utilise any portion of or the entire Net Proceeds, towards the aforementioned Objects, ahead of the estimated schedule of deployment specified above.

Details of the Use of Proceeds

1. Investment into our Subsidiaries for repayment / pre-payment, in full or in part, of certain outstanding borrowings (including accrued interest) availed by our Subsidiaries, namely Swan LNG Private Limited and Triumph Offshore Private Limited

Our Company proposes to invest up to ₹ 3,00,000.00 lakhs from the Net Proceeds in our Subsidiaries, namely Swan LNG Private Limited and Triumph Offshore Private Limited in the form of investment in either equity or debt instruments or in any other manner as may be mutually agreed between our Company and Subsidiaries in accordance with applicable law. The actual mode of such deployment of fund into Triumph Offshore Private Limited and Swan LNG Private Limited has not been finalised as on the date of this Preliminary Placement Document. The selection of borrowings proposed to be repaid/pre-paid, in full or part, amongst our borrowing arrangements availed is based on various factors including (i) cost of borrowing, including applicable interest rates, (ii) any conditions attached to the borrowings restricting our ability to prepay the borrowings and time taken to fulfil or obtain waiver for such requirements, and (iii) other commercial considerations including, among others, the amount of the loans outstanding and the remaining tenor of the loan.

Details and utilisation

The details of certain outstanding borrowings availed by our Subsidiaries, namely Swan LNG Private Limited and Triumph Offshore Private Limited, proposed for repayment or pre-payment, in full or in part, from the Net Proceeds are set forth below:

Sr. No	Name of the lender	Nature of Borrowing	Principal loan amount sanctioned (In ₹ lakhs)	Balance amount Outstanding as on January 31, 2024 (In ₹ lakhs)	Amount proposed to be repaid out of the Net Proceeds (In ₹ lakhs)	Tenor and Repayment Schedule	Rate of Interest (% p.a.)	Purpose for which disbursed loan amount was sanctioned and utilized	Pre-payment penalty, if any
Swan LNG Private Limited									
1.	State Bank of India	Term Loan	60,200.00	42,266.62	38,197.97	Quarterly repayment starting from 31st March, 2025 and ending on 31st March, 2040.	11.20%	Part finance of the Project cost required for development of 5 MMTPA Greenfield LNG project.	Nil
2.	Union Bank of India	Term Loan	65,000.00	43,576.85	41,243.65		11.20%		Nil
3.	Punjab National Bank	Term Loan	80,000.00	53,443.88	50,761.42		11.20%		Nil
4.	Indian Bank	Term Loan	20,000.00	13,410.40	12,690.36		11.20%		Nil
5.	Canara Bank	Term Loan	40,000.00	26,822.68	25,380.71		11.20%		Nil
6.	India Infrastructure Finance Company Limited	Term Loan	50,000.00	33,530.00	31,725.89		11.20%		Nil
	Total		3,15,200.00	2,13,050.44	2,00,000.00				
Triumph Offshore Private Limited									
1.	State Bank of India	Term Loan	60,156.00	46,185.94	40,523.83	Quarterly repayment starting from 31st December, 2023 and ending on 31st December, 2038.	11.20%	Part finance of the Project cost required for Floating Storage Re-gasification Unit.	Nil
2.	Union Bank of India	Term Loan	23,137.00	17,775.47	15,586.14		11.20%		Nil
3.	Punjab National Bank	Term Loan	23,137.00	17,775.25	15,586.14		11.20%		Nil
4.	Indian Bank	Term Loan	28,134.00	21,538.12	18,952.35		11.20%		Nil
5.	Canara Bank	Term Loan	13,882.00	10,657.78	9,351.55		11.20%		Nil
	Total		1,48,446.00	1,13,932.55	1,00,000.00				

Our Company has obtained a certificate dated February 20, 2024, issued by our Statutory Auditor, the utilisation of the proceeds of the loans, as indicated above has been towards the purpose availed for, as per the sanction letters / loan agreements of the respective loans.

2. General Corporate Purposes

Our Company proposes to deploy ₹ [●] lakhs, towards general corporate purposes as approved by our management, from time to time, subject to such utilisation not exceeding 25% of the Gross Proceeds in compliance with the circular bearing reference no. NSE/ CML/2022/56 dated December 13, 2022, issued by NSE and circular no. 20221213-47 dated December 13, 2022, issued by BSE. The general corporate purposes for which our Company proposes to utilise Net Proceeds include, but are not restricted to meeting fund requirements which our Company (including Subsidiaries) may face in the ordinary course of business, any additional capital expenditure, repayment or prepayment of our borrowings, strategic initiatives, partnerships, tie-ups, joint ventures or acquisitions, investment in our Subsidiaries, meeting working capital requirements incurred in the ordinary course of business, meeting exigencies and expenses, marketing/ advertising expenses and other expenses in relation to existing/proposed operations and any other purpose as may be approved by our Board or a duly appointed committee from time to time, subject to compliance with the necessary provisions of the Companies Act, 2013. The allocation or quantum of utilization of funds towards the specific purposes described above will be determined by our Board or a duly appointed committee, based on our business requirements and other relevant considerations, from time to time. Our Company's management shall have flexibility in utilising surplus amounts, if any, in accordance with applicable law.

Monitoring of utilisation of funds

Our Company has appointed Care Ratings Limited as the monitoring agency in accordance with Regulation 173A of the SEBI ICDR Regulations for monitoring the utilisation of Net Proceeds as the size of our Issue exceeds ₹ 10,000 lakhs. The report of the Monitoring Agency shall be placed before the Audit Committee on a quarterly basis, promptly upon its receipt, until such time as the Net Proceeds have been utilized in full or the Objects for which the Net Proceeds were raised have been achieved. Such report, along with the comments (if any) of the Monitoring Agency shall be submitted to the Stock Exchanges within 45 days from the end of each quarter and uploaded on the website, or such other time as may be prescribed under the SEBI Listing Regulations.

Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds. On an annual basis, our Company shall (i) prepare a statement of funds utilised for purposes other than those stated in this Placement Document and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilised; and (ii) disclose every year, the utilization of the Net Proceeds during that year in its annual report. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full.

Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Issue from the Objects as stated above; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Issue from the Objects as stated above or the Objects for which the Net Proceeds were raised have been achieved. This information will also be published on our website and our Company shall furnish an explanation for the deviations and category-wise variations in its annual report, after placing the same before the Audit Committee.

Other confirmations

In accordance with applicable laws, we undertake to not utilize proceeds from the Issue unless Allotment is made and the corresponding return of Allotment is filed with the RoC and final listing and trading approvals are received from each of the Stock Exchanges. The Net Proceeds shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised as approved by our Board and/ or a duly authorized committee of our Board, from time to time only for such purposes, as permitted under the Companies Act, prescribed Objects as disclosed above and other applicable laws.

Our Company will have flexibility in deploying the Net Proceeds received by our Company from the Issue in accordance with applicable laws. Pending utilisation for the purposes described above, our Company intends to temporarily invest funds in creditworthy instruments, including money market mutual funds and deposits with banks. Such investments would be in accordance with the investment policies as approved by our Board from time to time and applicable laws.

Neither of our Promoters, members of the Promoter Group, our directors and the group companies are making any contribution either as part of the Issue or separately in furtherance of the Objects. None of our Promoters, members

of the Promoter Group, our Directors and the group companies shall receive any proceeds from the Issue, whether directly or indirectly. Since the Issue is only made to Eligible QIBs, our Promoters, Directors, Key Managerial Personnel or members of Senior Management (including 'key managerial personnel' under the Companies Act) are not eligible to subscribe in the Issue.

There are no material existing or anticipated transactions in relation to the utilisation of the Net Proceeds entered into or to be entered into by our Company with our Promoters, Promoter Group, Directors and/or Key Managerial Personnel.

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CAPITALISATION STATEMENT

The following table sets forth our capitalisation statement as at December 31, 2023 derived from the Unaudited Consolidated Financial Results.

This table should be read in conjunction with “*Risk Factors*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and “*Financial Information*” on pages 41, 81 and 253, respectively.

(₹in lakhs)

Particulars	Pre – Issue	Post – Issue
	As at December 31, 2023 (A) (Un adjusted)	As Adjusted
Borrowings: - Please note below line items are indicative		
Deposits	-	[●]
Debt Securities	1,5405.02	[●]
Borrowings (consists of non – current borrowings, current borrowings, current maturity of non-current borrowings, current maturity of deferred payment liabilities but excludes payable for share purchase)	5,16,548.98	[●]
Subordinated Liabilities	-	[●]
Total indebtedness (A)	5,31,954.00	[●]
Equity		
Equity Share capital	2639.17	[●]
Other Equity	2,61,709.85	[●]
Non-Controlling Interest	1,70,946.22	
Total Equity (B)	4,35,295.24	[●]
Total Capitalization (C = A+B)	9,67,249.24	[●]

Notes:

- (1) These terms shall carry the meaning as per Schedule III to the Companies Act, 2013 (as amended).
- (2) ‘As adjusted for the Issue’ column in the above table will be adjusted for the number of equity shares issued pursuant to the issue and the proceeds from the issue thereon. It will reflect changes in Equity only on account of proceeds from the fresh issue of [●] equity shares of face value of ₹ 1 each aggregating to ₹ [●] in Equity Share Capital, at an issue price of ₹ [●] per equity share, including securities premium of ₹ [●] per equity share aggregating to ₹ [●] in Other Equity. The adjustments will not include any adjustment for issue related expenses and for any other transactions or movement subsequent to December 31, 2023. The corresponding post-Offer capitalization data for each of the above amounts given in the table is not determinable at this stage pending the completion of the Offer and will be updated in the Placement Document.
- (3) Balances in column “Pre-Issue as at December 31, 2023’ are as per the Unaudited Consolidated Financial Results for the quarter and nine months ended December 31, 2023.

CAPITAL STRUCTURE

The share capital of our Company as on the date of this Preliminary Placement Document is set forth below:

<i>(In ₹lakhs, except share data)</i>	
Particulars	Aggregate value at face value (except for securities premium account)
A. AUTHORIZED SHARE CAPITAL	
1,00,00,00,000 Equity Shares of face value of ₹ 1 each	10,000.00
15,000 11% Cumulative Redeemable Preference Shares of ₹100/- each	15.00
10,000 11% Cumulative Preference Shares of ₹100/- each	10.00
B. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE	
26,39,17,000 Equity Shares of face value of ₹ 1 each	2,639.17
C. PRESENT ISSUE IN TERMS OF THIS PRELIMINARY PLACEMENT DOCUMENT	
Up to [●] Equity Shares aggregating up to ₹ [●] ⁽¹⁾⁽²⁾	[●]
D. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE	
[●] Equity Shares of face value of ₹ 1 each ⁽²⁾	[●]
E. SECURITIES PREMIUM ACCOUNT	
Before the Issue (as of the date of this Preliminary Placement Document)	99,495.18
After the Issue ^{(2) and (3)}	[●]

(1) The Issue has been authorized by the Board of Directors pursuant to its resolution passed on December 28, 2023. The Shareholders have authorized and approved the Issue by way of a special resolution passed by way of a postal ballot dated February 7, 2024.

(2) To be determined upon finalization of the Issue Price.

(3) The securities premium account after the Issue is calculated on the basis of gross proceeds of the Issue. Adjustments do not include Issue related expenses.

Equity Share capital history of our Company

On incorporation, subscribers to the Memorandum of Association of the Company had subscribed to 4,000 equity shares of ₹ 250 each.

Pursuant to a resolution dated March 9, 1925, the face value of the equity shares of the Company was changed from ₹ 250 each to ₹ 100 each.

Thereafter, since incorporating until September 19, 2006, the Company made further allotments of 18,90,000 equity shares of ₹ 100 each. Resultantly, as on September 19, 2006 the paid up share capital of the Company was ₹ 19,00,00,000 comprising of 19,00,000 equity shares of ₹100 each.

Pursuant to a resolution dated September 19, 2006, the face value of the equity shares of the Company was changed from ₹ 100 each to ₹ 2 each. Consequently, the authorized share capital of the Company of were ₹ 19,25,00,000 comprising of 9,50,00,000 equity shares of ₹ 2 each and 25,000 11% Cumulative Redeemable Preference Shares of ₹ 100 each. Post subdivision on September 19, 2006, the paid up share capital of the Company was ₹ 19,00,00,000 comprising of 9,50,00,000 equity shares of ₹ 2 each.

Our Company is unable to trace copies of prescribed forms filed by them with the Registrar of Companies, inter-alia, in respect of the allotment of Equity Shares since its incorporation until September 19, 2006. While the Company believes that these forms were duly filed, it has not been able to obtain copies of these documents, including from the registrar of companies or any statutory bodies. For further details, see “*Risk Factor - Our Company was incorporated in 1909 and we are unable to trace some of our historical records. We cannot assure you that no legal proceedings or regulatory actions will be initiated against our Company in the future in relation to the missing filings and corporate records, which may impact our financial condition and reputation*” on page 41.

The history of the equity shares capital of the Company since September 19, 2006 is provided in the following table:

Date of allotment	No. of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Reason/Nature of allotment	Form of Consideration	Cumulative number of equity shares
September 19, 2006*	-	2	-	-	-	9,50,00,000
September 19, 2013	1,55,90,000	2	150	Preferential Issue	Cash	11,05,90,000
January 20, 2014	Sub-division of each equity share of face value of ₹2 each into ten equity shares of ₹1 each					22,11,80,000
April 11, 2017	2,30,77,000	1	195	Preferential Issue	Cash	24,42,57,000
March 31, 2022	1,96,60,000	1	162	Preferential Issue	Cash	26,39,17,000

*Opening balance as of cut-off date mentioned above.

As on date of this Preliminary Placement Document, no Equity Shares held by any of the Promoters in the Company are pledged.

Preference Shares

As on the date of this Preliminary Placement Document, there are no outstanding preference shares.

Warrants

As on the date of this Preliminary Placement Document, there are no outstanding warrants.

Employee stock option schemes

As on the date of this Preliminary Placement Document, our Company does not have an employee stock option scheme.

Proposed Allottees in the Issue

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made by our Company, in consultation with the Book Running Lead Manager, to Eligible QIBs only, on a discretionary basis.

The names of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to the Issue, and the percentage of post-Issue share capital that may be held by them will be included in the Placement Document in the section “*Details of Proposed Allottees*” on page 252.

Shareholding Pattern of our Company

The pre-Issue and post-Issue shareholding pattern of our Company is set forth below.

Sr. No.	Category	Pre-Issue as of December 31, 2023		Post-Issue*	
		Number of Equity Shares held	% of shareholding	Number of Equity Shares held	% of shareholding
A.	Promoter's holding [#]				
1.	Indian				
	Individual	86500	0.03	[●]	[●]
	Corporate	169061500	64.07	[●]	[●]
2.	Foreign	-	-	[●]	[●]
	Sub-total (A)	16,91,48,000	64.09	[●]	[●]
B.	Non-Promoter's holding				
1.	Institutional investors	4,31,64,808	16.35	[●]	[●]
2.	Non-institutional investors	-	-		

Sr. No.	Category	Pre-Issue as of December 31, 2023		Post-Issue*	
		Number of Equity Shares held	% of shareholding	Number of Equity Shares held	% of shareholding
	Individual share capital upto ₹ 2 Lakh	2,14,35,355	8.12	[•]	[•]
	Individual share capital in excess of ₹ 2 Lakh	42,53,172	1.61	[•]	[•]
3.	Foreign Companies	-	-	[•]	[•]
4.	Bodies Corporate	1,26,66,450	4.8	[•]	[•]
5.	Any Other [including Non-resident Indians (NRIs) and clearing members]	1,32,49,215	5.02	[•]	[•]
	Sub-total (B)			[•]	[•]
C.	Non-Promoter Non-Public shareholder				
1.	Custodian/ DR Holder	-	-	-	-
2.	Employee Benefit Trust	-	-	-	-
	Sub-total (C)	-	-	-	-
	Total (A+B+C)	9,47,69,000	35.91	[•]	[•]

*Note: The details of the post-Issue shareholding pattern have been intentionally left blank and will be filled in before filing of the Placement Document with the Stock Exchanges.

#Includes shareholding of the members of the Promoter Group.

Other Confirmations

Our Company has not made any allotments of Equity Shares, including for consideration other than cash, in the last one year preceding the date of this Preliminary Placement Document.

The Promoters, the Directors and the Senior Management of our Company do not intend to participate in the Issue. No change in control in our Company will occur consequent to the Issue.

There will be no change in control of our Company pursuant to the Issue.

Our Equity Shares have been listed for a period of at least one year prior to the date of issuance of postal ballot notice dated January 03, 2024 to the shareholders for the approval of this Issue.

Our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of this Issue. Further, Equity Shares allotted pursuant to this Issue cannot be sold by the Allottee for a period of one year from the date of allotment, except on the Stock Exchanges.

There are no outstanding options or rights to convert debentures, loans or other instruments convertible into the Equity Shares as on the date of this Preliminary Placement Document.

Proposed Allottees in the Issue

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made by our Company, in consultation with the Book Running Lead Manager, to Eligible QIBs only, on a discretionary basis.

The names of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to the Issue, and the percentage of post-Issue share capital that may be held by them is set forth in “**Details of Proposed Allottees in the Issue**” on page 252.

DIVIDENDS

The declaration and payment of dividends by our Company will be recommended by our Board and approved by our Shareholders at their discretion, subject to the provisions of the Articles of Association and the applicable laws, including the Companies Act, 2013.

Our Board has approved and adopted a formal dividend distribution policy on December 28, 2023, in terms of Regulation 43A of the SEBI Listing Regulations (“**Dividend Distribution Policy**”). In accordance with the Dividend Distribution Policy, the dividend pay-out shall be determined by the Board after taking into account a number of factors, including but not limited to current year’s profits, future outlook, with due consideration of internal and external environment, operating cash flows and treasury position, financial ratios, earning per share possibilities of alternative usage of cash, e.g. capital expenditure etc. with potential to create greater value for shareholders, providing for unforeseen events and contingencies with financial implications, other factors that may be considered relevant from time to time. For further information, see “*Description of the Equity Shares*” on page 228.

The following table details the dividend declared and paid or payable by our Company on the Equity Shares in respect of the Fiscals 2021, 2022, 2023, the nine months’ period ended December 31, 2023 and till the date of filing of this Preliminary Placement Document:

Particulars	From January 1, 2024 to date of the Preliminary placement Document	From April 1, 2023 to December 31, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
Face value of Equity Shares (₹ per share)	₹ 1	₹ 1	₹ 1	₹ 1	₹ 1
Dividend (Interim) per share (in ₹)	NIL	NIL	NIL	NIL	NIL
Dividend (Final) per share (in ₹)	NIL	NIL	Re.0.10	Re.0.10	Re.0.10
Total Dividend per share (in ₹)	NIL	NIL	Re.0.10	Re.0.10	Re.0.10
Total Dividend (in ₹)	NIL	NIL	2,63,91,700	2,63,91,700	2,63,91,700
Dividend Rate (%)	NIL	NIL	10%	10%	10%

Investors are cautioned not to rely on past dividends as an indication of the future performance of our Company or for an investment in the Equity Shares offered in the Issue. The amounts paid as dividends in the past are not necessarily indicative of the dividend distribution policy of our Company or dividend amounts, if any, in the future. There is no guarantee that any dividends will be declared or paid in the future or that the amount thereof will not be decreased. The form, frequency and amount of future dividends declared by our Company will depend on a number of internal and external factors, including, but not limited to, the factors set out in the Dividend Distribution Policy and such other factors that the Board may deem relevant in its discretion, subject to the approval of our Shareholders.

The Equity Shares to be issued in connection with this Issue shall qualify for dividend including interim dividend, if any, that is declared and record date thereof occurs after the Allotment. See “*Description of the Equity Shares*” on page 228. For a summary of some of the restrictions that may inhibit our ability to declare or pay dividends, see “*Risk Factors – Our Company’s ability to pay dividends in the future will depend on future earnings, financial condition, cash flows, working capital requirements and required or planned capital expenditures and terms of its financing arrangements.*” on page 41.

For a summary of certain consequences under Indian taxation law of dividend distributions to shareholders, see “*Statement of Possible Tax Benefits*” on page 233.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is intended to convey our management's perspective on our financial condition and results of operations for Fiscal 2023, 2022, 2021 and the nine months' period ended December 31, 2023 and December 31, 2022 included herein. You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our Audited Consolidated Financial Statements including the schedules, annexures and notes thereto and the reports thereon and our Unaudited Consolidated Financial Results for nine months' period ended December 31, 2023.

This discussion contains forward-looking statements, that involve risks and uncertainties and reflects our current views with respect to future events and financial performance. We caution investors that our business and financial performance is subject to substantive risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth under the sections titled "Forward-Looking Statements" and "Risk Factors" on pages 16 and 41, respectively, and elsewhere in this Preliminary Placement Document.

*We prepared our Financial Statements in accordance with the Indian Accounting Standards prescribed under section 133 of the Company Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("**Ind AS**"). Ind AS differs in some material respects from US GAAP and IFRS and other accounting principles with which prospective investors may be familiar.*

Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the chapter "Forward-Looking Statements" on page 16 for a discussion of the risks and uncertainties related to those statements and also the section "Risk Factors" on page 41 for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

*Unless otherwise indicated, industry and market data used in this section has been derived from the report titled "Industry Report on Diversified Portfolio Swan Energy Limited" dated February, 2024 prepared and issued by CARE Analytics and Advisory Private Limited ("**CARE Report**"). There are no parts, data or information (which may be relevant for the proposed issue), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the CARE Report and included herein with respect to any particular year refers to such information for the relevant calendar year. For more information, see "**Risk Factors – Certain sections of this Preliminary Placement Document contain information from the CARE Report which we commissioned and purchased and any reliance on such information for making an investment decision in this Issue is subject to inherent risks.**" on page 41. Also see, "Industry and Market Data" on page 15.*

OVERVIEW

Our Company, or SEL, is the flagship company of the Swan Group ("**Group**"). Our Group is a diversified infrastructural industrial group based in India and UAE with presence in the areas of oil and gas, shipbuilding, defence and heavy engineering fabrication, petroleum and petrochemical warehousing, blending, processing & trading, real estate and textile. Our Company was incorporated on February 22, 1909 and taken over by the present management of the Group through an order of the Board for Industrial and Financial Reconstruction ("**BIFR**") dated December 11, 1995.

Our Company was originally involved in the textile business and over the years have diversified into real estate, oil & gas, petroleum and petrochemical warehousing, blending, processing & trading, shipbuilding, defence and heavy engineering fabrication. In order to diversify from the original textile business of the Company, we had initially monetised the land parcel of the textile mills into real estate developments (both in commercial and residential) in the year 2004. In the year 2011, we have set up a new textile processing unit at Ahmedabad to continue our legacy in the textile industry. We have forayed into the oil and gas sector in the year 2012 for setting up a Floating Storage and Regasification Unit ("**FSRU**") based Greenfield LNG terminal at Jafrabad, Gujarat. In the Fiscal 2023, our Company has acquired Veritas (India) Limited and forayed into the business of petroleum and petrochemical warehousing, blending, processing & trading. Further, Hazel Infra Limited ("**Hazel Infra**"), a special purpose vehicle between our Company and Hazel Mercantile Limited ("**HML**"), has acquired Reliance Naval and Engineering Limited ("**Reliance Naval**") through an approved resolution plan and order dated December 23, 2022 by National Company Law Tribunal, Ahmedabad. As per the provisions contained in the resolution plan, the monitoring

committee has handed over the management of Reliance Naval to HML through its SPV, Hazel Infra with the approval / consent of all the Committee of Creditors members and subsequently the Monitoring Committee stands dissolved with effect from January 04, 2024.

Oil and gas: Our Company, through its subsidiaries, Swan LNG Private Limited (“**SLPL**”) and Triumph Offshore Private Limited (“**TOPL**”), is implementing a greenfield port project off the Jafrabad coast in Amreli district in Gujarat (“**LNG Project**”) for regasification of imported LNG by utilizing a Floating Storage Regasification Unit (FSRU) Our LNG Project is essentially a ‘Tolling terminal’ as SLPL has entered into a regasification agreement with major oil & gas PSUs for regasification of imported LNG for 4.5 MMTPA aggregate capacity for the period of 20 years from the date of commencement of operation which can be mutually extended. The LNG received at the FSRU converts LNG into regasified LNG which in turn is delivered to the terminal users at the custody transfer point. Terminal Users evacuate the regasified LNG through a downstream regional network which in turn also connects to other cross-country gas pipelines. Our LNG Project’s tolling terminal model provides us an assured revenue flow and mitigates us from any commodity risk in relation to LNG sourcing or gas market/pricing.

Petroleum and petrochemical warehousing, blending, processing & trading: Our Company through its Subsidiary, Veritas India Limited and step down Subsidiaries VERASCO FZE and Veritas International FZE are engaged in the business of international trade, warehousing, drumming, distillation, blending and distribution of petroleum and petrochemicals products.

Shipbuilding, defence and heavy engineering fabrication: Our Company, through its Subsidiary, Hazel Infra Limited, has recently acquired Reliance Naval and Engineering Limited (“**Reliance Naval**”) through a resolution plan and order dated December 23, 2022 by National Company Law Tribunal, Ahmedabad. Reliance Naval is involved in the business of ship construction and repairs for a range of vessels of different sizes and types, including naval vessels and coast guard vessels, as well as the heavy fabrication and construction of products such as offshore platforms, rigs, jackets and vessels.

Real Estate: Our Company, through its Subsidiaries Cardinal Energy and Infrastructure Private Limited (“**CEIPL**”) and Pegasus Ventures Private Limited (“**PVPL**”) are engaged in the development and sale of residential and commercial real estate projects. Our Company had successfully developed 2 large-scale projects in Mumbai - Peninsula Techno commercial IT park at Kurla, Mumbai consisting of 4 corporate towers and Ashok Gardens, a residential complex at Sewri, Mumbai. CEIPL had developed one commercial project in Bengaluru - Sai Tech Park, Whitefield and one commercial project in Hyderabad - Technova Park, Gachibowli which are leased out to multinational companies. Both the projects generate a consistent rental income for the company with an escalation of 15% every three years. Currently, CEIPL is developing a residential project “Cardinal One” at Bengaluru. It is a residential project consisting of a 22 story tower, having 3 wings (A, B, C) and is under construction under a Joint Development Agreement. Construction of all 3 towers have been completed and the finishing works are currently in process.

Textile: We are engaged in the business of processing, dying and printing a range of fabrics, including cotton, cotton blend fabrics like polyester cotton, linen and viscose fabrics with lycra and non-lycra options located at Narol, Ahmedabad, Gujarat. We have a textile processing unit located at Plot No – 558/559a, Narol – Vatva Road, Ahmedabad, Gujarat and has been accredited with certifications like ISO 9001:2008 and OEKOTEX-100.

Significant Factors Affecting our Results of Operations and Financial Condition

Macroeconomic Factors

Macroeconomic factors, both in India and in the international markets in which we operate, have a significant effect on our business and results of operations. These factors include levels of economic stability or instability, political uncertainty or other political developments, social upheavals, acts of God and different rates of economic growth in different jurisdictions in which we operate.

The growth prospects of our financial services business in particular, including the quality of our assets and our ability to grow our asset portfolio and implement our strategy, are influenced by the growth rate of the economy, inflationary expectations and other macro-economic factors. Any slowdown in the growth of the economy, coupled with inflationary pressures and increase in unemployment rates could adversely impact our business.

India’s real GDP grew by 9.1% in FY22 and stood at ~Rs. 149 trillion despite the pandemic and geopolitical Russia-Ukraine spillovers. In Q1FY23, India recorded 13.1% y-o-y growth in real GDP, largely attributed to improved

performance by the agriculture and services sectors. Following this double-digit growth, Q2FY23 witnessed 6.2% y-o-y growth, while Q3FY23 registered 4.5% y-o-y growth. The slowdown during Q2FY23 and Q3FY23 compared to Q1FY23 can be attributed to the normalization of the base and a contraction in the manufacturing sector's output. Subsequently, Q4FY23 registered broad-based improvement across sectors compared to Q3FY23 with a growth of 6.1% y-o-y. The investments, as announced in the Union Budget 2022-23 on boosting public infrastructure through enhanced capital expenditure, have augmented growth and encouraged private investment through large multiplier effects in FY23. Supported by fixed investment and higher net exports, real GDP for full-year FY23 was valued at Rs. ~160. trillion registering an increase of 7.2% y-o-y.

Furthermore, in Q1FY24, the economic growth accelerated to 7.8%. The manufacturing sector maintained an encouraging pace of growth, given the favorable demand conditions and lower input prices. The growth was supplemented by a supportive base alongside robust services and construction activities. This momentum was maintained in the Q2FY24 with GDP growth at 7.6%, mainly supported by acceleration in investments. However, private consumption growth was muted due to weak rural demand and some moderation in urban demand amid elevated inflationary pressures in Q2FY24. On the supply side, a significant improvement in manufacturing and construction activities supported growth. Overall, the economy expanded by 7.7% in H1FY24 compared to 5.3% in H2FY23. (Source: Care Report)

Fluctuations in interest rates, exchange rates and inflation rates could have an effect on certain key aspects of our operations, including on the costs of our raw materials, the prices at which we can sell our products or provide our services, our finance costs required to fund our operations and our profit margins.

Ability to invest in new projects and incur capital expenditure

As part of our growth strategy, we invest, build, scale up and grow businesses and we evaluate strategic investment opportunities from time to time with a view to benefit from the potential upside at the time of the sale of the investment. For example, in the Fiscal 2023, our Company has acquired Veritas (India) Limited and forayed into the business of petroleum and petrochemical warehousing, blending, processing & trading. Further, Hazel Infra Limited ("**Hazel Infra**"), a special purpose vehicle between our Company and Hazel Mercantile Limited ("**HML**"), has acquired Reliance Naval and Engineering Limited ("**Reliance Naval**") through an approved resolution plan and order dated December 23, 2022 by National Company Law Tribunal, Ahmedabad.

Our capital management plan is designed to enable the diversification of various businesses while ensuring enough liquidity for all the incubated businesses. To fund projects, we have created a robust financial foundation of owned and borrowed funds. We believe this makes it possible for us to mobilize resources from global and Indian lenders at low costs.

Availability of cost effective funding.

Our ability to grow in our various businesses depends largely on cost effective avenues of funding and will be primarily met through funding by increased borrowing from external sources and the incurrence of new debt. Our debt service costs as well as our overall cost of funding depend on many external factors, including developments in the Indian credit market and, in particular, interest rate movements and the existence of adequate liquidity in the debt markets. With the growth of our operations, we have had to increasingly access commercial borrowings. We believe that going forward the availability of sources of cost effective funding will be crucial and the non-availability of such funding at favorable terms could affect our business, financial condition and results of operations.

We operate in a highly regulated environment.

We operate in the agricultural and industrial commodities industries, several aspects of which are highly regulated. In addition, our recent additions to our businesses, oil and gas, shipbuilding, defence and heavy engineering fabrication, storage, blending, processing and trading of petrochemicals are also highly regulated. Future government policies may adversely affect the demand for and the supply and prices of our products and markets and restrict our ability to do business in our existing and target markets which could have an adverse effect on our business, financial position and results of operations. Our operations are also affected by extensive and changing environmental protection laws and other regulations, compliance with which may entail significant expenses, including expenses towards LNG Projects, Reliance Naval shipyards and changes in operating procedures. Additional laws and regulations may be adopted which could limit our ability to do business and which could have an adverse effect on our business, financial position and results of operations.

BASIS OF COMPLIANCE, BASIS OF PREPARATION, CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS AND SIGNIFICANT ACCOUNTING POLICIES:

1.1. Basis of Compliance:

The financial statements comply in all material aspects with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('Act') read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act.

1.2. Basis of preparation and presentation:

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

Current and Non-Current Classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

The financial statements of the Company for the year ended March 31, 2023 were approved for issue in accordance with a resolution of the Board of Directors in its meeting held on May 20, 2023.

1.3. Application of new Accounting Standard:

New Standards adopted by the Company

Ind AS 116 Leases

This is first set of the Company's financial statements to which Ind AS 116 Leases has been applied. The Company has adopted Ind AS 116 Leases using the modified retrospective method of adoption from April 01, 2019 (transition date for Ind AS 116). As permitted under transitional provisions of Ind AS, previous year comparatives are not restated. The Company has elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets'). The Company has also elected not to reassess whether a contract is or contains a lease at the date of initial application of Ind AS 116. The Company recognized lease liabilities in relation to only those leases for which company had signed lease agreement and has been classified as operating leases under the principal of Ind AS 17 Leases. These liabilities were measured at the present value of the 'lease term together with estimated period of extension (lease period)', discounted using the lessee's incremental borrowing rate as on April 01, 2019.

The impact of the adoption of the standard on the financial statements of the Company is insignificant.

1.4. Use of Judgments and Estimates:

The preparation of the financial statements requires management to make estimates, assumptions and judgments that affect the reported balances of assets and liabilities and disclosures as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates considering different assumptions and conditions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Impact on account of revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are discussed below:

- a. Estimates of useful lives and residual value of property, plant and equipment and intangible assets;
- b. Measurement of defined benefit obligations;
- c. Measurement and likelihood of occurrence of provisions and contingencies;
- d. Impairment of investments;
- e. Recognition of deferred tax assets; and
- f. Measurement of recoverable amounts of cash-generating units.

1.5. Property, Plant and equipment:

- 1.5.1. Property, plant and equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any;
- 1.5.2. The initial cost of an asset comprises its purchase price (including import duties and non-refundable taxes), any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any, and, borrowing cost for qualifying assets (i.e. assets that necessarily take a substantial period of time to get ready for their intended use);
- 1.5.3. Machinery spares that meet the definition of property, plant and equipment are capitalised;
- 1.5.4. Property, plant and equipment which are not ready for intended use as on date of Balance Sheet are disclosed as “Capital work-in-progress”;
- 1.5.5. Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred;
- 1.5.6. An item of property, plant and equipment and any significant part initially recognised separately as part of property, plant and equipment is derecognised upon disposal; or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the Statement of Profit and Loss when the asset is derecognised;
- 1.5.7. Depreciation is provided on a pro-rata basis on the straight line method based on estimated useful life prescribed under Schedule II to the Act. Assets costing ₹ 5,000/- or less are charged to the Statement of Profit & Loss in the year of purchase;
- 1.5.8. Components of the main asset that are significant in value and have different useful lives as compared to the main asset are depreciated over their estimated useful life. Useful life of such components has been assessed based on historical experience and internal technical assessment;
- 1.5.9. Depreciation on spare parts specific to an item of property, plant and equipment is based on life of the related property, plant and equipment. In other cases, the spare parts are depreciated over their estimated useful life based on the technical assessment;

1.5.10. Leasehold land is amortised over the primary lease period. Other assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and useful lives;

1.5.11. Freehold land is not depreciated;

1.5.12. The residual values and useful lives of property, plant and equipment are reviewed at each financial year end and changes, if any, are accounted in the line with revisions to accounting estimates;

1.6. Intangible Assets:

1.6.1. Intangible assets are recognised only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably;

1.6.2. Intangible assets are carried at cost net of accumulated amortization and accumulated impairment losses, if any;

1.6.3. The intangible assets with a finite useful life are amortised using straight line method over their estimated useful lives.

1.6.4. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses on de-recognition are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses);

1.6.5. The estimated useful life is reviewed at each financial year end and changes, if any, are accounted in the line with revisions to accounting estimates;

1.7. Investment property:

1.7.1. Investment property is property (land or a building — or part of a building — or both) held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in production or supply of goods or services or for administrative purposes. Investment properties are stated at cost net of accumulated depreciation and accumulated impairment losses, if any;

1.7.2. Any gain or loss on disposal of investment property is calculated as the difference between the net proceeds from disposal and the carrying amount of the investment property is recognised in Statement of Profit and Loss;

1.8. Non-current assets held for sale:

1.8.1. Non-current assets are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets;

1.8.2. Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell;

1.8.3. Non-current assets classified as held for sale are not depreciated or amortized from the date when they are classified as held for sale.

1.9. Leases:

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset to lessee for a period of time in exchange for consideration. The Company shall reassess whether a contract is, or contains, a lease only if the terms and conditions of the contract are changed.

As a Lessee

At the commencement date, the Company recognises a right-of-use (RoU) asset at cost and a lease liability at present value of the lease payments that are not paid at commencement date. The Lease Payments shall be discounted using Company's incremental borrowing rate on periodic basis. Subsequently, RoU asset is depreciated over lease term and lease liability is reduced as payments are made and an imputed finance cost on lease liability is recognised in Statement of Profit and Loss using the Company's incremental borrowing rate.

If a lease, at the commencement date, has a lease term of 12 months or less, it is treated as short term lease. Lease payments associated with short term leases are treated as an expense on systematic basis.

As a Lessor

A lessor shall classify each of its leases as either an operating lease or a finance lease.

Finance leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Company shall recognise assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

Operating leases

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. Company shall recognise lease payments from operating leases as income on systematic basis in the pattern in which benefit from the use of the underlying asset is diminished.

1.10. Impairment of Non-financial Assets:

- 1.10.1. Non-financial assets other than inventories, deferred tax assets and non-current assets classified as held for sale are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any indication of such impairment exists, the recoverable amount of such assets / cash generating unit is estimated and in case the carrying amount of these assets exceeds their recoverable amount, an impairment is recognised;
- 1.10.2. The recoverable amount is the higher of the fair value less costs of disposal and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. Assessment is also done at each Balance Sheet date as to whether there is indication that an impairment loss recognised for an asset in prior accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss.

1.11. Inventories:

- 1.11.1. Inventories comprising Closing stock of finished goods, raw material and consumables and spares are valued at lower of cost (on weighted average) and net realisable value after providing for obsolescence and other losses, where considered necessary;
- 1.11.2. Cost includes all charges in bringing the goods to their present location and condition. Work-in- progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty;
- 1.11.3. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

1.12. Investment in Subsidiaries:

Investments in equity shares of Subsidiaries are recorded at cost and reviewed for impairment at each reporting date.

1.13. Fair Value measurement:

- 1.13.1. The Company measures certain financial instruments at fair value at each reporting date;

- 1.13.2. Certain accounting policies and disclosures require the measurement of fair values, for both financial and non- financial assets and liabilities;
- 1.13.3. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability also reflects its non-performance risk;
- 1.13.4. The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently that difference is recognised in Statement of Profit and Loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out;
- 1.13.5. While measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation technique as follows:
 - **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities
 - **Level 2:** inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
 - **Level 3:** inputs for the assets or liability that are not based on observable market data (unobservable inputs);
- 1.13.6. When quoted price in active market for an instrument is available, the Company measures the fair value of the instrument using that price. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis;
- 1.13.7. If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction;
- 1.13.8. The Company regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the Company assesses the evidence obtained from third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

1.14. Financial Instruments:

1.14.1. Financial Assets:

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognised at fair value, in case of financial assets which are recognised at fair value through profit and loss, its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

Financial assets are subsequently classified as measured at

- amortised cost
- fair value through profit and loss (FVTPL)

- fair value through other comprehensive income (FVOCI).

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets.

Trade Receivables and Loans:

Trade receivables and loans are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

Debt instruments:

Debt instruments are subsequently measured at amortised cost, FVOCI or FVTPL till de-recognition on the basis of:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

Measured at amortised cost:

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

Measured at FVOCI:

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at FVOCI. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On de-recognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

Measured at FVTPL:

A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

Equity Instruments:

All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL.

The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

De-recognition:

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset;

Redeemable Preference shares:

Redeemable preference share are separated into liability and equity components based on the terms of the contract.

On issuance of the redeemable preference shares, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as financial liability measured at amortized cost (net of transaction cost) until it is extinguished on redemption.

Transaction cost are apportioned between the liability and equity component of the redeemable preference share based on the allocation of the proceed to the liability and equity component when the instrument are initially recognized.

Optionally convertible debentures:

Optionally convertible debentures are separated into liability and equity components based on the terms of the issue as per Ind AS.

On issuance of the Optionally convertible Debentures, the fair value of the liability component is determined using a market rate for an equivalent convertible instrument. This amount is classified as financial liability measured at amortized cost until it is extinguished on conversion.

1.14.2. Financial Liabilities:**Initial recognition and measurement:**

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as FVTPL. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest method.

Subsequent measurement:

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at FVTPL are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

De-recognition:

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires;

1.14.3. Financial guarantees:

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of the debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the fair value initially recognised less cumulative amortisation;

1.14.4. Derivative financial instruments:

The Company uses derivative financial instruments to manage the exposure on account of fluctuation in interest rate and foreign exchange rates. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value with the changes being recognised in the Statement of Profit and Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative;

1.14.5. Embedded derivatives:

If the hybrid contract contains a host that is a financial asset within the scope of Ind-AS 109, the classification requirements contained in Ind AS 109 are applied to the entire hybrid contract. Derivatives embedded in all other host contracts, including financial liabilities are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at FVTPL. These embedded derivatives are measured at fair value with changes in fair value recognised in Statement of Profit and Loss, unless designated as effective hedging instruments. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows;

1.14.6. Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

1.15. Revenue Recognition:

1.15.1. Sale of goods:

The Company is engaged in the Business of textiles, development of property and trading of petroleum and petroleum products. 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, petroleum and petroleum products are recognised when it is earned and no significant uncertainty exists as to its realization or collection.

Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods.

Revenue from the sale of regassification services is recognised at a point in time when the control of RLNG is transferred to the customers at the point of dispatch.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

Trade Receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities

A contract liability is the obligation to transfer goods to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

1.15.2. Rendering of Services

Revenue is recognized from rendering of services when the performance obligation is satisfied and the services are rendered in accordance with the terms of customer contracts. Revenue is measured based on the

transaction price, which is the consideration, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

- 1.15.3. Income from export incentives such as duty drawback and premium on sale of import licenses are recognised on accrual basis;
- 1.15.4. Income from sale of scrap is accounted for on realisation;
- 1.15.5. Interest income is recognized using the effective interest rate (EIR) method;
- 1.15.6. Dividend income on investments is recognised when the right to receive dividend is established;
- 1.15.7. Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.
- 1.15.8. Rent for the immovable properties is recognised on accrual basis as per the respective agreements with the parties.

1.16. Employee Benefits:

- 1.16.1. Short-term employee benefits:

Short-term employee benefits (including leave) are recognized as an expense at an undiscounted amount in the Statement of Profit and Loss of the year in which the related services are rendered;

- 1.16.2. Post-employment benefits:

Company operates the following post-employment schemes:

- Defined contribution plans such as provident fund; and
- Defined benefit plans such as gratuity

Defined Contribution Plans:

Obligations for contributions to defined contribution plans such as provident fund are recognised as an expense in the Statement of Profit and Loss as the related service is provided.

Defined Benefit Plans:

The Company's net obligation in respect of defined benefit plans such as gratuity is calculated by estimating the amount of future benefit that the employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed at each reporting period end by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of the economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

The current service cost of the defined benefit plan, recognized in the Statement of Profit and Loss as part of employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognized immediately in the Statement of Profit and Loss. The net interest is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This net interest is included in employee benefit expense in the Statement of Profit and Loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

1.17. Borrowing costs:

- 1.17.1. Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs;
- 1.17.2. Borrowing costs that are attributable to the acquisition or construction of qualifying assets (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use) are capitalized as a part of the cost of such assets. All other borrowing costs are charged to the Statement of Profit and Loss;
- 1.17.3. Investment Income earned on the temporary investment of funds of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

1.18. Foreign Currency Transactions:

- 1.18.1. The financial statements are presented in INR, the functional currency of the Company (i.e. the currency of the primary economic environment in which the Company operates);

- 1.18.2. Monetary items:

Transactions in foreign currencies are initially recorded at their respective exchange rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at exchange rates prevailing on the reporting date.

Exchange differences arising on settlement or translation of monetary items (except for long term foreign currency monetary items outstanding as of March 31, 2021 which are accumulated in "Foreign Currency Monetary Item Translation Difference Account" and amortised over balance period of liability) are recognised in Statement of Profit and Loss either as profit or loss on foreign currency transaction and translation or as borrowing costs to the extent regarded as an adjustment to borrowing costs.

- 1.18.3. Non-Monetary items:

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

1.19. Government Grants:

- 1.19.1. Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with;
- 1.19.2. When the grant relates to an expense item, it is recognized in Statement of Profit and Loss on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed;
- 1.19.3. Government grants relating to property, plant and equipment are presented as deferred income and are credited to the Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset.

1.20. Provisions and Contingent Liabilities:

- 1.20.1. Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation;
- 1.20.2. The expenses relating to a provision is presented in the Statement of Profit and Loss net of reimbursements, if any;
- 1.20.3. If the effect of the time value of money is material, provisions are discounted using a current pre- tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost;

- 1.20.4. Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Company, or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability;
- 1.20.5. Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.

1.21. Taxes on Income

1.21.1. Current Tax

Income-tax Assets and Liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the end of reporting period.

Current Tax items are recognised in correlation to the underlying transaction either in the Statement of Profit and Loss, other comprehensive income or directly in equity;

1.21.2. Deferred tax

Deferred tax is provided using the Balance Sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred Tax items are recognised in correlation to the underlying transaction either in the Statement of Profit and Loss, other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

1.22. Earnings per share

- 1.22.1. Basic earnings per share are calculated by dividing the profit or loss for the period attributable to equity shareholders (after deducting preference dividends, if any, and attributable taxes) by the weighted average number of equity shares outstanding during the period;
- 1.22.2. For the purpose of calculating diluted earnings per share, the profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effect of all dilutive potential equity shares.

1.23. Cash and Cash equivalents:

Cash and cash equivalents in the Balance Sheet include cash at bank, cash, cheque, draft on hand and demand deposits with an original maturity of less than three months, which are subject to an insignificant risk of changes in value.

For the purpose of Statement of Cash Flows, Cash and cash equivalents include cash at bank, cash, cheque and draft on hand. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

1.24. Cash Flows:

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

1.25. Dividend:

Final dividend on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

Non-GAAP Financial Measures

In addition to our results determined in accordance with Ind AS, we believe the following non-GAAP measures are useful to our Company and our investors as a means of assessing and evaluating our performance in comparison to prior periods. We use the following non-GAAP financial information to evaluate our ongoing operations and for internal planning and forecasting purposes: EBITDA, EBITDA Margin, Net Profit Ratio, Net Equity, Capital Employed, Return on Capital Employed, Total Debt, Debt to Equity Ratio, Net Worth, Return on Net Worth, . We believe that non-GAAP financial information, when taken collectively with financial measures prepared in accordance with Ind AS, may be helpful to investors because it provides an additional tool for investors to use in evaluating our ongoing operating results and trends and in comparing our financial results with other companies in our industry because it provides consistency and comparability with past financial performance. However, our management does not consider these non-GAAP measures in isolation or as an alternative to financial measures determined in accordance with Ind AS.

Non-GAAP financial information is presented for supplemental informational purposes only, has limitations as an analytical tool and should not be considered in isolation or as a substitute for financial information presented in accordance with Ind AS. Non-GAAP financial information are not recognized under Ind AS and do not have standardized meanings prescribed by IND AS. In addition, non-GAAP financial measures used by us may differ from similarly titled non-GAAP measures used by other companies. The principal limitation of these non-GAAP financial measures is that they exclude significant expenses and income that are required by Ind AS to be recorded in our financial statements, as further detailed below. In addition, they are subject to inherent limitations as they reflect the exercise of judgment by management about which expenses and income are excluded or included in determining these non-GAAP financial measures. A reconciliation is provided below for each non-GAAP financial measure to the most directly comparable financial measure prepared in accordance with Ind AS. Investors are encouraged to review the related Ind AS financial measures and the reconciliation of non-GAAP financial measures to their most directly comparable Ind AS financial measures included below and to not rely on any single financial measure to evaluate our business.

(₹ in lakhs, except as otherwise stated)

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Revenue from Operations	1,43,814.37	48,719.96	32,046.88
Total Income	1,44,891.15	49,409.11	32,441.28
Gross margin (%) ⁽¹⁾	25.77%	33.24%	43.65%
EBITDA ⁽²⁾	24,190.35	7,518.72	7,165.16
EBITDA margin (%) ⁽³⁾	16.70%	15.22%	22.09%
Profit/ (Loss) for the period/ year	-6,104.92	-15,789.29	-6,861.43
Net Profit Ratio (%) ⁽⁴⁾	-4.21%	-31.96%	-21.15%
Return on Capital Employed (%) ⁽⁵⁾	2.05%	0.09%	0.68%

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Return on Equity (%) ⁽⁷⁾	-2.14%	-9.63%	-5.12%
Debt Equity Ratio ⁽⁸⁾	1.75	2.51	2.29
Interest Coverage Ratio ⁽⁹⁾	1.09	0.54	0.75
Current Ratio ⁽¹⁰⁾	1.26	1.44	0.36
Total Assets	10,22,478.19	6,39,731.81	4,93,610.23
Total Liabilities	6,48,971.00	4,69,889.30	3,53,841.44
Total Equity ⁽⁶⁾	3,73,507.19	1,69,842.52	1,39,768.79
Total Borrowings ⁽¹¹⁾	4,97,933.36	4,11,635.07	3,06,405.58
Current Assets	2,57,621.00	1,60,062.79	53,560.27
Current Liabilities ⁽¹²⁾	2,04,115.24	1,11,200.04	1,49,248.48

Notes:

1. Gross Margin is calculated as Revenue from Operations reduced by purchase of stock-in-trade and change in inventory of stock-in-trade divided by Revenue from Operations
2. Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) is calculated as profit/(loss) before tax for period/ year plus depreciation and amortization expense and finance costs.
3. EBITDA Margin is calculated as EBITDA divided by total income.
4. Net Profit Ratio is calculated as profit/(loss) for the period/ year divided by total income.
5. Return on Capital Employed defined as Earnings Before Interest and Tax (EBIT) is calculated (Profit/(loss) for the period/year plus plus finance costs) divided by Capital Employed, where Capital Employed is Total Debt plus Net Equity (Total Equity Less Capital Reserve).
6. Total Equity is calculated adding equity share capital and other equity including non-controlling interest.
7. Return on Equity is calculated as Profit/(Loss) for the period / year divided by Net Equity (Total Equity less capital reserve).
8. Debt to equity ratio is calculated as Total Debt divided by Net Equity (Total Equity less Capital Reserve) where Total Debt is non-current borrowings plus current borrowings.
9. Interest coverage ratio is calculated as EBITDA divided by finance costs.
10. Current ratio is calculated by total current assets divided by total current liabilities, where total current liabilities is excluding Current maturities of long-term loan and Current maturities of Lease liabilities.
11. Total Borrowings consist of current borrowings and non current borrowings.
12. Current Liabilities is calculated a Total Current Liabilities reduced by current maturities of long-term loan and current maturities of lease liabilities.

Reconciliation for Revenue from operations to Gross Margin (%)

(₹ in lakhs, except as otherwise stated)

Particular	Fiscal 2023	Fiscal 2022	Fiscal 2021
Revenue from operations (A)	1,43,814.37	48,719.96	32,046.88
Cost of material consumed (B)	1,10,440.26	34,662.18	21,031.04
Changes in inventory of stock-in-trade (C)	-3,683.57	-2,139.06	-2,973.67
Cost of Goods Sold (D=B+C)	1,06,756.69	32,523.11	18,057.37
Gross Margin (E=A-D)	37,057.67	16,196.84	13,989.51
Gross Margin (%) (F=E/A)	25.77%	33.24%	43.65%

Reconciliation of Profit for the period/ year to EBITDA and EBITDA margin (%)

(₹ in lakhs, except as otherwise stated)

Particular	Fiscal 2023	Fiscal 2022	Fiscal 2021
Profit /(Loss) before tax (A)	-6,224.33	-18,422.87	-7,804.78
Finance costs (B)	22,279.90	18,914.94	10,803.55
Depreciation and amortization expense (C)	8,134.78	7,026.65	4,166.38
EBITDA (D=A+B+C)	24,190.35	7,518.72	7,165.16
Revenue from operations (E)	1,44,891.15	49,409.11	32,441.28
EBITDA margin (%) (D/E)	16.70%	15.22%	22.09%

Reconciliation of Total Borrowings to Total Debts*(₹ in lakhs, except as otherwise stated)*

Particular	Fiscal 2023	Fiscal 2022	Fiscal 2021
Current Borrowings(A)	1,05,143.93	57,637.12	1,06,762.84
Non-current Borrowings(B)	3,92,789.43	3,53,997.95	1,99,642.73
Total Debts (A+B)	4,97,933.36	4,11,635.07	3,06,405.57

Reconciliation of Total Equity to Debt to Equity Ratio and Capital Employed*(₹ in lakhs, except as otherwise stated)*

Particular	Fiscal 2023	Fiscal 2022	Fiscal 2021
Equity share capital (A)	2,639.17	2,639.17	2,442.57
Other equity (B)	2,25,728.69	1,21,892.74	84,985.25
Non-controlling interest (C)	1,45,139.33	45,310.61	52,340.97
Total Equity (D=A+B+C)	3,73,507.19	1,69,842.52	1,39,768.79
Less: Capital Reserve (E)	88,393.07	5,811.32	5,811.32
Net Equity (F=D-E)	2,85,114.12	1,64,031.20	1,33,957.47
Total Debt (G)	4,97,933.36	4,11,635.07	3,06,405.58
Debt to Equity Ratio (G/S)	1.75	2.51	2.29
Capital employed (F+G)	7,83,047.48	5,75,666.27	4,40,363.04

Reconciliation of Profit for the period/ year to EBIT and Return on Capital Employed (%)*(₹ in lakhs, except as otherwise stated)*

Particular	Fiscal 2023	Fiscal 2022	Fiscal 2021
Profit/(Loss) for the year/ period (A)	-6,104.92	-15,789.29	-6,861.43
Total tax expense (B)	-119.41	-2,633.58	-943.35
Profit/(Loss) before tax (C=A+B)	-6,224.33	-18,422.87	-7,804.78
Share in Profit / (loss) of joint ventures (D)	-	-	-
Profit/(Loss) before share in net profit/(loss) in joint ventures and tax (E=C-D)	-6,224.33	-18,422.87	-7,804.78
Finance costs (F)	22,279.90	18,914.94	10,803.55
EBIT (G=E+F)	16,055.56	492.08	2,998.78
Capital Employed (H)	7,83,047.48	5,75,666.27	4,40,363.04
Return on Capital Employed (G/H)	2.05%	0.09%	0.68%

Reconciliation of Profit for the period/ year to Return on Equity*(₹ in lakhs, except as otherwise stated)*

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Profit/(Loss) for the year/period (A)	-6,104.92	-15,789.29	-6,861.43
Total Equity (B)#	3,73,507.19	1,69,842.52	1,39,768.79
Less: Capital Reserve (C)	88,393.07	5,811.32	5,811.32
Net Equity (D=B-C)	2,85,114.12	1,64,031.20	1,33,957.47
Return on equity ratio (A/D)	-2.14%	-9.63%	-5.12%

#Including non-controlling interest

Reconciliation of Profit for the period/ year to Net Profit Ratio

(₹ in lakhs, except as otherwise stated)

Particular	Fiscal 2023	Fiscal 2022	Fiscal 2021
Profit/(Loss) for the period/ year (A)	-6,104.92	-15,789.29	-6,861.43
Total Income (B)	1,44,891.15	49,409.11	32,441.28
Net Profit Ratio (A/B)	-4.21%	-31.96%	-21.15%

Reconciliation Total Current Assets and Total Current Liabilities to Current Ratio

(₹ in lakhs, except as otherwise stated)

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Current assets (A)	2,57,621.00	1,60,062.79	53,560.27
Current liabilities (B)	2,26,128.69	1,13,361.21	1,51,102.25
Less: Current maturities of long-term loan (C)	21,449.17	2,123.43	1,820.76
Less: Current maturities of Lease liabilities (D)	564.28	37.74	33.01
Current liabilities (E=B-C-D)	2,04,115.24	1,11,200.04	1,49,248.48
Current Ratio (A/E)	1.26	1.44	0.36

Reconciliation of Interest Coverage Ratio

(₹ in lakhs, except as otherwise stated)

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Profit/(Loss) After Tax (A)	-6,104.92	-15,789.29	-6,861.43
Depreciation and amortisation expense (B)	8,134.78	7,026.65	4,166.38
Finance Cost (C)	22,279.90	18,914.94	10,803.55
EBIDA (D = A+B+C)	24,309.76	10,152.30	8,108.50
Interest Coverage Ratio (number of times) (on a consolidated basis) (D/C)	1.09	0.54	0.75

Debtors Turnover

(₹ in lakhs, except as otherwise stated)

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Revenue from Operations (A)	1,43,814.37	48,719.96	32,046.88
Closing Debtors (B)	1,78,559.83	21,375.94	2,866.81
Opening Debtors (C)	21,375.94	2,866.81	5,413.22
Average (D = (B+C)/2)	99,967.88	12,121.37	4,140.01
Debtors Turnover (A/D)	1.44	4.02	7.74

Inventory Turnover ratio

(₹ in lakhs, except as otherwise stated)

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Cost of materials consumed (A)	1,10,440.26	34,662.18	21,031.04
Changes in inventories of work-in-progress (B)	-3,683.57	-2,139.06	-2,973.67
Manufacturing Expenses (C = A+B)	1,06,756.69	32,523.11	18,057.37
Opening inventory (D)	17,144.36	14,472.36	12,622.80
Closing inventory (E)	26,057.36	17,144.36	14,472.36
Average inventory (F = (D+E)/2)	21,600.86	15,808.36	13,547.58
Inventory Turnover ratio (C/F)	4.94	2.06	1.33

PRINCIPAL COMPONENTS OF INCOME AND EXPENTURE

Income

Total income comprises of (a) revenue from operations and (b) other income.

Revenue from Operations

Revenue from operations comprises of revenue from sale of products i.e. textile goods and other operating revenue which includes construction and other services, trading of goods, rental income from investment property, construction (work contract services) and revenue from services.

Other Income

Other income comprises of (i) interest income (ii) dividend income (iii) Net Exchange Gain, (iv) Profit on sale of Investments and (v) miscellaneous income.

Expenses

Cost of Raw Material consumed

Cost of material represents raw material consumed such as material used in construction activities, cost of traded goods sold, textile, greige, store and spares and dye, chemicals and others.

Changes in inventories of finished goods and work-in-progress

Changes in inventories represents finished goods, work in progress and trade goods represent the difference between the opening and closing stock of finished goods and work in progress.

Employee benefit expenses

Employee benefit expenses predominantly comprises of salaries and wages, contribution to provident and other fund and staff welfare expenses.

Finance Costs

Finance cost includes interest expense, interest on preferential shares and other borrowing costs.

Depreciation and amortisation expense

Depreciation and amortisation expenses comprises of depreciation on property, plant and equipment, depreciation on right to use assets and amortisation of intangible assets.

Other expenses

Other expenses include expenses towards advertisement expenses, audit fees, architect fees, brokerage and commission, business development expenses, communication cost, donation/CSR, freight charges, insurance, labour charges, legal and professional fees, listing and related expenses, loss on sale of fixed assets, lubricants consumed, membership and subscription, net loss on investment carried at FVTPL, other development expenses, printing and stationary, power and fuel, rates and taxes, rent, repair and maintenance (building, machinery and others), security charges, ship management fees, stores, spares and consumables, vehicle expenses and miscellaneous expenses

RESULTS OF OPERATIONS FOR THE NINE MONTHS PERIOD ENDED ON DECEMBER 31, 2023 AND THE NINE MONTHS PERIOD ENDED ON DECEMBER 31, 2022.

The following table sets forth select financial information from the Consolidated Unaudited Financial Results for the nine-month period ended December 31, 2023 and December 31, 2022, the components of which are also expressed as a percentage of total income for such periods:

(In ₹ lakhs, except percentage of total revenue)

Particulars	Nine months ended			
	December 31, 2023		December 31, 2022	
	Amount	% of Total Income	Amount	% of Total Income
Income				
Revenue From operations	3,61,924.06	98.00%	50,495.12	98.72%
Other Income	7,377.77	2.00%	652.68	1.28%
Total Income	3,69,301.83	100.00%	51,147.80	100.00%
EXPENSES				
Cost of materials consumed	2,80,651.96	76.00%	45,002.38	87.98%
Purchases of stock-in-trade	-	0.00%	-	0.00%
Changes in inventories of finished goods, stock-in-trade and work-in-progress	-5,648.78	-1.53%	-3,035.92	-5.94%
Employee benefits expenses	2,631.48	0.71%	2,071.13	4.05%
Finance costs	17,328.87	4.69%	16,117.61	31.51%
Depreciation and amortization expense	8,104.23	2.19%	5,452.76	10.66%
Other expenses	9,274.46	2.51%	7,131.15	13.94%
Total expenses	3,12,342.22	84.58%	72,739.11	142.21%
Profit/(Loss) before exceptional items and Tax	56,959.61	15.42%	-21,591.31	-42.21%
Profit Share in Associate	-	-	5,393.68	10.55%
Profit/(Loss) before tax	56,959.61	15.42%	-16,197.63	-31.67%
Tax expense				
Current tax	191.72	0.05%	442.74	0.87%
Short/(Excess) Provisions of Previous Years	0.26	0.00%	-	0.00%
Deferred Tax	3,729.85	1.01%	-4,320.96	-8.45%
Total tax expense	3,921.83	1.06%	-3,878.22	-7.58%
Profit for the year	53,037.78	14.36%	-12,319.41	-24.09%
Other comprehensive income	1,019.57	0.28%	-	0.00%
Total comprehensive income for the year	54,057.35	14.64%	-12,319.41	-24.09%

Comparison of the Nine months ended December 31 2023 to December 31, 2022

Total Income

Total income increased from ₹ 51,147.80 lakhs during nine months period ended December 31, 2022 to ₹ 3,69,301.83 lakhs during nine months period ended December 31, 2023, representing an increase of ₹ 3,18,154.03 lakhs or by 622.03%, for the reasons discussed below

Revenue from Operations

Revenue from operations increased from ₹ 50,495.12 lakhs during nine months period ended December 31, 2022 to ₹ 3,61,924.06 lakhs during nine months period ended December 31, 2023, representing an increase of ₹ 3,11,428.94 lakhs or by 616.75% (y-o-y). This increase was primarily due to acquisition of Veritas (India) Limited (subsidiary of Swan Energy Limited from January 20, 2023) which is into business of warehousing, distribution & development. Additionally, revenue is also started in energy division mainly due to leasing out FSRU vessel from January 2023 onwards and due to charter hire of FSRU Vessel.

Other income

Other income increased from ₹ 652.68 lakhs during nine months period ended December 31, 2022 to ₹ 7,377.77 lakhs during nine months period ended December 31, 2023, representing an increase of ₹ 6,725.09 lakhs or by 1,030.38% due to writeback of liability. This increase was primarily due to acquisition of Veritas (India) Limited (subsidiary of Swan Energy Limited from January 20, 2023) which is into business of warehousing, distribution & development.

Total expenses

Total expenses increased from ₹72,739.11 lakhs in nine months period ended December 31, 2022 to ₹ 3,12,342.22 lakhs in nine months period ended December 31, 2023 representing an increase of ₹ 2,39,603.11 lakhs or by 329.40%. This increase was primarily due to acquisition of Veritas (India) Limited (subsidiary of Swan Energy Limited from January 20, 2023) which is into business of warehousing, distribution & development.

Cost of material consumed

Cost of material consumed increased from ₹45,002.38 lakhs in nine months period ended December 31, 2022 to ₹ 2,80,651.96 lakhs in nine months period ended December 31, 2023 representing an increase of ₹ 2,35,649.58 lakhs or by 523.64%. This increase was primarily due to acquisition of Veritas (India) Limited (subsidiary of Swan Energy Limited from January 20, 2023) which is into business of warehousing, distribution & development. There is also increase in the volume in distribution & development business resulting to increase in cost of material consumed. This was primarily due to consolidation of financial numbers of Veritas (India) Limited which became subsidiary of Swan Energy Limited on January 20, 2023.

Changes in inventories of finished goods, stock-in-trade and work-in-progress.

Changes in inventories of finished goods, stock-in-trade, and work-in-progress, for nine months period ended December 31, 2023 stood at ₹ (5.648.78) lakhs as compared to ₹ (3,035.92) lakhs in nine months period ended December 31, 2022 representing an increase of ₹ (2,612.86) lakhs or by 86.06%. This was primarily due to increase in the volume in distribution & development business resulting to increase in closing inventory.

Employee benefit expense

Employee benefit expenses increased from ₹2,071.13 lakhs in nine months period ended December 31, 2022 to ₹ 2,631.48 lakhs in nine months period ended December 31, 2023 representing an increase of ₹ 560.35 lakhs or by 27.06%. This was primarily due to increase in employee strength of the overall group due to acquisition of Veritas (India) Limited (subsidiary of Swan Energy Limited from January 20, 2023) consolidation of financial numbers of Veritas (India) Limited which became subsidiary of Swan Energy Limited on January 20, 2023 and due to revision of employee remuneration and increase in the employee strength.

Finance cost

Finance cost increased from ₹ 16,117.61 lakhs in nine months period ended December 31, 2022 to ₹ 17,328.87 lakhs in nine months period ended December 31, 2023 representing an increase of ₹ 1,211.26 lakhs or by 7.52%. This was primarily due to increase in debt due to consolidation of financial numbers of Veritas (India) Limited which became subsidiary of Swan Energy Limited on January 20, 2023.

Depreciation and amortization expense

Depreciation and amortization expenses increased from ₹ 5,452.76 lakhs in nine months period ended December 31, 2022 to ₹ 8,104.23 lakhs in nine months period ended December 31, 2023 representing an increase of ₹ 2,651.47 lakhs or by 48.63%. This increase was primarily due to acquisition of Veritas (India) Limited (subsidiary of Swan Energy Limited from January 20, 2023) which is into business of warehousing, distribution & development.

Other expenses

Other expenses increased from ₹ 7,131.15 lakhs in nine months period ended December 31, 2022 to ₹ 9,274.46 lakhs in nine months period ended December 31, 2023 representing an increase of ₹ 2,143.31 lakhs or by 30.06%. This increase was primarily due to acquisition of Veritas (India) Limited (subsidiary of Swan Energy Limited from January 20, 2023) which is into business of warehousing, distribution & development.

Profit before tax

Profit/(Loss) before tax of ₹(16,197.63) lakhs during nine months period ended December 31, 2022 and Profit/(Loss) of ₹ 56,959.61 lakhs during six-month period ended December 31, 2023, representing an increase of ₹ 73,157.24 lakhs or by 451.65%. This increase was primarily due to acquisition of Veritas (India) Limited (subsidiary of Swan Energy Limited from January 20, 2023) which is into business of warehousing, distribution & development. Additionally, revenue is also started in energy division mainly due to leasing out FSRU vessel from February 2023 onwards.

Tax expenses

Tax expenses changed from ₹ (3878.22) lakhs in nine months period ended December 31, 2022 to ₹ 3,921.83 lakhs in nine months period ended December 31, 2023, representing an increase of ₹ 7,800.05 lakhs or by 201.12%. This was primarily due to start of substantial revenue from vessel resulting into adjustment of accumulated losses which led to reversal of deferred tax.

Total Comprehensive Income for the period

Due to the reasons stated above, our profit increased by ₹ 66,376.76 lakh or by 538.80% from loss of ₹ 12,319.41 lakhs in nine-month period ended December 31, 2022 to profit of ₹ 54,057.35 lakhs in nine months period ended December 31, 2023.

RESULTS OF OPERATIONS FOR THE FISCALS ENDED MARCH 31, 2023, MARCH 31, 2022 and March 31, 2021.

The following table presents our statement of profit and loss data for Financial Year 2023, Financial Year 2022 and Financial Year 2021, components of which are expressed as a percentage of total revenue for the corresponding periods:

(In ₹ lakhs, except percentage of total revenue)

Particulars	Financial Year 2023		Financial Year 2022		Financial Year 2021	
	Amount	% of total income	Amount	% of total income	Amount	% of total income
Income						
Revenue From operations	1,43,814.37	99.26%	48,719.96	98.61%	32,046.88	98.78%
Other Income	1,076.78	0.74%	689.15	1.39%	394.40	1.22%
Total Income	1,44,891.15	100%	49,409.11	100%	32,441.28	100%
EXPENSES						
Cost of materials consumed	1,10,440.26	76.22%	34,662.18	70.15%	21,031.04	64.83%
Changes in inventories of finished goods, stock-in-trade and work-in progress	-3,683.57	-2.54%	-2,139.06	-4.33%	-2,973.67	-9.17%
Employee benefits expenses	3,161.99	2.18%	2,514.79	5.09%	1,809.26	5.58%
Finance costs	22,279.90	15.38%	18,914.94	38.28%	10,803.55	33.30%
Depreciation and amortization expense	8,134.78	5.61%	7,026.65	14.22%	4,166.38	12.84%
Other expenses	10,782.12	7.44%	6,852.48	13.87%	5,409.50	16.67%
Total expenses	1,51,115.48	104.30%	67,831.98	137.29%	40,246.06	124.06%
Profit/(Loss) before tax	-6,224.33	-4.30%	-18,422.87	-37.29%	-7,804.78	-24.06%
Tax Expense						

Particulars	Financial Year 2023		Financial Year 2022		Financial Year 2021	
	Amount	% of total income	Amount	% of total income	Amount	% of total income
Current tax	518.77	0.36%	441.04	0.89%	141.58	0.44%
Deferred Tax	-718.96	-0.50%	-3,074.62	-6.22%	-1,084.10	-3.34%
Short/(Excess) Provisions of Previous Years	-	0.00%	-	0.00%	-0.83	0.00%
MAT Credit Adjustment	80.78	0.06%	-	0.00%	-	0.00%
Total tax expense	-119.41	-0.08%	-2,633.58	-5.33%	-943.35	-2.91%
Profit/(Loss) for the year	-6,104.92	-4.21%	-15,789.29	-31.96%	-6,861.43	-21.15%
Other comprehensive income	-542.91	-0.37%	11.32	0.02%	14.11	0.04%
Total comprehensive income for the year	-6,647.83	-4.59%	-15,777.97	-31.93%	-6,847.32	-21.11%

DISCUSSION ON THE RESULTS OF OPERATIONS

Comparison of Financial Year 2023 to Financial Year 2022

Total income

Total income increased from ₹ 49,409.11 lakhs during the Fiscal 2022 to ₹1,44,891.15 lakhs during the Fiscal 2023 representing an increase of ₹ 95,482.04 lakhs or by 193.25%, for the reasons discussed below.

Revenue from operations

Revenue from operations increased from ₹ 48,719.96 lakhs during Fiscal 2022 to ₹ 1,43,814.37 lakhs during Fiscal 2023, representing an increase of ₹ 95,094.41 lakhs or by 195.19% on account of consolidation of business of Veritas (India) Limited for last quarter of the year as it became subsidiary of Swan Energy Limited on January 20, 2023, revenue from charter hire of FSRU Vessel and due to recovery of business post Covid 19.

Other income

Other income increased from ₹ 689.15 lakhs during the Fiscal 2022 to ₹ 1,076.78 lakhs during the Fiscal 2023 representing an increase of ₹ 387.63 lakhs or by 56.25%. This increase was primarily due to increase in Interest income.

Total expenses

Total expenses increased from ₹67,831.98 lakhs during the Fiscal 2022 to ₹1,51,115.48 lakhs during the Fiscal 2023 representing an increase of ₹ 83,283.52 lakhs or by 122.78%. This increase was primarily due to an increase in the cost of material consumed, employee benefit expense, finance costs, depreciation and amortisation expense and other expenses on account of consolidation of financial numbers of Veritas (India) Limited for last quarter of the year as it became subsidiary of Swan Energy Limited on January 20, 2023.

Cost of material consumed

Cost of material consumed increased from ₹34,662.18 lakhs during the Fiscal 2022 to ₹1,10,440.26 lakhs during the Fiscal 2023 representing an increase of ₹ 75,778.08 lakhs or by 218.62%. This increase can be attributed to consolidation of financial numbers of Veritas (India) Limited for last quarter of the year as it became subsidiary of Swan Energy Limited on January 20, 2023.

Changes in inventories of finished goods, stock-in-trade and work-in-progress.

Changes in inventories of finished goods, stock-in-trade and work-in-progress, for the Financial Year 2023 stood at ₹(3,683.57) lakhs as compared to ₹(2,139.06) lakhs for the Financial Year 2022 representing an increase of ₹1,544.50 lakhs or by 72.20%. This increase was primarily due to change in product mix from Job work to own material.

Employee benefit expense

Employee benefit expenses increased from ₹ 2,514.79 lakhs during the Fiscal 2022 to ₹ 3,161.99 lakhs during the Fiscal 2023, representing an increase of ₹ 647.2 lakhs or by 25.74%. This increase was primarily due to consolidation of financial numbers of Veritas (India) Limited for last quarter of the year as it became subsidiary of Swan Energy Limited on January 20, 2023 and due to increment effect plus addition of employees.

Finance cost

Finance cost increased from ₹18,914.94 lakhs during the Fiscal 2022 to ₹ 22,279.90 lakhs during the Fiscal 2023, representing an increase of ₹ 3,364.96 lakhs or by 17.79%. This increase was primarily due to consolidation of financial numbers of Veritas (India) Limited for last quarter of the year as it became subsidiary of Swan Energy Limited on January 20, 2023 and due to finance cost of TOPL considered in P&L as SCOD is achieved.

Depreciation and amortization expense

Depreciation and amortization expenses increased from ₹ 7,026.65 lakhs during the Fiscal 2022 to ₹8,134.78 lakhs during the Fiscal 2023, representing an increase of ₹ 1,108.13 lakhs or by 15.77%. This increase was primarily due to consolidation of financial numbers of Veritas (India) Limited for last quarter of the year as it became subsidiary of Swan Energy Limited on January 20, 2023.

Other expenses

Other expenses increased from ₹ 6,852.48 lakhs during the Fiscal 2022 to ₹ 10,782.12 lakhs during the Fiscal 2023, representing an increase of ₹ 3,929.64 lakhs or by 57.35%. This increase is primary due consolidation of financial numbers of Veritas (India) Limited for last quarter of the year as it became subsidiary of Swan Energy Limited on January 20, 2023 and due to increase in operational expenses of the FSRU vessel and recovery of business post covid.

Profit before tax

Loss before tax decreased from ₹ 18,422.87 lakhs during the Fiscal 2022 to ₹ 6,224.33 lakhs during the Fiscal 2023, representing a decrease of loss by ₹ 12,198.54 lakhs or by 66.21%. This decrease was primarily due to the reasons mentioned above.

Tax expenses

Tax expenses decreased from ₹ (2,633.58) lakhs during the Fiscal 2022 to ₹ (119.41) lakhs during the Fiscal 2023, representing a decrease of ₹ (2,514.17) lakhs or by 95.47%. This decrease was primarily due to reversal of deferred tax.

Profit/(Loss) for the period

Due to the reasons stated above, our loss after tax decreased from ₹ 15,789.29 lakhs during the Fiscal 2022 to ₹ 6,104.92 lakhs during the Fiscal 2023, representing a decrease of loss by ₹ 9,684.37 lakh or by 61.34%.

Fiscal 2022 compared with Fiscal 2021

Total Income

Total income increased from ₹32,441.28 lakhs during the Fiscal 2021 to ₹49,409.11lakhs during the Fiscal 2022, representing an increase of ₹ 16,967.83 lakhs or by 52.30%, for the reasons discussed below.

Revenue from operations

Revenue from operations increased from ₹32,046.88 lakhs during Fiscal 2021 to ₹48,719.96 lakhs during Fiscal

2022, representing an increase of ₹ 16,673.08 lakhs or by 52.03%, on account of recovery of business post Covid 19.

Other income

Other income increased from ₹ 394.40 lakhs during the Fiscal 2021 to ₹ 689.15 lakhs during the Fiscal 2022 representing an increase of ₹ 294.75 lakhs or by 74.73%. This increase was primarily due to interest income from surplus funds.

Total Expenses

Total expenses increased from ₹40,246.06 lakhs during the Fiscal 2021 to ₹67,831.98 lakhs during the Fiscal 2022 representing an increase of ₹27,585.92 lakhs or by 68.54%. This was primarily due to an increase in the cost of material consumed, employee benefit expense, finance costs, depreciation and amortisation expense and other expenses and due to addition of operational expenses of FSRU vessel.

Cost of material consumed

Cost of material consumed increased from ₹21,031.04 lakhs during the Fiscal 2021 to ₹34,662.18 lakhs during the Fiscal 2022 representing an increase of ₹13,631.14 lakhs or by 64.81%. This increase was primarily due to an increase in the revenue due to recovery of business post Covid 19.

Changes in inventories of finished goods, stock-in-trade and work-in-progress.

Changes in inventories of finished goods, stock-in-trade and work-in-progress for the Financial Year 2022 stood at ₹(2,139.06) lakhs as compared to ₹ (2,973.67) lakhs for the Financial Year 2021 representing a decrease of ₹834.61 lakhs or by 28.07%. This decrease was mainly due to lesser holding of stock at the end of Financial Year 2022.

Employee benefit expense

Employee benefit expenses increased from ₹1,809.26 lakhs during the Fiscal 2021 to ₹2,514.79 lakhs during the Fiscal 2022, representing an increase of ₹705.53 lakhs or by 39.00%. This increase was primarily due to commencement of operation of FSRU vessel.

Finance cost

Finance cost increased from ₹10,803.55 lakhs during the Fiscal 2021 to ₹18,914.94 lakhs during the Fiscal 2022 representing an increase of ₹ 8,111.39 lakhs or by 75.08%. This increase was primarily due to finance cost of TOPL considered in P&L as SCOD of the same is achieved during the year.

Depreciation and amortization expense

Depreciation and amortization expenses increased from ₹ 4,166.38 lakhs during the Fiscal 2021 to ₹7,026.65 lakhs during the Fiscal 2022 representing an increase of ₹ 2,860.27 lakhs or by 68.65%. This increase was primarily due to depreciation debited to P&L for full year in TOPL as the SCOD was achieved during the year.

Other expenses

Other expenses increased from ₹5,409.50 lakhs during the Fiscal 2021 to ₹6,852.48 lakhs during the Fiscal 2022 representing an increase of ₹1,442.98 lakhs or by 26.67%. This increase can be primarily attributed to increase in operational expenses of the FSRU vessel.

Profit before tax

Loss before tax increased from ₹ 7,804.78 lakhs during the Fiscal 2021 to ₹ 18,422.87 lakhs during the Fiscal 2022, representing an increase in Loss of ₹ 10,168.09 lakh or by 136.05%. This increase in loss was primarily due to operational expenses, depreciation and other cost of FSRU vessel.

Tax expenses

Tax expenses increased from ₹ (943.35) lakhs during the Fiscal 2021 to ₹ (2,633.58) lakhs during the Fiscal 2022.

Such decrease was primarily due to reversal of deferred tax.

Profit for the period

Due to the reasons stated above, our loss for the year increased from ₹ 6,861.43 lakhs in the Fiscal 2021 to ₹ 15,789.29 lakhs in the Fiscal 2022 representing an increase in loss of ₹ 8,927.86 lakhs or by 130.12%. This increase in loss was primarily due to reason mentioned above.

CASH FLOWS

The following table presents our consolidated net cash flows for the periods indicated:

(In ₹ lakhs)

	Year ended March 31,		
	2023	2022	2021
Net cash from Operating Activities	(49,086.56)	2,875.74	30,248.10
Net cash used in Investing Activities	(86,002.34)	(49,428.86)	(2,00,068.64)
Net cash from Financing Activities	59,850.23	1,30,897.88	1,76,009.32
Net increase/ (decrease) in Cash and Cash Equivalents	(75,238.67)	84,344.76	6,188.78

Fiscal 2023

In Fiscal 2023, net cash flow from operating activities was ₹ (49,086.56) lakhs and the operating profit before working capital changes was ₹ 23,476.51 lakhs. The changes in operating profit before working capital was primarily due to decrease in other Non-Current Assets of ₹ 1,050.36 lakhs, Increase in Non-Current Loans of ₹ (47.50) lakhs, increase in Non-Current Other Financial Assets of ₹ (1.00) lakhs, Increase in Inventory of ₹ (8,913.00) lakhs, increase in Trade and Other Receivables of ₹ (1,57,183.90) lakhs, decrease in Other Current Financial Assets of ₹ 427.78 lakhs, increase in Other Current Assets of ₹ (857.77) lakhs, increase in Other Non-Current Financial Liabilities of ₹ 4,778.17 lakhs, decrease in Other Current Financial Liabilities of ₹ (16,800.45) lakhs, Increase in Other Current Liabilities of ₹ 6,483.25 lakhs, Increase in Provisions of ₹ 153.75 lakhs and Increase in Trade and Other Payables of ₹ 98,157. 61 lakhs.

Fiscal 2022

In Fiscal 2022, net cash flow from operating activities was ₹ 2,875.74 lakhs and the operating profit before working capital changes was ₹ 6,900.69 lakhs. The changes in operating profit before working capital was primarily due to decrease in other Non-Current Assets of ₹ 4,847.42 lakhs, Increase in Non-Current Loans of ₹ (14.04) lakhs, decrease in Non-Current Other Financial Assets of ₹ 711.68 lakhs, Increase in Inventory of ₹ (2,671.99) lakhs, increase in Trade and Other Receivables of ₹ (18,509.13) lakhs, increase in Other Current Financial Assets of ₹ (454.18) lakhs, decrease in Other Current Assets of ₹ 344.55 lakhs, decrease in Investment Property of ₹ 326.01 lakhs, decrease in Other Non-Current Financial Liabilities of ₹ (598.10) lakhs, decrease in Other Current Financial Liabilities of ₹ (5,671.86) lakhs, Increase in Other Current Liabilities of ₹ 907.22 lakhs, Increase in Provisions of ₹ 34.21 lakhs and Increase in Trade and Other Payables of ₹ 17,396.85 lakhs.

Fiscal 2021

In Fiscal 2021, net cash flow from operating activities was ₹ 30,248.10 lakhs and the operating profit before working capital changes was ₹ 6,831.61 lakhs. The changes in operating profit before working capital was primarily due to decrease in other Non-Current Assets of ₹ 63,149.43 lakhs, Increase in Non-Current Loans of ₹ (7.55) lakhs, increase in Non-Current Other Financial Assets of ₹ (711.68) lakhs, Increase in Inventory of ₹ (1,849.57) lakhs, decrease in Trade and Other Receivables of ₹ 2,546.41 lakhs, increase in Other Current Financial Assets of ₹ (38.26) lakhs, increase in Other Current Assets of ₹ (4,995.01) lakhs, decrease in Investment Property of ₹ 171.23 lakhs, increase in Other Non-Current Financial Liabilities of ₹ 189.73 lakhs, decrease in Other Current Financial Liabilities of ₹ (32,828.88) lakhs, increase in Other Current Liabilities of ₹ 124.17 lakhs, decrease in Provisions of ₹ (4.64) lakhs and decrease in Trade and Other Payables of ₹ (2,338.99) lakhs.

Investing Activities

Fiscal 2023

In Fiscal 2023, net cash used in investing activities was ₹ (86,002.34) lakhs. This primarily included purchases of property, plant and equipment of ₹ (2,07,007.82) lakhs, proceeds from sale of fixed assets of ₹ 20.99 lakhs, increase in capital work in progress (Net) of ₹ (86,307.18) lakhs, retained earnings of new subsidiaries acquired during the year of ₹ (35.11) lakhs, capital reserve of new subsidiaries acquired during the year of ₹ 1,08,194.85 Lakhs, minority interest in newly acquired subsidiary of ₹ 1,02,593.03 lakhs, deferred tax balance of newly acquired subsidiary of ₹ (43.58) lakhs, purchase of investment of ₹ (19,013.62) lakhs, proceeds from sale of investments of ₹ 16,426.89 lakhs, loan to others of ₹ (1,601.31) lakhs, interest income of ₹ 764.46 lakhs and dividend income of ₹ 6.06 lakhs.

Fiscal 2022

In Fiscal 2022, net cash used in investing activities was ₹ (49,428.86) lakhs. This primarily included purchases of property, plant and equipment of ₹ (2,952.34) lakhs, proceeds from sale of fixed assets of ₹ 7.65 lakhs, increase in capital work in progress (Net) of ₹ (46,105.61) lakhs, retained earnings of new subsidiaries acquired during the year of ₹ 0.04 lakhs, retained earnings of strike- off subsidiaries during the year of ₹ 16.25 lakhs, purchase of investment of ₹ (5,577.30) lakhs, proceeds from sale of investments of ₹ 5,362.64 lakhs, loan to others of ₹ (808.61) lakhs, interest income of ₹ 623.02 lakhs and dividend income of ₹ 5.40 lakhs.

Fiscal 2021

In Fiscal 2021, net cash used in investing activities was ₹ (2,00,068.64) lakhs. This primarily included purchases of property, plant and equipment of ₹ (1,77,058.98) lakhs, proceeds from sale of fixed assets of ₹ 8.45 lakhs, increase in capital work in progress (Net) of ₹ (24,140.10) lakhs, purchase of investment of ₹ (2,394.00) lakhs, proceeds from sale of investments of ₹ 3,174.69 lakhs, loan to others of ₹ (8.58) lakhs and interest income of ₹ 349.88 lakhs.

Financing Activities

Fiscal 2023

In Fiscal 2023, net cash generated from financing activities was ₹ 59,850.23 lakhs. This primarily includes loan from related parties of ₹ 42,331.53 lakhs, loan from other parties of ₹ 22,762.16 lakhs, proceeds of loan from banks of ₹ 17,300.36 lakhs, interest expenses of ₹ (22,279.90) lakhs and dividend paid of ₹ (263.92) lakhs.

Fiscal 2022

In Fiscal 2022, net cash generated from financing activities was ₹ 1,30,897.88 lakhs. This primarily includes proceeds from issue of equity shares of ₹ 31,849.20 lakhs, loan from related parties of ₹ 1,265.65 lakhs, refund of other parties of ₹ (50,461.80) lakhs, proceed of loan from banks of ₹ 1,46,744.03 lakhs, repayment of bonds/debentures of ₹ (2,500.00) lakhs, proceeds from bonds/debentures of ₹ 23,160.00 lakhs, interest expenses of ₹ (18,914.94) lakhs and dividend paid of ₹ (244.26) lakhs.

Fiscal 2021

In Fiscal 2021, net cash generated from financing activities was ₹ 1,76,009.32 lakhs. This primarily includes loan from related parties of ₹ 1,835.89 lakhs, loan from other parties of ₹ 3,664.76 lakhs, proceed of loan from banks of ₹ 1,81,556.48 lakhs, interest expenses of ₹ (10,803.55) lakhs and dividend paid of ₹ (244.26) lakhs.

CONTINGENT LIABILITIES

As of March 31, 2023, our contingent liabilities aggregated to ₹ 5,75,586.23 lakhs. The details of our contingent liabilities are as follows:

Particulars	As at March 31, 2023 (₹ in lakhs)
Income tax	6,733.43
Corporate Guarantee	5,53,654.00
Bank Guarantee	14,771.00
Sales Tax and GST Demand pending Appeal	427.80

COMMITMENTS

At March 31, 2023, the estimated amount of capital commitments are as follows:

(₹ in lakhs)	
Particulars	As at March 31, 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for	1,25,228.00

Other commitments

The Group does not have any long- term commitments / contracts including derivative contracts for which there will be any material foreseeable losses.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our Company has a structured risk management policy. The risk management process is designed to safeguard the organisation from various risk through adequate and timely actions. It is designed to anticipate, evaluate and mitigate risk in order to minimize its impact on the business. The potential risks are integrated with the management process such that they receive the necessary consideration during decision making.

Credit Risk

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

Liquidity Risk

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

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

Market risk

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

Currency risk

The Company is exposed to currency risk on account of its trade and other payables in foreign currency. The functional currency of the Company is Indian Rupee. Currency risk is not material, as the Company does not have any exposure in foreign currency.

Interest rate risk

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

Price Risk

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

INTEREST COVERAGE RATIO

The interest coverage ratio, which we define as earnings before interest and depreciation and after tax divided by finance cost for Fiscals 2023, 2022 and 2021 was 1.09, 0.54 and 0.75 times respectively.

CHANGES IN ACCOUNTING POLICY

The Group has prepared its consolidated financial statements to comply in all material respects with the provisions of the Companies Act and rules framed thereunder. In accordance with the notification issued by the Ministry of Corporate Affairs, the Group has adopted Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Companies Act and other relevant provisions of the Companies Act.

SEGMENT REPORTING

The Company is primarily engaged in textile, energy, construction/ others, distribution & development, warehousing, manufacturing, and power generation which the Management and Chief Operating Decision Maker (CODM) recognise as the business segments. Based on the “Management Approach” as defined in Ind AS 108 - Operating Segments, the CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators of business, the segments in which the Company operates.

QUALITATIVE FACTORS

UNUSUAL OR INFREQUENT EVENTS OR TRANSACTIONS

Except as described in this Preliminary Placement Document, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

SIGNIFICANT ECONOMIC CHANGES THAT MATERIALLY AFFECT OR ARE LIKELY TO AFFECT TOTAL INCOME

Our business has been subject, and we expect it to continue to be subject, to significant economic changes that materially affect or are likely to affect our total income identified above in “*Significant Factors Affecting Our Financial Condition, Results of Operations and Cash Flows*” and the uncertainties described in “*Risk Factors*” on pages 81 and 41, respectively.

KNOWN TRENDS OR UNCERTAINTIES

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in “*Significant Factors Affecting Our Financial Condition, Results of Operations and Cash Flows*” and the uncertainties described in “*Risk Factors*” on pages 81 and 41, respectively.

Except as discussed in this Preliminary Placement Document, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on our revenues or income from total income.

FUTURE RELATIONSHIP BETWEEN COST AND REVENUE

Other than as described in “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 41, 168, and 81, respectively, there are no known factors that may

adversely affect our business, financial condition, results of operations and cash flows.

NEW PRODUCTS OR BUSINESS SEGMENTS

Other than as disclosed in this section and in “*Our Business*” on page 168, there are no new products or business segments that have or are expected to have a material impact on our business, financial condition, results of operations and cash flows.

SEASONALITY OF BUSINESS

Our textile business is impacted by seasonality. For further details, see “*Risk Factors –Our textile business is impacted by seasonality*” on page 41.

COMPETITIVE CONDITIONS

We operate in a competitive environment. See “*Industry Overview*” and “*Risk Factors – We operate in a competitive business environment. Competition from existing players and new entrants and consequent pricing pressures could have a material adverse effect on our business growth and prospects, financial condition, and results of operations.*” on pages 111 and 41, respectively, for further information on our industry and competition.

RESERVATIONS, QUALIFICATIONS OR ADVERSE REMARKS BY STATUTORY AUDITORS

Except as disclosed below, there have been no reservations/ qualifications/ adverse remarks/ matters of emphasis highlighted by our statutory auditors in their auditor’s reports last five Fiscals preceding the date of this Preliminary Placement Document.

SIGNIFICANT DEVELOPMENTS AFTER DECEMBER 31, 2023 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS.

Hazel Infra Limited (“**Hazel Infra**”), a special purpose vehicle between our Company and Hazel Mercantile Limited (“**HML**”) being resolution applicant, has acquired Reliance Naval and Engineering Limited (“**Reliance Naval**”) through a resolution plan and National Company Law Tribunal, Ahmedabad has passed the order dated December 23, 2022 in favour of resolution applicant. Later, HML has approached Committee of Creditors (“**COC**”) members for extension of repayment schedule which in turn was approved by National Company Law Tribunal, Ahmedabad vide order dated December 20, 2023. As per the provisions contained in the resolution plan, the Monitoring Committee has handed over the management of the Reliance Naval to HML through its SPV, Hazel Infra with the approval / consent of all the COC members and subsequently the Monitoring Committee with effect from January 04, 2024 stands dissolved.

For further details of the Reliance Naval acquisition see “*Our Business*” and “*Risk Factors –Completion of issue and allotment of equity shares Reliance Naval may cause delays in the operation of Reliance Naval as a step down subsidiary of our Company, thus having a negative impact on the business of our Company.*” on pages 168 and 41, respectively.

Other than as disclosed above and in this Preliminary Placement Document, including under “*Business*”, “*Risk Factors*” and in this section, to our knowledge no circumstances have arisen since the date of the last financial information disclosed in this Preliminary Placement Document which materially and adversely affect or are likely to affect, our trading or profitability, or the value of our assets or our ability to pay our liabilities within the next 12 months.

INDUSTRY OVERVIEW

The information in this section is derived from the report titled “Industry Report on Diversified Portfolio Swan Energy Limited” dated February, 2024 prepared and issued by CARE Analytics and Advisory Private Limited (“CARE Report”) which was commissioned and paid for by our Company in connection with the Issue. Also see, “Presentation of Financial Information and Other Conventions” on page 13. The recipient should not construe any of the contents in the CARE Report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the Issue.

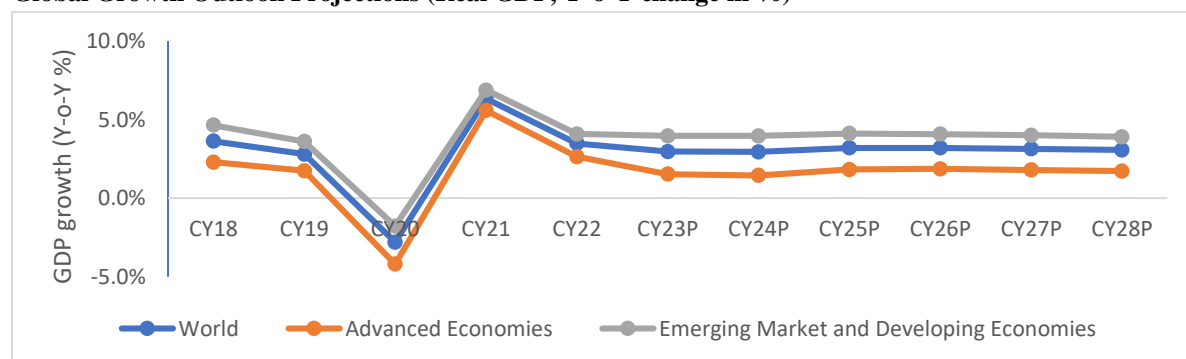
For further information, see “**Risk Factors –Certain sections of this Preliminary Placement Document contain information from the CARE Report which we commissioned and purchased and any reliance on such information for making an investment decision in this Issue is subject to inherent risks.**” on page 41.

Economic Outlook

1.1 Global Economy

As per the International Monetary Fund (IMF)’s World Economic Outlook growth projections released in October 2023, the global economic growth for CY22¹ stood at 3.5% on a year-on-year (y-o-y) basis, down from 6.3% in CY21 due to disruptions resulting from the Russia-Ukraine conflict and higher-than-expected inflation worldwide. On the other hand, the global economic growth for CY23 is projected to slow down further to 3.0% and 2.9% in CY24, attributed to compressing global financial conditions, expectant steeper interest rate hikes by major central banks to fight inflation, and spill-over effects from the Russia-Ukraine conflict, with gas supplies from Russia to Europe expected to remain tightened. For the next 4 years, the IMF projects world economic growth in the range of 3.0%-3.2% on a y-o-y basis.

Global Growth Outlook Projections (Real GDP, Y-o-Y change in %)



Notes: P-Projection;

Source: IMF – World Economic Outlook, October 2023

GDP growth trend comparison - India v/s Other Economies (Real GDP, Y-o-Y change in %)

	Real GDP (Y-o-Y change in %)									
	CY19	CY20	CY21	CY22	CY23P	CY24P	CY25P	CY26P	CY27P	CY28P
India	3.9	-5.8	9.1	7.2	6.3	6.3	6.3	6.3	6.3	6.3
China	6.0	2.2	8.5	3.0	5.0	4.2	4.1	4.1	3.7	3.4
Indonesia	5.0	-2.1	3.7	5.3	5.0	5.0	5.0	5.0	5.0	5.0
Saudi Arabia	0.8	-4.3	3.9	8.7	0.8	4.0	4.2	3.3	3.3	3.1
Brazil	1.2	-3.3	5.0	2.9	3.1	1.5	1.9	1.9	2.0	2.0
Euro Area	1.6	-6.1	5.6	3.3	0.7	1.2	1.8	1.7	1.5	1.3
United States	2.3	-2.8	5.9	2.1	2.1	1.5	1.8	2.1	2.1	2.1

Advanced Economies Group

The major advanced economies registered GDP growth of 2.6% in CY22, down from 5.6% in CY21, which is further projected to decline to 1.5% in CY23. This forecast of low growth reflects increased central bank interest rates to fight inflation and the impact of the Russia-Ukraine war. About 90% of advanced economies are projected to witness decline GDP growth in CY23 compared to CY22. In addition, this is further expected to decline to 1.4% in CY24.

Emerging Market and Developing Economies Group

For the emerging market and developing economies group, GDP growth stood at 4.1% in CY22, compared to 6.9% in CY21. This growth is further projected to make slight moderation in CY23 and CY24 and touch 4.0%. About 90% of the emerging economies are projected to make positive growth. While the remaining economies, including the low-income countries, are expected to progress slower.

Despite the turmoil in the last 2-3 years, India bears good tidings to become a USD 5 trillion economy by CY27. According to the IMF dataset on Gross Domestic Product (GDP) at current prices, the nominal GDP has been estimated to be at USD 3.4 trillion for CY22 and is projected to reach USD 5.2 trillion by CY27. India's expected GDP growth rate for coming years is almost double compared to the world economy.

Besides, India stands out as the fastest-growing economy among the major economies. The country is expected to grow at more than 6% in the period of CY24-CY28, outshining China's growth rate. By CY27, the Indian economy is estimated to emerge as the third-largest economy globally, hopping over Japan and Germany. Currently, it is the third-largest economy globally in terms of Purchasing Power Parity (PPP) with a ~7% share in the global economy, with China [~18%] on the top followed by the United States [~15%]. Purchasing Power Parity is an economic performance indicator denoting the relative price of an average basket of goods and services that a household needs for livelihood in each country.

Indian Economic Outlook

1.2.1 GDP Growth and Outlook

Resilience to External Shocks remains Critical for Near-Term Outlook

India's real GDP grew by 9.1% in FY22 and stood at ~Rs. 149 trillion despite the pandemic and geopolitical Russia-Ukraine spillovers. In Q1FY23, India recorded 13.1% y-o-y growth in real GDP, largely attributed to improved performance by the agriculture and services sectors. Following this double-digit growth, Q2FY23 witnessed 6.2% y-o-y growth, while Q3FY23 registered 4.5% y-o-y growth. The slowdown during Q2FY23 and Q3FY23 compared to Q1FY23 can be attributed to the normalization of the base and a contraction in the manufacturing sector's output.

Subsequently, Q4FY23 registered broad-based improvement across sectors compared to Q3FY23 with a growth of 6.1% y-o-y. The investments, as announced in the Union Budget 2022-23 on boosting public infrastructure through enhanced capital expenditure, have augmented growth and encouraged private investment through large multiplier effects in FY23. Supported by fixed investment and higher net exports, real GDP for full-year FY23 was valued at Rs. ~160. trillion registering an increase of 7.2% y-o-y.

Furthermore, in Q1FY24, the economic growth accelerated to 7.8%. The manufacturing sector maintained an encouraging pace of growth, given the favorable demand conditions and lower input prices. The growth was supplemented by a supportive base alongside robust services and construction activities. This momentum was maintained in the Q2FY24 with GDP growth at 7.6%, mainly supported by acceleration in investments. However, private consumption growth was muted due to weak rural demand and some moderation in urban demand amid elevated inflationary pressures in Q2FY24. On the supply side, a significant improvement in manufacturing and construction activities supported growth. Overall, the economy expanded by 7.7% in H1FY24 compared to 5.3% in H2FY23.

GDP Growth Outlook

RBI's GDP Growth Outlook (Y-o-Y %)

FY24P (complete year)	Q3FY24P	Q4FY24P	Q1FY25P	Q2FY25P	Q3FY25P
7.0	6.5	6.0	6.7	6.5	6.4

Note: P-Projected; Source: Reserve Bank of India

Shipbuilding and Shipbreaking

Overview of the Shipbuilding, Warship Building, and Shipbreaking Sector

Shipbuilding

India has established itself as a noteworthy player in both commercial as well as defence shipbuilding over the years and is the sixteenth-largest maritime country in the world with a coastline of 7,517 km. Indian shipbuilding Industry has less than 1% of global share at present. The Indian ports and shipping industry play a vital role in sustaining growth in the country's trade and commerce. Coastal and overseas cargo movement is affected by ocean-going vessels. The industry has seen massive growth contributing to the nation's economic development with a coastline offering abundant resources and a skilled workforce. There has been a steady increase in the handling of cargo traffic at Indian Ports with the opening of the Indian economy and the share in global exports has increased from 0.8% in FY03 to 1.8% in FY21 according to World Trade Statistical Review, 2022 report.

The thriving shipbuilding sector positively impacts the growth of industries like steel, engineering equipment, port infrastructure, trade, and shipping services. The shipbuilding sector therefore has enormous potential in employment generation as well as contribution to GDP. The shipbuilding industry is a significant sector responsible for constructing, designing and repairing various types of ships and other watercrafts therefore playing a pivotal role in global trade, transportation and defence. The shipbuilding industry is of both economic as well as strategic importance for the nation due to its role in energy security, national defence, and the development of the heavy engineering industry.

India's shipbuilding industry has expanded to include both commercial as well as defence shipbuilding operations wherein on the commercial side, the industry has diversified its portfolio catering to various global markets. The shipyards across the country have been involved in constructing an array of vessels which includes naval offshore patrol vessel, product carriers, bulk carriers, cargo ships, passenger ferries and offshore support vessels. The industry's emphasis on technological advancements, adoption of modern building processes and adherence to international standards have enabled Indian shipbuilders to compete internationally and expand their footprint in the commercial shipping arena. Moreover, the Indian government plays an important role in supporting the ports sector and also has allowed Foreign Direct Investment (FDI) of up to 100% under the automatic route for port and harbour construction as well as maintenance projects. The shipbuilding industry in India is poised to play a pivotal role in industrial development and maritime goals as the country continues to prioritize initiatives promoting domestic manufacturing.

The shipbuilding industry is also dependent on the defence requirements. The Indian Defence industry is primarily controlled by the government and its agencies. India's Defence budget for FY2023-24 was Rs. 5.94 lakh crores. While the public sector shipyards are the frontrunners in the defence shipbuilding space, private shipyards are also undertaking specific measures to enhance competence and modify their existing shipbuilding infrastructure to suit the needs of the Indian Armed Forces.

The shipbuilding industry in India can broadly be categorized into the following categories:

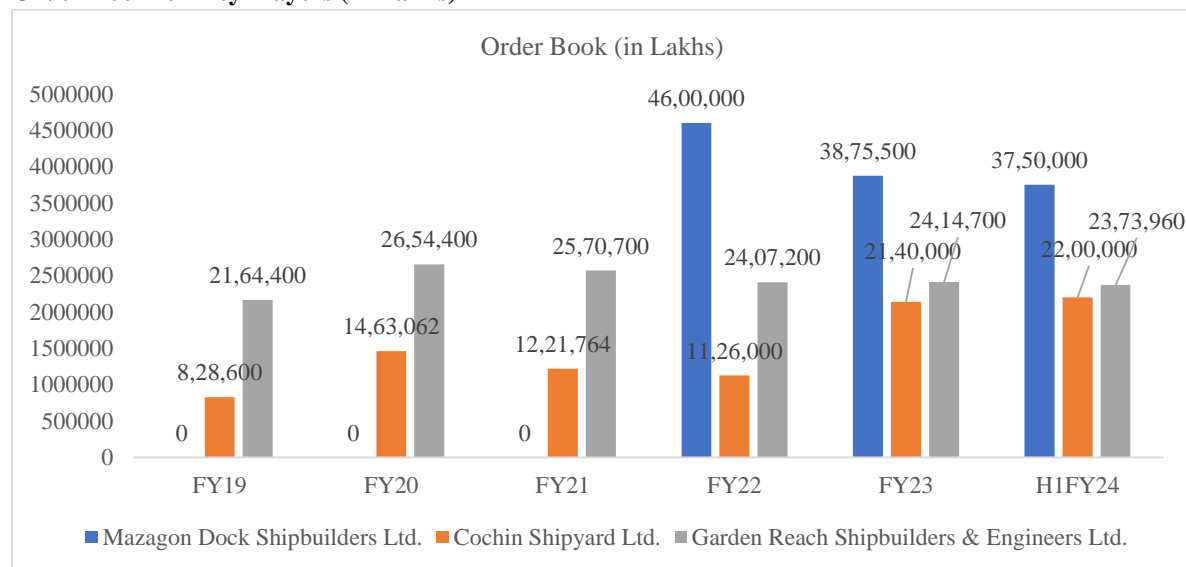
- (i) Large ocean-going vessels catering to overseas as well as coastal trade
- (ii) Medium size specialized vessels namely Port crafts, Fishing Trawlers, Offshore vessels, Inland and other smaller crafts
- (iii) Defence/Naval crafts and Coast Guard Vessels

However, the shipbuilding industry both globally and in India has been struggling for the past few years, with some of the world's largest shipyards facing financial troubles. The effect of the pause in trade due to Covid -19 pandemic caused a further contraction in demand for the shipbuilding industry. The industry in addition to being cyclical is also capital intensive in nature. The demand for new ships is likely to be driven by container ships. Orders for container ships are expected to surge as companies have started restocking after experiencing disruptions during the pandemic. The strong momentum in dry bulk traffic is expected to continue with high freight rates, strong container demand and ongoing favourable supply and demand dynamics. Defence shipbuilding in India is also emerging both among the public and private sector companies. The defence shipbuilding order book is expected to grow over the coming years which is expected to boost the Indian shipbuilding industry. The Government's Atmanirbhar policy will help in improving infrastructure, providing better access to financing needs and ease of doing business in the country. To promote the demand of the ships built in India, priority in chartering of vessels is now given to vessels built in India, flagged in India and owned by Indians under the amendments in the guidelines of ROFR (Right of First Refusal). The right of first refusal to import-export coal, fertilisers, crude & gas will be given to Indian made ships instead of companies registered in India. This will encourage ship-building in the country.

Shipbuilding Order Book

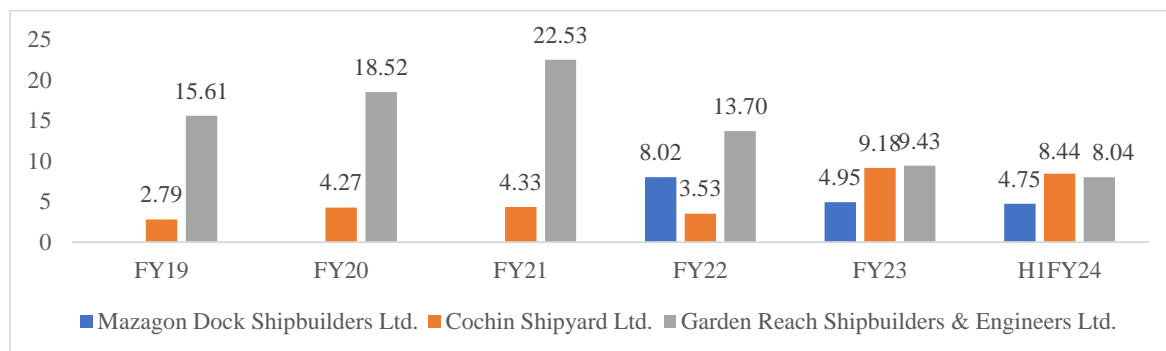
Unlike other manufacturing industries, the shipbuilding industry usually follows a 'make to stock inventory model' i.e. it follows an order-driven industry in which each vessel is custom built on receiving a shipbuilding order. Hence, a healthy order book is essential for the growth of this industry. There have been improvements in order books of Mazagaon Dock, Cochin Shipyard and Garden Reach Shipbuilders (combined market share of 55% in terms of installed capacity) to Rs. 84,30,200 Lakhs as on FY23 as compared to Rs. 81,33,200 Lakhs as on FY22, a growth of 4% y-o-y. The majority of orders have been received from the Indian Navy. Overall, the order book to bill for the top three players stands at 6.63x, which gives strong revenue visibility for upcoming years.

Order Book for Key Players (in Lakhs)



Source: Company Reports

Order Book to Bill for key players



Source: Company Reports

Note: Data is not available for Mazagon Dock Shipbuilders Ltd. from FY19-FY21.

The growth in world trade and commerce drives the order book for commercial ships and spurs the demand for new ships. The pickup in trading activities across the world is expected to improve the order book further. Additionally, the emerging environment-friendly international regulations are also demand factors for the replacement of old ships.

Shipbreaking/Ship repairing

The shipbreaking industry is as old as shipbuilding. Earlier Europe and other developed countries were the global centres of ship recycling, however, due to environmental concerns, several developing countries such as India, China, Bangladesh etc. have been actively involved in the industry.

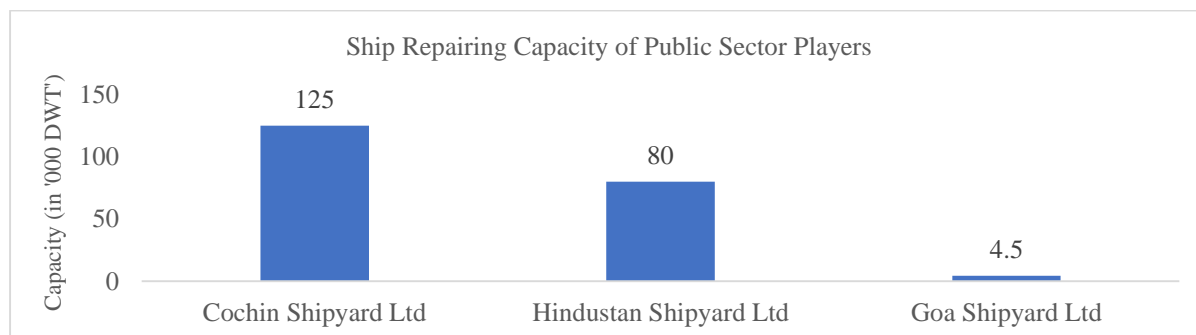
Notably, the Indian ship dismantling industry plays a significant role in global ship recycling activities and ranks 3rd in the world in terms of ship recycling by tonnage. The shipbreaking sites in India are distributed along the coastline where prominent among them being Maharashtra, West Bengal and Gujarat. However, the majority of the ship-breaking activity is concentrated in the Alang and Sosiya yards in Gujarat. Several factors such as cost-effectiveness, easy beaching of vessels, a large workforce to cater for the requirement, and a favourable geographical location make India the most preferable destination for ship recycling.

The industry significantly contributes to India's metal recycling industry by reclaiming materials like steel, copper and aluminium from the retired ships. Moreover, Additionally, it plays a vital role in providing employment opportunities to a substantial workforce, ranging from skilled technicians to unskilled labourers involved in the dismantling, recycling, and trading of ship materials. As environmental consciousness grows globally, there is an increasing focus on modernizing shipbreaking practices in India, aiming for safer, greener, and more sustainable methods that align with stringent international regulations.

The untapped potential in the Indian commercial ship repair market can be attributed to the presence of competing international ship repair yards on major trade routes and a capability gap between Indian yards in repairing certain kinds of vessels. Other reasons for cost disadvantages include the high cost of financing, lack of supply of ship spares in India, and technology-related issues increasing ship repair execution cycle time. However, the present global economic scenario provides a window of opportunity for Indian ship repairers. Under 'MIV 2030', the government is giving a strong push with initiatives such as channelizing the domestic demand by leveraging the AatmaNirbhar Bharat Policy, increasing and improving infrastructure through better access to financial instruments, ease of doing business, and enhancing efficiencies by creating free trade depots and maritime clusters.

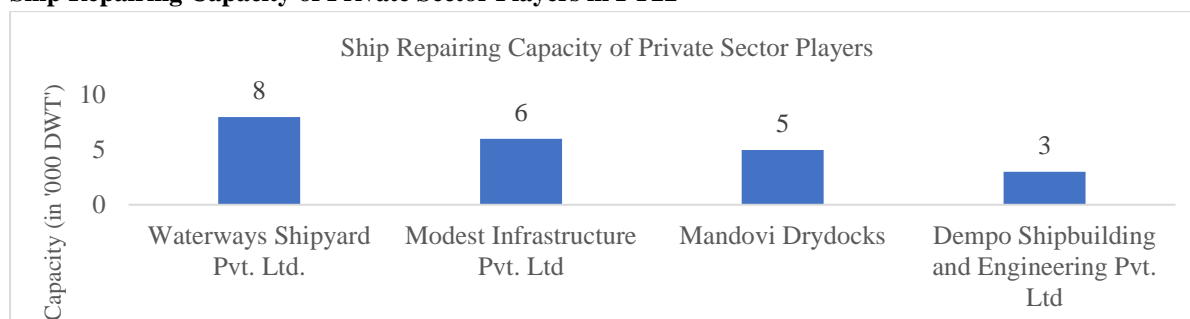
Ship repair capacity essentially reflects capability in terms of the number of ships repaired and maximum size of ship that can be repaired in terms of Dead Weight Tonnage (DWT).

Ship Repairing Capacity of Public Sector Players in FY22



Source: Ministry of Ports, Shipping and Waterways

Ship Repairing Capacity of Private Sector Players in FY22

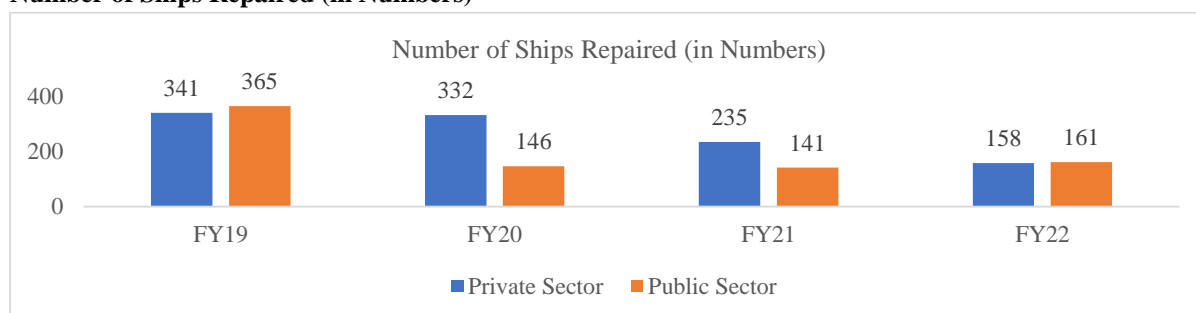


Source: Ministry of Ports, Shipping and Waterways

As on FY22, amongst public sector companies, Cochin Shipyard Ltd. (CSL) had the highest capacity for ship repairing (i.e 125 thousand DWT) followed by Hindustan Shipyard Ltd. (i.e 80 thousand DWT) and Goa Shipyard Ltd. (i.e 4.5 thousand DWT). In private sector category amongst the reporting companies, Waterways Shipyard Pvt. Ltd (i.e 8 thousand DWT) had the highest capacity for ship repairing as on FY22. During the same period, a total of 319 ships were repaired out of which 158 ships were repaired by private sector shipyards and 161 ships were repaired by public sector shipyards against 376 ships repaired in FY21.

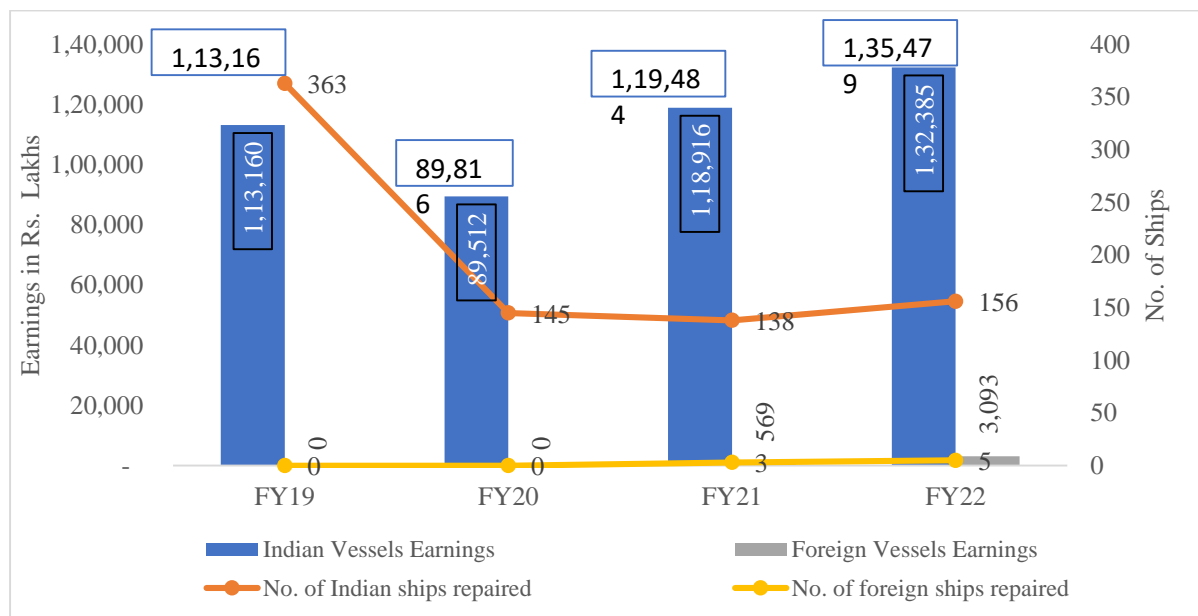
Reliance Naval and Engineering Limited's ship repair facility is based on the dry docks (662m X 65m) out of which 295 meters is dedicated towards ship repair. It is supported by a sizable steel fabrication yard with a daily capacity of 12,000 MT and a modern pipe shop with a daily capacity of 3,050-inch diameter. Additionally, an outfitting jetty with modern repair facilities is available.

Number of Ships Repaired (in Numbers)



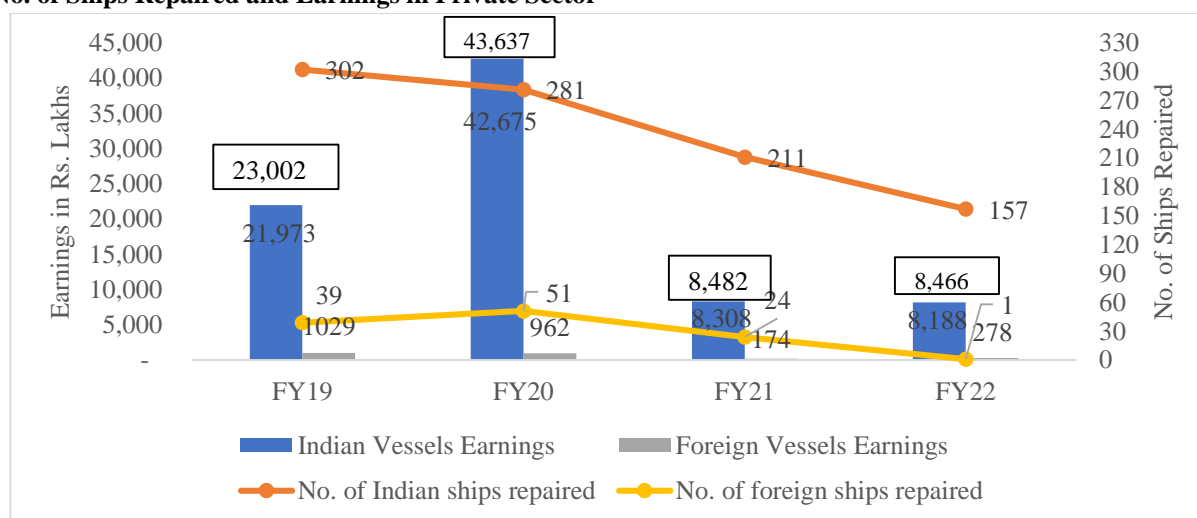
Source: Ministry of Ports, Shipping and Waterway

No. of Ships Repaired and Earnings in Public Sector



Source: Ministry of Ports, Shipping and Waterways

No. of Ships Repaired and Earnings in Private Sector



Source: Ministry of Ports, Shipping and Waterways

Warship Building

India's ambitious 'Make in India' initiative, targeting the expansion of both Indian Navy and Coast Guard fleets, demands a significant advancement in its indigenous capabilities for designing, constructing, maintaining, and repairing defence vessels. This resonates with the broader vision of the Government of India's Defence Production Policy, aiming to propel India into the top five global players in the aerospace and defence industries. As a result, the Indian shipbuilding industry continues to be significantly driven by defence requirements, shaping its trajectory towards building robust self-reliance in this critical domain.

Warships are sea-going platforms with a large number of sensors, weapons and other support systems which are surveillance equipment, facilities to launch boats and helicopters etc. required to face any eventuality at sea. The design and construction of warships are more complex and time-consuming as compared to commercial platforms. The differences between commercial as well as warship building are as under:

Major Shipyards and R&D Facilities in the Public Sector

Under the Ministry of Shipping:

- i) Cochin Shipyard Limited, Kochi
- ii) Hooghly Dock and Port Engineers Limited, Kolkata

Under the Ministry of Defence:

- i) Hindustan Shipyard Limited, Visakhapatnam
- ii) Mazagon Dock Limited, Mumbai
- iii) Garden Reach Shipbuilders and Engineers Limited, Kolkata
- iv) Goa Shipyard Limited, Goa

Major Shipyards and R&D Facilities in the Private Sector

- i) Reliance Naval and Engineering Ltd. (RNEL)
- ii) Chowgule and Co. Ltd (C&CL)
- iii) Titagarh Wagons Ltd. (TWL)
- iv) Mandovi Drydocks Ltd. (MDD)
- v) L&T Shipbuilding Ltd.

The shipyard builds warships and conventional submarines at its facilities. The company has constructed a variety of ships both for the defence as well as commercial sectors with the capacity to build warships, submarines, merchant ships, etc., up to 40 thousand DWT.

Shipbuilding Capacity

Shipbuilding capacity of a unit is defined in terms of the maximum carrying capacity of the ship that can be built by a shipyard measured in terms of Dead Weight Tonnage (DWT) which is the number of tonnes (one tonne = 2240 pounds) of stores, fuel and cargo that a ship can carry.

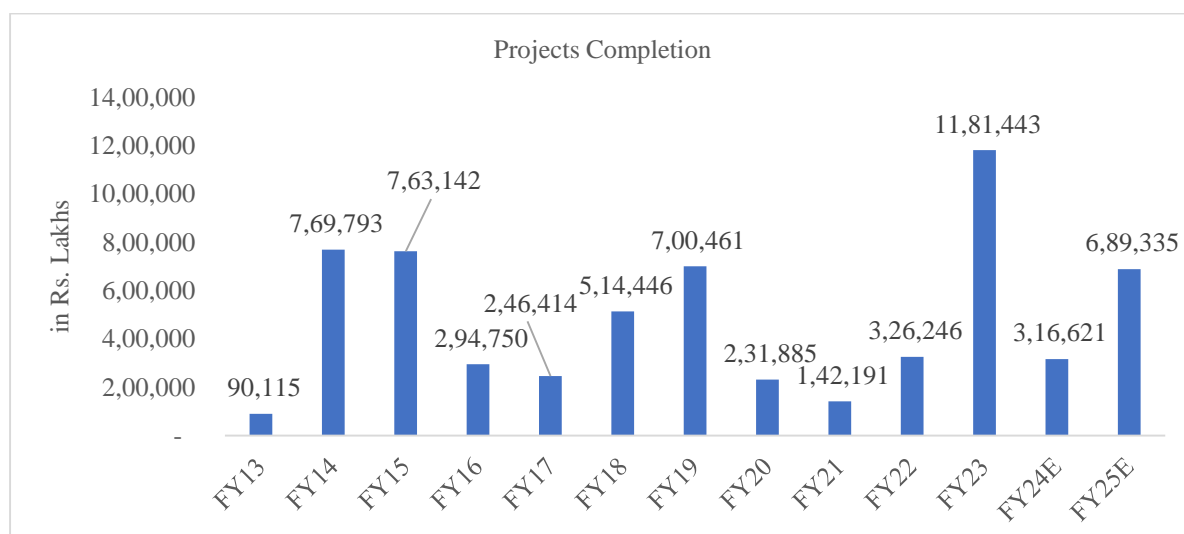
Shipbuilding Capacity

Shipbuilding Capacity (in DWT '000 Tons')	FY16	FY17	FY18	FY19	FY20	FY21	FY22
Public Sector							
Mazagon Dock Shipbuilders Ltd.	-	-	40	40	40	40	40
Cochin Shipyard Ltd.	110	110	110	110	110	110	110
Goa Shipyard Ltd.	4.5	4.5	4.5	4.5	4.5	4.5	4.5
Hindustan Shipyard Ltd	80	80	80	80	80	80	80
Garden Reach Shipbuilders & Engineers Ltd.	0.55	0.22	-	-	-	-	14.5
Hooghly Dock & Port Engineers Ltd.	3	3	3	3	3	-	-
Shalimar Works Ltd.	1.2	0.5	0.5	0.5	1.2	1.2	1.2
Private Sector							
Chowgule & Co. Pvt. Ltd.	8	8	8	8	12	8	8
Dempo Shipbuilding and Engineering Pvt. Ltd.	5.5	5.5	4.5	4.5	4.5	4.5	4.5
Shoft Shipyard Pvt. Ltd.	-	-	2.4	2.4	2.4	9	9
San Marine	-	-	-	-	8.2	8.2	8
Mandovi Drydocks Ltd.	-	-	4.5	5.1	5.1	8	8
Waterways Shipyard Pvt. Ltd.	-	-	-	-	-	8	8

Source: Ministry of Ports, Shipping and Waterways

Note: Reliance Naval and Engineering Ltd. is under corporate insolvency resolution process w.e.f 15th January, 2020. The company possess the maximum ship-building capacity which is 400 thousand DWT as on FY19.

Projects Completed: Shipping Transport Infrastructure Services



Source: CMIE

During FY23, the project completions in the industry witnessed a significant increase of 262% along with breaching the highest ever mark in last ten years. For this rise, two major projects namely Krishnapatnam Port Phase 2 Project and Gangavaram Conversion of Berth No.9 into Container Terminal Project were the largest projects in terms of investment contributing 50% and 43% respectively of the total value of the completed projects in FY23. Investments in the industry over past two years were dominated by private sector which is still increasing. Further, about 54% out of the total value of projects expected to be completed in FY25 belongs to three projects namely Cochin Dry Dock Project, Cochin Shipyard's Puthuvypeen International Ship Repair Complex Project and Ennore Captive Jetty. They are being developed under the Sagarmala Programme and are also part of the National Infrastructure Pipeline (NIP).

Regulatory and Government Policy including Defence Spending

The steps taken by the government to promote the shipbuilding industry are as given below:

(1) Shipbuilding Financial Assistance Policy (SBFAP): To further the objectives of the "Make in India" policy and bolster the shipbuilding sector in the country, the Ministry of Ports, Shipping and Waterways has introduced the Shipbuilding Financial Assistance Policy (SBFAP) scheme. This initiative aims to facilitate Indian shipyards in securing orders from both domestic and international markets, enhancing their competitiveness globally. Under the SBFAP scheme, financial assistance is provided to Indian shipyards for shipbuilding contracts executed between April 1, 2016, and March 31, 2026. The rate of financial assistance starts at 20% in 2016 and gradually decreases to 11% in 2026. The SBFAP scheme has played a pivotal role in enabling public and private shipyards to secure various orders at competitive values, contributing to their success both domestically and internationally.

In line with the goal of advancing indigenous shipbuilding capabilities, particularly in the realm of modern technologies and machinery, the Ministry has made amendments to the SBFAP guidelines. These amendments include:

- Inclusion of wind farm installation vessels and the construction of sophisticated dredgers as specialized vessels eligible for higher financial assistance.
- Provision of a 30% financial assistance rate for vessels powered by green fuels such as Methanol, Ammonia, or Hydrogen fuel cells.
- Offering a 20% financial assistance rate for vessels utilizing electric propulsion or equipped with a hybrid propulsion system.

(2) Right of Refusal to Indian Shipyards: On December 9, 2015, the Union Cabinet sanctioned a directive mandating that all government departments or agencies, including Public Sector Undertakings (PSUs), must accord the Right of First Refusal to Indian shipyards during the procurement or repair of vessels designated for governmental

or proprietary use until 2025. Subsequently, exclusive responsibility for the construction and repair of vessels for the aforementioned entities will be vested solely in Indian shipyards. The revised guidelines were published on the Ministry of Shipping's website in February 2019.

Additionally, in accordance with the latest guidelines issued on December 15, 2023, in cases where the acquisition of vessel(s) occurs through a tendering process, qualified Indian shipyards will be granted a "Right of First Refusal." This provision enables them to match the evaluated lowest price offered by a foreign shipyard, with the objective of stimulating shipbuilding activities within Indian shipyards. Furthermore, in an effort to foster indigenous shipbuilding, the Ministry of Ports, Shipping, and Waterways has adjusted the hierarchy of the Right of First Refusal (RoFR) to be observed for all types of tenders.

(3) Grant of Infrastructure Status: To foster the growth of domestic shipbuilding, Government entities involved in shipbuilding and ship owning are advised to ensure compliance with the Government of India Public Procurement (Preference to Make in India) Order, 2017. Accordingly, the procurement of ships valued at less than Rs. 20,000 lakhs is mandated to be sourced from Indian shipyards.

The government has conferred infrastructure status upon the shipbuilding industry, facilitating shipbuilding firms to access flexible structuring of long-term project loans at reduced interest rates with extended tenures aligned with the economic life of their assets. This designation also empowers them to issue infrastructure bonds to meet working capital requirements and gain tax benefits, thereby stimulating increased shipbuilding activities.

(4) Maritime India Vision 2030 (MIV 2030): In pursuit of positioning India at the forefront of the Global Maritime Sector, the Ministry of Ports, Shipping, and Waterways has devised Maritime India Vision 2030 (MIV 2030). This strategic framework is designed to facilitate synchronized and expedited growth within India's maritime sector over the coming decade. Encompassing more than 150 initiatives spanning 10 thematic areas, MIV 2030 comprehensively addresses all facets of the Indian maritime sector, constituting a dedicated effort to articulate and fulfill national maritime objectives. The document includes a detailed phased plan and implementation roadmap for the various initiatives, ensuring robust tracking and monitoring. Additionally, it incorporates defined policy and regulatory measures necessary to support the outlined initiatives. The targeted enhancements within key initiatives will contribute to the heightened performance and efficiency of the Indian maritime sector.

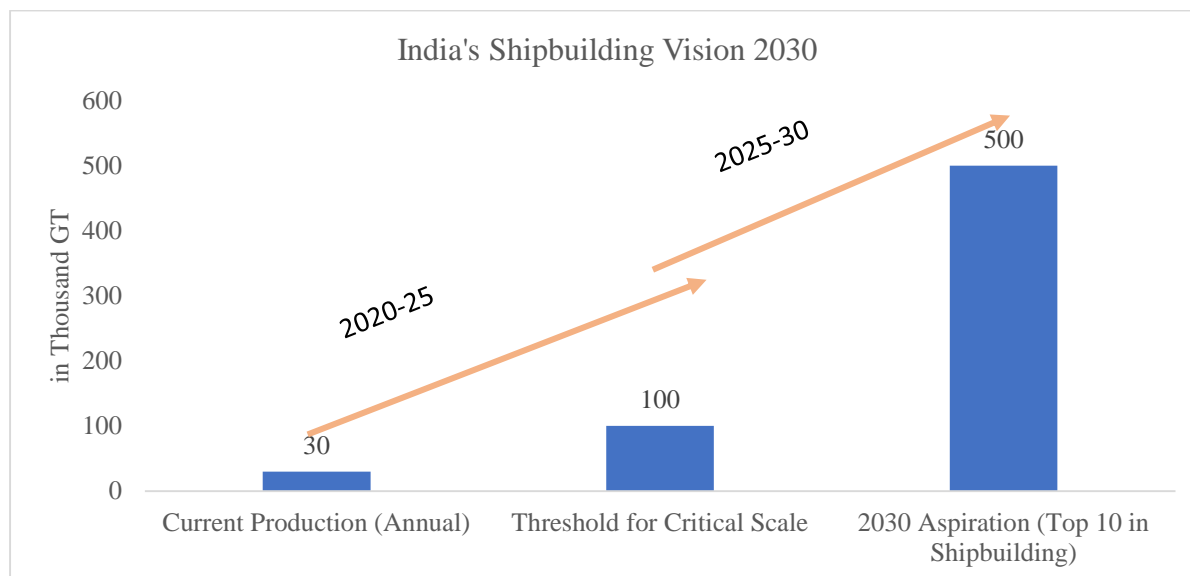
Growth Drivers

The Indian shipbuilding and ship repairing industry is poised for growth driven by several factors that contribute to its expansion and development. Some of the growth drivers of the industry are listed below:

1. Increasing Cruise Tourism: Currently, Cruise tourism is a niche sector and India has enhanced its focus on the sector with the authorities actively promoting cruise tourism for its vast economic impact, for earning foreign exchange and potential for job creation. The potential demand is likely to increase by nearly 8 times over the next decade for the cruise industry in India to reach 15 lakhs by 2030.

2. Continuous Government Support: The 'Make in India' has been initiated in the manufacturing sector in an effort to reap higher employment multiplier effects compared to the service and agriculture sectors. The defence sector is one such key area where the government is focusing on achieving self-reliance. The government has been taking measures to support self-reliance in defence manufacturing. For instance, promoting domestic production of defence equipment, i.e., indigenization, which is one of the primary strategies adopted, to reduce India's dependence on imports and promote the domestic defence industry.

India's Shipbuilding Vision 2030 (in Thousand KT)

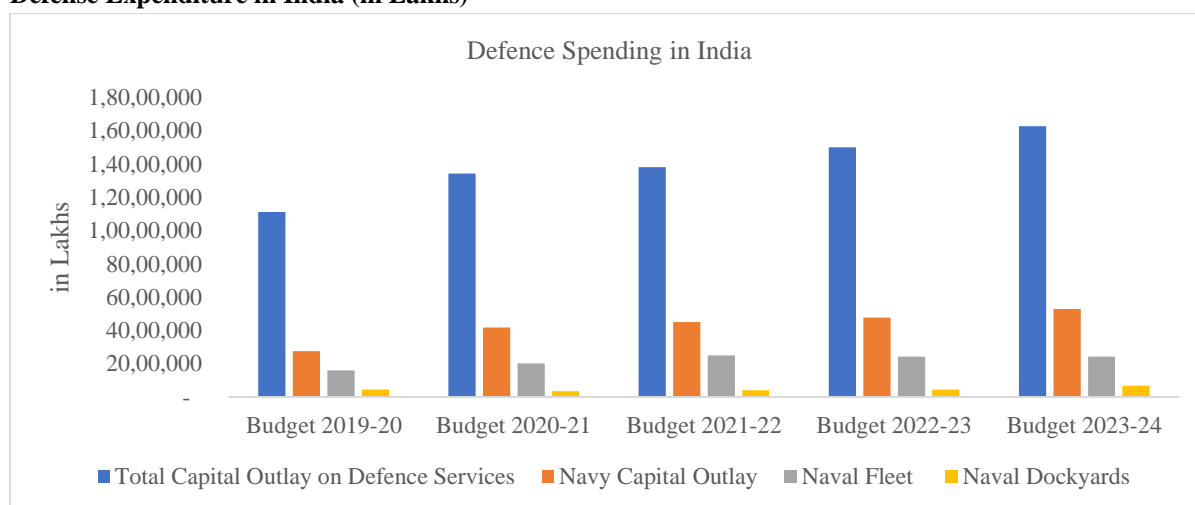


Source: Maritime Vision 2030

As per India's Shipbuilding Maritime Vision study in the first phase from 2020-25, there is a need to support the anticipated growing demand of both cargo and non cargo vessels. Further, in second phase from 2025-30, utilizing supply chain ecosystem and scale to cater domestic and export demand will be necessary.

Increasing Government Expenditure on Defence: The Indian government is progressively increasing the share of the defence budget in the country. India is amongst the top five military spender nations at the global level currently. It reflects the government's commitment to ensuring national security and safeguarding the country's interests in a complex geopolitical landscape. With geopolitical challenges, India faces diverse security threats from neighbouring countries, which necessitates a robust defence infrastructure and has led to huge demand for defence equipment. Accordingly, to enhance military capabilities, there is a growing focus on modernizing equipment and technology to keep pace with evolving global security dynamics.

Defense Expenditure in India (in Lakhs)

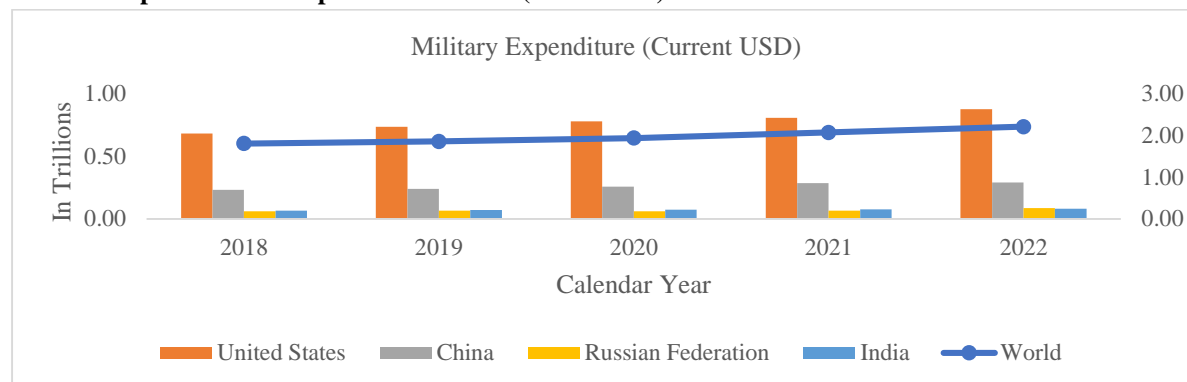


Source: Budgetary Documents

Note: The figures taken for Budget 2022-23 are the revised estimates and for Budget 2023-24 are the budget estimates

The chart above depicts that the total capital outlay on defence services has increased by a CAGR of 10% across the past five years and a CAGR of 18% in total navy capital outlay during the same period. The Budget 2023-24 has also sustained the thrust on modernisation and infrastructure development of the defence services by continuing an upward trend in capital outlay. Hence, in the near term, the demand for the shipbuilding industry looks promising.

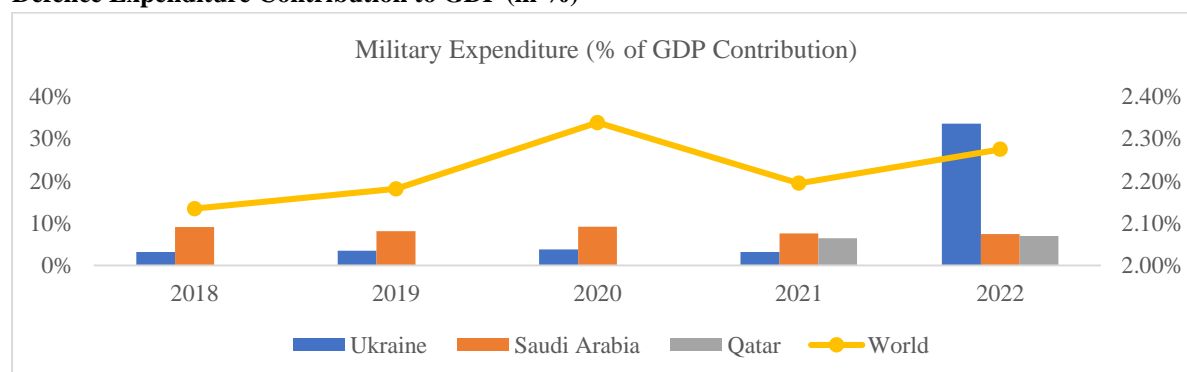
Defence Expenditure of Top Four Countries (in Trillions)



Source: World Bank

The global spending on military equipment is increasing consistently and has reached an all-time high of USD 2.21 trillion in 2022. Territorial disputes, heightened tensions, threat perceptions, conflicts, and geopolitical rivalries amongst nations often prompt them to increase their defence capabilities to protect their interests while maintaining security. For instance, the ongoing war between Russia and Ukraine signified a historic turning point for European security. The conflict in Ukraine has heightened tensions in the region and raised concerns among neighboring countries in Europe which has led to an increase in their defence spending as a precautionary measure to protect their sovereignty and security interests. Therefore, many major countries have started investing in modernizing armed forces, including acquiring advanced weapons as well as technology to enhance their military capabilities.

Defence Expenditure Contribution to GDP (in %)



Source: World Bank

Moreover, the chart above depicts the percentage of GDP contribution of military expenditure showcasing the trend for the top three countries. Ukraine tops with the percentage of GDP contribution surging significantly to 33.6% in 2022 from 3.2% in 2018 after the war with Russia started in 2022. Similarly, the Israel-Hamas war contributed to increased defence expenditure globally due to its impact on regional stability, alliances, and global security concerns. Hence, all the above factors prompted not just the neighbouring countries but also the countries at the global level to strengthen their defence position.

3. Enhancing Infrastructure Development in Inland Waterways: India is endowed with several Inland waterway transport options comprising rivers, canals, backwaters etc which not only form a competitive alternative mode of transportation with lower operating cost as compared to railways and roadways but also a sustainable mode in freight logistics and passenger transport. To accelerate this movement through Inland Waterways, the government has identified four key focus areas including

- Enhancement and Development of Infrastructure at 23 priority National Waterways (NWs)
- Regional connectivity with Bangladesh, Nepal, Myanmar and Bhutan
- Development of terminal infrastructure for Ro-Ro and Ferry Services

- Policy interventions to incentivise the development of the IW sector.

4. Developing Port Infrastructure: There are 12 major ports and 200 non-major ports along with its vast coastline in the country. According to the Ministry of Ports, Shipping and Waterways, 90% of EXIM cargo by volume and 70% by value is handled by ports in the country. The government is laying emphasis on the expansion of port capacities in order to meet the increasing trade requirements hence installed capacity and cargo handled by the major ports have increased considerably over the years with more scope for improvement. Considering the evolving shipping market, cargo profile and ship sizes, it is essential for the country's ports to further strengthen the port infrastructure along with driving a greater share of global EXIM trade.

5. Support for Ship Repairing Industry: The government has defined certain key targets in order to promote domestic shipbuilding, repair as well as recycling as part of its Vision 2030. The emphasis has been laid on channelising India's domestic demand for shipbuilding and ship repair by leveraging Atmanirbhar PPP provisions and ROFR rules effectively as an opportunity to offer ship repair services to the Indian Navy and allies. The ship repair clusters to enhance the repair capacity in India are to be developed. In addition, six potential locations have been identified to set up ship repair development Centres of Excellence (CoE) in the country, enhancing ship recycling infrastructure through the redevelopment of Alang yards as well as additional ship recycling cluster will be established on the East coast with certain benefits in the country.

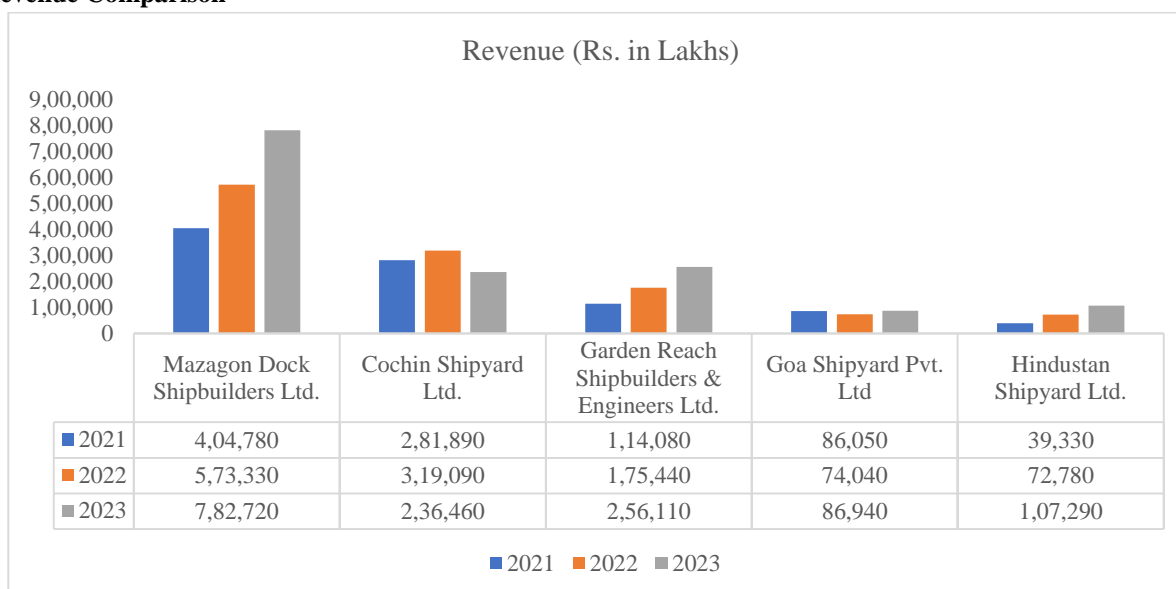
6. Opportunities for Domestic Shipbuilders: With an increasing focus on enhancing naval capabilities, the demand for warships and vessels for defence purposes is growing consistently in India helping to provide opportunities for domestic shipbuilders. The total Navy capital outlay in Budget 2023-24 was Rs. 52,80,500 lakhs, out of which contribution to Navy Fleet outlay was maximum as compared to others. Therefore, as more orders will come it will boost the industry.

Peer Benchmarking

The peer benchmarking has been done on Revenue, EBITDA, EBITDA Margins, PAT, PAT Margins and other key financial ratios like profitability, leverage and liquidity parameters.

1. Revenue

Revenue Comparison

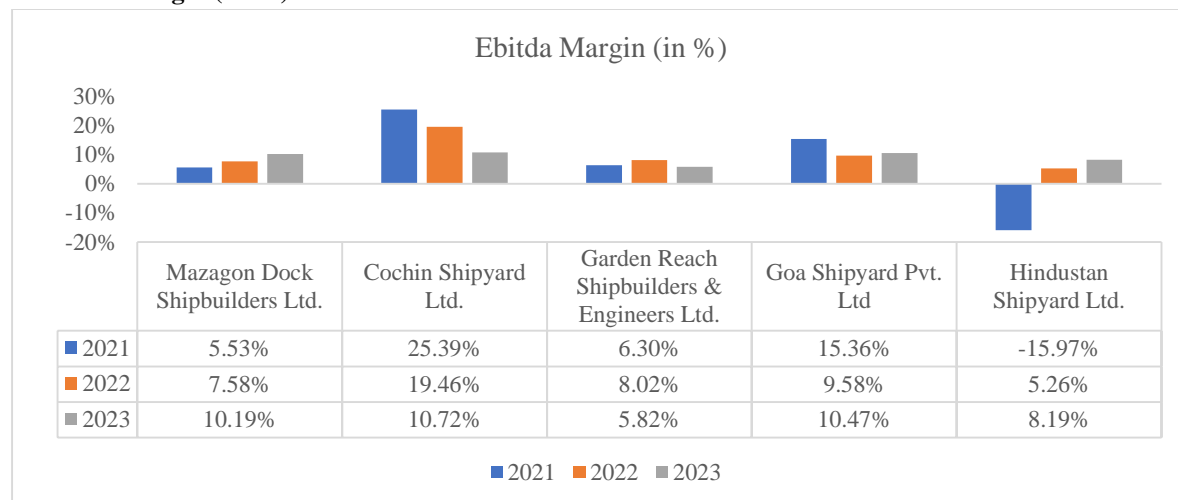


Source: Company Reports, CAREEDGE Research

Note: Consolidated financials have been considered for Mazagon Dock Shipbuilders Ltd. and Cochin Shipyard Ltd. while Standalone financials have been considered for rest three players.

2. EBITDA Margin (In %)

EBITDA Margin (In %)

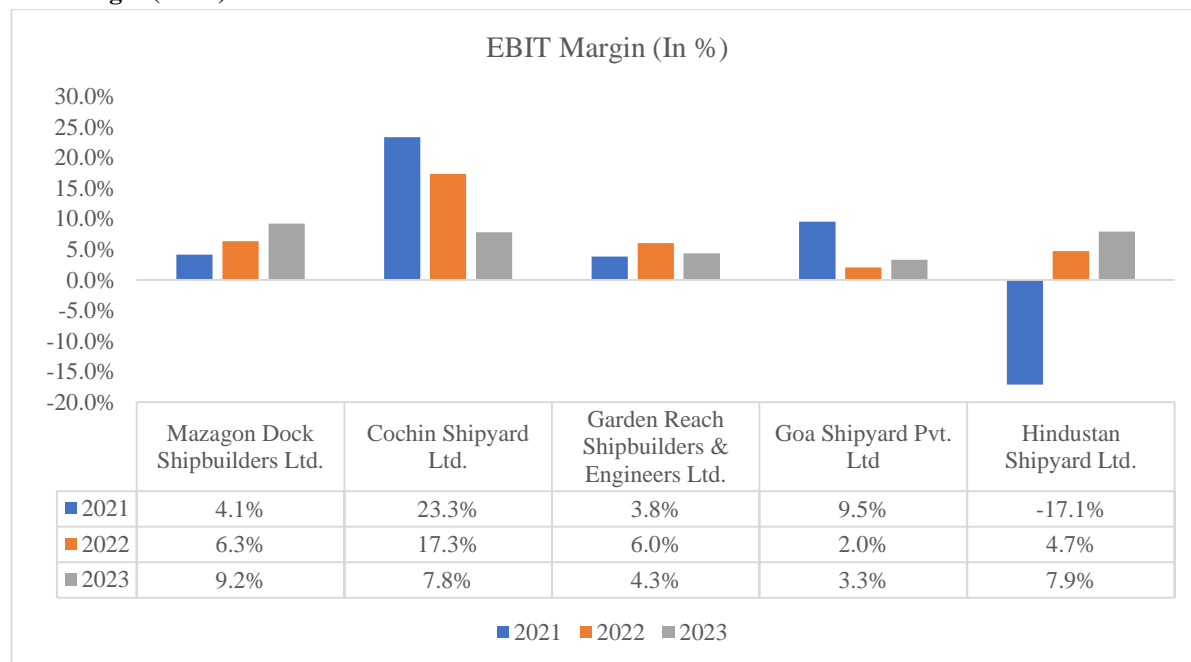


Source: Company Reports, CAREEDGE Research

Note: Consolidated financials have been considered for Mazagon Dock Shipbuilders Ltd. and Cochin Shipyard Ltd. while Standalone financials have been considered for rest three players.

3. EBIT Margin (In %)

EBIT Margin (In %)

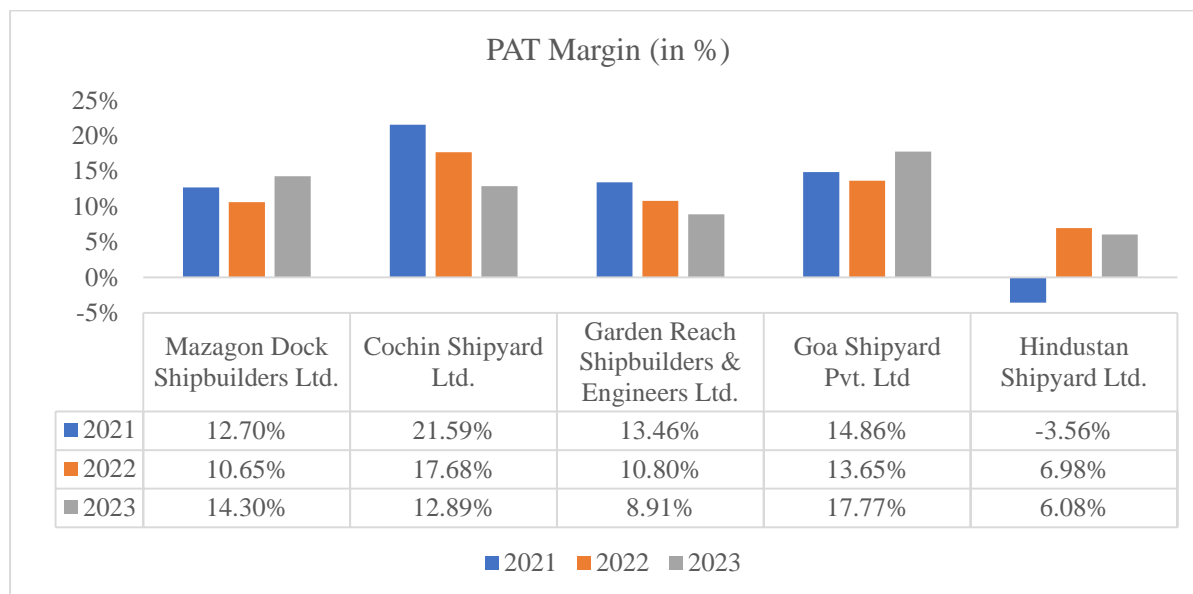


Source: Company Reports, CAREEDGE Research

Note: Consolidated financials have been considered for Mazagon Dock Shipbuilders Ltd. and Cochin Shipyard Ltd. while Standalone financials have been considered for rest three players.

4. PAT Margin (In %)

PAT Margin (In %)

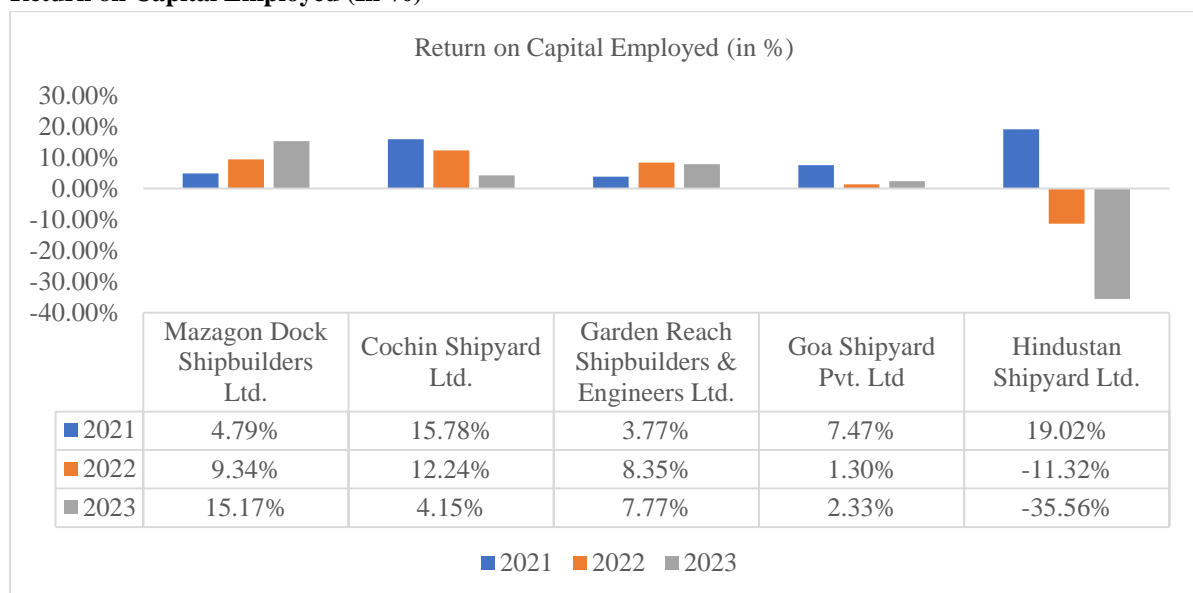


Source: Company Reports, CAREEDGE Research

Note: Consolidated financials have been considered for Mazagon Dock Shipbuilders Ltd. and Cochin Shipyard Ltd. while Standalone financials have been considered for rest three players.

5. Return on Capital Employed (In %)

Return on Capital Employed (In %)



Source: Company Reports, CAREEDGE Research

Note: Consolidated financials have been considered for Mazagon Dock Shipbuilders Ltd. and Cochin Shipyard Ltd. while Standalone financials have been considered for rest three players.

Liquefied Natural Gas

Overview of the LNG Industry and Port Facilities Utilizing Floating Storage and Regasification

Liquefying natural gas is a method of transporting natural gas over vast distances when pipeline transport is not possible. LNG provides natural gas to markets too remote from producing locations to be directly connected to

pipelines. Natural gas, in its small liquid state, is carried in customized tankers to terminals all over the world. The LNG is converted back into gas at these ports and piped to power plants, distribution networks, and industrial users.

For medium- and heavy-duty vehicles, liquefied natural gas, or LNG, has become a viable, affordable, and environmentally acceptable alternative fossil fuel (HDV). The construction of LNG filling stations along the Golden Quadrilateral has been prioritized as a means of launching the nation's transportation ecosystem powered by LNG.

Various opportunities in the LNG Sector include LNG usage in cold warehousing chains, long-distance transportation, transportation fuel in inland waterways and LNG Bunkering for sea-going fishing fleets.

Due to persistent demand in the electricity sector and ongoing expansion in the industrial and fertilizer sectors, imports are predicted to rise even more in the summer of 2024 compared to 2023. This potential increase will be driven by the expected increase in available LNG supply in the fourth quarter of 2024, placing downward pressure on spot LNG prices.

Small Scale LNG

Small-scale LNG (SSLNG) refers to LNG-related facilities similar to regular LNG infrastructure but much smaller in size. This covers storage facilities, ships, and receiving terminals. The term "small-scale LNG" also describes the direct application of liquefied natural gas (LNG). LNG has no colour, no smell, does not corrode, and is safe to use. It weighs around 45%t water and is almost entirely composed of methane.

In locations without a natural gas pipeline network, small-scale LNG supplied by cryogenic road tankers is viewed as an alternate method to increase natural gas usage.

A mini LNG plant is a small-scale gas production, storage, and distribution facility for lesser volumes of LNG.

Small-scale LNG is mostly used for two purposes:

- Mobility: Truck fuel and marine fuel, often known as bunkering.
- Industry: Fuel used to produce electricity, steam, or heat in off-grid areas.

For end customers in industrial applications including power generation, heat and steam production, small-scale LNG has several advantages:

Environmental: Since small-scale LNG emits fewer greenhouse gases and pollutants than conventional fossil fuels, it is advantageous for the environment. This is in line with the growing emphasis on sustainability and more environmentally friendly energy sources.

Financial: The difference in pricing between LNG and oil results in a reduced total cost of ownership. SSLNG offers reduced initial investment costs compared to traditional LNG, allowing for faster supply and greater flexibility in logistics and operations than pipeline supply.

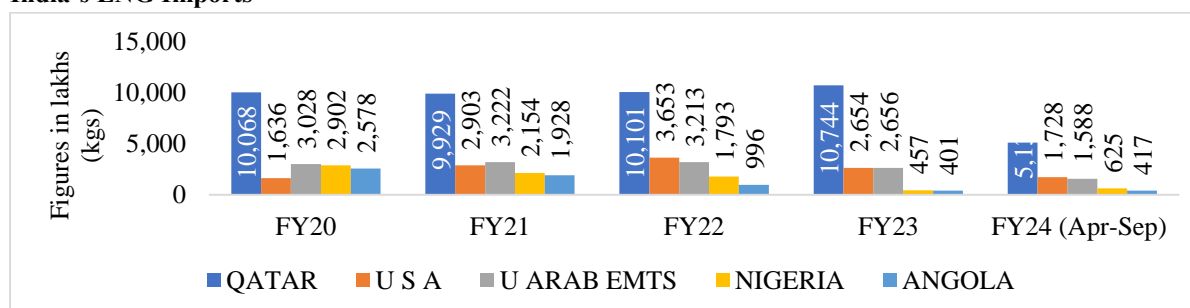
Scalability: Increasing capacity to meet rising demand is comparatively simple.

Small-scale LNG can be used to address industrial energy demands in market segments not connected to the gas grid due to its flexibility. Heavy Fuel Oil (HFO), coal, LPG, and diesel can all be replaced with LNG, which is cleaner and more efficient. LNG can be delivered by truck to the customer's location, where it can be stored, regasified, and put to use.

LNG Value Chain



India's LNG Imports



Source: Department of Commerce

In FY24 (April–September), Qatar is India's number one LNG supplier. The United States of America and the United Arab Emirates continue to be India's second-largest natural gas supplier.

India has been one of the largest importers of natural gas since 2011. The imports of natural gas are further expected to rise as there are import terminals under construction. Also, LNG imports are completely dependent on the completion of import terminals. Since 2016, India has expanded the list of countries from which it imports LNG. Major countries that supply gas to India are Qatar and the USA. The first LNG shipment from Qatar to India took place in 2004 at the Dahej Terminal.

Further, India is highly dependent on imported LNG to meet its gas demand with imports contributing to around 43% of total consumption in 2023-24 (April-Sep).

LNG Infrastructure in India

Import Terminal or LNG Terminals are facilities which are used for the purpose of detoxifying the LNG shipped in by large LNG tankers from various production zones.

These terminals are made to provide services such as-

- Berthing of LNG tankers and unloading or reloading of cargoes,
- Storage of LNG in cryogenic tanks (-160°C),
- Regasification of LNG and Injection of this gas into the transmission grid.

The government has promoted natural gas through a number of programs, policy launches, and adopted strategies. The development of LNG regasification terminals, City Gas distribution networks, and support for the National Gas Grid for pipeline infrastructure are a few examples of these. The goal is to guarantee gas supply to all demand centers. As of November 2023, a total of seven LNG terminals are operating in the country with varying capacity utilization. India is expected to have its first floating LNG terminals at Jafrabad and Chhara, which will possibly commence operations in 2024.

The existing and potential capacity of LNG regasification terminals in India is presented in the table below:

LNG Terminal in India

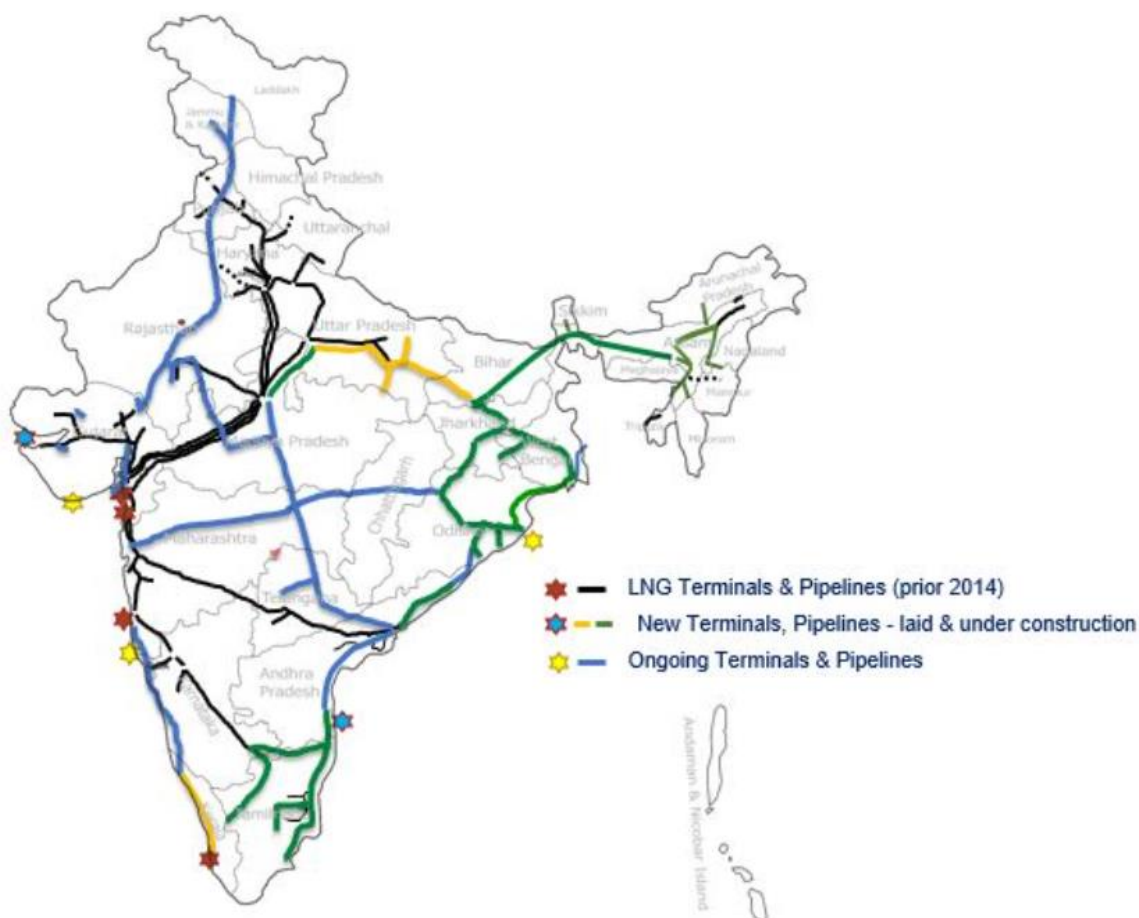
LNG Terminals (Operational)			
Location	Promoters	Capacity as on 01.11.2023 (MMTPA)	% Capacity utilization (April- Sep, 2023)
Dahej	Petronet LNG Ltd (PLL)	17.5	94.3
Hazira	Shell Energy India Pvt. Ltd.	5.2	39.8
Dabhol	Konkan LNG Limited	5	29.0
Kochi	Petronet LNG Ltd (PLL)	*5	19.9
Ennore	Indian Oil LNG Pvt Ltd	5	16.2
Mundra	GSPC LNG Limited	5	12.5
Dhamra	Adani Total Private Limited	5	26.4
Total Capacity		47.7	
Jafrabad	Swan LNG Terminal	**5 MMTPA	NA (Yet to be commissioned)
Chhara	Chhara LNG Terminal	**5 MMTPA	NA (Yet to be commissioned)
Grand Total Capacity		57.7 MMTPA	

Source: PPAC

Note: (*) stands for - To increase to 5 MMTPA with breakwater. Only HP stream with a capacity of 2.9 MMTPA is commissioned; (**) stands for- under construction site.

The capacity of LNG terminals in India is expected to increase assuming all the existing and planned terminals in India would set up as planned. This is to be driven by the new facilities expected to be set up on the east coast including Gangavaram and Dhamra, expansion of existing facilities on the west coast including Mundra and Dahej and construction of new floating terminals.

Infrastructure Overview



Source: MoPNG

Strategic LNG Storage

India has plans to create a strategic liquefied natural gas reserve in order to protect itself from potential price increases or shortages following the energy crisis during Covid pandemic. More LNG storage capacity has been suggested by the government so that the nation can store more and supply during times of crisis when prices are lower. Even though the government wants to increase the proportion of gas in the nation's energy mix, certain sectors have been put off by the high cost of gas. As LNG grows in importance as a component of the world energy mix, the government is attempting to establish emergency LNG stocks similar to the strategic reserves of the oil industry.

Expected global LNG supply and its Impact on Indian Market

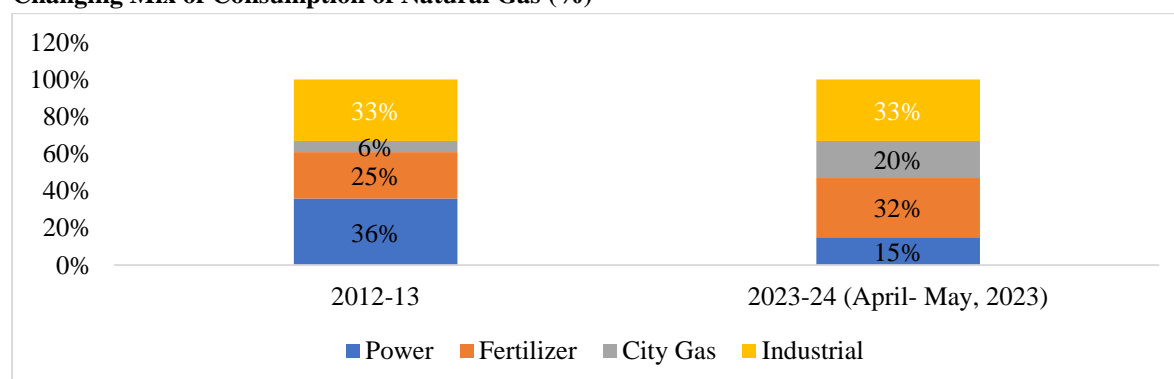
The supply of liquefied natural gas (LNG) is expected to remain limited globally until 2025, which would slow the increase of demand in important Asian import markets. Long-term demand for LNG in Europe may be high, but if decarbonization and energy security policies take hold, they will cause a reduction in demand by 2030. A mismatch between supply and demand could be caused by a wave of additional LNG export capacity that comes online later in the decade, increasing the financial risks for LNG providers and traders.

India reduced its consumption during FY23. Concerns about fuel security, price, rapidly decreasing foreign currency reserves, and demand destruction may constrain the region's medium-term LNG imports.

Demand for Energy in Various Sectors

The various factors driving the demand for natural gas consumption in India are discussed below:

Changing Mix of Consumption of Natural Gas (%)



Source: PNGRB, CareEdge Research; Industrial includes Petrochemicals and Refineries.

1) Commitment to Net Zero emissions by 2070 made in COP.

The United Nations Climate Change Conference (28th session of Conference of the Parties), COP28 took place in December 2023. The motive of the summit was to make considerable efforts for the global climate policy that the nations have been discussing for several years.

The conference concluded with an accord that marks the "beginning of the end" of the fossil fuel era by providing the groundwork for a rapid and equitable transition, supported by strong emissions reduction and increased financing. To limit global warming to 1.5°C, greenhouse gas emissions must be cut by 43% by 2030 when compared to 2019 levels. Accordingly, India has promised to trim its emissions to net zero by 2070.

Furthermore, the conference also focused on climate financing. Six nations pledged additional funds for the Green Climate Fund (GCF) during COP28, bringing the overall number of commitments from 31 countries to a record USD 12.8 billion. More contributions are anticipated. Thus, providing boosts to the GCF's second replenishment.

India's climate strategy at COP28 focuses on three principles:

- Mission LiFE
- Green Credit Initiative
- Commitment to equity and climate justice

India's commitment to COP28 includes:

- Achieving 50% of energy needs from renewables by 2030
- Increasing non-fossil fuel energy capacity from 173 GW to 500 GW
- Hosting COP33

India's efforts further included focusing on equity, mainstreaming national circumstances and concerns for adaptation in agriculture, the need for equity while pursuing any specific results on global peaking, net zero and emission reduction targets, supporting fair shares of the global carbon budget, and funding arrangements for loss and damage. India's efforts also led to the inclusion of the reference to the need for transition to sustainable lifestyles together with sustainable patterns of production and consumption in the cover decision titled 'Sharm El-Sheikh Implementation Plan'.

Moreover, in the recent past, India took certain initiatives for the adoption of electric mobility in the country. Some of those schemes were FAME and PLI. As India is moving toward a clean environment, the commitments made by the country in COP 28 play a major role in driving natural gas demand in India. The target is a daunting task but India has ambitious plans to achieve a shift toward gas becoming more prominent in the Indian fuel mix in the medium term.

2) Increasing Demand from Various Sectors

Natural gas has found applications across various industries with the majority of demand coming from the power, fertilizer, industrial, and CGD sectors.

The key factors driving the usage of natural gas in various industries are:

Power Sector: The constrained domestic coal supply and the rising cost of imported coal make natural gas a good alternative fuel for the power sector. Gas-based power plants are more efficient than coal-based plants along with higher ramping rates, which is a key driver for their usage in the power sector. Further, it has been observed that CO₂ emission from coal is 82% higher than the natural gas. Thus, increasing the share of natural gas is important to preserve the climate and environment.

Further, the consumption of natural gas by the power sector has significantly declined from more than 1/3rd in 2012-13 to around 15% in 2023-24 (April-September, 2023). Moreover, the share of the power sector in total natural gas consumption is expected to stay range-bound over the medium term. However, with the increasing share of renewables in India's energy mix, natural gas can potentially play a key role in enabling grid stability.

Fertilizer Sector: Natural gas, having the highest hydrogen-to-carbon ratio, is the most preferred feedstock for the production of fertilizers. The demand for fertilizers is envisioned to increase, considering the agricultural productivity growth in India.

Further, India relies on fertilizer imports to meet domestic requirements and the inbound shipments by India have been around 220 lakh tonnes from FY19 to FY23 on average. Fertilizer imports by India have increased at a CAGR of 3.2% from 190 lakh tonnes in FY19 to 220 lakh tonnes in FY23. In order to reduce dependency on imports, the government has taken various steps including the introduction of the New Urea Policy 2015. This has been notified with the aim of maximizing indigenous output, promoting energy efficiency in production, and rationalizing the government's subsidy burden.

Industrial User Segment: The industrial user segment uses natural gas as a fuel for process heating – combined with heat and power systems, as a raw material (feedstock) to produce chemicals and hydrogen, and as plant fuel. The convenience of being able to adjust process heat temperatures and opportunities to make efficiency gains are advantages of natural gas over other liquid & solid fuels used by industrial users. As a result, industrial users are

shifting from pet coke, furnace oil, and coal to natural gas. The key industries that use natural gas include petrochemicals, refineries, and sponge iron.

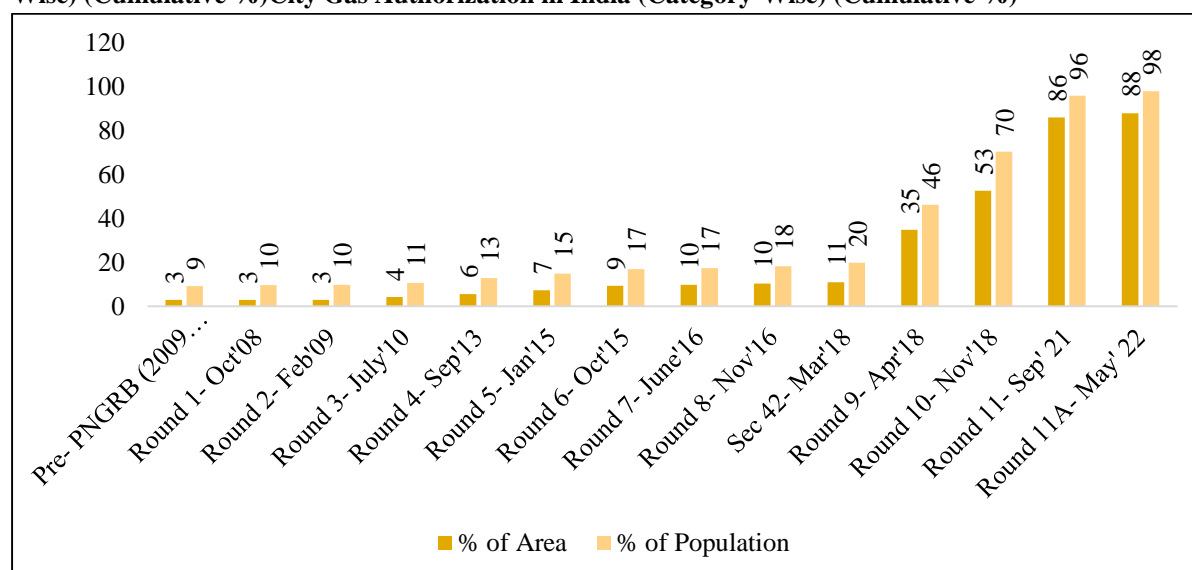
City Gas Distribution (CGD): For the easy accessibility of natural gas to the public at large, the government has emphasized the expansion of the city gas distribution network as it supplies cleaner fuel to households. A city gas distribution network is the interconnected network of pipelines used to supply natural gas to domestic, industrial, or commercial premises and CNG stations situated in a specified geographical area. Such networks are being developed based on the availability of trunk gas pipeline connectivity or gas sources and techno-commercial feasibility in a geographical area.

Cumulatively up to Round 11A of CGD Bidding, there are 300 GAs authorised by PNGRB covering around 88% of the country's geographical area and 98% of its population. To cover 100% geographical area for the development of the CGD network, the 12th CGD bidding round will offer 7 Geographical Areas (GA) covering five North East states viz. Arunachal Pradesh, Meghalaya, Manipur, Nagaland, and Sikkim and UTs of Jammu & Kashmir and Ladakh.

CGD now constitutes around 20% of the total natural gas consumption in India. Over the past few years, the overall consumption of natural gas was driven by the CGD sector, the contribution of which has significantly increased from around 6% to around 20% from 2012-13 to 2023-24 (April-May, 2023). As per the study on the India National Gas Grid being conducted by ICF, the CGD contribution to total gas consumption is expected to increase in the range of 32% to 38% by 2030.

Furthermore, an additional estimated investment of Rs.1,20,000 Crore infrastructure development under Round 9 & Round 10 of CGD Bidding (PNGRB launched the 9th and the 10th CGD Bidding Round on 06th April 2018 and 06th November 2018, for the development of CGD networks) would help India generate additional employment, bring technological innovation in the transportation sector, and play a significant role in achieving the shift towards a gas-based economy. This CapEx is over the period of 8 years from the time of award of GA. The aforementioned estimate does not include the additional investments expected in the sector toward gas infrastructure development that will be done for the additional geographical areas to be developed through the recently concluded Round 11 of the CGD Bidding.

City Gas Authorization in India (Category-Wise) (Cumulative %)



Source: PNGRB

With soaring alternate fuel prices, CNG adoption in India is likely to accelerate going forward as the price differential between the cost of running petrol-driven and diesel-driven cars versus CNG-run cars has significantly widened. In terms of infrastructure, 5,665 CNG stations are being operated by about 51 CGD entities. Further, with the additions

expected under Round 11 and Round 11A of the CGD bidding, the Government of India expects to have a robust infrastructure of about 17,700 CNG stations by 2030.

Out of total natural gas consumption, CGD's share of consumption of natural gas stands at 20% for the period FY24 April-May-2023. With the significant government impetus and expansion of the CGD network to around 300 geographical areas, the natural gas consumption by the CGD segment is likely to grow.

Transportation Sector: There is an increased demand for LNG in the transportation sector. The transportation sector's use of LNG would help lower import costs. When compared to conventional fuels, LNG has the lowest total cost of ownership and is generally 10%–25% less expensive than diesel. This results in lower running expenses across medium to long distances. Additionally, it offers significant environmental advantages that enhance city air quality. LNG-powered trucks can reduce CO₂ emissions by 10% to 20%, depending on the kind of vehicle and duty cycle. Their power, acceleration, and cruising speed are comparable to those of diesel vehicles. LNG is regarded as one of the most viable alternative fuels in the transition to sustainable transport in shipbuilding, as governments increasingly look to domestic inland waterways to increase transport efficiency.

• **Rising Natural Gas Infrastructure as well as Investments -**

India is in the line to become the second-largest user of natural gas in Asia as it has plans to boost the share of natural gas in the energy mix to 15% by 2030 from around 5.78% currently (as of October 2023). With the government's focus on increasing natural gas consumption, massive investments are expected in developing the natural gas infrastructure. Also, several infrastructural developments are in progress including expansion of LNG import capacity, addition of new gas pipelines, and development of city gas distribution networks. For instance, around 23,478 km of gas pipelines were operational in India as of June 30, 2023, while 12,037 km of pipelines were under construction.

Government Policies

• **Unified Tariff for Natural Gas Pipelines-**

PNGRB has implemented a uniform tariff that was founded on the idea of "one nation, one grid, and one tariff" in accordance with the legislation. It is expected to benefit customers transporting fuel over longer distances and multiple pipelines.

For natural gas pipelines, the regulator implemented single pricing on July 01, 2023 in an effort to encourage gas usage by consumers who live far from supply centres. Customers can now pay a single rate, and pipeline operators can receive different tariffs depending on the distance. Three tariff zones—the first 300 km from the gas source, the second 300 km to 1,200 km, and the third 1,200 km and beyond—were established. A pricing of Rs. 43.21 per MMBtu for the first zone, Rs. 82.28 for the second, and Rs. 109.70 for the third zone has been announced by the regulator.

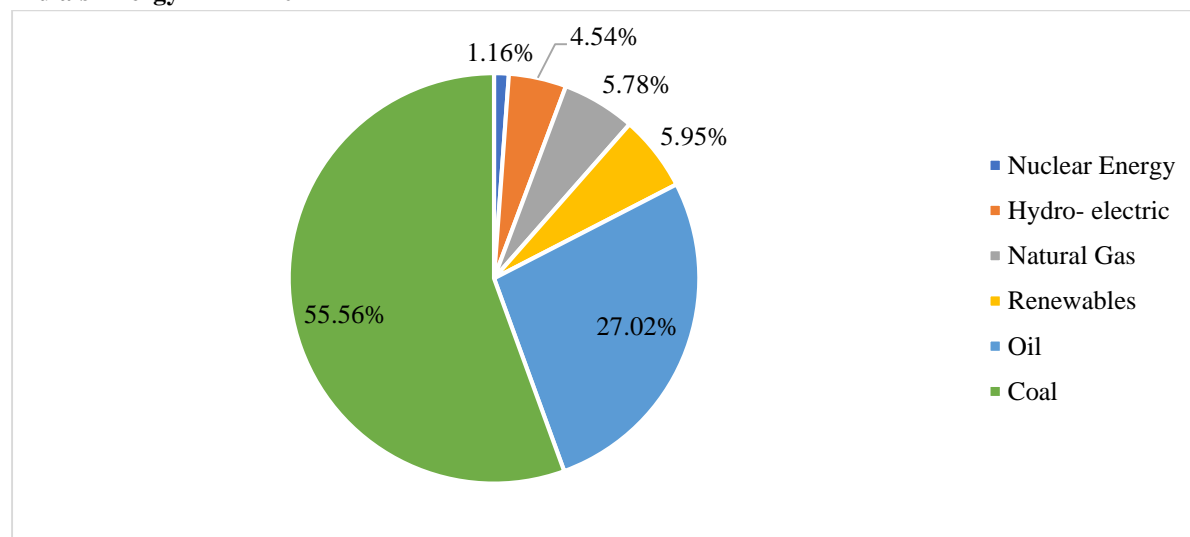
- Further, in an effort to encourage the use and distribution of liquefied natural gas, the government has classified imports of LNG under the Open General Licensing (OGL) category and has placed 100% of foreign direct investment (FDI) into the construction of LNG infrastructure, including LNG terminals (automatic route).
- Additionally, the government is encouraging the use of natural gas in gaseous or liquid (LNG) form by developing and equipping LNG-based vehicles, as well as by expanding the gas grid network and City Gas Distribution.

Opportunities

1. Greater Gas Contribution to the Power Mix:

The natural gas industry in India is expected to witness substantial growth over the next decade. Driven by the increasing usage across various end-user customer segments, the Government of India has come up with multiple reforms as they target to raise the share of natural gas in the primary energy mix to 15% by 2030 from around 5.78% currently (in October 2023).

India's Energy Mix in 2022



Source: PPAC

Year-Wise Consumption of Energy Resources in Energy Units (In Petajoules)

Year	Coal	Lignite	Crude Oil*	Natural Gas	Electricity#	Total
2012-13	10,794	442	9,380	2,222	2,967	25,805
2013-14	11,186	419	9,520	2,029	3,147	26,302
2014-15	12,439	448	9,552	1,987	3,415	27,841
2015-16	12,660	403	9,964	2,034	3,604	28,665
2016-17	12,667	412	10,499	2,157	3,820	29,556
2017-18	13,594	442	10,780	2,292	4,044	31,153
2018-19	14,651	437	11,006	2,355	4,356	32,805
2019-20	14,463	403	10,885	2,485	4,493	32,729
2020-21	13,713	367	9,489	2,356	4,429	30,354
2021-2022 (P)	15,556	468	10,342	2,475	4,667	33,508
% Share in total consumption for 2021-22 (P)	46.4	1.4	30.9	7.4	13.9	100.0
CAGR 2012- 13 to 2021- 22 (%)	4.14	0.65	1.09	1.21	5.16	2.94

Source: MOSPI- Energy Statistics India 2023

Note*: Crude oil in terms of refinery crude processed. (P): Provisional. #: Include Hydro, Nuclear and other renewable sources of electricity from utilities

Natural gas demand in India is expected to register a healthy growth in the years to come. The current industry and regulatory environment bode well for achieving a shift toward gas becoming more prominent in the Indian fuel mix. Thus, resulting in a surge in LNG trades.

	2010	2021	2022	2030 (F)*	2050 (F)*
Natural Gas Generation (TWh)	107	62	39	83	175
Natural Gas Demand (bcm)	64	64	60	107	169

Source: IEA

Note: (*) stands for- Under Stated Policy Scenario of IEA

STEPS scenario takes into account relevant policies and implementation measures adopted as of the end of August 2023. It covers a broad spectrum, including Nationally Determined Contributions under the Paris Agreement, and much more.

Further, India's per capita income is expected to triple and its urban population shall grow by 74%, despite the country's population growth slowing to level with replacement. By 2050, industrial output is predicted to triple for iron and steel, double for cement, and grow nine-fold for residential air conditioners. The STEPS scenario will therefore see an almost 78% growth in natural gas demand between 2022 and 2030.

2. Improved Air Quality:

Particulate matter, sulphur dioxide (SO₂), and nitrogen oxides (NO_x) are the main air pollutants produced by coal-fired power plants and liquid fuels used in maritime and road transportation. Making the move to gas can drastically reduce air pollution because it usually produces very little SO₂ and particles.

Furthermore, converting from oil to gas in the transportation sector lowers NO_x emissions by around 80%, while moving from coal-fired power to gas-fired power reduces NO_x emissions by about 50%.

3. Favourable Market Conditions:

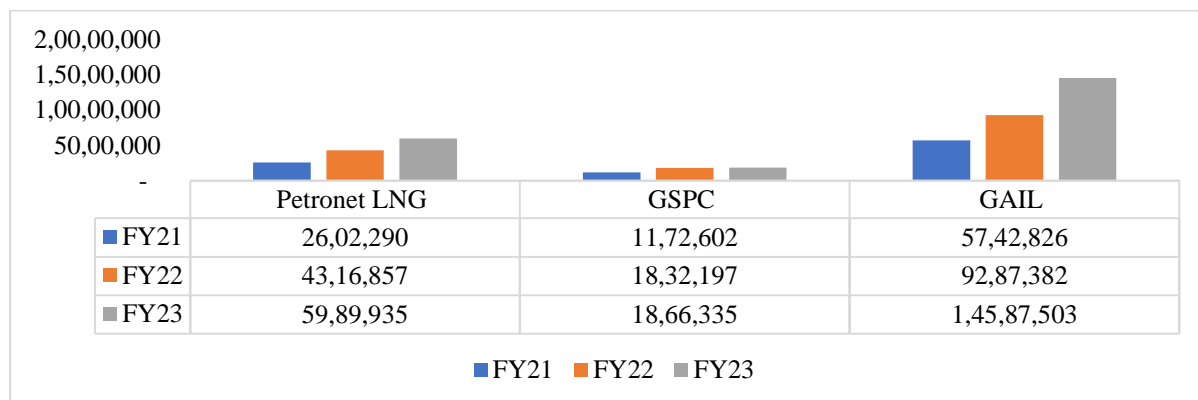
India's liquefied natural gas (LNG) imports are expected to increase significantly by 2024. Increased demand is anticipated to fuel this spike in several important industries, such as transportation, manufacturing, and electricity. Spot buying has already surged as a result of the recent price decrease, suggesting that the LNG market is trending positively.

As prices remain low, LNG terminals will see increased utilization, with predictions of longer operational periods and expanded regasification capacity in the near future.

Peer Comparison

1. Revenue

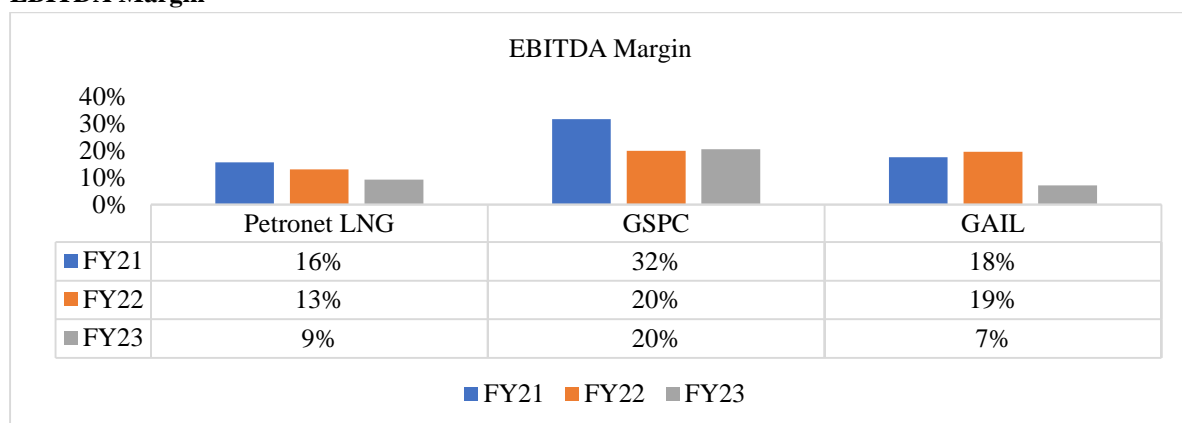
Revenue (In Lakhs)



Source: Company Reports

2. EBITDA Margin

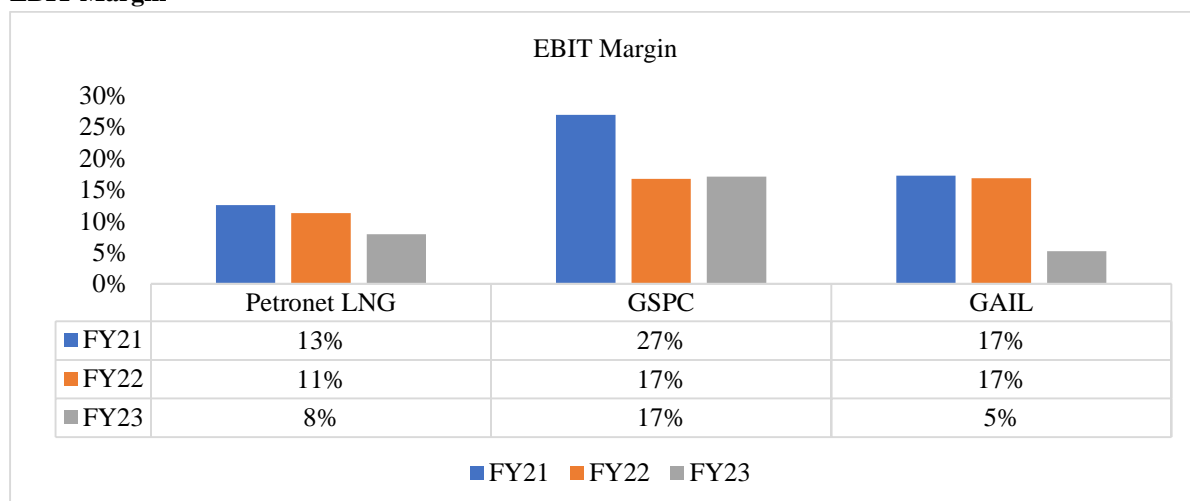
EBITDA Margin



Source: Company Reports

3. EBIT Margin

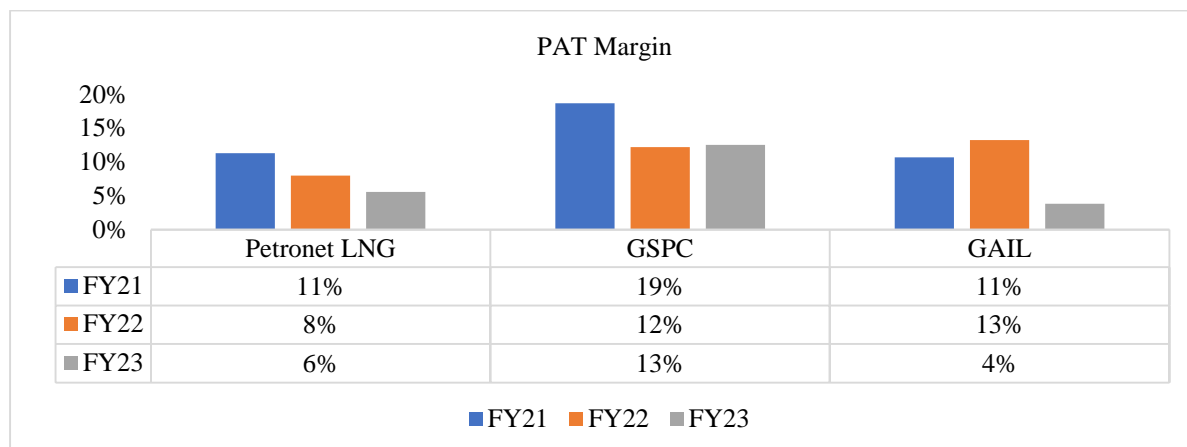
EBIT Margin



Source: Company Reports

4. PAT Margin

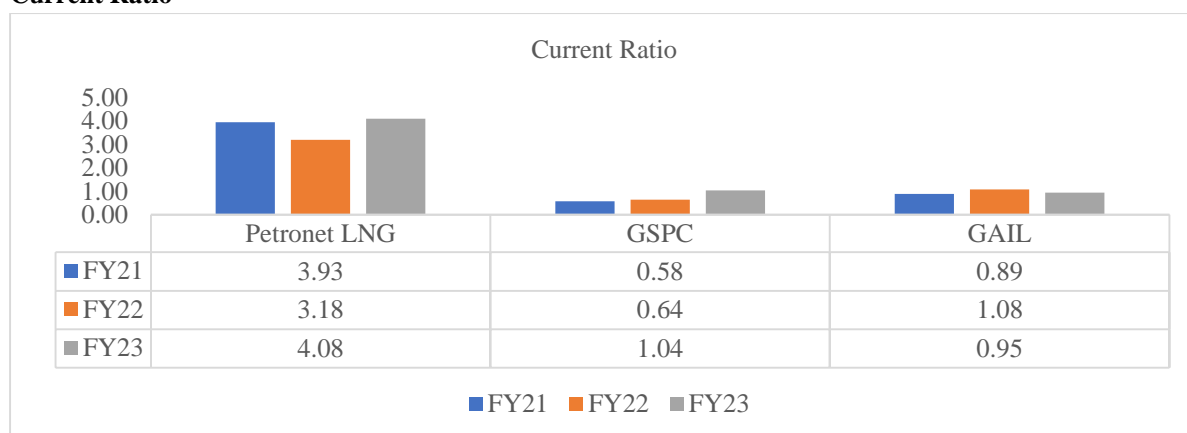
PAT Margin



Source: Company Reports

5. Current Ratio

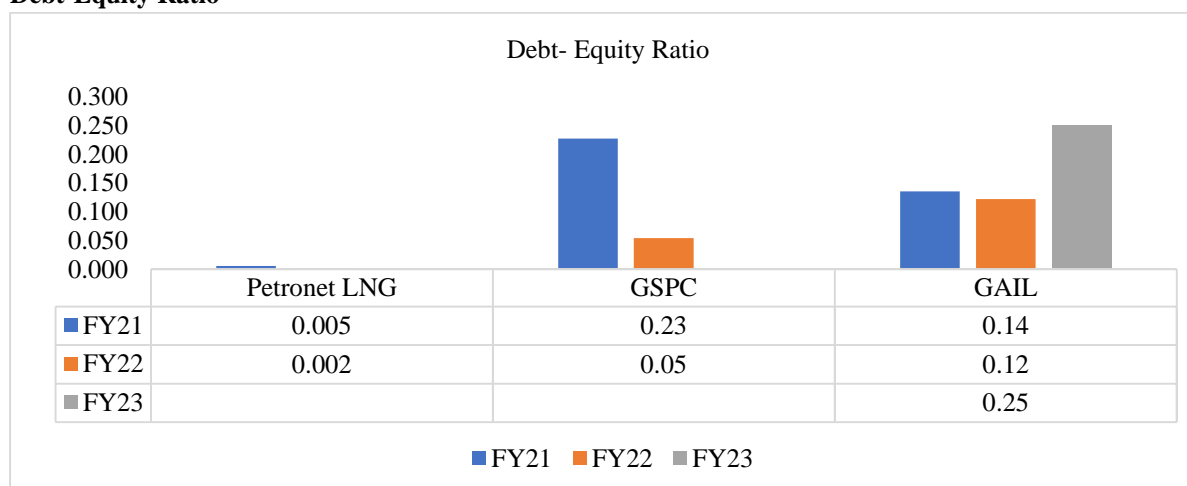
Current Ratio



Source: Company Reports

6. Debt-Equity Ratio

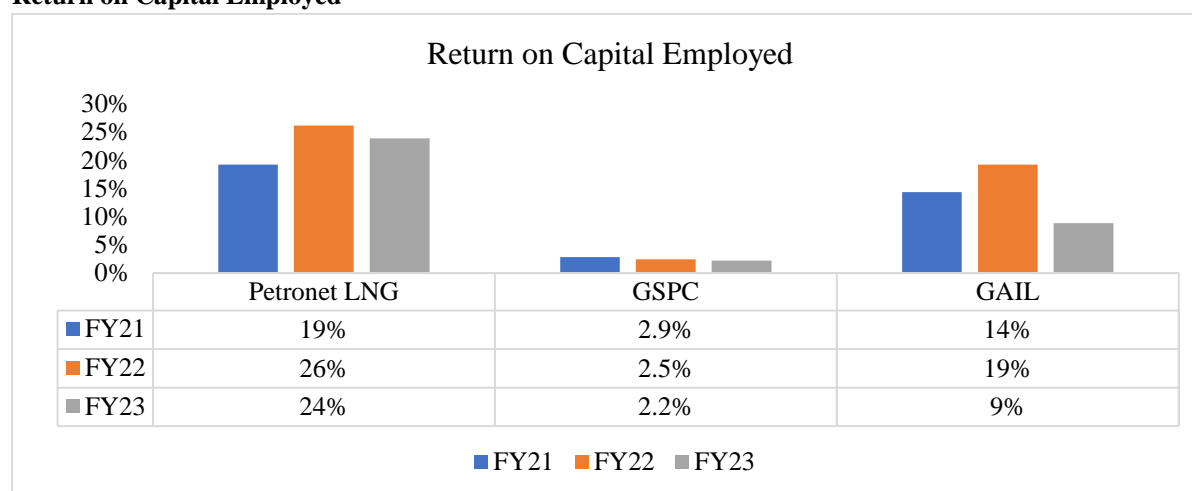
Debt-Equity Ratio



Source: Company Reports

7. Return on Capital Employed

Return on Capital Employed



Source: Company Reports

Textile

1.2 Overview of the Indian Textile Industry

The Indian textile industry stands out globally, mainly due to its unparalleled raw material base and high manufacturing strength. It is the third-largest exporter of textiles and apparel in the world. In FY23, it contributed a significant 9.2% share including handicrafts to the total of India's merchandised exports.

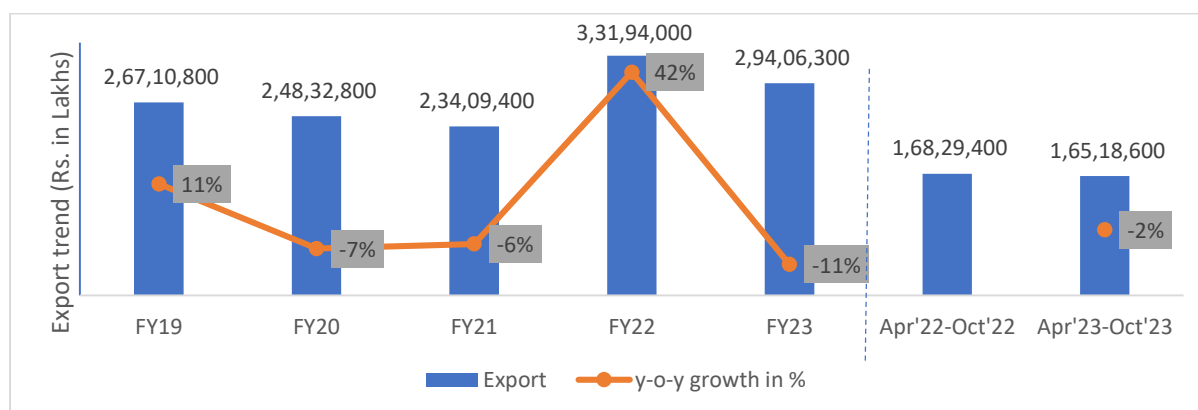
Moreover, India contributes 4.6% of the global trade of textile and apparel. The textile industry includes the traditional hand-woven and capital-intensive mill sectors. Both sectors provide huge employment opportunities for lakhs in rural, semi-urban, and urban areas. Further, India has the advantage of the entire value chain for textile production present within the country vis-à-vis other competing nations.

1.3 India's Trend in Export of Textile and Apparel

India has a massive raw materials and manufacturing base, which can sufficiently cater to domestic and export demand. During FY22, the export spiked to the highest ever export at Rs. 3,31,940 crores, registering a whopping 42% y-o-y growth. Mainly the implementation of the China+1 policy and the US ban on import from the Xinjiang region, a leading producer of cotton in China, boosted India's textile demand and supported the export growth.

However, this trend was reversed in FY23, with textile exports registering an 11% decline to Rs. 2,94,063 crores. This downturn can be attributed to an economic slowdown in major export destinations. In response to inflation and low consumer confidence, the retail sales of textiles and ready-made garments witnessed a slump. In addition, the period from April 2023 to October 2023 registered a decline of 2%. Nevertheless, this export demand is expected to revive amid the upcoming festive season.

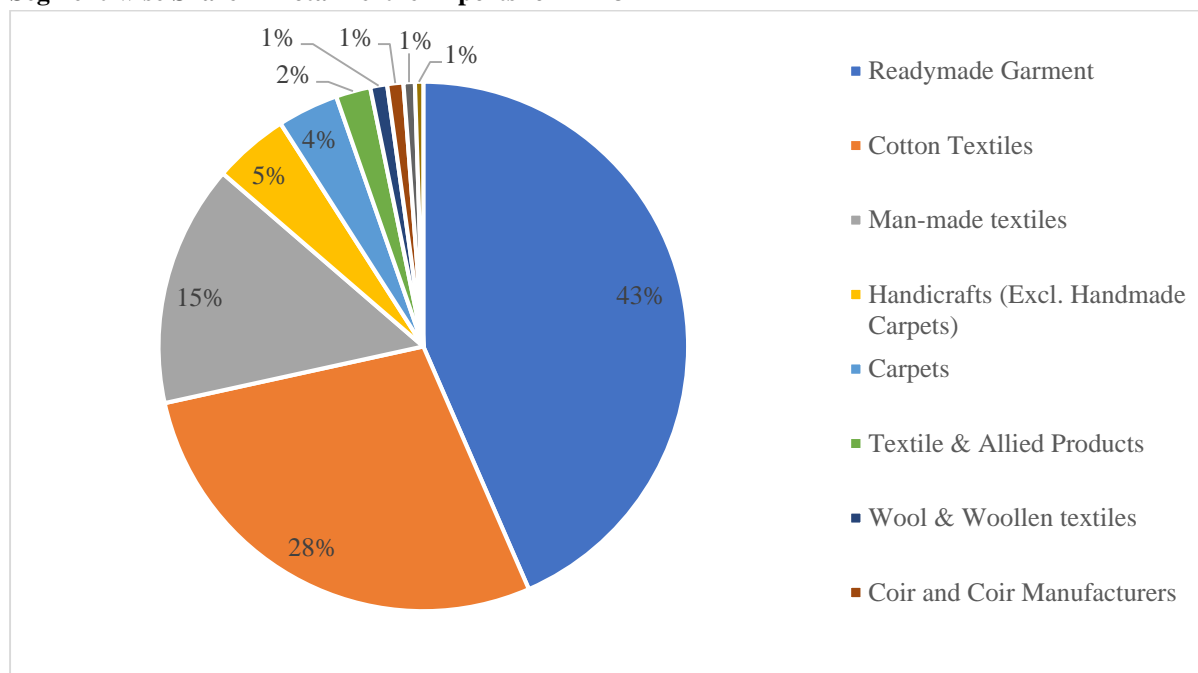
India's Trend in Export of Textile and Apparel



Source: Department of Commerce

In FY23, the readymade garments segment accounted for a major share of total textile exports at 43%, followed by cotton textiles at 28%, man-made textiles at 15%, handicrafts (excl. carpets) at 5%, and carpets at 4%.

Segment-wise Share in Total Textile Exports for FY23



Source: Department of Commerce

Textile Product-wise Export Trend (Rs. In Lakhs)

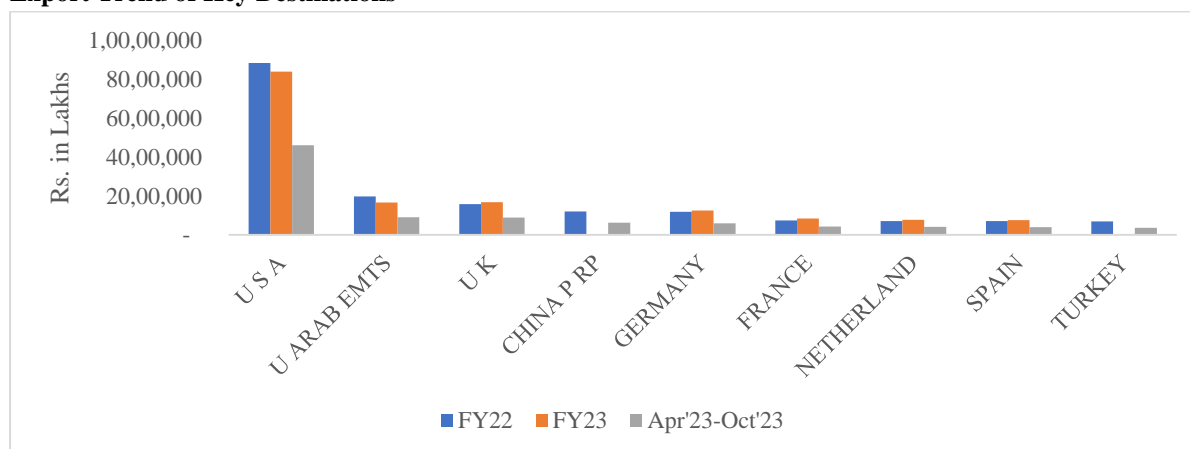
Textile Products	FY22	FY23	% Y-o-Y Growth	Apr'22-Oct'22	Apr'23-Oct'23	% Y-o-Y Growth
Readymade Garment	1,17,97,008	1,27,84,111	8%	70,87,389	63,07,874	-11%
Cotton Textiles	1,06,96,365	82,60,418	-23%	48,19,193	54,10,573	12%
Man-made textiles	46,91,765	43,43,222	-7%	25,37,703	24,41,923	-4%
Handicrafts (Excl. Handmade Carpets)	15,56,292	13,53,953	-13%	8,19,970	7,59,953	-7%
Carpets	13,33,927	10,96,137	-18%	6,45,311	6,56,455	2%
Textile & Allied Products	21,00,704	6,21,835	-70%	3,50,047	3,79,693	8%
Wool & Woollen textiles	2,28,071	3,03,746	33%	1,77,314	1,98,374	12%

Coir and Coir Manufacturers	4,24,034	2,89,451	-32%	1,81,560	1,61,849	-11%
Jute	2,38,224	2,04,013	-14%	1,23,048	97,940	-20%
Silk	1,27,571	1,49,451	17%	87,850	1,03,976	18%
Total	3,31,93,960	2,94,06,338	-11%	1,68,29,386	1,65,18,608	-2%

Source: Department of Commerce

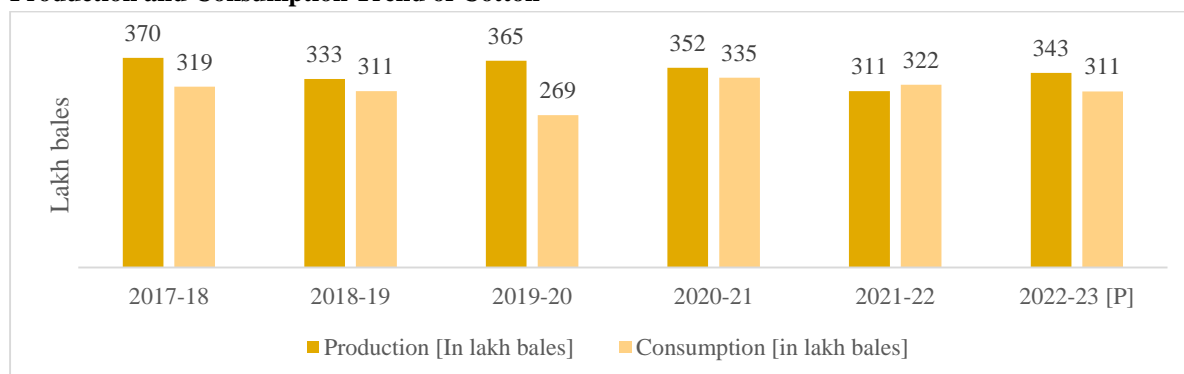
From April 2023-October 2023, countries like the USA, Bangladesh, the UAE, the UK, and China were the top 5 export destinations for textile products. Wherein, China surpassed Germany compared to the FY23 demand.

Export Trend of Key Destinations



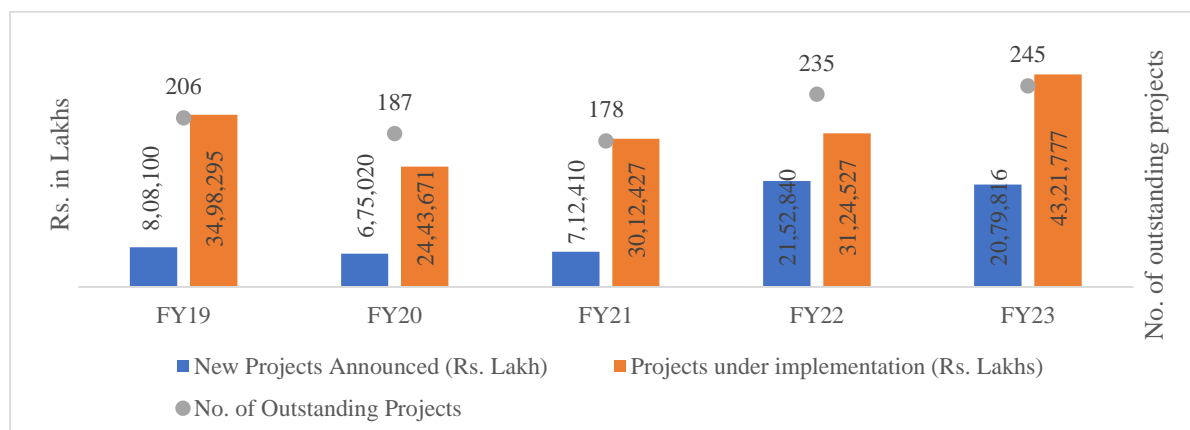
Source: Department of Commerce

Production and Consumption Trend of Cotton



Note: 1. Period is Cotton Year (Aug-Sep),
2. P-Provisional; Source: Ministry of Textiles

Investment Trend in Textile Segment



1.4 Key Growth Drivers

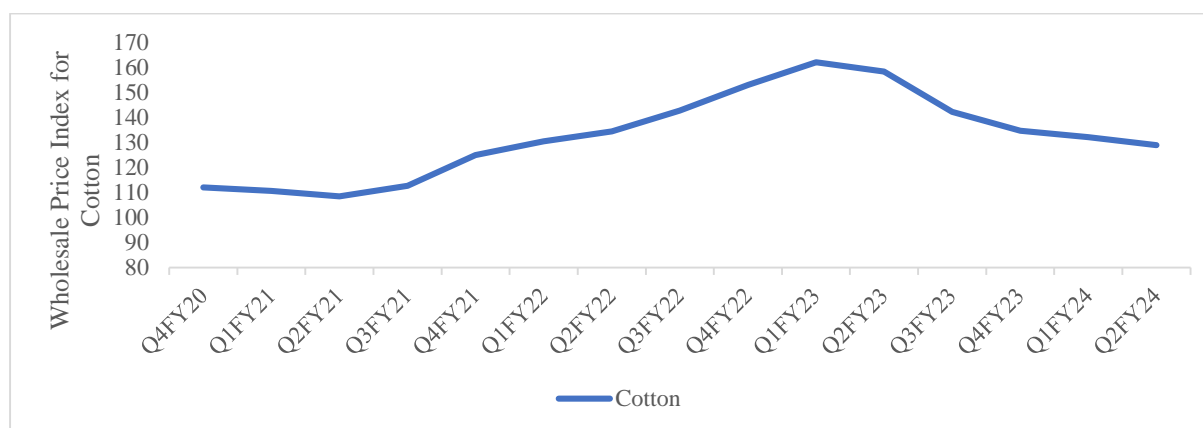
The Indian textile industry is a significant contributor to the country's economy and is driven by several factors. Which are:

- **Favourable Demography:** The rising middle class and changing lifestyles in India have led to an increase in domestic consumption of textiles and apparel. Whereas with more disposable income, there is a higher demand for quality clothing and textiles. Moreover, India has more than half of its population aged below 30 and more than 60% in the working age group where the demand for apparel and readymade garments is the highest.
- **Increasing Export Opportunities:** India has been a major player in the global textile and apparel market. The industry benefits from export opportunities, and the government's initiatives to promote exports further contribute to its growth. China is one of the largest exporters of textiles with about 42% share in global exports as of 2022. Higher export demand due to the diversification of sourcing by global players as part of their China plus one strategy is also expected to support further growth in this industry.
- **Supportive Government Initiatives and Policies:** Favourable trade policies and agreements play a role in boosting exports. The Indian government has implemented various initiatives and policies to support the textile sector, such as the "Make in India" campaign and the Technology Upgradation Fund Scheme (TUFS). These initiatives aim to enhance competitiveness, attract investments, and promote sustainable growth. Various skill development initiatives and training programs by the government in the textile sector also contribute to a skilled workforce, fostering innovation and increasing productivity.

Consistent Innovation and Technology Adoption: The adoption of advanced technologies and innovation in the textile industry enhances efficiency, reduces costs, and improves product quality. On the other hand, investments in research and development contribute to the industry's growth by enabling the production of high-value and high-quality textiles. The government as well has maintained its focus on the technical textile segment. The increased budget allocation will result in more focus on research, training, development, and innovation in the technical textile segment, coupled with promotion and development of the market for this segment. Additionally, increased investment towards the setting up of the Mega Integrated Textile Region and Apparel parks will result in better efficiencies and cost savings for players operating in such regions which will lead to improved competitiveness in the export market.

- **Growing Diversification of Product Range:** Textile manufacturers in India are diversifying their product range to meet the evolving demands of consumers. This includes a focus on technical textiles, functional textiles, and value-added products, apart from traditional segments like apparel and home textiles.
- **Rising Awareness about Sustainability:** There is a growing emphasis on sustainability and environmentally friendly practices in the textile industry. As consumers become more conscious of the environmental impact of their purchases, companies adopting sustainable practices can gain a competitive edge.
- **Improvement in Supply Chain:** Investments in infrastructure, including better transportation and logistics, contribute to the efficiency of the supply chain in the textile industry. This, in turn, positively impacts the industry's growth.

Price Trend of Cotton



Source: CMIE

Real Estate

Overview of the Real Estate Sector

Residential Real Estate

In India, the real estate industry is the second-largest employment generator after agriculture. Around three houses are built per 1,000 people annually against the required construction rate of five houses per 1,000 individuals annually, as per industry estimates. This indicates that there is significant untapped potential for growth in the sector.

Furthermore, India is among the top 10 price-appreciating housing markets worldwide. Therefore, it is expected that this sector will incur more non-resident Indian (NRI) investment, both in the short term and the long term. Whereas the growing flow of funds through the FDI route in Indian real estate is encouraging increased transparency. Moreover, developers, in order to attract funding, have revamped their accounting and management systems to meet due diligence standards.

Commercial Real Estate

The Indian real estate industry witnessed a slowdown in the years before the pandemic due to the general slowdown in the economy. However, this had little impact on the demand for office space. The demand for office space grew by leaps and bounds for the better part of the past decade with the unavailability of good quality supply being the only impediment to higher growth. We estimate the demand for office space, particularly in metros, to have outstripped supply before 2020.

Further, the growth in the office segment was aided by investors who showed great interest in the commercial space. Alongside, NRIs started investing in this segment due to lucrative returns. A comparison of investments in commercial with residential shows that returns from commercial are higher than the residential space. An increasing number of private equity funds showed interest in the commercial office space in 2018, followed by the same in 2019.

Furthermore, in India, commercial property gives an average rental yield of 8%-11%, while the rental yield from residential property is 1.5%-3%. This segment, which includes industrial, retail, and warehousing, is projected to do well on account of a rapid growth of the warehousing segment and a gradual pick up in the office segment.

India's Residential Real Estate Investment Trends

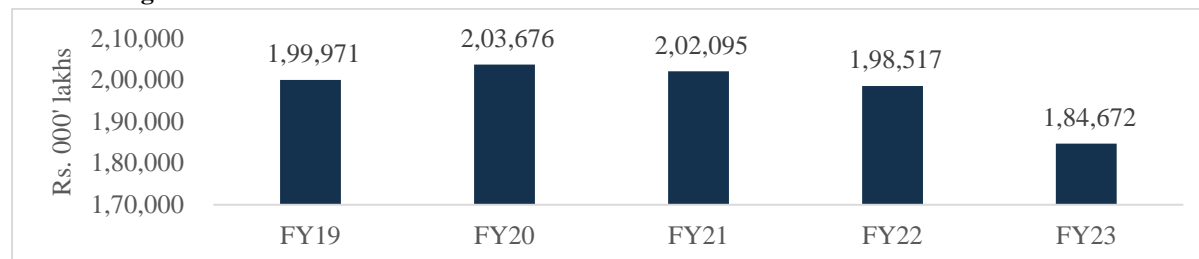
1.4.2 Investments in Residential Real Estate

The residential real estate segment was performing exceptionally well during the first half of the previous decade on account of growth in the economy and the services sector which resulted in migration to metros and propelled the demand for housing units in these areas. However, problems related to elevated property prices, delayed launches by developers and stalled projects triggered some cold feet towards the sector. From the point of view of financing too, the IL&FS crisis created problems in the NBFC sector, which is a pivotal source of funding for real estate. To add to

this, the coronavirus outbreak in early 2020 and the concomitant lockdowns across the country caused acute stress to the residential real estate segment during H1CY20.

1.4.3 Trend in Outstanding Investments

Outstanding Investments in Residential Real Estate

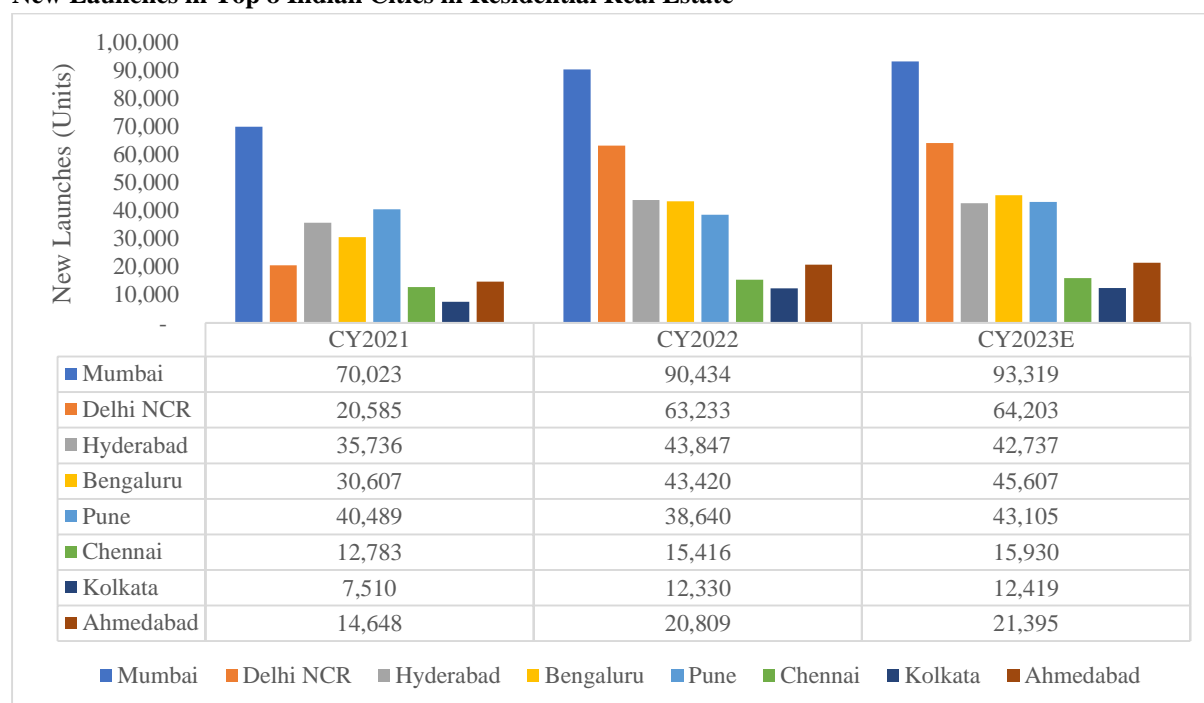


Source: CMIE & Careedge Research

The chart above shows that outstanding investments across India has decreased for five consecutive years ending FY23. In the following year, the total outstanding investments dipped slightly in FY23.

1.4.4 Trend in New Launches in Top 8 Cities in Residential Real Estate

New Launches in Top 8 Indian Cities in Residential Real Estate

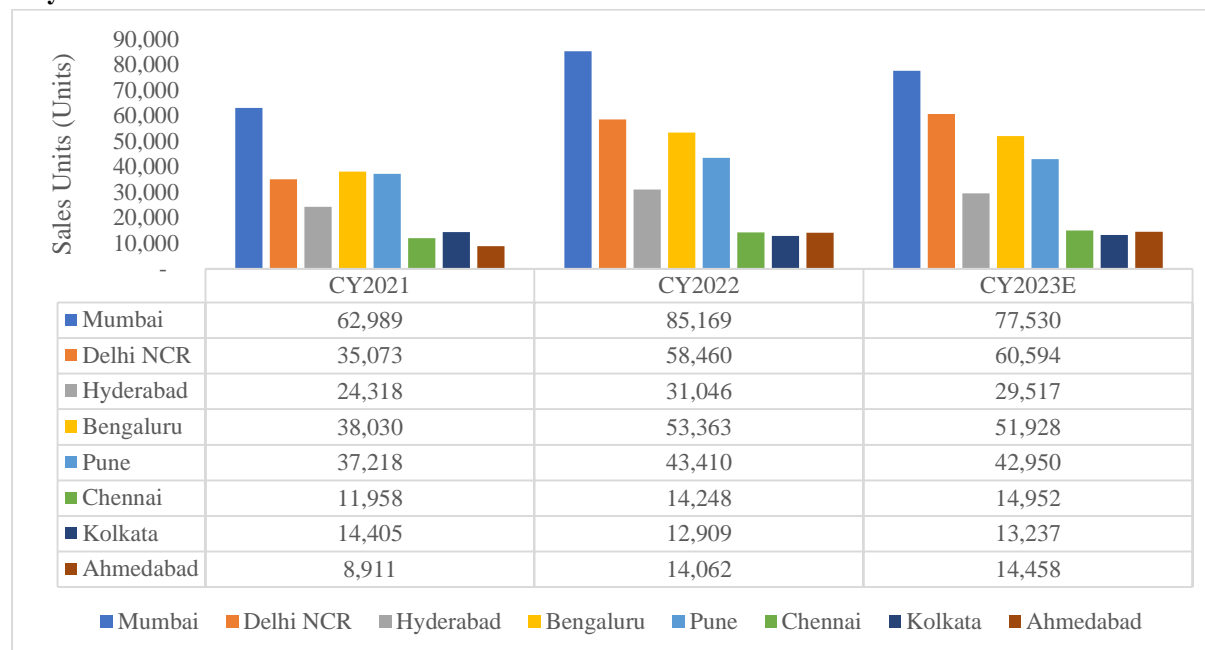


Source: Maia Research Analysis
2023 Data is Estimated

Furthermore, region-wise data on new launches shows that all major cities witnessed expansion in new launches during CY22. This is attributed to the resumed construction activities after the pandemic at an elevated pace and the completion of many stalled projects. In this regard, the pace of new launches in NCR was strongest in CY22 with a 200% increase in new launches in CY22 over CY21 followed by Kolkata. In CY23, the highest growth is expected to come from Pune with 43,105 new launches whereas the lowest growth is expected to come from Hyderabad with 42,737 new launches.

1.4.5 Trend in Sales in Top 8 Cities in Residential Real Estate

City-Wise Unit Sales in Residential Real Estate



Source: MAIA Research Analysis
2023 Data is Estimated

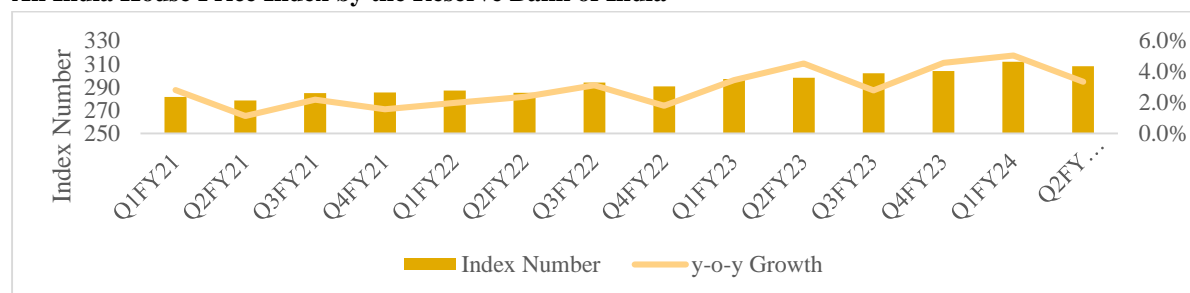
The data in the chart above shows the sales in the top 8 cities in India. Housing sales have registered a healthy growth in CY22. Moreover, the maximum sales in CY22 was recorded by Mumbai with 85,169 units and is estimated to record sales of approximately 77,500 in CY23. Delhi NCR recorded the highest growth in sales of 66.68% as compared to CY21.

Moreover, the unsold inventory count is estimated to grow by 7% to around 4,80,0000 in CY23 for the combined top 8 cities. Mumbai likely to remain the market with the maximum quantum as well as value of unsold inventory followed by NCR and Bengaluru, however, in long term sales are likely to witness northward journey on account of robust demand driven by increasing population, urbanisation and per capita income resulting in normalisation of inventory.

1.4.6 Property Prices in Residential Real Estate

RBI's Housing Price Index

All India House Price Index by the Reserve Bank of India



Source: RBI

Property Prices in Major Indian Cities in Residential Real Estate

The outbreak of the pandemic impaired the demand and supply scenario of the industry which put downward pressure on prices, the prices have recovered from thereon across cities.

The resumption in economic activity and increased mobility contributed to housing prices inching up once again. A majority of the cities clocked a rise in property prices in FY22. Further, the prices have increased in FY23 as well except for Kolkata and Bangalore.

It is expected that the rise in prices might inch up, as the market returns to normalcy due to greater demand amid limited land availability.

City-Wise Growth in Property Prices in Residential Real Estate Y-o-Y

	Mumbai	Delhi	Bangalore	Ahmedabad	Lucknow	Kolkata	Chennai
Q1FY20	-1.4%	0.4%	8.7%	4.0%	2.8%	4.7%	14.3%
Q2FY20	0.4%	-2.6%	11.3%	1.6%	0.5%	7.5%	7.8%
Q3FY20	-3.5%	-5.0%	16.7%	8.0%	1.5%	1.7%	13.8%
Q4FY20	1.1%	-0.9%	6.9%	5.2%	6.8%	2.6%	10.3%
Q1FY21	0.9%	-6.7%	16.1%	5.4%	6.9%	1.7%	7.2%
Q2FY21	-0.8%	-5.5%	8.8%	9.0%	6.9%	-2.5%	2.2%
Q3FY21	1.8%	0.0%	12.4%	-3.3%	1.6%	5.1%	-0.7%
Q4FY21	0.8%	-0.8%	15.7%	2.9%	0.7%	1.6%	-0.8%
Q1FY22	1.1%	-1.5%	8.1%	8.8%	-0.3%	4.8%	-5.1%
Q2FY22	6.4%	-5.0%	5.2%	5.6%	-0.5%	4.0%	2.2%
Q3FY22	9.5%	-0.5%	-1.0%	10.9%	-0.2%	3.0%	-4.1%
Q4FY22	5.6%	0.9%	-11.3%	4.1%	-0.4%	19.2%	-0.8%
Q1FY23	7.1%	-1.0%	-4.0%	4.9%	0.8%	16.0%	7.3%
Q2FY23	3.0%	8.3%	3.6%	4.2%	4.0%	8.4%	1.7%
Q3FY23	2.4%	2.8%	4.8%	5.3%	0.9%	2.7%	2.9%
Q4FY23	4.3%	6.7%	-1.3%	2.5%	4.5%	-8.2%	1.3%
Q1FY24	7.5%	14.8%	5.0%	-2.1%	4.5%	-6.6%	2.0%
Q2FY24	2.4%	4.6%	0.9%	3.0%	3.5%	6.1%	6.5%

Source: RBI

NHB RESIDEX

NHB RESIDEX, India's first official housing price index, was an initiative of the National Housing Bank (NHB). The NHB RESIDEX is designed to track changes in housing prices at neighbourhood, city, and national levels. Price changes will be measured over time and across cities and various locations within cities. NHB RESIDEX helps recognize current trends in micro as well as macro markets and predict the future behaviour of the housing market.

Further, the HPI represents the price changes in residential housing properties. At present, the geographical coverage consists of 50 cities in India including 18 state/UT capitals and 37 smart cities, which will progressively expand to over 100 cities including all state/UT capitals and smart cities. Measuring overall change in housing prices in India is complex and challenging because of various data sources with dissimilar data sets. The information on housing prices varies according to the stage of the transaction in which data is collected. As a result, three different prices including registered price, assessment price, and market price may apply.

NHB RESIDEX for Under-Construction Properties in Residential Real Estate

Period	Delhi	Mumbai	Kolkata	Ahmedabad	Chennai	Bengaluru	Hyderabad	Pune
Q1FY20	97	104	112	103	102	102	116	102
Q2FY20	95	104	112	103	101	103	119	101
Q3FY20	95	102	111	103	101	104	122	99
Q4FY20	95	101	110	102	101	104	126	97
Q1FY21	95	100	109	102	101	105	129	96
Q2FY21	95	99	108	102	101	105	131	94
Q3FY21	95	98	108	103	101	106	134	93
Q4FY21	96	98	108	104	102	107	137	93
Q1FY22	97	97	109	106	102	108	140	93
Q2FY22	99	97	110	107	102	109	142	94

Q3FY22	101	97	113	108	100	110	145	95
Q4FY22	103	98	121	110	99	112	147	96
Q1FY23	105	99	126	111	98	114	148	98
Q2FY23	111	101	132	114	99	118	150	102
Q3FY23	116	102	137	117	102	122	152	106
Q4FY23	121	103	141	120	104	128	155	109
Q1FY24	125	104	144	122	106	133	158	112
Q2FY24	126	106	147	122	106	143	162	115

Source: National Housing Bank (NHB)

A city-wise break-up of the NHB RESIDEX for under-construction properties shows that housing prices for under-construction properties were witnessing a contraction in five of India's seven major housing markets before the pandemic. Bengaluru and Hyderabad were the only two cities that were registering a growth in prices of under-construction properties in the year before the pandemic.

However, the index for all the major cities has improved in all the quarters of FY23. The improvement has been more prominent in the Tier II and Tier III cities and the momentum is expected to continue backed by positive home buyer sentiment, which is also reflected in FY23. Sales volume has been stable in H1FY24. Throughout the period, the prices have either increased or remained stable when viewed sequentially. The sector is still consolidating, with residential developments gradually passing to more resilient developers who have withstood the financial storm brought on by the pandemic.

Regulatory Framework & Government Policies

1.4.7 Regulatory Framework in Residential Real Estate

1. Real Estate and Regulation Act (RERA)

- The real estate sector has benefitted from RERA, which was implemented on May 01, 2017, despite it being subdued for a few months as developers put their operations on hold, to understand and comply with all the regulations.
- In the long run, RERA makes the real estate sector more transparent and process-driven. RERA has a direct implication for the ceramic sector as well.
- In a medium time, frame, RERA is expected to bode well for the organized real estate sector as well as the ICTI.
- It was brought into force with effect from August 1971 with a view of regulating the import, manufacture, sale, transport, distribution and use of insecticides in order to prevent risk to human beings and animals.

2. Foreign Direct Investment (FDI)

- In January 2018, the Government allowed 100% FDI in single-brand retail trading and construction development without Government approvals.
- The FDI caps were revisited for several industries and this promoted foreign agencies to bring in their technology, expertise and money into India.
- New companies setting shop in India meant more office spaces, larger built-to-suit technology centres and Special Economic Zones.
- Due to job creation, residential segment demand will increase.

3. Make in India

- This initiative was boosted by the Government of India in the year 2014.
- The main motive behind the campaign was to foster manufacturing within the country by focusing on bringing worldwide investment for this sector.
- The campaign has further heralded the development of townships, roads, bridges, hospitals and other infrastructure.
- It has boosted a lot of investment growth in India.

- The Ease of Doing Business (EoDB) Rank of India has improved from 184 in 2014 to 27 in 2019. This improvement has been mainly on account of the decrease in the number of procedures and time taken for obtaining construction permits in India.
- This will ultimately boost people to purchase residences near their office/business centres.

4. Smart Cities

- The building and push towards SMART Cities also heralded the opportunity for infrastructure development which includes roads, railways, and commercial centres.
- With the government easing the transaction and compensation process around land acquisition also helped developers overcome challenges and hurdles in development projects.
- Housing and inclusiveness - expand housing opportunities for all.

Under the scheme, a total of 2,082 projects costing Rs. 70,600 crores are under construction and 5,937 projects costing Rs. 108,604 crores have been completed as of July 2023, out of the total target of 8,019 projects in 100 cities.

5. Land Acquisition Bill

- In December 2014, the Government passed an ordinance amending the Land Acquisition Bill.
- This ordinance is intended to speed up the process for industrial corridors, social infra, rural infra, housing for the poor and defence capabilities.

6. Benami Transactions Amendment Act, 2016

- Before 1988, benami transactions were not illegal and there was no law against those who commit fraud by entering into such transactions. However, recovering the property by the real owner from the benamidar was not allowed.
- The initial act was called the Benami Transaction (Prohibition) Act of 1988. It was amended in 2016 and was renamed as Benami Transaction (Prohibition) Amendment Act, 2016.
- Aimed toward regulating the unaccounted money in the economy, the said Act is expected to bring lucidity to the ownership of property and result in bolstering investor confidence.

7. Real Estate Investment Trust (REIT)

- Approved by the Securities and Exchange Board of India (SEBI), REIT is a platform to pool money from investors all across the country.
- The introduction of REITs is aimed towards allowing investors to make safe investments in the real estate of India, and the amount so collected will subsequently be utilized towards the development of commercial properties in order to generate income.
- This is an initial step and in upcoming future, REITs may also come to fund residential segments
- Dividend payments to REITs and INVITs are proposed to be exempted from TDS.
- Debt Financing of REITs by Foreign Portfolio Investors will be enabled by making suitable amendments to the relevant legislation.

8. Change in Arbitration Norms for Construction Companies

- A series of initiatives on arbitration norms were approved by the Cabinet Committee on Economic Affairs to provide a sigh of relief to the entities struggling with liquidation issues.
- The said initiative was meant to resolve the arbitration cases sooner keeping in mind the stalled construction of projects.

9. Goods & Services Tax (GST)

- A revolutionary tax reform rolled out in July 2017, GST has indeed helped to simplify the home buying process with its "One Nation, One Market, One Tax" principle.
- The introduction of GST has further helped to streamline the real estate sector by removing the possible ambiguities due to the multiple taxation system, prevalent erstwhile.

10. Insolvency & Bankruptcy Code (IBC), 2016

- The fundamental features of the Code are that it allows creditors to assess the viability of a debtor as a business decision, and agree upon a plan for its revival or a speedy liquidation.
- The Code creates a new institutional framework, consisting of a regulator, insolvency professionals, information utilities and adjudicatory mechanisms, that will facilitate a formal and time-bound insolvency resolution process and liquidation.

11. Pradhan Mantri Awas Yojana-Urban (PMAY-U)

- The Pradhan Mantri Awas Yojana (PMAY) was introduced as part of the 'Housing for All' initiative with the objective to facilitate the provision of affordable housing at a reduced cost by the deadline of December 2024. In the Union Budget 2023-24, the government allocated Rs 79,590 crores toward this scheme, an increase of 3% y-o-y.
- Under the PMAY-Urban scheme, pucca houses are provided to individuals falling within the Economically Weaker Sections/Low Income Group (EWS/LIG) and Middle-Income Group (MIG) categories, including slum dwellers. As on 10th July 2023, approximately 75.31 lakh houses have been completed, around 112.22 lakh houses have commenced construction, and approximately 118.9 lakh houses have received official sanction.
- The PMAY-Gramin scheme aims to offer pucca houses to rural individuals lacking shelter or residing in kutcha (temporary) and dilapidated housing structures. As of 10th July 2023, a total of 260.27 lakh houses have been completed, indicating a 78% achievement rate in relation to the Ministry of Rural Development's (MoRD) target of 293.50 lakh houses.

12. Affordable Rental Housing Complexes (ARHCs)

- The COVID-19 pandemic has resulted in reverse migration of urban migrants/ poor in the country. Urban migrants stay in slums/ informal settlements/ unauthorized colonies/ peri-urban areas to save cost on housing. They need decent rental housing at affordable rates at their work sites.
- In order to address this need, the Ministry of Housing & Urban Affairs has initiated Affordable Rental Housing Complexes (ARHCs), a sub-scheme under Pradhan Mantri AWAS Yojana- Urban (PMAY-U). This will provide ease of living to urban migrants/ poor in the industrial sector as well as the non-formal urban economy to get access to dignified affordable rental housing close to their workplace.
- These complexes will ensure a dignified living environment for urban migrants/poor close to their workplaces at affordable rates.
- This will unlock existing vacant housing stock and make them available in urban spaces. It will propel new investment opportunities and promote entrepreneurship in the rental housing sector by encouraging Private/Public Entities to efficiently utilize their vacant land available for developing ARHCs.

13. Pradhan Mantri Gramin Awas Yojana (PMGAY)

- Previously known as Indira Awas Yojna, this scheme focuses on providing pucca houses with basic amenities to homeless families.
- PMGAY aimed to aid in the construction of 1 crore houses in rural areas over the period of 3 years from 2016-17 to 2018-19.
- The minimum unit (house) size is 25 sq.m including a dedicated area for hygienic cooking.
- Assistance of Rs. 1.2 lakh in plain areas and Rs. 1.3 lakh in hilly states, difficult areas and IAP districts is to be given as per the scheme.

14. State Government Housing Scheme

- The state government housing schemes include those such as the Delhi Development Authority Housing Scheme, 2018, Tamil Nadu Housing Scheme Board (TNHB), Maharashtra Housing and Area Development Authority (MHADA), 2018, and NTR Urban Housing Scheme.
- These state government schemes are generally divided into Lower Income Group (LIG), Middle-Income Group (MIG), High Income Group (HIG), and Economically Weaker Sections (EWS).
- These apartments are made and are given to individuals based on their annual household income at a cost less than that quoted by private builders.
- These schemes are linked to the government's central linked schemes or specific state schemes.

15. Policies to Boost Affordable Housing Segment

- Interest deduction benefit on affordable housing
 - The government in its attempt to boost affordable housing demand, proposed to extend an additional tax benefit of Rs 1.5 lakh on interest paid on affordable housing loans by one year till March 2021. The additional deduction is over and above Rs 2 lakh which was introduced in the previous year's budget.
- Tax holiday for Affordable housing developers
 - In order to encourage developers to focus on affordable housing projects, the Government extended the date of approval for these projects for availing tax holiday on profit earned by developers by one year till March 2021. The tax holiday which was being provided under section 80-IBA for approved projects during the period from June 1, 2016 to March 31, 2020, has been extended by a year.
- Rationalization of capital gains tax on the difference between circle rate and transaction rate
 - Earlier for real estate transactions, if the consideration value was less than the circle rate by more than 5%, the difference was considered as income accruing to both the buyer and seller and hence taxable to both. In order to facilitate real estate transactions and provide relief to the sector, the government increased the limit from 5% to 10%.
- New income tax regime for taxpayers
 - The Government introduced an alternative tax regime and in case an individual moves to the new tax regime, the tax exemption including deduction repayment of principal (for Rs 1.50 lakh) and deduction on interest payable on housing loan has to be forgone, which is potentially negative for the sector.

1.4.8 Government Policies in Commercial Real Estate

- Extension in the deadline for the Emergency Credit Line Guarantee Scheme-- ECLGS 2.0 until March 31, 2021. Under ECLGS 1.0, collateral-free government-guaranteed additional credit was initially given to MSMEs units but it was extended towards the 26 stressed sectors (including real estate) identified by the Kamath Committee plus health care sector (with credit outstanding of above Rs.5,000 lakhs and up to Rs.50,000 lakhs). Under the scheme, mid-sized real estate companies with loans outstanding of Rs 5,000-50,000 lakhs were to get a 100% collateral-free additional loan up to 20% of the loan outstanding as of 29 February 2020. There was no upper limit on the annual turnover of these companies. The scheme intended to provide much-needed relief by helping entities sustain employment, meet liabilities and offer liquidity support.
- FDI in real estate – The government's move to liberalise FDI norms in the construction industry provided a leg-up to the investments in the real estate industry. According to industry sources, real estate investment reached USD 1.35 billion during the September 2021 quarter, which indicated a nine-fold increase. FY23 saw investments worth USD 170.3 billion in overall infrastructure construction activities and USD 14.6 billion in the construction development sector including townships, housing, built-up infrastructure and construction development projects.
- National Logistics Portal - The government is launching a National Logistics Portal, an integrated IT Platform that will act as a logistics marketplace to help exporters, importers and service providers exchange documents seamlessly and transact business. The portal will be a single-window platform having linkages with the IT systems of railways, road transport & highways, aviation, CBEC and state transport departments.
- A new logistics division has been set up in the Department of Commerce to coordinate the integrated development of the sector by way of policy changes. This is with an aim of improving existing procedures identification of bottlenecks and gaps and introducing technology-based interventions.
- Expenditure on investment in logistics including infrastructure is aimed at USD 500 billion a year by 2025.
- Multi-Modal Logistics Parks Policy (MMPLs) are a key policy initiative of the government of India to improve the country's logistics sector. This initiative will lower freight costs, reduce vehicular pollution and congestion and cut warehouse costs to promote domestic and global trade.

- Real Estate Investment Trust (REIT) - Approved by the Securities and Exchange Board of India (SEBI), REIT is a platform to pool money from investors all across the country. The introduction of REITs is aimed towards allowing investors to make safe investments in the real estate of India, and the amount so collected will subsequently be utilised towards the development of commercial properties in order to generate income.

Growth Drivers

1.4.9 Key Demand Drivers in Residential Real Estate

1. Increased Economic Growth and Urbanization to Boost Demand

- The Indian economy has experienced steady growth in the past decade and is expected to be one of the fastest-growing economies in the post-pandemic era.
- Also, India's urban population is expected to reach over 5,000 lakhs by 2025 from an estimated 4,610 lakhs in 2018.
- Whereas the rising income and employment opportunities have led to migration to urban areas, thereby creating a greater need for real estate in major Indian cities.

2. Government Policies Enabling Demand through Greater Transparency

- The real estate segment has received a massive boost from government initiatives such as the Affordable Housing Scheme, Goods and Services Tax (GST), and the Real Estate Regulation and Development Act, 2016 (RERA).
- While the initial months following the implementation of these initiatives created some disruption, the policies increased the transparency and competence of the sector. As a result, the confidence of domestic and foreign investors in the real estate industry witnessed a boost leading to higher FDI in the sector.

3. Rising Number of Nuclear Families

- India has the most population in the world which is about 1.4 billion. The population largely consists of young and middle-aged and hence this shows that India has a huge potential consumer market and a huge housing demand gap.
- According to the World Bank, India's urban population will account for 36% of the total population in 2022 and 40.76% of the total population by 2030. With the deepening of the process of urbanization in India, the continuous increase of urban population and the continuous development of economy will continue to promote the development of this industry. The nuclear family concept is well-linked with the rapid urbanization of the country.

4. Improving Financing for housing

Increasing availability of finance is also fueling the growth of real estate sector. Earlier real estate developers majorly used to rely on buyers' funds for project completion but now with availability of finance it is becoming easy to complete the projects. Besides, easy and increasing financing is also helping buyer to fulfil their dream of owning the home.

5. Relocations

- We expect such families, mostly from metros and Tier-1 cities, to be motivated to relocate and make new purchases due to the want of more open space, modern amenities, proximity to their workplace, and desire to relocate closer to extended families and friends.

6. Shift in Buying Behaviour

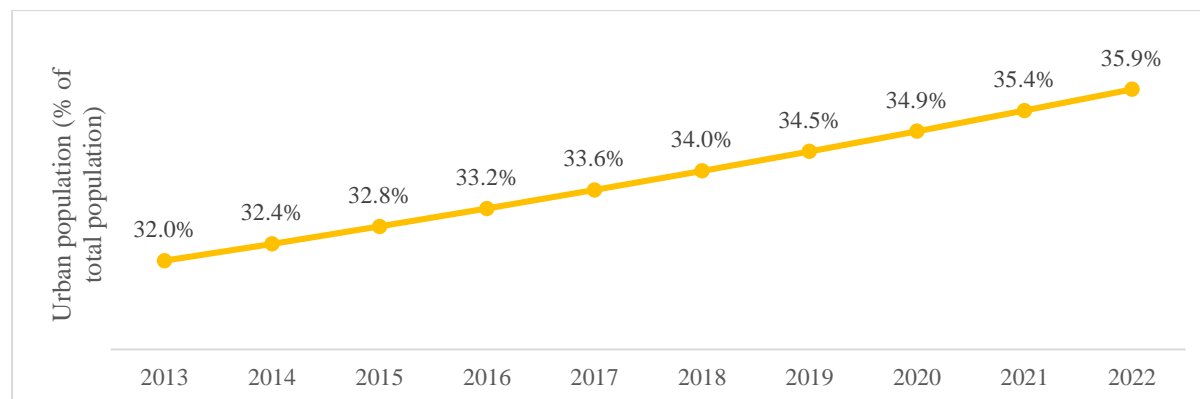
- Consumers are seriously evaluating their lifestyle and may want to move to larger homes, broadly considering their family size and their work-from-home & study-from-home schedules.
- Accordingly, the demand for projects with good architecture, uncluttered space, and recreational activities for children and the elderly is projected to increase.

7. Shift of rural areas to urban areas

The urban population is significantly growing in India. The urban population in India is estimated to have increased from 4030 lakh (31.6% of total population) in 2012 to 5080 lakh (35.9% of total population) in the year 2022. People

living in Tier-2 and Tier-3 cities have greater purchasing power. This trend is expected to continue in future. As more and more people will move towards urban cities the growth in demand for homes and residential real estate will continue to rise.

Urbanization Trend in India



Source: World Bank Database

1.4.10 Demand Drivers in Commercial Real Estate

1. Increasing Population to Result in More Workforce

China's (among the most populated countries in the world) population grew at a rate of 12% from 125 crores in 1999 to 140 crores in 2019 whereas India's population increased by 32% from 104 crores to 137 crores during the same period. India accounts for the largest populated country in the world and its rising population will result in more individuals joining the workforce. A higher number of employees will create more demand for office space and will therefore be a key demand driver in the future.

2. Flourishing E-Commerce: A Key Contributor to Warehousing Growth

The e-commerce industry is likely to be the demand driver for the warehousing industry. Unlike most sectors, the e-commerce industry benefited from the coronavirus pandemic. While the nationwide lockdown during June 2020 quarter halted operations of online marketplaces selling non-essential products, the pandemic accelerated the shift to the online medium for shopping. Even consumers who were averse to using e-commerce websites to shop were forced to do so as retail stores remained shut and malls were not allowed to operate.

Further, the reliance on online marketplaces selling groceries and medicines increased and in times of distress, discounts and offers offered by these companies made them more attractive to consumers. The shift in buying habits of consumers is unlikely to change after the departure of the pandemic and this will create the demand for more storage facilities for online marketplaces.

3. Favorable Demographics: An Important Avenue for the Hospitality Sector

The estimated median age in India is 28.7 years as of 2020. This is the lowest when compared to the estimated median age in other leading economies in the world. It is 38.5 and 38.4 years in the USA and China, respectively. The increasing size of the young population in the country has led to a fall in the dependency ratio (ratio of dependent people to working-age people, aged 15-64) and the ratio came down from 64% in FY2000 to 50% in FY19. This could lead to higher allocation for discretionary expenditure and promote growth in expenses on leisure and entertainment.

Also, the share of people in the age group of 15-64, which is a high-consuming class, is estimated to be nearly 50%. These factors are expected to enable the growth in hospitality and food services which will support the growth of

warehousing. Further, the age group below 25 is one of the highest spending age groups. So, the current age dynamics are expected to boost the sales of the hospitality industry.

Polyvinyl Chloride (PVC)

PVC Market Demand Overview

Vinyl chloride is used to make the synthetic resin known as polyvinyl chloride, or PVC. The third-most common synthetic plastic polymer made worldwide, PVC is a high-strength thermoplastic substance. Numerous products, such as raincoats, shower curtains, window frames, pipes for indoor plumbing, medical equipment, wire & cable insulation, bottles, credit cards, and flooring, are made of PVC.

There are two main types of PVC, flexible and rigid. Pipe, doors, and windows are constructed with rigid PVC. Flexible PVCs are used in flooring, garden hoses, pool liners, rainwear, boots and medical tubing. Compared to other plastics, PVC has poor heat stability, particularly at high temperatures. During the production process, producers blend PVC with additives to give great stability when exposed to high temperatures.

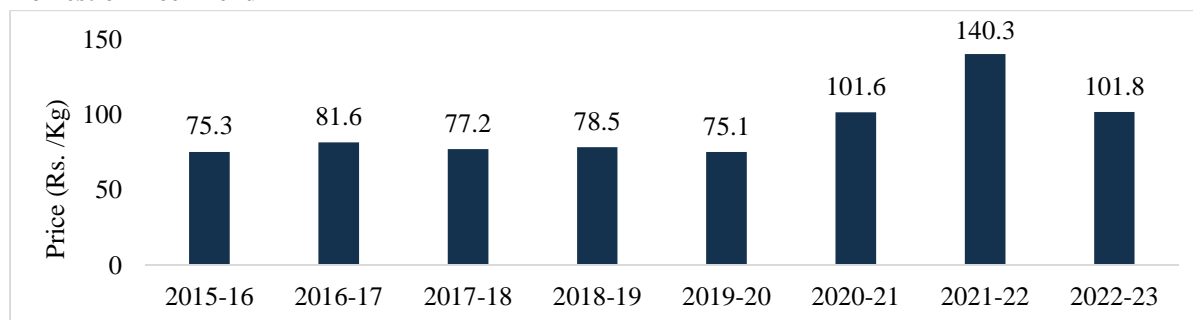
Further, the building industry uses pure PVC for pipes, conduits, siding, window frames, and door frames because of its strength, stiffness, and resistance to flames. Additionally, it is blow-molded into transparent, clear bottles. Due to its stiffness, it needs to be moulded or extruded over 100 °C (212 °F), which is hot enough to start chemical breakdown and release hydrogen chloride (HCl). The use of stabilizers, which are primarily metal compounds like cadmium, zinc, tin, or lead, might lessen decomposition.

Domestic Price Trend

The prices for PVC were range-bound in the years 2016 to 2020. However, in 2021, the prices of PVC exponentially increased, owing to the supply constraints due to COVID-19. Although the plants in the country were operating at full capacity after the revival of the economy, insufficient production and supply in the global market put upward pressure on the prices. The prices observed a hike in December 2021 owing to the rise in cost and freight of Inland Container Depot (ICD). There was also increased demand from the construction sector.

In 2023, the prices retreated to normalcy owing to the easing of supply from China and a fall in crude oil prices. However, the prices have not gone back to the pre-COVID levels. The domestic prices follow the international price trend.

Domestic Price Trend



Source: PPAC

Demand for PVC products

PVC products are widely utilized in construction for flooring, roofing, insulation, plumbing, and window frames. The material is ideal for enduring the harshness of weather, temperature fluctuations, and other external elements because of its flexibility and durability. PVC is a useful material for lowering energy loss and improving the energy efficiency of buildings since it is also a superior insulator.

The construction and agricultural industries in India are the main consumers of PVC. The majority of the nation's PVC demand is met by PVC pipes used for water distribution and irrigation. PVC products are utilized in the infrastructure sector to build public works like tunnels and bridges. PVC pipes, sometimes referred to as

"infrastructure plastic," are extensively utilized in drainage, sewage, and plumbing systems because of their resistance to corrosion, portability, and simplicity of installation. Lead-free, it is a suitable substitute for concrete and metal pipes, guaranteeing consistency and quality without sacrificing health.

Furthermore, PVC pipes are used in the building of cable and wire insulation, which is essential for the deployment of smart city technologies including wireless networks, high-speed internet, and Internet of Things (IoT) devices. Because it is a superior insulator, it can tolerate high temperatures and shield wires and cables from the elements, guaranteeing dependable operation. Raising the bar for sustainability, PVC serves as a catalyst for the creation of green building materials and solar panel back sheets that support environmental preservation and sustainability.

Accordingly, the need for PVC pipes in the building of smart cities is being driven by both public and private sector activities. PVC pipes are becoming more and more common in joint projects between infrastructure and real estate developers, given the advantages of this adaptable material.

Key Manufacturers of PVC products in India

- **Astral Pipes**

Astral Pipes is a part of the building and construction industry specializing in the production of pipes and related products. The company offers a diverse range of plumbing, and sewerage technologies and pipes including PVC, CPVC (Chlorinated Polyvinyl Chloride), and UPVC (Unplasticized Polyvinyl Chloride). The company has 14 manufacturing units across the country and has automated material handling and feeding systems.

- **Prince Pipes**

Prince Pipes was founded in 1987 and was one of the first PVC fittings manufacturing units. They have products across various segments like plumbing, irrigation, and sewerage. They have 7 manufacturing units, 9 depots, and 1,500+ channel partners. They have manufacturing facilities in Haridwar, Jaipur, Dadra, Athal, Kolhapur, Telangana and Chennai.

- **Skipper Pipes**

The company was founded in 2015 and they specialise in manufacturing polymer pipes and fittings. The pipes are used for various purposes like plumbing, sewerage, agriculture, borewells, and bathroom fittings. The range of pipes includes UPVC (Unplasticized Polyvinyl Chloride) pipes, CPVC (Chlorinated Polyvinyl Chloride) pipes, and SWR (Soil, Waste and Rainwater) pipes. They have manufacturing plants in Kolkata and Assam.

- **Jain Irrigation Systems Limited**

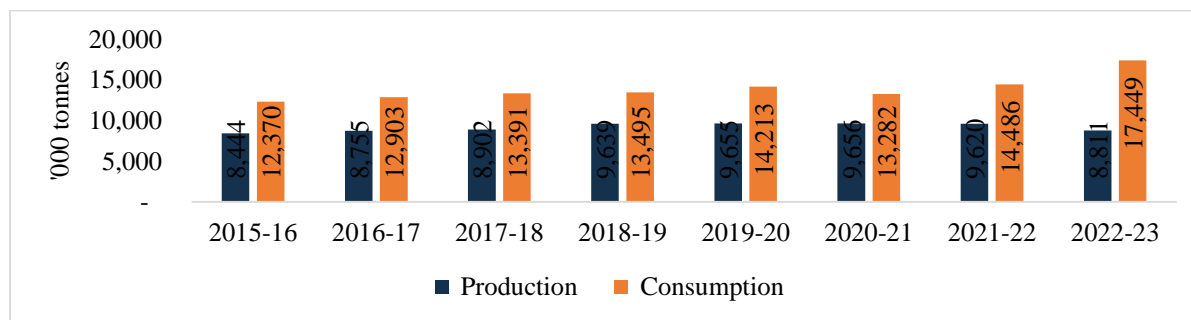
Jain Irrigation Systems started the manufacturing of PVC pipes in 1980. They provide a vast range of piping systems which can be installed not only on the surface but buried underground, slip-lined, used in trenchless technology, floating or submerged. They have a global presence with 33 manufacturing units spread across 4 continents. They also have a dealer network of 11,000+.

Demand-Supply Dynamics

In India, the PVC industry dates back more than 30 years. The first production plant, which has a capacity of 6.0 KTPA, was put into service in 1961 by M/s. Calico (now ILAC). Chloroalkali plants, primarily supported by manufacturers of textiles, paper, and soda ash due to a lack of sodium hydroxide in their processes, have a rich history in PVC production in India. PVC was formerly made from calcium deposits using the acetylene process. But as it turned out, this way was quite utility-intensive, and therefore, not cost-effective. Much later, businesses like IPCL and NOCIL built PVC facilities by utilizing the alternative ethylene pathway that naphtha crackers provided.

Further, during 2016-2023, the production of PVC increased marginally from 8,444 thousand tonnes in 2016 to 8,811 thousand tonnes in 2023. However, the consumption increased at a faster CAGR of 5.0% from 12,370 thousand tonnes in 2016 to 17,449 thousand tonnes. The consumption was supported by the demand from user industries like infrastructure and housing. With government aid and the implementation of various policies in infrastructure & housing, the demand for PVC is expected to rise. Some of the other sectors including FMCG, agriculture, pharmaceuticals, and retail are also expected to drive the demand for the PVC industry.

India's PVC Production, Consumption

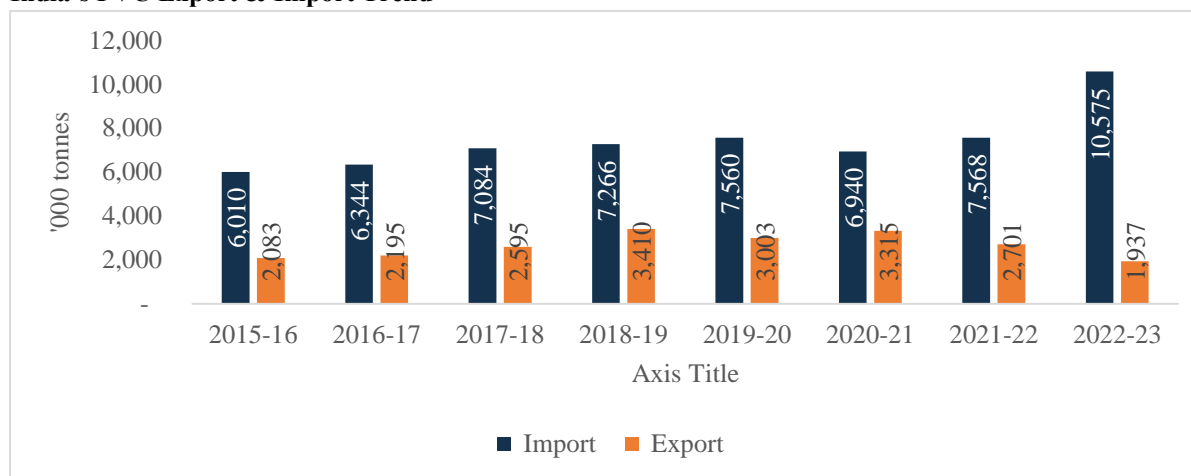


Source: PPAC

India's PVC Export and Import

India's production is not sufficient to meet the consumption demand. Hence, the imports remain significant. Consumption is on the rise in the country owing to the demand from user industries like housing, infrastructure and agriculture. The imports have increased significantly at a CAGR of 8.4% from 6,010 thousand tonnes in 2016 to 10,575 thousand tonnes in 2023. On the other hand, the exports have declined marginally over the years.

India's PVC Export & Import Trend



Source: PPAC

Peer Comparison

1. Revenue

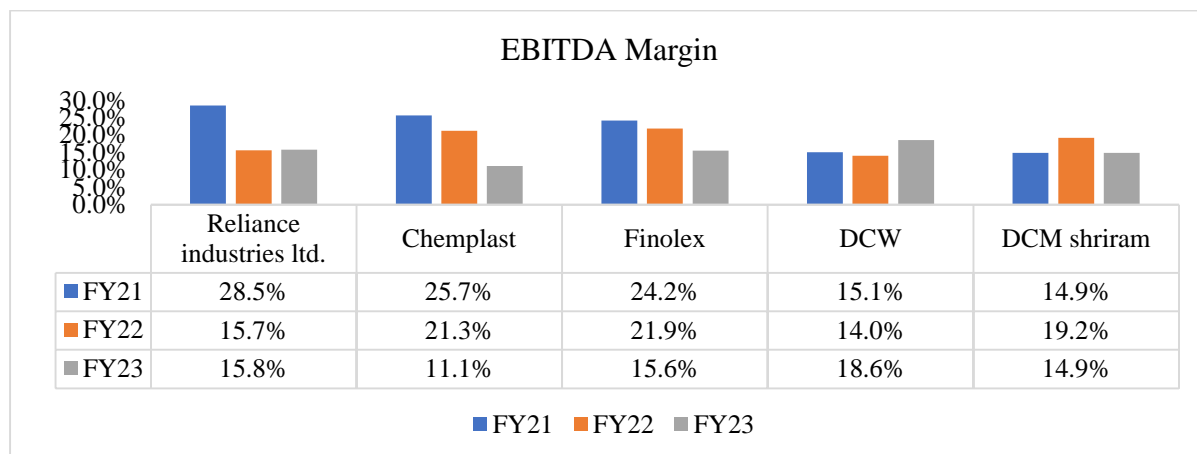
Revenue

Revenue (Lakhs)	FY21	FY22	FY23
Reliance industries ltd.	5,39,23,800	7,88,74,300	9,74,86,400
Chemplast	3,79,870	5,89,200	4,94,110
Finolex	2,76,810	3,76,810	4,48,110
DCW	1,46,430	2,45,470	2,63,380
DCM shriram	8,21,200	9,67,660	11,81,150

Source: Company Reports

2. EBITDA Margin

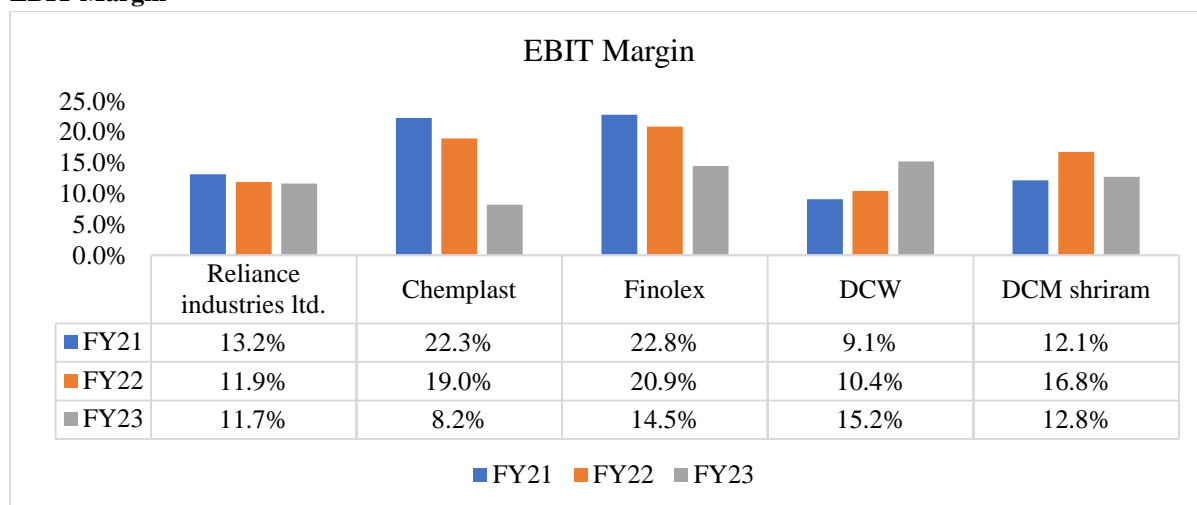
EBITDA Margin



Source: Company Reports

3. EBIT Margin

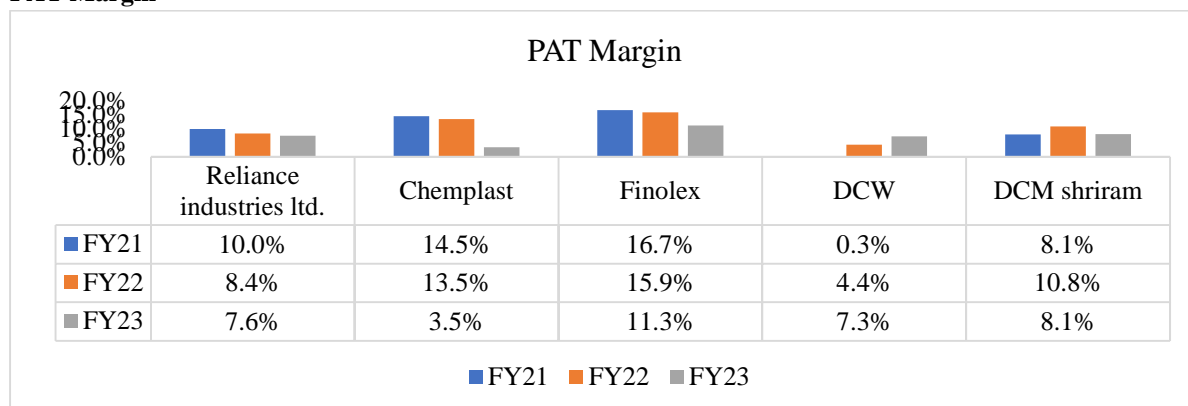
EBIT Margin



Source: Company Reports

4. PAT Margin

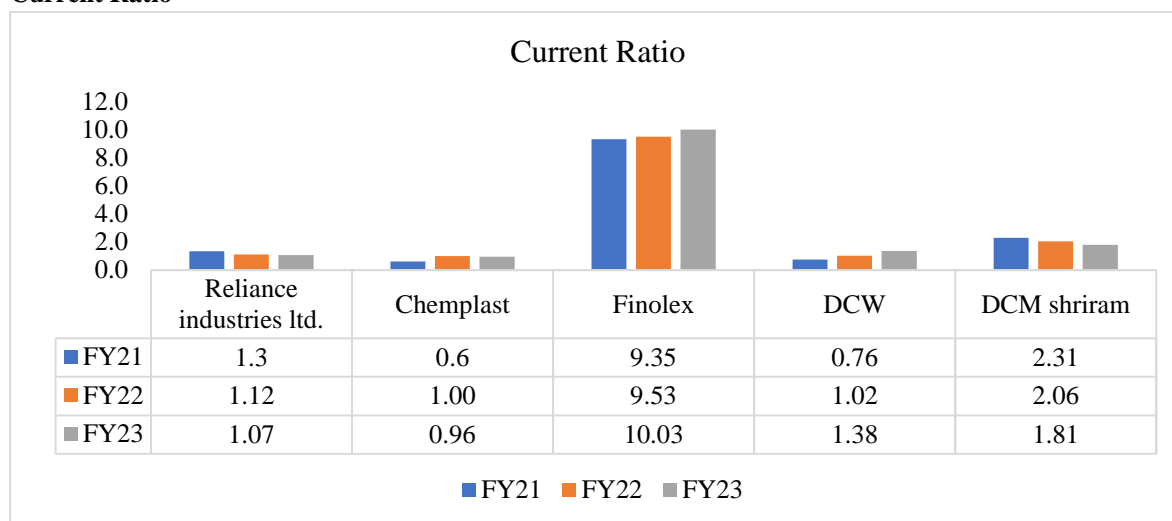
PAT Margin



Source: Company Reports

5. Current Ratio

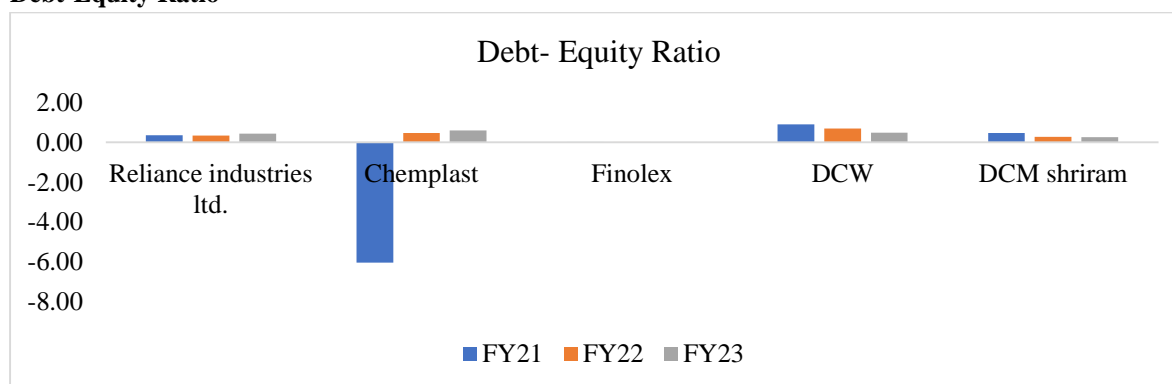
Current Ratio



Source: Company Reports

6. Debt-Equity Ratio

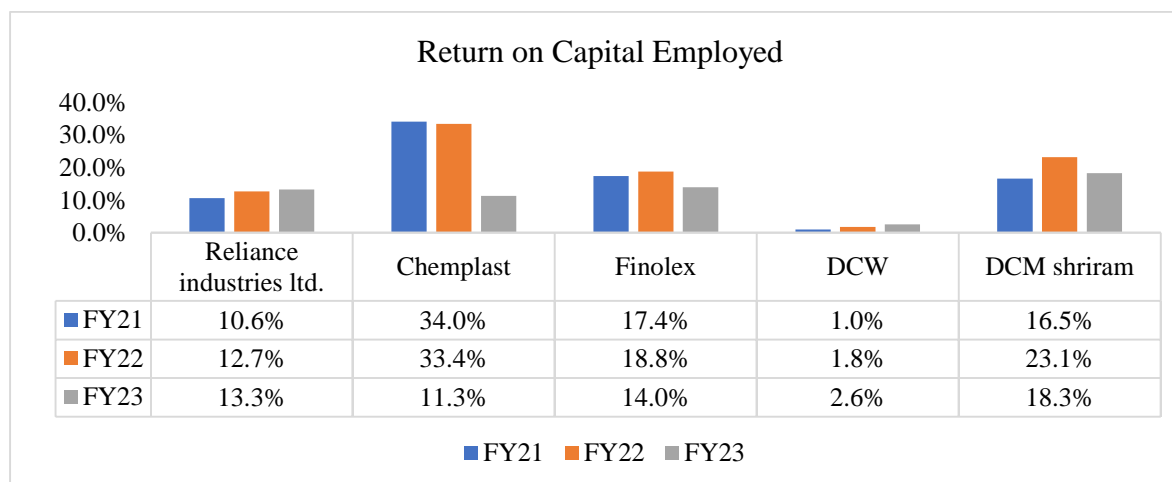
Debt-Equity Ratio



Source: Company Reports

7. Return on Capital Employed

Return on Capital Employed



Source: Company Reports

Tank Storage, Trade, Distribution

Overview of Tank Storage

A storage tank is a pressure-filled container used to hold gas or pressured liquid. The materials used to make storage tanks are often steel, iron, concrete, and/or plastic. They are intended to hold liquid or gas produced during manufacturing processes.

Liquid storage tanks, water tanks, and water storage tanks are other names for storage tanks. They are usually used to store liquids, like as water, in the industrial sector.

The storage tank's primary benefit is its applicability in any location where land is limited. This covers factories, warehouses, and building sites, as well as any other location where a substantial amount of storage space is needed yet there is little to no capacity for development.

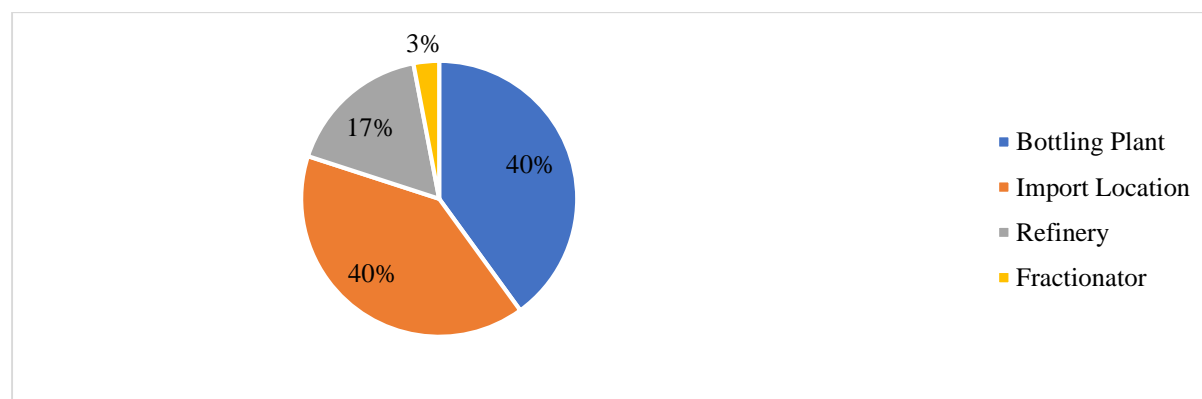
An innovative form of tank called the storage tank was created with the goal of outperforming conventional tanks in terms of performance, longevity, and affordability. Polyethylene and high-strength steel, two of the most technologically advanced building materials, are used in this design. Additionally, up to 70% of the building materials were recycled.

Numerous industries, including the food, chemical, paper, textile, and petroleum sectors, can benefit from the utilization of industrial storage tanks.

These tanks have the following characteristics:

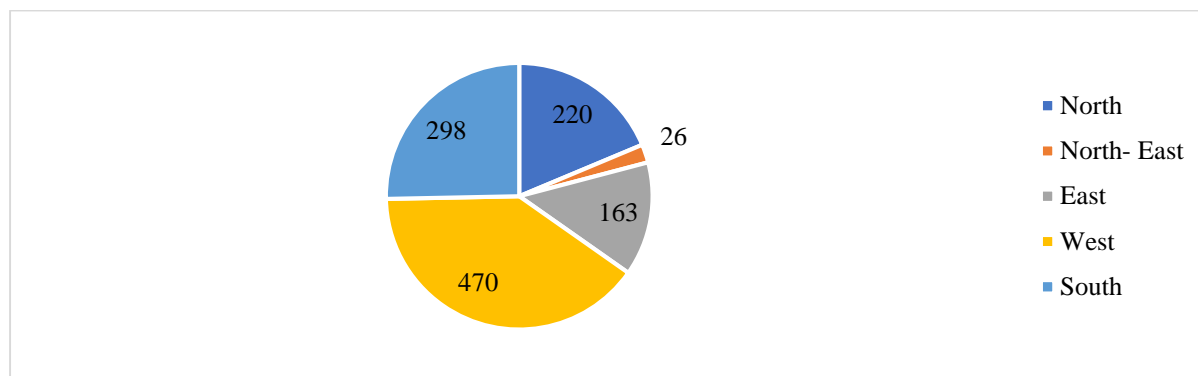
- A gap in the atmosphere that lets gases pass through without becoming absorbed by the liquid.
- Liquid cannot return to the tank due to a sloping bottom.
- A hydrostatic head adjustment valve for controlling tank pressure.

Distribution of LPG Tankage Source-wise as on 1.4.2023



Source: PPAC

Region-Wise Distribution of LPG Tankage (TMT, %) as on 1.4.2023



Source: PPAC

About 40.3% of the total LPG tankage is accounted for by LPG import locations, followed by LPG bottling factories (39.5%), refineries (17.3%), and fractionators (2.9%). In terms of total LPG tankage, the Western Region leads the other areas. There are four different kinds of tankages in this area. There are several refineries and locations for LPG imports in this area. The majority of fractionators are found in the West.

Industry LPG tankage as of 1.4.2023 (P)

Figures in Thousand metric tonne	
State/UT	Total
Delhi	15.1
Haryana	34.8
Himachal Pradesh	1.2
Jammu & Kashmir	7.4
Ladakh	3.3
Punjab	49.1
Rajasthan	21.9
Uttar Pradesh	83.7
Uttarakhand	3.7
Sub Total North	220.1
Assam	22.2
Manipur	1.8
Meghalaya	0
Mizoram	0
Nagaland	0.4
Sikkim	0.3
Tripura	1.4
Sub Total North-East	26
Andaman & Nicobar Islands	0.9
Bihar	23.1
Jharkhand	7.6
Odisha	20.5
West Bengal	111
Sub Total East	163.1
Chhattisgarh	9
Dadra & Nagar Haveli and Daman & Diu	0
Goa	1.4
Gujarat	312.3

Figures in Thousand metric tonne	
Madhya Pradesh	44.8
Maharashtra	102.9
Sub Total West	470.3
Andhra Pradesh	91.6
Karnataka	62.7
Kerala	30.3
Lakshadweep	0
Puducherry	0.9
Tamil Nadu	101
Telangana	11.9
Sub Total South	298.5
All India	1178.1

Products to be Stored, Traded, and Distributed

Storage tanks are employed in many different contexts. Liquids such as water, chemicals, oil, natural gas, and petroleum can be transported or stored using them. They serve as a means of storing chemicals that are hazardous or poisonous to people in some sectors.

The oil & gas sector relies heavily on tanks. They support the movement, storage, and storage of various fluids, including natural gas and oil.

Chemical storage terminals necessitate a greater level of specialization than oil storage terminals because chemicals have unique storage requirements. Among the particulars pertaining to chemical storage are:

- A more advanced firefighting system is required, specifically for dangerous and extremely flammable compounds.
- To reduce chemical vaporization, an internal floating roof system and nitrogen blanketing are used.
- Certain compounds must be stored in a temperature-controlled environment to prevent polymerization.
- Tight leak management procedures to stop chemical leaks into the environment.

Therefore, unless the facility is modified and specific licenses are obtained for the same, the oil terminal facility cannot meet the storage requirements for all grades of chemicals/petrochemicals. However, because chemical storage terminals are constructed to higher standards, they can be utilized to store oil and petroleum products.

The petroleum products business has also been receiving storage tanks and coverings from companies that deal with tank storage. They provide coverings and storage tanks for the following uses:

- Crude Oil Storage
- Terminal Storage
- Pipeline Storage
- Drilling Fluids
- Fuel Oil and distillates
- Frac Water

Storage tanks have applications in the pharmaceutical, chemical, food and beverages, petrochemicals, resins, polymers, coatings, adhesives, agricultural, general chemicals, plastics, and rubber industries.

Risks Associated with Oil & Gas Storage

The primary risk associated with storing gas and oil in cylindrical tanks next to one another is the possibility of the tanks bursting, which could result in fatalities as well as severe injuries. Additionally, there may be a chance of leaks, which could eventually result in an explosion—a very deadly natural disaster.

Demand Drivers

Demand for Third-Party Storage Firms:

Storage companies are steadily expanding due to increased demand for chemical and oil supply chains. The specific knowledge and material handling abilities needed for intermediate or local storage of such goods are being possessed by third-party storage organizations, who are experiencing even quicker growth. In India, sizable storage terminal facilities have been developed or are in the process of being created to fulfil the growing need for third-party storage facilities.

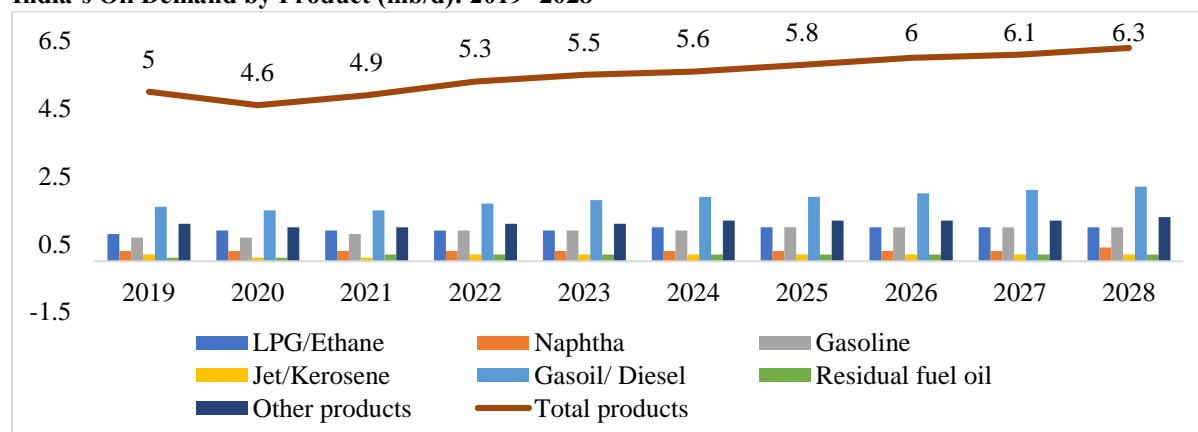
LNG is seen as one of the most potential alternative fuels in the transition to clean transport in shipping, as governments increasingly look to domestic inland waterways to increase transport efficiency. Further, political policies, consumer preferences, economic conditions, and technological advancements are some of the variables that have shaped the dynamics of the storage tank market over time.

Further, the following industries will be driving up the demand for the tank storage-

• Crude Oil:

India is expected to overtake China in terms of global y-o-y oil demand growth in 2027, as per the International Energy Agency (IEA). The fastest-growing economy in the world, with GDP growth averaging 6.9% for 2024-2028, is bound to show a recovery in the oil demand. The total oil demand in India is expected to grow at a CAGR of around 3% from 2022-2028, as per the International Energy Agency (IEA). This will be supported by the robustness of economic activities, transportation, rising air & travel, industrial segments, and agricultural activities. However, as the demand for EVs is on the rise, the transition of fuel can impact the oil demand over the long term.

India's Oil Demand by Product (mb/d): 2019- 2028



Source: IEA

• Natural Gas:

The natural gas industry in India is expected to witness substantial growth over the next decade. Driven by the increasing usage across various end-user customer segments, the Government of India has come up with multiple reforms as they target to raise the share of natural gas in the primary energy mix to 15% by 2030 from around 5.78% currently (in October 2023).

Major demand for natural gas is expected to come from:

- Expansion of CGD network to around 307 geographical areas post the 12th round of CGD bidding.
- Industries such as steel, oil refineries, and long-haul transport using blast furnaces and heating & cooling requirements.
- Continued high requirements from the fertilizer and power sectors.

Moreover, there is the government thrust to enhance the supply & consumption of natural gas, given the growing concerns about the environment and climate change. Accordingly, the usage of cleaner sources of energy such as natural gas is being encouraged. This has received significant impetus from the government's commitment toward

clean energy under COP 27 as well. The demand for natural gas is expected to increase subsequently in the coming years in anticipation of higher power demand. The demand revival will also be supported by the ease in natural gas prices.

• Refining & Marketing:

The Indian refining capacity is expected to expand to 6.2 mb/d in 2028 from 5.2 mb/d in 2022. This addition in capacity will be supported by expansions at existing sites, with only the 180 kb/d Barmer greenfield project coming online. The total refinery capacity in India is expected to grow at a CAGR of around 3% from 2022-2028, as per IEA.

	2022	2028	Change	2022	2028	Change	2022	2028
	Total Capacity (mb/d)			Refinery Throughput (mb/d)			Utilization Rates	
India	5.2	6.2	1.0	5.1	6.2	1.1	98%	100%

Source: IEA

Marketing margins witnessed a recovery after crude oil prices spiked during the Russia-Ukraine conflict. The ongoing ease in the price bodes well for the domestic refiners and the economy. As the refineries are expected to achieve higher marketing margins, lower crude oil prices will also result in a drop in the working capital needs of the OMCs since they will have to pay less for oil imports.

However, there always stands an uncertainty that influences refining margins. The key factors which might affect the same would be capacity growth from new refining projects, global oil demand growth, the impact of Russian sanctions on the global supply and Chinese policy towards refined product exports.

Moreover, India's refineries are bound to emerge as a major beneficiary by achieving a high share in India's fuel exports to the European continent. As India is expected to witness healthy economic growth, the increased industrial activity and mobility will continue to drive the demand for petroleum products which augurs well for the sector.

• Petrochemicals:

As per the Ministry of Petroleum and Natural Gas (MOP&NG), 10% of the incremental increase in the demand for petrochemicals worldwide is anticipated to come from India. More than one-third of the increase in oil demand by 2030 will come from the production of plastics, detergents, tires, and medical equipment.

The demand for petrochemicals in the near future will be supported by other related industries like textiles (350 billion US dollars by 2024–2025), automotive (from 222 billion US dollars to 300 billion US dollars by 2026), and construction (1.4 trillion US dollars by 2025), all of which are predicted to develop significantly. India has an advantage when it comes to the availability of feedstock for petrochemicals because about 80% of its petrochemical capacity is connected to petroleum refineries.

Peer Comparison

(AED'000)

ADNOC	2020	2021	2022
Revenue	1,61,32,060	2,09,21,115	3,21,11,061
Operating Profit	25,60,169	24,29,283	29,73,416
PAT	23,95,970	22,52,411	27,48,508
Operating Profit Margin	16%	12%	9%
Profit Margin	15%	11%	9%
Return on Capital Employed	26%	25%	29%
Current Ratio	0.82	0.76	1.47
Debt- Equity Ratio	1.60	1.72	1.59

(INR Lakhs)

GULF PETROCHEM (INDIA) PRIVATE LIMITED	FY21	FY22	FY23
Revenue	2280	3010	4080

GULF PETROCHEM (INDIA) PRIVATE LIMITED	FY21	FY22	FY23
Operating Profit	1470	2080	2970
PAT	-6160	-5190	-5190
Operating Profit Margin	65%	69%	73%
Profit Margin	-270%	-173%	-127%
Return on Equity	-61%	-118%	-1%
Return on Capital Employed	-3%	1%	3%
Current Ratio	0.06	0.07	0.19
Debt- Equity Ratio	1.75	5.89	0.23

Petrochemicals

Overview of the Petrochemical Industry

Petrochemicals are downstream hydrocarbons derived from crude oil and natural gas comprising plastic and a host of other chemicals. It is a capital-intensive industry and plays a significant role in driving economic growth. Demand for petrochemicals is driven by end-use sectors such as fertilizers, packaging, tires, detergents, digital devices, medical tools, solar panels, electric vehicles, batteries, etc. The overall petrochemical production grew at a CAGR of 2.0% during the period FY18- FY23. Petrochemical prices are determined from the prices of 'Naptha', which is a major feedstock used to make petrochemicals and is derived from crude oil.

The medium-term petrochemical spreads will be controlled for the Indian companies, despite the likelihood that Indian demand will continue to be robust given the worldwide weakening in demand and oversupply scenario. Petrochemicals are expected to have the lion's share of the market ahead of trucks, airplanes, and shipping due to the development in demand for petrochemical goods.

India is a net importer of petrochemicals. During FY18-FY22, imports grew by a CAGR of 2.2%. Lower crude oil prices supported the petrochemicals export. Amongst the major petrochemicals, polymers, fibre intermediates, synthetic rubber, and synthetic rubber intermediates were imported substantially. Similarly, Thailand, Turkey, Germany, Nepal, and Japan accounted for the top five import destinations for petrochemicals in FY22.

Production Trend

The COVID-19-led lockdown adversely impacted the demand for petrochemicals. The demand from non-essential sectors such as construction, automotive, textiles, electronics, and rigid packing experienced a decline in demand. Whereas, the demand for petrochemicals from healthcare and personal care stood up strongly.

Further, the quantum of production of major petrochemicals decreased to 40,657 thousand tonnes during 2022-23 as compared to 44,689 thousand tonnes during the previous year, indicating a decrease of 9%. This was possibly due to increased feedstock prices amid Russia-Ukraine tensions.

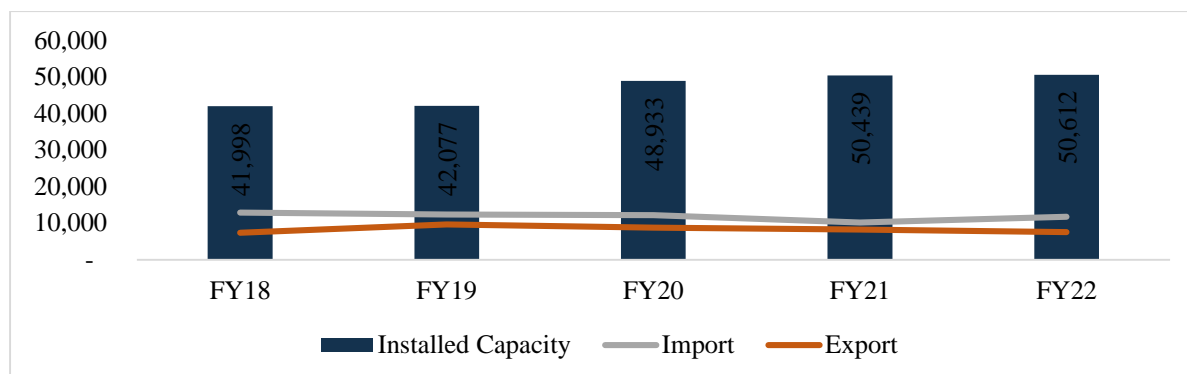
Trend in Production of Major Petrochemicals (Qty: 000'tonnes)

Name of Major Petrochemical Group	FY22	FY23	% Growth in FY23 over FY22
Synthetic Fibre	4,040	4,006	-0.8%
Fibre Intermediate	5,482	4,988	-9.0%
Polymers	12,471	4,988	-60.0%
Synthetic Rubber	383	345	-9.9%
Synthetic Intermediates Detergent	780	703	-9.9%
Performance Plastics	1,698	1,960	15.5%
Olefins	12,527	11,296	-9.8%
Aromatics	4,677	3,362	-28.1%
Other Petrochemicals	2,631	2,510	-4.6%

Name of Major Petrochemical Group	FY22	FY23	% Growth in FY23 over FY22
Total	44,689	40,657	-9.0%

Source: Department of Chemicals & Petrochemicals Report

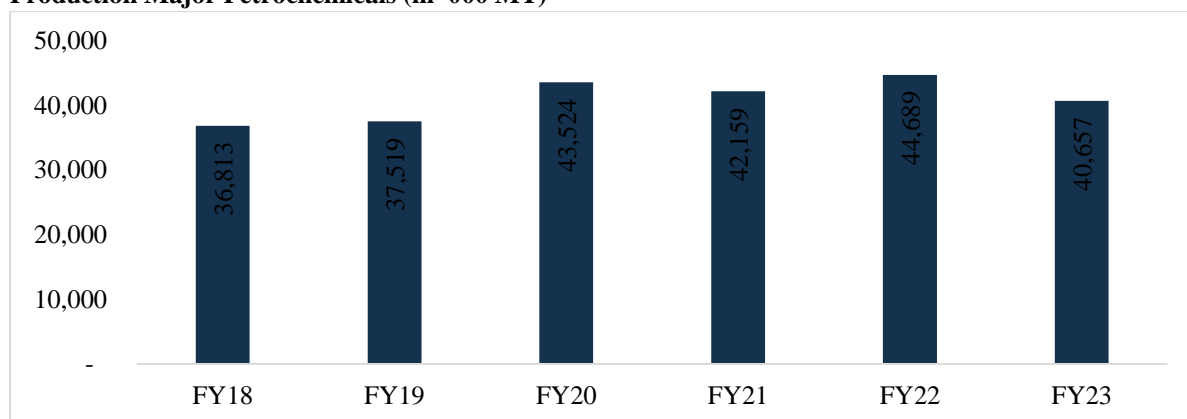
Installed Capacity, Import & Export of Major Petrochemicals (in '000 MT)



Source: Department of Chemicals & Petrochemicals Report

Between FY18 and FY22, CAGR values for installed capacity in the industry stood positive, indicating an increase in the size and output of the industry. Import and export were relatively favourable, but exports declined by 9% y-o-y in FY23, reflecting a drop in the industry's trade.

Production Major Petrochemicals (in '000 MT)



Source: Department of Chemicals & Petrochemicals Report

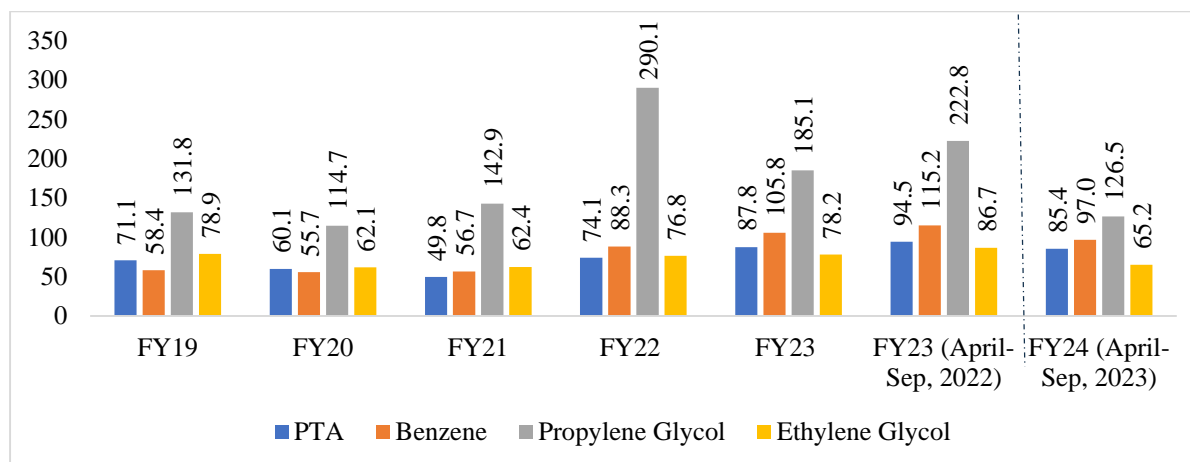
It can be seen from the table above that the production of petrochemicals grew at a CAGR of 2.0% from FY18 to FY23. However, the industry witnessed a slight decline in production in FY21 due to the pandemic but recovered in FY22 with the revival of the economy.

Domestic Petrochemical Prices

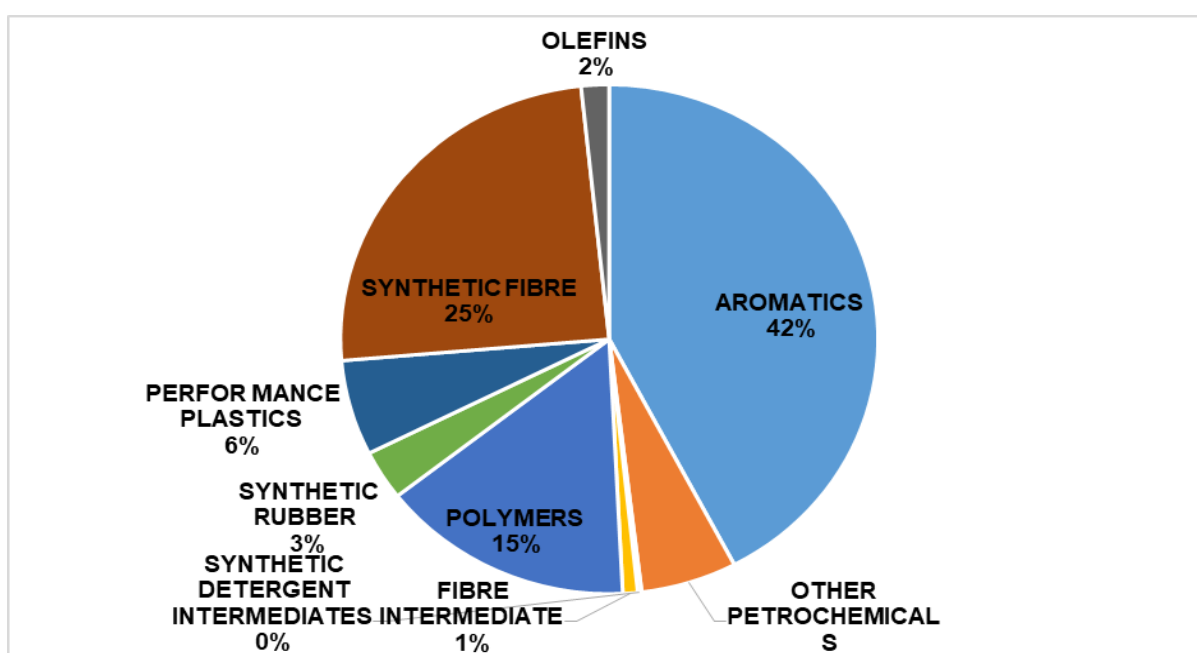
Petrochemical prices (PTA, Benzene, Propylene Glycol and Ethylene Glycol) fell in FY24 (April- Sep 2023) as compared to the same period in the previous year. However, FY23 witnessed a surge in prices due to the rapid demand and recovery of the economy. Other factors that contributed to the increase in prices were a recovery in polymer feedstock prices, a slowdown in the supply of polymers in the domestic market due to lower production, and the unlocking of domestic and international markets. T

However, the prices of petrochemical products remained low in FY21. The key factors attributed were the COVID-19 impact and weak demand due to the slowdown in global manufacturing. India being the net importer of intermediaries such as Purified Terephthalic Acid (PTA) and Mono-ethylene Glycol (MEG), the demand-supply situation in the international markets impacts the domestic prices.

Average Domestic Petrochemical Prices



Source: CMIE



Note: PTA - Purified Terephthalic Acid

The lockdown restrictions in China alongside Russia-Ukraine tensions increased crude oil prices, further raising the cost of Naphtha. This, in turn, resulted in higher prices for most of the petrochemicals which the industry passed on to the end-users.

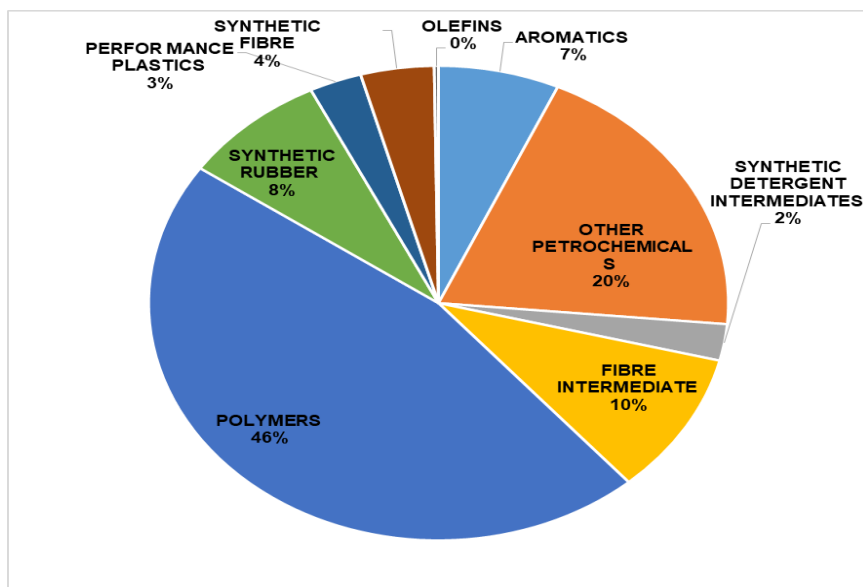
Import & Export Trend of Major Petrochemicals

India is set to become the world's leading destination for petrochemicals. India is considered a reliable partner and top investment destination by the international community given its business-friendly policies.

Major petrochemicals valued at Rs.2,903/- crores were exported in the month of August 2023. Whereas the import of major petrochemicals was to the tune of Rs.11,994/- crores during the month of August 2023.

Export of Major Petrochemicals in August 2023 (2023-24)

Import of Major Petrochemicals in August 2023 (2023-24)



Source: PPAC

Regulatory Framework and Policies

The rollout of the PLI schemes for key end-use sectors will help boost petrochemical consumption in the country. Among the sectors earmarked, sectors like mobile phone manufacturing, auto and components, medical devices, textile products, etc., use significant quantity of petrochemicals, the estimated outlay of Rs 1.41 lakh crores augurs well for the petrochemical industry growth.

Key Investments

The need for petrochemical products is rising due to both population growth and a swiftly developing economy. Accordingly, the petrochemical sector in India is set for revolutionary expansion, having gone a long way since its founding in the 1970s. In the upcoming years, it is anticipated to add over 10% to the incremental rise in the world's petrochemical demand.

The government has implemented a number of measures to support this industry, such as PCPIR (Petroleum, Chemicals and Petrochemicals Investment Region) zones, 100% FDI through automated pathways, and the establishment of infrastructure like more than ten plastic parks. The industry is predicted to receive a total investment of around INR 34 lakh crores (USD 420 billion) as a result of the planned new PCPIR policy, which will be implemented between 2020 and 2035.

Further, the Indian government is taking proactive measures to tackle current issues and is launching numerous major projects to enhance the industry's overall competitiveness, quality, and productivity. Over the next ten years, there are projected investment opportunities worth USD 30 billion.

Key Growth Drivers

- Rise in certain petrochemical products due to increasing consumption of healthcare products and flexible packaging for consumer goods, food, and e-commerce merchandise.
- Rising trend of recycling plastic and sustainability.
- Major significance for both global energy security and the environment, due to the government's measure to switch to better fuel economy and electrification.

Challenges

• Volatility in Raw Material: Linkages between Crude and Naphtha

The price of petrochemical products is highly erratic due to the enormous price volatility of crude oil and naphtha. Since they are unable to employ gas as a substitute feedstock during a high naphtha price regime, the profitability of pure naphtha-based crackers is dependent on the fluctuations in crude prices, in contrast to dual-feed crackers.

• Shortfall in Petrochemical Intermediate Capacity

The intermediate segment is one of the most important links in the value chain of the domestic petrochemical industry, which has historically been poor. The industry requires robust intermediate capacity to grow at a healthy rate because intermediates are essential to the manufacturing of many specialized and petrochemical chemicals. For many intermediates, including acrylic acid, mono ethylene glycol (MEG), pure terephthalic acid (PTA), etc., India has mainly relied on imports. Due to the high domestic demand for basic polymers, the majority of building block chemicals were used in India, leaving the country short on intermediate manufacture.

Nevertheless, a portion of the ethylene and propylene has begun to be redirected over time for the synthesis of petrochemical intermediates, which has reduced the need for imports. In addition, a number of impending projects that are anticipated to begin production within the next five years should reduce the strain.

• Impact on Environment

While petrochemical goods are undoubtedly beneficial to our daily lives, the ecosystem has suffered greatly as a result. The bulk of the industry's output is derived from natural gas and crude oil derivatives. The extraction, processing, and transportation of waste materials release a significant quantity of waste, both toxic and non-toxic, into the environment.

One of the main petrochemical products, plastics, has gained a bad reputation recently because of its persistently harmful effects on the environment. The construction of a robust recycling infrastructure and strict regulations on CO₂ emissions, along with research and development expenditures by petrochemical companies, are the keys to the industry's future.

Outlook

The petrochemical industry in the last few years has excelled despite some of the major challenges such as erratic prices of the feedstock in the international market and global container crises. As the country is in the process of recovering from the contraction that took place due to the pandemic, the real GDP of the country is expected to register a growth of 6.5% in FY24, with risks evenly balanced. This is expected to drive the growth of various end-user industries of petrochemicals, and hence, benefit the petrochemical industry. Whereas the growth of this sector will be supported by the PLI scheme and other government initiatives such as Make in India. However, high feedstock price is a key risk that may restrict the growth.

Further, the share of petrochemical production is expected to increase to about 30% with the evolution of new technologies, especially in crude oil to chemicals. Also, the government is taking all the necessary steps to make India a global petrochemical manufacturing hub. Some of the initiatives taken include revised customs duties on petrochemicals, a reduction in the basic customs duty of naphtha, and a new addition to the Barmer Petrochemical Cluster.

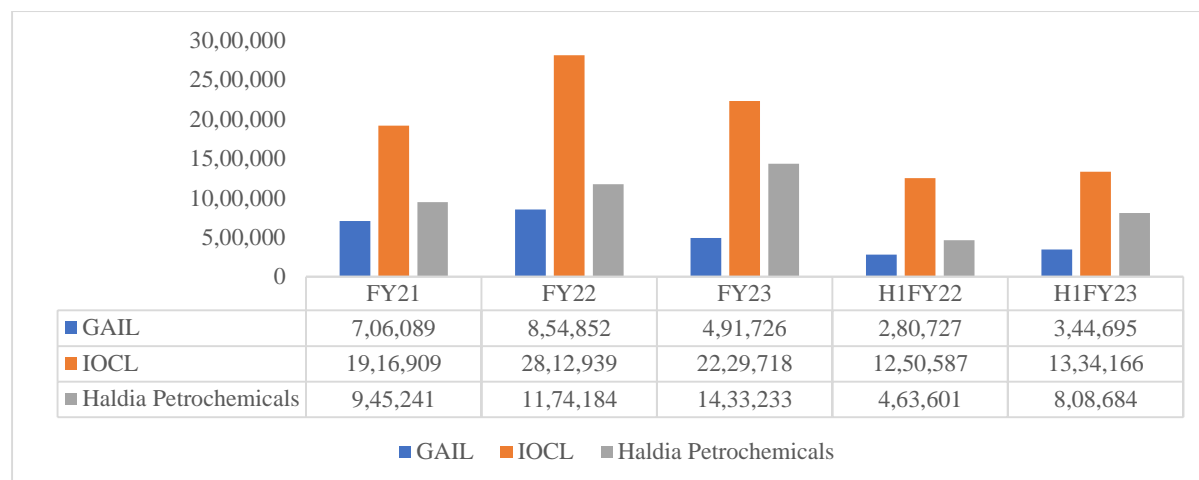
Furthermore, the Department of Chemicals and Petrochemicals has enabled petrochemical infrastructure by implementing schemes under the National Policy on Petrochemicals. Additionally, it aims to improve the existing petrochemical technology and research in the country and promote the development of new applications of polymers and plastics.

Moreover, to fuel the growth of the petrochemical industry, the government has taken various initiatives such as 100% FDI through automatic routes and PCPIR (Petroleum, Chemicals and Petrochemicals Investment Region) zones, and set up of infrastructure such as 10+ plastic parks. Resultant, the industry is expected to draw an investment worth USD 420 billion by 2035.

Besides, India is expected to contribute 10% of the incremental growth of global petrochemical demand. Plastics, detergents, medical equipment, and tyres will account for more than a third of the growth in oil demand by 2030. Other connected industries like textiles (350 billion US \$ by 2024-25), automotive (from 222 billion US \$ to 300 billion US \$ by 2026), and construction (1.4 trillion US \$ by 2025) with highly expected growth will support the demand for petrochemicals in the near future. Since around 80% of India's petrochemical capacity is linked to petroleum refineries, this provides India an upper hand with regard to the availability of feedstock for petrochemicals.

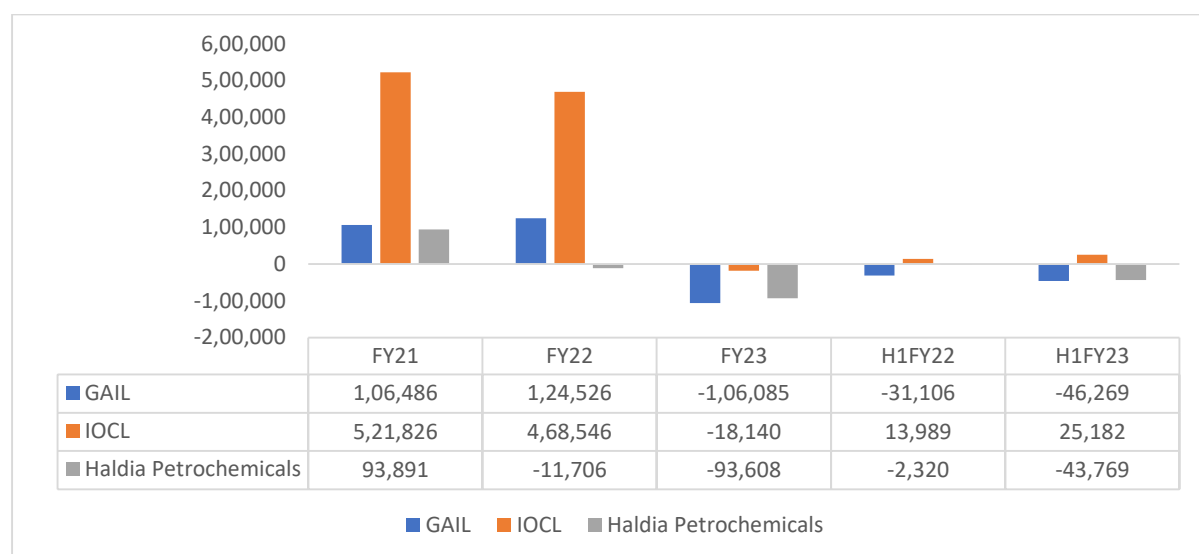
Peer Comparison

1. Revenue (Rs. Lakhs)



Source: Company Reports

2. EBIT (Rs. Lakhs)



Source: Company Reports

Swan Energy Limited Financials

(Consolidated Financials- in Rs. lakhs)	FY21	FY22	FY23	9MFY24
Total revenue from Operations	32,047	48,720	1,43,814	3,61,924
- Revenue from Distribution & Development	-	-	29,864	2,60,362
- Revenue from Energy	3,490	5,152	20,548	56,744
- Revenue from Textile	21,475	17,076	24,516	16,222
- Revenue from Warehousing	-	-	36,034	15,623
- Revenue from Construction/Others	7,476	27,182	33,928	12,960
- Revenue from Power Generation	-	-	-	14
EBIT	2,999	492	16,056	74,288
PBT	-7,805	-18,423	-6,224	56,960
PAT	-6,861	-15,789	-6,105	53,038

EBIT Margin	9.4%	1.0%	11.2%	20.5%
EBITDA	7,165	7,519	24,190	82393
EBITDA Margin	22.4%	15.4%	16.8%	22.8%
PAT Margin	-21.2%	-32.0%	-4.2%	14.4%
Current Ratio	0.4	1.4	1.3	-
Debt- Equity Ratio	2.3	2.5	1.8	-
Return on Capital Employed	0.7%	0.1%	2.1%	-

Source: Company Reports

OUR BUSINESS

*Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read “**Forward-Looking Statements**” on page 16 for a discussion of the risks and uncertainties related to those statements and also “**Risk Factors**”, “**Financial Information**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on pages 41, 253 and 81, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.*

*Unless otherwise indicated or the context otherwise requires, the financial information included in this section for Fiscal 2021, 2022 and 2023 has been derived from our Audited Consolidated Financial Statements. The financial information included in this section as of and for the nine months ended December 31, 2022 and 2023 has been derived from our Unaudited Consolidated Financial Results. See, “**Financial Information**” on page 253. The Unaudited Consolidated Financial Results of our Company are not indicative of our Company’s annual performance and are not comparable with the Audited Consolidated Financial Statements. Our fiscal year commences on April 1 and ends on March 31 of the subsequent year, and references to a particular “Fiscal” are to the 12 months ended March 31 of that year. For further information, please read “**Presentation of Financial and Other Information - Financial Data**” on page 13.*

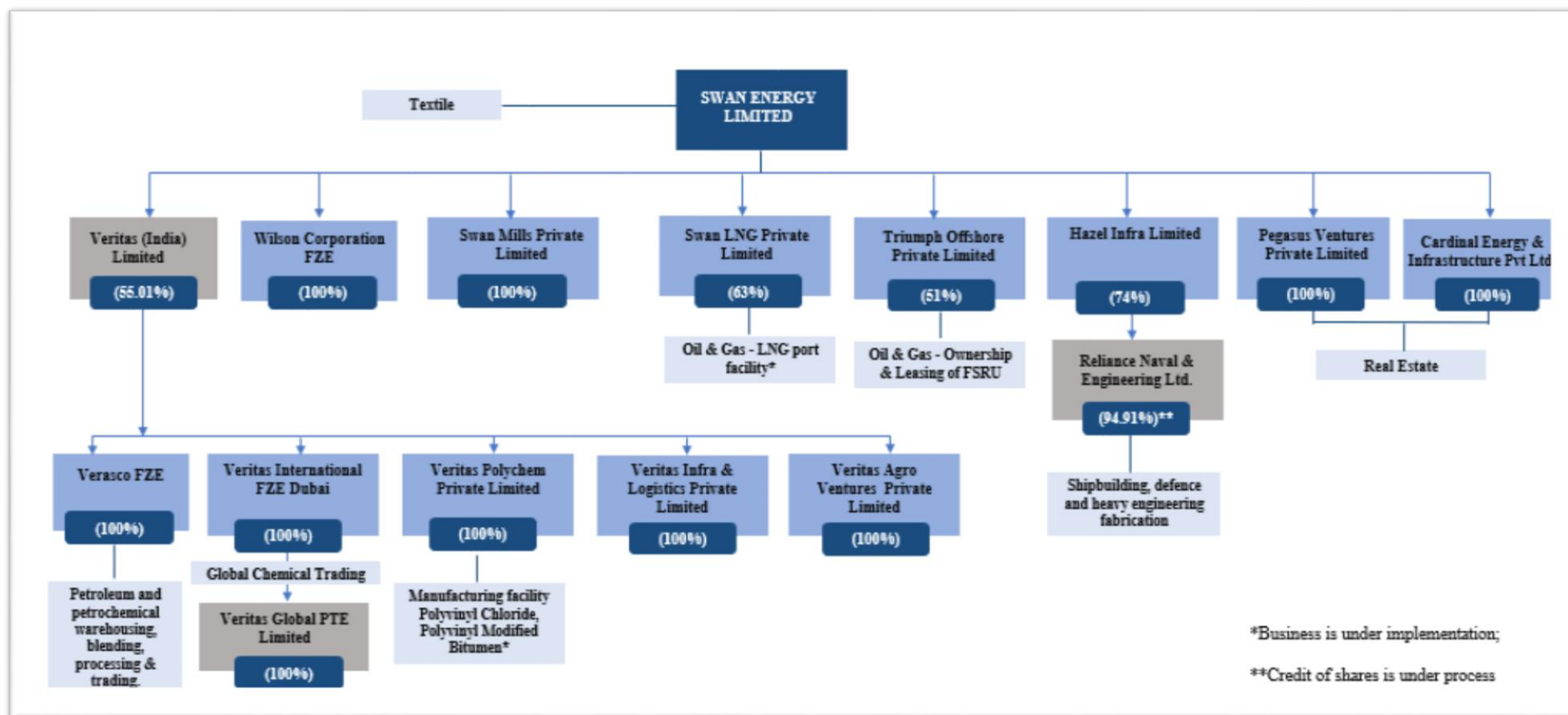
*Unless otherwise indicated, industry and market data used in this section has been derived from the report titled “Industry Report on Diversified Portfolio Swan Energy Limited” dated February, 2024 prepared and issued by CARE Analytics and Advisory Private Limited (“**CARE Report**”). There are no parts, data or information (which may be relevant for the proposed issue), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the CARE Report and included herein with respect to any particular year refers to such information for the relevant calendar year. For more information, see “**Risk Factors – Certain sections of this Preliminary Placement Document contain information from the CARE Report which we commissioned and purchased and any reliance on such information for making an investment decision in this Issue is subject to inherent risks.**” on page 41. Also see, “Industry and Market Data” on page 15.*

Overview

Our Company, or SEL, is the flagship company of the Swan Group (“**Group**”). Our Group is a diversified infrastructural industrial group based in India and UAE with presence in the areas of oil and gas, shipbuilding, defence and heavy engineering fabrication, petroleum and petrochemical warehousing, blending, processing & trading, real estate and textile. Our Company was incorporated on February 22, 1909 and taken over by the present management of the Group through an order of the Board for Industrial and Financial Reconstruction (“**BIFR**”) dated December 11, 1995.

Our Company was originally involved in the textile business and over the years have diversified into real estate, oil & gas, petroleum and petrochemical warehousing, blending, processing & trading, shipbuilding, defence and heavy engineering fabrication. In order to diversify from the original textile business of the Company, we had initially monetised the land parcel of the textile mills into real estate developments (both in commercial and residential) in the year 2004. In the year 2011, we have set up a new textile processing unit at Ahmedabad to continue our legacy in the textile industry. We have forayed into the oil and gas sector in the year 2012 for setting up a Floating Storage and Regasification Unit (“**FSRU**”) based Greenfield LNG terminal at Jafrabad, Gujarat. In the Fiscal 2023, our Company has acquired Veritas (India) Limited and forayed into the business of petroleum and petrochemical warehousing, blending, processing & trading. Further, Hazel Infra Limited (“**Hazel Infra**”), a special purpose vehicle between our Company and Hazel Mercantile Limited (“**HML**”), has acquired Reliance Naval and Engineering Limited (“**Reliance Naval**”) through an approved resolution plan and order dated December 23, 2022 by National Company Law Tribunal, Ahmedabad. As per the provisions contained in the resolution plan, the monitoring committee has handed over the management of Reliance Naval to HML through its SPV, Hazel Infra with the approval / consent of all the Committee of Creditors members and subsequently the Monitoring Committee stands dissolved with effect from January 04, 2024.

The structure chart below provides an overview and business portfolio and the role that we play:

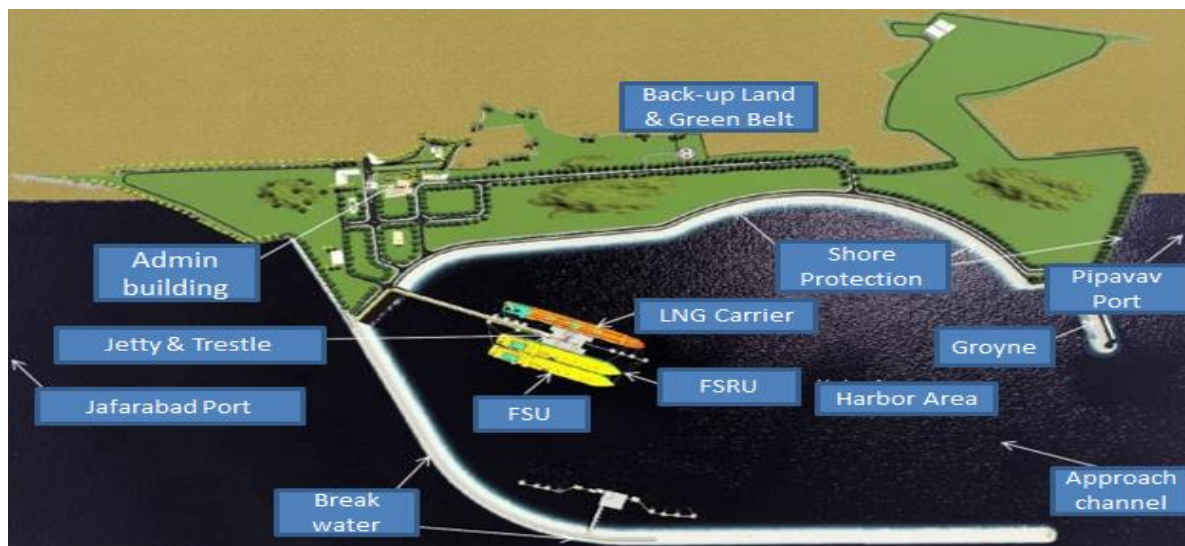


Oil and gas: Our Company, through its subsidiaries, Swan LNG Private Limited (“**SLPL**”) and Triumph Offshore Private Limited (“**TOPL**”), is implementing a greenfield port project off the Jafrabad coast in Amreli district in Gujarat (“**LNG Project**”) for regasification of imported LNG by utilizing a Floating Storage Regasification Unit (FSRU). Our LNG Project is essentially a ‘Tolling terminal’ as SLPL has entered into a regasification agreement with major oil & gas PSUs for regasification of imported LNG for 4.5 MMTPA aggregate capacity for the period of 20 years from the date of commencement of operation which can be mutually extended. The LNG received at the FSRU converts LNG into regasified LNG which in turn is delivered to the terminal users at the custody transfer point. Terminal Users evacuate the regasified LNG through a downstream regional network which in turn also connects to other cross-country gas pipelines. Our LNG Project’s tolling terminal model provides us an assured revenue flow and mitigates us from any commodity risk in relation to LNG sourcing or gas market/pricing.

TOPL owns a newly built FSRU which was constructed and delivered by a leading Korean company in September 2020. The FSRU is equipped with tanks for LNG storage and with all the required vaporization process equipment. LNG delivered by LNG carriers is received by the FSRU offloading system, stored in tanks, pumped, regasified into natural gas and delivered to the terminal users, connected via high-pressure loading arms fixed on a jetty. TOPL is providing the FSRU to SLPL on a bareboat charter basis for which an agreement has been executed for 20 years. Currently, the FSRU is chartered to a Turkish company for a short term lease as an interim arrangement. The FSRU will be brought to the SLPL project site near Jafrabad, Gujarat for commissioning and subsequent Commercial operations on completion of port construction.

The Project is being developed under a concession from Authority for Development, construction, financing, design, construction, operation and maintenance of the Contracted Assets and the LNG Port located at Jafrabad, situated on the west coast of India for the concession period of 30 years extendable by another 20 years. The Project includes developing of a harbour with breakwater, shore protection works and land reclamation using material retrieved from capital dredging, primary jetty with mooring & breasting dolphins, a service jetty for tugs and pilot vessels, process units on the jetty such as unloading arms, HP arms, etc. required for permanent berthing of an FSRU along with an FSU.

LNG Project Layout



Petroleum and petrochemical warehousing, blending, processing & trading: Our Company through its Subsidiary, Veritas India Limited and step down Subsidiaries VERASCO FZE and Veritas International FZE are engaged in the business of international trade, warehousing, drumming, distillation, blending and distribution of petroleum and petrochemicals products.

Verasco FZE was incorporated in February 2014 and has set up an integrated petroleum and petrochemical storage and handling terminal at Hamriyah Free Zone, Sharjah, UAE. We have a complete integrated chemical/petrochemical storage and handling terminal at Hamriyah Free Zone having 30 Tanks with ~172,000 m3 capacity which can store all classes of petroleum products, crude oil and chemicals and has an integrated

facility offering drumming, blending and distillation services. The terminal provides value added manufacturing facilities such as blending, distillation, drumming, lab services, weigh bridge and can handle a full spectrum of petroleum products such as classified class A/B/C and Non-classified class along with Petrochemical products. All tanks have individual lines and pumps, ensuring positive segregation and advanced blending system for homogenous mixing. The tank has a distillation unit with direct access to jetty and within the terminal compound, it also connects to nine stainless steel storage tanks for smoother operations.

Further, our Company through its step down Subsidiary, Veritas Polychem Private Limited (“**VPPL**”), are currently in the process of setting up a green field PVC & PMB manufacturing facility and associated infrastructure at Dighi Port, Raigarh District, Maharashtra which is strategically located in terms of connectivity. Dighi Port is a multipurpose, multi cargo, all weather port located at a distance of about 170 km south of Mumbai and about 42 nautical miles from the Mumbai.

VPPL Project Site



VPPL possesses’ ~60 acres of land with a 35-year sub-lease arrangement from Digi Port Limited. VPPL has received an Ultra Mega Status from the Government of Maharashtra, making it eligible for several benefits such as duty-free electricity in case of grid connection for 15 years from the date of commencement of commercial production; waiver of stamp duty charges; Industrial Promotion Subsidy as per Packaged Scheme of Incentives 2013 and concessions on state government taxes. VPPL is also eligible for Industrial Promotion Subsidy which grants up to 100% of the project cost in the form of refund of state GST received by the Government of Maharashtra.

Shipbuilding, defence and heavy engineering fabrication: Our Company, through its Subsidiary, Hazel Infra Limited, has recently acquired Reliance Naval and Engineering Limited (“**Reliance Naval**”) through a resolution plan and order dated December 23, 2022 by National Company Law Tribunal, Ahmedabad. Reliance Naval is involved in the business of ship construction and repairs for a range of vessels of different sizes and types, including naval vessels and coast guard vessels, as well as the heavy fabrication and construction of products such as offshore platforms, rigs, jackets and vessels.

The shipyard is strategically located adjacent to the Pipavav Port, along the west coast of India on the sea route connecting the Persian Gulf to Asia, and is approximately 150 nautical miles from Mumbai, a busy international maritime route that is suitably located for the ship repair business. In addition, the shipyard is located and relatively close to the offshore oil fields on the western coast of India and not too far from the Middle East, which we believe will be an advantage in tapping the offshore fabrication market. The shipyard is situated adjacent to the Pipavav Port, which is a modern sea port possessing technologically advanced port facilities and infrastructure. The Shipyard also enjoys other strategic locational advantages, such as a natural breakwater, tranquil marine conditions, short navigation channel and deep drafts. The strategic location of the shipyard should provide us with significant advantages and efficiencies, thereby resulting in lower management overheads and increasing cost effectiveness.

Real Estate: Our Company, through its Subsidiaries Cardinal Energy and Infrastructure Private Limited (“**CEIPL**”) and Pegasus Ventures Private Limited (“**PVPL**”) are engaged in the development and sale of

residential and commercial real estate projects. Our Company had successfully developed 2 large-scale projects in Mumbai - Peninsula Techno commercial IT park at Kurla, Mumbai consisting of 4 corporate towers and Ashok Gardens, a residential complex at Sewri, Mumbai. CEIPL had developed one commercial project in Bengaluru - Sai Tech Park, Whitefield and one commercial project in Hyderabad - Technova Park, Gachibowli which are leased out to multinational companies. Both the projects generate a consistent rental income for CEIPL with an escalation of 15% every three years. Currently, CEIPL is developing a residential project “Cardinal One” at Bengaluru. It is a residential project consisting of a 22 story tower, having 3 wings (A, B, C) and is under construction under a Joint Development Agreement. Construction of all 3 towers have been completed and the finishing works are currently in process.

Textile: We are engaged in the business of processing, dying and printing a range of fabrics, including cotton, cotton blend fabrics like polyester cotton, linen and viscose fabrics with lycra and non-lycra options located at Narol, Ahmedabad, Gujarat. We have a textile processing unit located at Plot No – 558/559a, Narol – Vatva Road, Ahmedabad, Gujarat and has been accredited with certifications like ISO 9001:2008 and OEKOTEX-100.

The revenue mix from our divisions for nine months' period ended December 31, 2023 and the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 is set forth below:

Business division	Segment reporting as per IND AS 118	Nine months period ended December 31, 2023	% of total revenue from operations	Fiscal 2023 (In ₹ lakhs)	% of total revenue from operations	Fiscal 2022 (In ₹ lakhs)	% of total revenue from operations	Fiscal 2021 (In ₹ lakhs)	% of total revenue from operations
Oil and gas	Energy	56,743.81	15.68%	20,548.44	14.18%	5,151.63	10.43%	3,490.19	10.76%
Petroleum and petrochemical warehousing, blending, processing & trading	Distribution & development and Warehousing	2,75,984.96	76.25%	65,898.57	45.48%	0.00	0.00%	0.00	0.00%
Shipbuilding, defence and heavy engineering fabrication *	-	Nil		Nil		Nil		Nil	
Real Estate	Construction/ Others	12,959.61	3.58%	33,928.31	23.42%	27,181.98	55.01%	7,476.28	23.05%
Textile	Textile	16,221.52	4.48%	24,515.83	16.92%	17,075.50	34.56%	21,474.81	66.20%
Others	Power Generation and Manufacturing	14.42	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Total revenue from operations		3,61,924.06	100.00%	1,44,891.15	100.00%	49,409.11	100.00%	32,441.28	100.00%

*Acquired in the Fiscal 2024.

The following table sets forth certain information relating to certain key financial performance metrics on a consolidated basis as of the dates and for the periods indicated:

Consolidated performance	Nine months period ended December 31, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
Revenue from Operations (In ₹ lakhs)	3,61,924.06	1,43,814.37	48,719.96	32,046.88
Total Income (In ₹ lakhs)	3,69,301.83	1,44,891.15	49,409.11	32,441.28
Gross margin (%)	24.02%	25.77%	33.24%	43.65%
EBITDA (In ₹ lakhs)	82,392.71	24,190.35	7,518.72	7,165.16
EBITDA margin (%)	22.31%	16.70%	15.22%	22.09%
Profit/(Loss) for the period/ year (Net Profit) (In ₹ lakhs)	53,037.78	-6,104.92	-15,789.29	-6,861.43
Net Profit Ratio (%)	14.36%	-4.21%	-31.96%	-21.15%
Return on Capital Employed (%)	-	2.05%	0.09%	0.68%
Return on Equity (%)	-	-2.14%	-9.63%	-5.12%
Debt Equity Ratio	-	1.75	2.51	2.29
Interest coverage Ratio	4.53	1.09	0.54	0.75
Current Ratio	-	1.26	1.44	0.36
Total Assets (In ₹ lakhs)	-	10,22,478.19	6,39,731.81	4,93,610.23
Total Liabilities (In ₹ lakhs)	-	6,48,971.00	4,69,889.30	3,53,841.44
Total Equity (In ₹ lakhs)	-	3,73,507.19	1,69,842.52	1,39,768.79
Total Borrowings (In ₹ lakhs)	-	4,97,933.36	4,11,635.07	3,06,405.58
Total Current Assets (In ₹ lakhs)	-	2,57,621.00	1,60,062.79	53,560.27
Total Current Liabilities (In ₹ lakhs)	-	2,04,115.24	1,11,200.04	1,49,248.48

We attribute our growth to our experienced, highly qualified and dedicated senior management team. Our senior management team has extensive experience in the various industries in which we operate. Our Board includes a combination of executive as well as independent Directors with significant business experience. We leverage their experience in our strategic decision making and day-to-day operations of our Company. For further details, see “Board of Directors and Senior Management” on page 180.

Competitive strengths

We believe that the following are our principal strengths:

Efficient capital allocation and track record of value creation

We are an Indian multi-national company with a history of setting up, acquiring, operating, building and divesting businesses. We believe our strength lies in identifying suitable opportunities to pursue, evaluating the scale of investment to be made in the opportunity, building the business to scale and identifying the future potential of the business coupled with a conviction to decide when to further invest these businesses. We strive to achieve consistent returns to our various stakeholders and have a consistent track record of dividend payments since 2010. Our corporate structure further allows us to optimize returns by allocating capital to our different businesses appropriately when required and efficiently manage capital to deliver consistent value. Our market capitalisation was ₹ 18,620.00 lakhs in December 11, 1995 and was ₹16,88,540.97 lakhs on January 31, 2024.

Track record of entrepreneurship

We have a long track record of launching new businesses, acquiring businesses and scaling up businesses. Our Company was incorporated on February 22, 1909 at Mumbai as a manufacturer of cotton yarn and fabric and taken over by the present management of the Group through an order of the Board for Industrial and Financial Reconstruction dated December 11, 1995. We initiated our real estate development activities in the year 2004 by monetising the land parcel of the textile mills into real estate developments. Over the years, we have diversified our business and consistently adapted to available opportunities, industry trends, evolving needs and market dynamics. In the year 2011, we have set up a new textile processing unit at Ahmedabad to continue with our original textile business. In the year 2012, we forayed into the oil and gas sector for setting up a FSRU based LNG terminal at Jafrabad, Gujarat. Subsequently in the year 2022, we forayed into a business of international trade,

warehousing, drumming, distillation, blending and distribution of petroleum and petrochemicals products. Our business has been grown organically as well as inorganically through acquisition of other companies and products. In the Fiscal 2024, we have taken over the business of ship construction and repairs for a range of vessels of different sizes and types, including naval vessels and coast guard vessels, as well as the heavy fabrication and construction of products such as offshore platforms, rigs, jackets and vessels.

We routinely review and monitor a number of internal and external factors across all our various businesses to identify opportunities which have allowed us to build profitable business models and have enabled us to enter into and maintain partnerships across our various businesses from time to time and also attract quality long term investors as shareholders.

We have a strong Board and management team with diversified experience

Our Board of Directors comprises 9 Directors of which 5 are Independent Directors and is led by our Chairman, Navinbhai C. Dave, has over six decades of experience in real estate and textiles sectors. Our Promoter and Managing Director, Nikhil V. Merchant has been associated with our Company for over three decades and has a total experience of more than 35 years in all functional areas of textile, real estate, oil and gas sectors. Our Executive Director, Paresh V. Merchant is actively involved in running our business operations. Our Board comprises members with diverse experience across sectors. This diversified experience provides us with diverse input in evaluating and managing our businesses. Also, we have created a leadership team for each of our businesses tasked with the roles and responsibilities of operating and managing these businesses. Our management structure allows the group to effectively operate our business and also allows us to be nimble in identifying opportunities in each of the businesses while maintaining adequate control and supervision of the board of directors. For further details, see “*Board of Directors and Senior Management*” on page 180.

Our key Subsidiaries across each of our businesses are also led by Boards of Directors comprising capable members who are experienced in their respective fields and who possess a clear vision of our businesses. We believe that our experienced leadership teams across our Subsidiary boards allow us to manage our operations effectively and drive synergies across our businesses. We believe that the knowledge and experience of our senior management provides us with a significant competitive advantage as we expand in our existing markets and enter new geographies. We will continue to leverage on the experience of our management team and their understanding of our business segments to identify, explore and implement strategic objectives related to our business, operations and market opportunities.

Robust growth backed by strong financial returns

We believe that our strong balance sheet and financial performance instils confidence in our stakeholders that we have steady operating cash flows for us to meet the present and future needs. Over the years, we have taken efforts to ensure decrease in dependence on one particular segment. We believe that our ability to make such investments helps strengthen trust and engagement with our customers, which enhances our ability to retain these customers and extend our engagement across products and geographies. We also have a risk management framework to identify and evaluate business risks, which facilitates fair presentation of our financial results in a complete and reliable manner and ensures financial discipline in the operations of our business.

We have been delivering consistent financial performance and our revenue from operations has grown from ₹ 32,046.88 lakhs in Fiscal 2021 to ₹ 48,719.96 lakhs in Fiscal 2022 and further to ₹ 143,814.37 lakhs in Fiscal 2023 representing year over year growth of 52.03% and 195.19% for Fiscal 2022 and Fiscal 2023 respectively. For the nine months ended December 31, 2023, our revenue from operations stood at ₹ 361,924.06 lakhs.

Our EBITDA has grown from ₹ 7,165.16 lakhs in Fiscal 2021 to ₹ 7,518.72 lakhs in Fiscal 2022 and further to ₹ 24,190.35 lakhs in Fiscal 2023 representing year over year growth of 4.93% and 221.73% for Fiscal 2022 & Fiscal 2023 respectively. For the nine months ended December 31, 2023, our EBITDA stood at ₹ 82,392.71 lakhs.

The following table sets forth certain information relating to certain key financial performance metrics as of the dates and for the periods indicated:

(₹ in lakhs)

Consolidated performance	Nine months period ended December 31, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
Revenue from operations	3,61,924.06	1,43,814.37	48,719.96	32,046.88
EBITDA	82,392.71	24,190.35	7,518.72	7,165.16
EBITDA Margin %	24.02%	25.77%	33.24%	43.65%
Profit/(Loss) for the year/ Period	53,037.78	-6,104.92	-15,789.29	-6,861.43
Net Profit Ratio (%)	14.36%	-4.21%	-31.96%	-21.15%
Return on Capital Employed (%)	-	2.05%	0.09%	0.68%
Return on Equity (%)	-	-2.14%	-9.63%	-5.12%
Debt Equity Ratio	-	1.75	2.51	2.29

Competitive Strategies

We believe that the following are our principal strategies:

At the Group level:

Focus on efficient allocation of capital

We will actively seek growth opportunities in the businesses in which we operate as well as new businesses that we see as potential areas of growth and value creation. These opportunities can take various forms, including green field investments, acquisitions, mergers, joint ventures, strategic investments and asset purchases. To this end we will seek opportunities for organic and inorganic growth. We will pursue these growth opportunities where we see the ability to add value for our various stakeholders and also grow our footprint across the businesses we operate in.

Foster and grow entrepreneurship

We believe we have a nimble and diversified management structure, with management teams at our various businesses being empowered with the decision making ability to take strategic decisions. We believe this is an important contributor to our overall growth and success. We intend to continue to allow for business leaders and management to be efficient stakeholders in the value creation process for the group as a whole and the individual businesses in particular. We aim to manage the risks and rewards of each management team member, to encourage the business teams to deliver on specified goals for each business such as increasing productivity, reducing costs and expanding geographies.

At the business segment level:

Grow the existing businesses to benefit from market opportunities

Oil and gas:

India has been one of the largest importers of natural gas since 2011. The imports of natural gas are further expected to rise as there are import terminals under construction. Also, LNG imports are completely dependent on the completion of import terminals. Since 2016, India has expanded the list of countries from which it imports LNG. Major countries that supply gas to India are Qatar and the USA. The first LNG shipment from Qatar to India took place in 2004 at the Dahej Terminal. India is highly dependent on imported LNG to meet its gas demand with imports contributing to around 43% of total consumption in 2023-24 (April-Sep).

Considering India's rapidly expanding gas market and the government's goal to increase natural gas share in the energy mix, our entry into LNG sector is a strategic move. To overcome high land costs, we are setting up a 5 MMTPA FSRU based LNG Port terminal, which can later be expanded. Following the completion of the Jafrabad port in Gujarat, the FSRU will be relocated to this new port.

Petroleum and petrochemical warehousing, blending, processing & trading:

India is a net importer of petrochemicals. During Fiscal 2018 – Fiscal 2022, imports grew by a CAGR of 2.2%. Lower crude oil prices supported the petrochemicals export. Amongst the major petrochemicals, polymers, fibre intermediates, synthetic rubber, and synthetic rubber intermediates were imported substantially. Similarly, Thailand, Turkey, Germany, Nepal, and Japan accounted for the top five import destinations for petrochemicals in Fiscal 2022.

As a growth strategy under, Petroleum and petrochemical warehousing, blending, processing & trading, an inner harbor pipeline and pipeline from jetty is to be constructed to decrease the cycle time for vessel loading/unloading. This will enable efficient berthing operations and result in increasing the throughput in a month. Further, we intend to approach various international markets including the south-east Asian market over and above the existing customer base to enhance the trading volumes and for a broader global presence. Further, we propose to avail the connection from SEWA (Sharjah Electricity & Water Authority) for electricity so that the operational costs can be reduced.

Shipbuilding, defence and heavy engineering fabrication:

India has established itself as a noteworthy player in both commercial as well as defence shipbuilding over the years and is the sixteenth-largest maritime country in the world with a coastline of 7,517 km. The Indian Shipbuilding Industry has less than 1% of global share at present. The Indian ports and shipping industry play a vital role in sustaining growth in the country's trade and commerce. Coastal and overseas cargo movement is affected by ocean-going vessels. The industry has seen massive growth contributing to the nation's economic development with a coastline offering abundant resources and a skilled workforce. There has been a steady increase in the handling of cargo traffic at Indian Ports with the opening of the Indian economy and the share in global exports has increased from 0.8% in Fiscal 2003 to 1.8% in Fiscal 2021 according to World Trade Statistical Review, 2022 report.

The Reliance Naval shipyard is strategically located along the west coast of India on the sea route connecting the Persian Gulf to Asia, and is approximately 150 nautical miles from Mumbai, a busy international maritime route that is suitably located for the ship repair business. In addition, the Reliance Naval Shipyard is located relatively close to the offshore oil fields on the western coast of India and not too far from the Middle East, which we believe will be an advantage in tapping the offshore fabrication market.

The Reliance Naval shipyard is situated adjacent to the Pipavav Port, which is a modern sea port possessing technologically advanced port facilities and infrastructure. Due to its proximity to the Pipavav Port, the Reliance Shipyard is positioned to benefit from the Pipavav Port's infrastructure facilities, such as approach channel and navigation facilities, water, power, utilities, roads, rails and means of communication. Reliance Naval shipyard also enjoys other strategic locational advantages, such as natural breakwater, tranquil marine conditions, short navigation channel and deep drafts. We intend to turn the Reliance Naval shipyard into one of the largest private players in the construction of naval, defence and commercial ships and repair and fabrication work.

Real Estate:

India is among the top 10 price-appreciating housing markets worldwide. In India, commercial property gives an average rental yield of 8%-11%, while the rental yield from residential property is 1.5%-3%. Housing prices strengthened further during Q1FY23-Q2FY24 in spite of an increase in benchmark policy rates due to the continued momentum in demand. The residential prices exhibited an upward trend in Fiscal 2023, reflecting pent-up demand following the pandemic. In Q1FY24, the HPI reached its highest level in the past five years, standing at 311.9, a growth of 5.1% y-o-y. This upward trajectory in housing prices can be attributed to the increased costs of construction materials and labour, along with robust demand in the market.

We have developed premium commercial and residential real estate projects in prime locations of India. The ongoing project of Cardinal One has 3 BHKs and 4 BHKs apartments. Further, we intend to continue to evaluate and develop strategically located parcels of land while ensuring a disciplined capital structure with the goal of maximizing returns and developing a robust pipeline of projects in our target market of Bengaluru. We also intend to leverage our brand equity to grow our business by entering into collaboration agreements with landowners. We believe that such an approach will enable us to be more capital efficient and reduce our upfront land acquisition costs.

Our Subsidiaries

1. Cardinal Energy and Infrastructure Private Limited

Cardinal Energy and Infrastructure Private Limited was incorporated as a private limited company under the Companies Act, 1956 pursuant to the certificate of incorporation dated July 11, 2008, issued by Registrar of Companies, Mumbai, Maharashtra. Cardinal Energy and Infrastructure Private Limited is authorized under its memorandum of association to carry on business of energy (thermal, hydel, wind, coal, gas, solar, atomic and bio-fuel) and to carry on business of dealing in all types of estate, property, construction, builders & developers, contractors, designers, architects and land estate development. It is also authorized to carry on business of developing, maintaining and operating of road, highway project, bridge, expressways, intra-urban roads and/or peri-urban roads. Cardinal Energy and Infrastructure Private Limited is currently engaged in real estate business.

2. Pegasus Ventures Private Limited

Pegasus Ventures Private Limited was incorporated as a private limited company under the Companies Act, 1956 pursuant to the certificate of incorporation dated April 16, 2012, issued by Registrar of Companies, Mumbai, Maharashtra. Pegasus Ventures Private Limited is authorized under its memorandum of association to carry on business of dealing in all types of estate, property, construction, builders & developers, contractors, designers, land estate development, and implementing and executing infrastructure projects. It is also authorized to carry on business of developing, maintaining and operating of road, highway project, bridge, expressways, intra-urban roads and/or peri-urban roads. Pegasus Ventures Private Limited is currently engaged in real estate business.

3. Swan LNG Private Limited

Swan LNG Private Limited was originally incorporated as a private company under the Companies Act, 1956 pursuant to the certificate of incorporation dated February 12, 2013, issued by Registrar of Companies, Dadra and Nagar Havelli, Gujarat. Swan LNG Private Limited is authorized under its memorandum of association to carry on business to prospect, explore, develop, drill, produce, acquire, store, process, refine, liquify, regasify, transport, distribute, supply, sell, market, import, export natural gas (NG), liquified natural gas (LNG), compressed natural gas (CNG) and other forms of natural gas. Swan LNG Private Limited is currently setting up a FSRU based Greenfield LNG terminal at Jafrabad, Gujarat.

4. Triumph Offshore Private Limited

Triumph Offshore Private Limited was incorporated as a private company under the Companies Act, 2013 pursuant to the certificate of incorporation dated May 24, 2017, issued by Registrar of Companies, Ahmedabad, Gujarat. Triumph Offshore Private Limited is authorized under its memorandum of association to carry on business to own, purchase, charter hire or otherwise acquire, sell, exchange, let or otherwise deal with, operate, trade in, or with steam and other ships, including floating storage regasification unit/floating storage unit, boats, tugs, vessels, trawlers, drifters and other transports. It is also authorized to design, develop, establish, build, lay, procure, relay, construct, equip, own, operate, use, administer, manage, maintain, improve, inspect, enlarge, alter, protect, extend, prepare, replace, refurbish and carry out works in respect of the whole or any part or parts of ports, terminals, jetties, storage tanks, warehouses, cranes, receipt and dispatch facilities, pumping stations, boosters, control stations, buildings, machineries, equipment. Triumph Offshore Private Limited is currently engaged in business of regasification.

5. Swan Mills Private Limited

Swan Mills Private Limited was originally incorporated as 'SML Holdings Limited' under the Companies Act, 1956 pursuant to certificate of incorporation dated August 17, 1979, issued by Registrar of Companies, Mumbai, Maharashtra. Swan Mills Private Limited is authorized under its memorandum of association to carry on business of ginning, pressing, combing, cleaning, preparing, packing, weaving, manufacturing, bleaching, dyeing, colouring, printing, finishing, processing, sell, buy, import, export all types of cotton, yarn, silk, linen, wool and all other types of fabric. Swan Mills Private Limited is currently engaged in processing, dying and printing a range of fabrics, including cotton, cotton blend fabrics like polyester cotton, linen and viscose fabrics with lycra and non-lycra options.

6. Hazel Infra Limited

Hazel Infra Limited was incorporated as a private company under the Companies Act, 1956 pursuant to the certificate of incorporation dated May 17, 2008, issued by Registrar of Companies, Mumbai, Maharashtra. Hazel

Infra Limited is authorized under its memorandum of association to carry on business as owners, builders, colonizers, developers, promoters, proprietors, lessors, civil contractors, maintainers of residential, commercial, and industrial buildings, colonies, hotels, mills and factories. It is also authorized to undertake and carry on the business of purchasing, selling and developing any type of land or plot, whether residential, commercial, industrial, rural or urban as well as construct houses, building of civil and constructional work of every description on any land of the company or upon any other lands.

7. Veritas (India) Limited

Veritas (India) Limited was incorporated as a private company under the Companies Act, 1956 pursuant to the certificate of incorporation dated March 21, 1985. Veritas (India) Limited is currently engaged in business of international trade and distribution of petrochemicals, petroleum products, polymers minerals & metals, paper & paper boards, rubber, fertilizers, and agro commodities.

8. Wilson Corporation FZE

Wilson Corporation FZE was incorporated as Free Zone Establishment The Registration no. of Wilson Corp is 19811. The main activities of Wilson Corp include General Trading (Including Import/export/trading of petroleum products, petrochemicals, chemicals, ethanol, bitumen, minerals and metals.

Employees

The Group had a total of 334 employees as of December 31, 2023. The following table shows a breakdown of our employees by geographic region:

Location	Number of Employees
India	270
Overseas	64

Properties

Our registered office and corporate headquarters is located at 6, Feltham House, 2 Floor, 10, J. N. Heredia Marg, Ballard Estate, Mumbai - 400 001. In addition, our manufacturing facility, sales and marketing and administration offices are located in various districts in India and internationally.

Intellectual Property

We conduct our business mainly under the “SWAN” brand names and the SWAN logo registered in India with the Register of Trademarks.

Insurance

We maintain insurance over our property for standard perils including fire, machinery breakdown, and earthquakes. We also have a weather insurance policy, burglary insurance policy, marine hull insurance policy, contractor all risk policy, group health insurance policy and group personal accident policy. We believe that our insurance coverage is consistent with industry standards for companies in India.

Corporate Social Responsibility

We have constituted a Corporate Social Responsibility Committee which is responsible for formulating and monitoring the CSR policy of our Company. As a part of our CSR effort, we have carried out activities such as expenditure towards supporting the health, education and basic life necessities of underprivileged and deprived section of the society.

We have spent nil in Fiscal 2023 (*amount required to be spent 7,38,000/- which was set off against excess amount spent in Fiscal 2020*), ₹ 30,26,000 in Fiscal 2022 and ₹ 36,01,000 in Fiscal 2021 on our CSR activities.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

The composition of our Board of Directors is governed by the provisions of the Companies Act, 2013, the SEBI Listing Regulations and the Articles of Association of our Company. The Articles of Association of our Company provide that our Company is required to have not less than two Directors and not more than 15 Directors.

As on date of this Preliminary Placement Document, our Board consists of nine Directors which includes one Managing Director, two Whole-time Directors, six Non-Executive Director out of which five are Independent Directors (including one-woman Independent Director).

The following table sets forth details regarding our Board, as on the date of this Preliminary Placement Document:

Name, address, occupation, term, nationality and DIN	Age (years)	Designation
Navinbhai C. Dave Date of Birth: October 25, 1938 Address: 39, Shanti Niketan, 95 A, Marine Drive, Kalbadevi, Mumbai, Maharashtra, 400002 Occupation: Business Term: Re-appointed with effect from April 01, 2019 Nationality: Indian DIN: 01787259	85	Chairman and Non-Executive Director
Nikhil V. Merchant Date of Birth: July 06, 1960 Address: Marble Arch, 2 nd Floor, 52, G Deshmukh Marg, Near HDFC Bank, Peddar Road, Mumbai-400026 Maharashtra. Occupation: Business Term: reappointed for a period of 5 years w.e.f. September 1, 2019 to August 31, 2024, liable to retire by rotation. Nationality: Indian DIN: 00614790	63	Managing Director
Paresh V. Merchant Date of Birth: September 19, 1963 Address: Flat No. 9, 5 th Floor, Kamal Mahal, Dhanukar Marg, Carmichael Road, Cumbala Hill, Mumbai, Maharashtra - 400026 Occupation: Business	60	Whole- time Director

Name, address, occupation, term, nationality and DIN	Age (years)	Designation
Term: Re-appointed for a period of 5 years with effect from September 1, 2019 to August 31, 2024; liable to retire by rotation. Nationality: Indian DIN: 00660027		
Padmanabhan Sugavanam	78	Whole-time Director
Date of Birth: June 03, 1945 Address: H 2, Breach Candy Apartment, Bhula Bhai Desai Road, Next to Breach Candy Hospital, Cumbala Hill, Mumbai, Maharashtra - 400026 Occupation: Business Term: Re-appointed for a period of 3 years with effect from September 24, 2023 to September 23, 2026; liable to retire by rotation. Nationality: Indian DIN: 03229120		
Pitamber Tekchandani	85	Independent Director
Date of Birth: February 07, 1938 Address- 9, Tarangini Apartment, Twin Tower Lane, opposite Siddhivinayak Temple, Prabhadevi, Mumbai, Maharashtra – 400025 Occupation: Retired Engineer Term: Re-appointed for a period of 5 years with effect from September 29, 2019 to September 28, 2024. Nationality: Indian DIN: 00319820		
Shobhan I. Diwanji	68	Independent Director
Date of Birth: August 18, 1955 Address: 41, Acropolis B, Little Gibbs Road, near Hanging Gardens, Malabar Hill, Mumbai, Maharashtra - 400006 Occupation: Independent Consultant Term: For a period of five years with effect from September 29, 2019.		

Name, address, occupation, term, nationality and DIN	Age (years)	Designation
Nationality: Indian DIN: 01667803		
Rajat Kumar Dasgupta	87	Independent Director
Date of Birth: November 2, 1936 Address: B- 1604, Eternia, Opposite Galleria Shopping Mall, Hiranandani Gardens, Powai, Powai IIT, Mumbai, Maharashtra - 400076 Occupation: Retired Engineer Term: Re-appointed for a period of 5 years with effect from September 29, 2019 to September 28, 2024. Nationality: Indian DIN: 01725758		
Surekha Oak	69	Independent Director
Date of Birth: September 25, 1954 Address: 204/A, Gautam Towers, Gokhale Road, Opposite Bank of Maharashtra, Naupada, Thane-West, Maharashtra Occupation: Retired Audit Officer Term: Re-appointed for a period of 5 years with effect from March 13, 2020 to March 12, 2025 Nationality: Indian DIN: 07122776		
Rohinton Eruch Shroff	73	Independent Director
Date of Birth: August 20, 1950 Address: 641- Jer Villa Road, No. 9 off, Kareghar Road, Dadar Parsi Colony, Dadar, Mumbai-400014, Maharashtra Occupation: Business Term: Re- appointed for a period of 5 years with effect from August 23, 2022 to August 22, 2027. Nationality: Indian		

Name, address, occupation, term, nationality and DIN	Age (years)	Designation
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DIN: 00234712

Brief Profiles of our Directors

Navinbhai C. Dave, is the Chairman and Non-Executive Director of our Company. He has been on our Board since November 16, 1998 and has experience of over 25 years.

Nikhil V. Merchant, is the Managing Director of our Company. He holds a bachelor's degree in science (textile engineering) from Philadelphia College of Textiles and Science, USA, Diploma in Man Made Textile Chemistry from SASMIRA and Management Education Programme from Indian Institute of Management, Ahmedabad. He has been on our Board since March 25, 1992 and has experience of nearly 30 years.

Paresh V. Merchant, is a Whole-time Director of our Company. He holds a bachelor's degree in Commerce from the University of Mumbai and Management Education Programme from Indian Institute of Management, Ahmedabad. He has been on our Board since November 23, 1998 and has experience of 25 years.

Padmanabhan Sugavanam, is a Whole-time Director of our Company. He is a member of the Institute of Chartered Accountants of India and is a practicing Chartered Accountant. He has been on our Board since September 24, 2010.

Pitamber Tekchandani, is an Independent Director of our Company. He holds a bachelor's degree in Mechanical Engineering from Sardar Vallabhbhai Vidyapeeth, Gujarat. He has been on our Board since December 22, 2005 and has over 18 years of experience.

Shobhan I. Diwanji, is an Independent Director of our Company. He holds a master's degree in Business Administration from the University of Rochester, USA. He is also an Independent Director in Standard Industries Limited. He has been on our Board since December 22, 2005.

Rajat Kumar Dasgupta, is a Non-Executive- Independent Director of our Company. He holds a bachelor's degree in Mechanical Engineering from the Jadavpur University, Calcutta and holds master's degree in Mechanical Engineering from Indian Institute of Technology, Kharagpur. He has been on our Board since August 16, 2007 and has 16 years of experience.

Surekha Oak, is a Non-Executive- Independent Director of our Company. She holds a bachelor's degree in Commerce from the University of Poona. She has been on our Board since March 13, 2015. She has 38 years of experience as an audit officer.

Rohinton Eruch Shroff, is a Non-Executive- Independent Director of our Company. He holds a Bachelor's degree in Law and Bachelor's in Commerce and Masters in Marketing Management from the University of Mumbai. He has been on our Board since August 23, 2022.

Relationship with other Directors

Except as disclosed below, none of our Directors are related to each other.

Name of the Director	Nature of Relationship
Nikhil V. Merchant and Paresh V. Merchant	Brothers
Nikhil V. Merchant and Navinbhai C. Dave	Son-in-law and Father-in-law

Shareholding of Directors in our Company

As per the Articles of Association of our Company, our Directors are not required to hold qualification shares.

The following table sets forth details of shareholding of our Directors in our Company as of the date of this Preliminary Placement Document:

Name of the Director	No. of Equity Shares	Percentage (%)
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Nikhil V. Merchant	4,000	Negligible
Total	4,000	Negligible

Borrowing powers of the Board

Pursuant to the special resolution dated September 28, 2020 passed in Annual General Meeting of the Company and section 180 (1) (c) of the Companies Act 2013 and other applicable provisions (including statutory modifications thereof), the Board has been authorized to borrow by way of loans/debentures (whether secured or unsecured)/ bonds/deposits/fund based/non fund based limits/guarantee, any sum or sums of money, either in Indian or foreign currency, from time to time, from banks and/or financial institutions and/or multilateral agencies and/or export import banks and/or other creditors which together with the monies already borrowed by the Company shall not exceed in the aggregate at any one time, ₹10,000 Crores (Rupees Ten Thousand Crores only), irrespective of the fact that such aggregate amount of borrowing outstanding at any one time may exceed the aggregate for the time being of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart of any specific purpose.

Interests of our Directors

Our executive Director may be deemed to be interested to the extent of their shareholding and remuneration paid to them for services rendered as a Director of our Company and reimbursement of expenses, if any, payable to them. Further, our Directors may also be deemed to be interested to the extent of remuneration paid to them for services rendered as a Director of our Subsidiaries and reimbursement of expenses, if any, payable to them. For details of remuneration paid to our Director, see “- *Terms of appointment and remuneration of Executive Directors*” and “- *Remuneration of Non-executive and Independent Directors*” on page 180.

Our Directors may also be regarded as interested to the extent of Equity Shares held by them in our Company and Subsidiaries, if any, details of which have been disclosed below under the heading “*Shareholding of Directors in our Company*” on page 180. Our Directors may also be interested to the extent of Equity Shares, if any, held by them or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Issue.

Except as stated in the section “*Related Party Transactions*” on page 40, our Directors do not have any other interest in the business of our Company.

Except for Bhavik Merchant, Nikhil Merchant and Vinita Merchant who are the Promoters of our Company, our Directors have no interest in the promotion of our Company as of the date of this Preliminary Placement Document, except in the ordinary course of business.

Other than as disclosed in this Preliminary Placement Document, there are no outstanding transactions other than in the ordinary course of business undertaken by our Company, in which our Directors are interested. Further, except as disclosed in “*Related Party Transactions*” on page 40, our Company has neither availed of any loans from, nor extended any loans to the Directors which are currently outstanding.

Our Company has not entered into any contract, agreement or arrangement during the preceding two years from the date of this Preliminary Placement Document in which any of the Directors are interested, directly or indirectly, and no payments have been made to them in respect of any such contracts, agreements, arrangements which are proposed to be made with them. Further, as on the date of this Preliminary Placement Document, the Directors have not taken any loans from our Company.

Except as stated in “*Financial Information*” beginning on page 253, our Directors have no interest in any property acquired or proposed to be acquired of or by our Company as on the date of this Preliminary Placement Document or in any transaction by our Company for acquisition of land, construction of buildings and supply of machinery.

Terms of appointment and remuneration of Executive Directors

Nikhil V. Merchant

Nikhil V. Merchant has been appointed as the of Managing Director of our Company for 5 years with effect from September 01, 2019 pursuant to a resolution passed by our Board on May 30, 2019 and our Shareholders on

September 30, 2019. Further, the terms and conditions of his appointment as the Managing Director are set forth below:

Particulars	Details
Salary	Rs. 9,68,000/- per month, in the scale of Rs. 9,00,000 to Rs. 13,00,000/- per month. The annual increments shall be effective from 1 st April each year, as may be decided by the Board, based on merit and taking into account the Company's performance for the year
Other perquisites	Bonus, benefits, perquisites and allowances shall be as may be determined by the board from time to time.

Paresh V. Merchant

Paresh V. Merchant has been appointed as the Managing Director of our Company for 5 years with effect from September 01, 2019 pursuant to a resolution passed by our Board on May 30, 2019 and our Shareholders on September 11, 2019. Further, the terms and conditions of his appointment as the Whole-Time Director are set forth below:

Particulars	Details
Salary	Rs. 9,68,000/- per month, in the scale of Rs. 9,00,000 to Rs. 13,00,000/- per month. The annual increments shall be effective from 1 st April each year, as may be decided by the Board, based on merit and taking into account the Company's performance for the year.
Other perquisites	Bonus, benefits, perquisites and allowances shall be as may be determined by the board from time to time

Padmanabhan Sugavanam

Padmanabhan Sugavanam has been appointed as the Whole Time Director of our Company for 3 years with effect from September 24, 2023, pursuant to a resolution passed by our Board on August 14, 2023 and our Shareholders on September 28, 2023. Further, the terms and conditions of his re-appointment as the Whole Time Director are set forth below:

Particulars	Details
Salary	Rs. 3,71,079/- per month, in the scale of Rs. 3,00,000 to Rs. 6,00,000/- per month. The annual increments shall be effective from 1 st April each year, as may be decided by the Board, based on merit and taking into account the Company's performance for the year.
Other perquisites	Bonus, benefits, perquisites and allowances shall be as may be determined by the board from time to time

The following table set forth the compensation paid by our Company to the Managing Director and Executive Directors during the nine-month period up to December 31, 2023 and Fiscals 2023, 2022 and 2021:

(₹ in lakhs)

Name of the Director	Remuneration (Salaries and bonus including contributions made to provident fund)				
	For the period from April 1, 2023 till December 31, 2023	For Fiscal 2023	For 2022	Fiscal	For Fiscal 2021
Nikhil V. Merchant*	102.22	137.36		114.29	91.57
Paresh V. Merchant**	102.22	137.36		114.29	91.57
Padmanabhan Sugavanam	26.02	35.24		35.24	35.24

*Appointed as a director with effect from September 1, 2019

**Appointed as a director with effect from September 1, 2019.

Remuneration of Non-executive and Independent Directors

There is no remuneration paid to the Non-executive and Independent Directors of our Company. Further, pursuant to the policy, "**Terms and Conditions of Appointment of Independent Director and Non-Executive Directors**"

Independent Directors are reimbursed for actual expenditures incurred while performing their role as an Independent Director.

Corporate Governance

As on date of this Preliminary Placement Document, our Board consists of nine Directors which includes one Managing Director, two Whole-time Directors, six Non-Executive Director out of which five are Independent Directors (including one-woman Independent Director). Our Company is currently in compliance with the corporate governance requirements including in relation to the constitution of Board and committees thereof, as prescribed under the Companies Act and SEBI Listing Regulations.

Committees of the Board of Directors

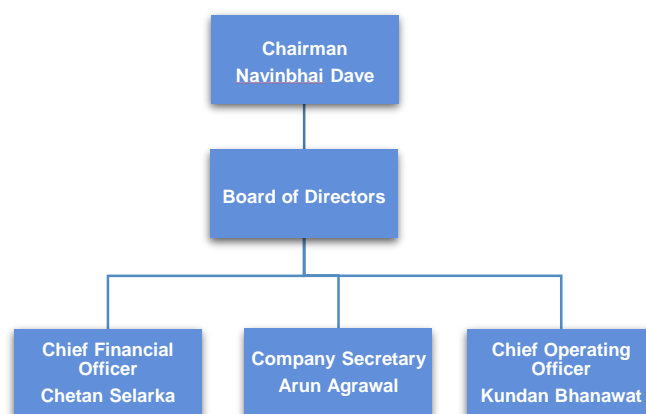
Our Company has constituted the following seven committees in terms of the SEBI Listing Regulations and the Companies Act, each of which functions in accordance with the relevant provisions of the Companies Act and the SEBI Listing Regulations.

The following table sets forth the members of the aforesaid committees as of the date of this Preliminary Placement Document:

Name of the Committee	Members
Audit Committee	Shobhan I. Diwanji (Chairperson) Surekha Oak (Member) Pitambar Tekchandani (Member)
Nomination and Remuneration Committee	Shobhan I. Diwanji (Chairperson) Surekha Oak (Member) Pitambar Tekchandani (Member)
Stakeholders' Relationship Committee	Navinbhai C. Dave (Chairperson) Paresh V. Merchant (Member) Surekha Oak (Member)
Corporate Social Responsibility Committee	Paresh V. Merchant (Chairperson) Pitambar Tekchandani (Member) Shobhan I. Diwanji (Member)
Risk Management Committee	Paresh V. Merchant (Chairperson) Surekha Oak (Member) Shobhan I. Diwanji (Member)
Fund Raising Committee	Rohinton Eruch Shroff (Chairperson) Nikhil V. Merchant (Member) Paresh V. Merchant (Member)

Management Organization Structure

Set forth below is the organisational structure of our Company, including our Board, Key Managerial Personnel and Senior Management:



Key Managerial Personnel

The following table sets forth the details of our Key Managerial Personnel (“**Key Managerial Personnel**”), other than our Managing Director, and our Whole-time Directors whose details are set out in “- *Brief profiles of our Directors*” on page 180:

Name	Designation
Chetan K Selarka	Chief Financial Officer
Arun S Agarwal	Company Secretary and Compliance Officer

For further details of our Managing Director and Whole-time Directors, refer “*Board of Directors and Senior Management*” beginning on page 180.

Senior Management

The following table sets forth the details of our Senior Management, other than our Chief Financial Officer, and our Company Secretary and Compliance Officer:

Name	Designation
Kundan Bhanawat	Chief Operating Officer

Shareholding of Key Managerial Personnel and Senior Management

Other than as set forth in “- *Shareholding of Directors in our Company*”, and as disclosed below, none of our Key Managerial Personnel and Senior Management hold any Equity Shares in our Company, as on the date of this Preliminary Placement Document.

Relationship between Key Managerial Personnel and Senior Management

In addition to the relationship between Nikhil V. Merchant and Paresh V. Merchant and Nikhil V. Merchant and Navinbhai C. Dave as disclosed above in “- *Relationship with other Directors*”, none of the Key Managerial Personnel and Senior Management are related to each other.

Interest of Key Managerial Personnel and Senior Management

Except as stated in “*Interest of our Directors*” above and in “*Related Party Transactions*” on pages 180 and 40 respectively, and to the extent of the remuneration or benefits to which they are entitled to as per the terms of their appointment and reimbursement of expenses incurred by them in the ordinary course of business and to the extent of the Equity Shares held by them in our Company, and any dividend payable to them and other distributions in respect of such shareholding, our Key Managerial Personnel and Senior Management do not have any other interest in our Company. Our Company does not have any bonus or profit-sharing plan with its Directors, Key Management Personnel or Senior Management.

None of our Key Managerial Personnel and members of Senior Management have been paid any consideration of any nature from our Company, other than their remuneration.

There is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any Key Managerial Personnel and members of Senior Management was selected as member of senior management.

Policy on disclosures and internal procedure for prevention of insider trading

SEBI Insider Trading Regulations applies to us and our employees and requires us to formulate and implement a code of practices and procedures for fair disclosure of unpublished price sensitive information and a code of conduct to regulate, monitor and report trading by designated persons.

Our Company is in compliance with the same and has implemented a code of conduct to regulate, monitor and report trading by Insiders ("**Insider Trading Code**") in accordance with the SEBI Insider Trading Regulations, terms of which the Company Secretary acts as the Compliance Officer of our Company under the aforesaid code of conduct for the Insider Trading Code. The Insider Trading Code is uploaded on the website of the Company at https://swan.co.in/admin/investorpdf/Insider%20Trading%20Code%20of%20Conduct_SEL.pdf

Other confirmations

None of our Promoters or Directors or Key Managerial Personnel or Senior Management have any financial or other material interest in the Issue and there is no effect of such interest in so far as it is different from the interests of other persons.

Neither our Company, nor the Directors or Promoters are identified as wilful defaulters or fraudulent borrowers by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters or fraudulent borrowers issued by the RBI.

None of our Promoters or Directors have been declared as fugitive economic offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.

Neither our Company, nor our Directors, or our Promoters or the companies with which our Promoters are or have been associated as a promoter or a person in control have been debarred from accessing capital markets under any order or direction passed by SEBI or any other governmental authority.

None of the Directors, Promoters, Key Managerial Personnel or Senior Management of our Company intend to subscribe to the Issue.

No change in control of our Company will occur consequent to the Issue.

SHAREHOLDING PATTERN OF OUR COMPANY

The shareholding pattern of our Company as on date of December 31, 2023 is as follows:

Summary statement of holding of Equity Shares as at December 31, 2023:

Category of shareholder	No. of shareholders	No. of fully paid up equity shares held	Total no. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	No. of Locked in shares		No. of Shares pledged or otherwise encumbered		No. of equity shares held in dematerialized form
							No.(a)	As a % of total Shares held(b)	No.(a)	As a % of total Shares held(b)	
(A) Promoter & Promoter Group	15	16,91,48,000	16,91,48,000	64.09	16,91,48,000	64.09		0.00	3,63,71,000	21.50	16,91,48,000
(B) Public	56,437	9,47,69,000	9,47,69,000	35.91	9,47,69,000	35.91	1,15,000	0.12		0.00	9,39,97,900
(C1) Shares underlying DRs				0.00		0.00		0.00		0.00	
(C2) Shares held by Employee Trust				0.00		0.00		0.00		0.00	
(C) Non Promoter-Non Public				0.00		0.00		0.00		0.00	
Grand Total	56,452	26,39,17,000	26,39,17,000	100.00	26,39,17,000	100.00	1,15,000	0.04	3,63,71,000	13.78	26,31,45,900

Note:C=C1+C2

Grand Total=A+B+C

Shareholding pattern of the Promoter and members of the promoter group of the Company as on December 31, 2023:

Category of shareholder	Entity Type	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities		Number Locked shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
						No.(a)	As a % of total Shares held(b)	No.(a)	As a % of total Shares held(b)			
										Class eg: X	Total	
A1) Indian					0.00		0.00		0.00		0.00	
Individuals/Hindu undivided Family		3	86,500	86,500	0.03	86,500	0.03		0.00		0.00	86,500
Vinita Nikhil Merchant	Promoter	1	41,500	41,500	0.02	41,500	0.02		0.00		0.00	41,500
Bhavik Nikhil Merchant	Promoter	1	41,000	41,000	0.02	41,000	0.02		0.00		0.00	41,000
Nikhil Vasantlal Merchant	Promoter	1	4,000	4,000	0.00	4,000	0.00		0.00		0.00	4,000
Any Other (specify)		12	16,90,61,500	16,90,61,500	64.06	16,90,61,500	64.06		0.00	3,63,71,000	21.51	16,90,61,500
DAVE IMPEX PRIVATE LIMITED	Promoter Group	1	4,60,30,400	4,60,30,400	17.44	4,60,30,400	17.44		0.00	3,63,71,000	79.02	4,60,30,400
SWAN REALTORS PRIVATE LIMITED	Promoter Group	1	4,15,89,000	4,15,89,000	15.76	4,15,89,000	15.76		0.00		0.00	4,15,89,000

SWAN ENGITECH WORKS PRIVATE LIMITED	Promot er Group	1	3,84,02,8 58	3,84,02,8 58	14.55	3,84,02,8 58	14.55		0.00		0.00	3,84,02,858
DAVE LEASING AND HOLDINGS PRIVATE LIMITED	Promot er Group	1	74,40,800	74,40,800	2.82	74,40,800	2.82		0.00		0.00	74,40,800
SAHAJANAN D SOAPS AND CHEMICALS PVT LTD	Promot er Group	1	66,10,000	66,10,000	2.50	66,10,000	2.50		0.00		0.00	66,10,000
MUSE ADVERTISIN G AND MEDIA PRIVATE LIMITED	Promot er Group	1	53,39,500	53,39,500	2.02	53,39,500	2.02		0.00		0.00	53,39,500
VAKRATUND PLAZA PRIVATE LIMITED	Promot er Group	1	53,08,500	53,08,500	2.01	53,08,500	2.01		0.00		0.00	53,08,500
DHANKALAS H TRADECOM M PRIVATE LIMITED	Promot er Group	1	40,00,000	40,00,000	1.52	40,00,000	1.52		0.00		0.00	40,00,000
FORCEFUL VINCOM PRIVATE LIMITED	Promot er Group	1	40,00,000	40,00,000	1.52	40,00,000	1.52		0.00		0.00	40,00,000

BANSHIDHAR TRADERS PRIVATE LIMITED	Promoter Group	1	40,00,000	40,00,000	1.52	40,00,000	1.52		0.00		0.00	40,00,000
INDERLOK DEALCOMM PRIVATE LIMITED	Promoter Group	1	40,00,000	40,00,000	1.52	40,00,000	1.52		0.00		0.00	40,00,000
SWAN INTERNATIONAL LIMITED	Promoter Group	1	23,40,442	23,40,442	0.89	23,40,442	0.89		0.00		0.00	23,40,442
Sub Total A1		15	16,91,48,000	16,91,48,000	64.09	16,91,48,000	64.09		0.00	3,63,71,000	21.50	16,91,48,000
A2) Foreign					0.00		0.00		0.00		0.00	
A=A1+A2		15	16,91,48,000	16,91,48,000	64.09	16,91,48,000	64.09		0.00	3,63,71,000	21.50	16,91,48,000

Statement showing shareholding pattern of the public shareholder as on December 31, 2023:

Category & Name of the Shareholders	No. of shareholder	No. of fully paid up equity shares held	Total no. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	No. of Locked in shares		No. of equity shares held in dematerialized form(Not Applicable)
							No.(a)	As a % of total Shares held(b)	
B1) Institutions									
B2) Institutions (Domestic)									
Mutual Funds/	23	4469238	44,69,238	1.69	44,69,238	1.69		0.00	44,69,238
Alternate Investment Funds	4	357802	3,57,802	0.14	3,57,802	0.14		0.00	3,57,802
Banks	8	107437	1,07,437	0.04	1,07,437	0.04		0.00	6,937
Insurance Companies	2	10433556	1,04,33,556	3.95	1,04,33,556	3.95		0.00	1,04,33,556
NBFCs registered with RBI	2	151764	1,51,764	0.06	1,51,764	0.06		0.00	1,51,764
Sub Total B1	39	15519797	1,55,19,797	5.88	1,55,19,797	5.88		0.00	1,54,19,297
B2) Institutions (Foreign)									
Foreign Direct Investment	1	10962000	1,09,62,000	4.15	1,09,62,000	4.15		0.00	1,09,62,000
Foreign Portfolio Investors Category I	29	13169673	1,31,69,673	4.99	1,31,69,673	4.99		0.00	1,31,69,673
Foreign Portfolio Investors Category II	5	3513338	35,13,338	1.33	35,13,338	1.33	1,15,000	3.27	35,13,338
Sub Total B2	35	27645011	2,76,45,011	10.47	2,76,45,011	10.47	1,15,000	0.42	2,76,45,011
B4) Central Government/ State Government(s)/ President of India									
B5) Non-Institutions									
Investor Education and Protection Fund (IEPF)	1	703970	7,03,970	0.27	7,03,970	0.27		0.00	7,03,970

[illegible]

Shareholding pattern of the non-Promoter – non-public shareholder of the Company as on December 31, 2023:

Category & Name of the Shareholders(I)	No. of shareholder(III)	No. of fully paid up equity shares held(IV)	Total no. shares held(VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)(VIII)	Number of Locked in shares(XII)		Number of equity shares held in dematerialized form(XIV)(Not Applicable)
					No	As a % of total Shares held	
C1) Custodian/DR Holder	0	0		0.00		0.00	
C2) Employee Benefit Trust	0	0		0.00		0.00	

Details of disclosure made by the trading members holding 1% or more of the total number of shares of the Company as on December 31, 2023.

Sl. No.	Name of the Trading Member	Name of the Beneficial Owner	No. of shares held	% of total no. of shares	Date of reporting by the Trading Member
-	NIL	NIL	NIL	NIL	NIL

ISSUE PROCEDURE

The following is a summary intended to present a general outline of the procedure relating to the Bidding, application, payment of Application Amount, Allocation and Allotment of Equity Shares. The procedure followed in the Issue may differ from the one mentioned below and the investors are assumed to have apprised themselves of any restrictions or limitations that may be applicable to them and are required to consult their respective advisors in this regard. Bidders that apply in the issue will be required to confirm and will be deemed to have represented to our Company, the Book Running Lead Manager and their respective directors, officer, agents affiliate and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Also see “Selling Restrictions” and “Transfer Restrictions” beginning on page 214 and 222 respectively.

Our Company, the Book Running Lead Manager and their respective directors, officers, agents, advisors, shareholders, employees, counsel, affiliates and representatives are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations and shall be solely responsible for compliance with all the applicable provisions of the SEBI Takeover Regulations, the SEBI Insider Trading Regulations, and other applicable laws.

Qualified Institutions Placement

THE ISSUE IS MEANT ONLY FOR ELIGIBLE QIBs ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS.

This Preliminary Placement Document has not been, and will not be, filed as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible QIBs.

The Issue is being made to Eligible QIBs in reliance upon Chapter VI of the SEBI ICDR Regulations and Section 42 and other applicable provisions of the Companies Act, 2013 and rules thereunder, through the mechanism of a QIP. Under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules and other applicable provisions of the Companies Act, 2013, our Company, being a listed company in India may issue eligible securities to Eligible QIBs provided that certain conditions are met by such Company. Some of these conditions are set out below:

- the shareholders of the issuer have passed a special resolution approving such QIP. Such special resolution must *inter alia* specify that, (a) the allotment of securities is proposed to be made pursuant to the QIP; and (b) the Relevant Date for the QIP;
- the explanatory statement to the notice to the shareholders for convening the general meeting must disclose, among other things, the particulars of the issue including the date of passing the board resolution, the kind of securities being offered, amount which the company intends to raise by way of such securities and the material terms of raising such securities, proposed issue schedule, the purpose or objects of offer, the contribution made by the promoters or directors either as part of the offer or separately in furtherance of the objects, and the basis or justification for the price (including premium, if any) at which the offer or invitation is being made;

under Regulation 172(1)(b) of the SEBI ICDR Regulations, the equity shares of the same class of such issuer, which are proposed to be allotted through the QIP, are listed on a recognised stock exchange in India having nation-wide trading terminals for a period of at least one year prior to the date of issuance of notice to its shareholders for convening the meeting to seek approval of the shareholders for the abovementioned special resolution; except for Equity Shares allotted during the preceding one year from the date of this Preliminary Placement Document;

- invitation to apply in the QIP must be made through a private placement offer-cum-application form serially numbered and addressed specifically to the Eligible QIBs to whom the QIP is made either in writing or in electronic mode, within 30 days of recording the name of such person in accordance with applicable law; the issuer shall have completed allotments with respect to any earlier offer or invitation made by the issuer or shall have withdrawn or abandoned such invitation or offer made by the issuer, except as permitted under the Companies Act, 2013;
- the issuer shall not make any subsequent QIP until the expiry of two weeks from the date of the previous QIP;
- our Company shall have completed allotments with respect to any offer or invitation made by our Company or has withdrawn or abandoned any such invitation or offer, however, our Company may, at any time, make more than one issue of securities to such class of identified persons as may be prescribed;
- an offer to Eligible QIBs will not be subject to a limit of 200 persons. Prior to circulating the private placement offer-cum-application (i.e. this Preliminary Placement Document), the issuer shall prepare and record a list of Eligible QIBs to whom the Issue will be made. The QIP must be made only to such Eligible QIBs whose names are recorded by the issuer prior to the invitation to subscribe;
- the offering of securities by issue of public advertisements or utilisation of any media, marketing or distribution channels or agents to inform the public about the QIP is prohibited;
- In accordance with the SEBI ICDR Regulations, securities will be issued and allotment shall be made only in dematerialized form to the allottees; and
- the Promoter and directors of the issuer are not Fugitive Economic Offenders
- the Promoter or Directors are not declared as Wilful Defaulters;
- the Promoter or Directors are not declared as 'Fraudulent Borrower' by the lending banks or financial institution or consortium, in terms of RBI master circular dated July 01, 2016, and

At least 10% of the equity shares issued to Eligible QIBs shall be available for Allocation to Mutual Funds, provided that, if this portion, or any part thereof to be allotted to Mutual Funds remains unsubscribed, it may be allotted to other Eligible QIBs.

Bidders are not allowed to withdraw or revise downwards their Bids after the Bid/ Issue Closing Date.

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The floor price of the equity shares issued under the QIP shall not be less than the average of the weekly high and low of the closing prices of the issuer's equity shares of the same class quoted on the stock exchanges during the two weeks preceding the relevant date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations. However, a discount of up to 5% of the floor price is permitted in accordance with the provisions of the SEBI ICDR Regulations. Our Board through its resolution dated December 28, 2023 and our Shareholders by way of a postal ballot dated February 7, 2024 have authorised our Board to decide the quantum of discount up to 5% of the Floor Price at the time of determination of the Issue Price.

The Issue Price shall be subject to appropriate adjustments, if our Company makes any alteration to its share capital as mentioned in Regulation 176 (4) of the SEBI ICDR Regulations.

The "relevant date" mentioned above in case of allotment of equity shares, refers to the date of the meeting in which the board of directors or the committee of directors duly authorised by the board of the issuer decides to open the proposed issue and "stock exchange" means any of the recognised stock exchanges in India on which the equity shares of the issuer of the same class are listed and on which the highest trading volume in such shares has been recorded during the two weeks immediately preceding the relevant date.

The securities must be allotted within 365 days from the date of the shareholders' resolution approving the QIP in one or tranches and also within 60 days from the date of receipt of Application Amount from the successful Eligible QIBs. For details of Allotment, see "**Pricing and Allocation – Designated Date and Allotment of Equity Shares**" below.

Subscription to the Equity Shares offered pursuant to the Issue must be made by Eligible QIBs on the basis of this Preliminary Placement Document and the Placement Document that shall contain all material information including the information specified in Schedule VII of the SEBI ICDR Regulations and the requirements prescribed under PAS Rules and Form PAS-4. This Preliminary Placement Document and the Placement Document are private documents provided to only select Eligible QIBs through serially numbered copies and are required to be placed on the website of the concerned Stock Exchanges and of our Company with a disclaimer to the effect that it is in connection with an issue to Eligible QIBs and no offer is being made to the public or to any other category of investors. Please note that if you do not receive a serially numbered copy of this Preliminary Placement Document addressed to you, you may not rely on this Preliminary Placement Document or Placement Document uploaded on the website of the Stock Exchanges or our Company for making an application to subscribe to Equity Shares pursuant to the Issue.

The minimum number of allottees for each QIP shall not be less than:

- two, where the issue size is less than or equal to ₹25,000 lakh; and
- five, where the issue size is greater than ₹25,000 lakh.

No single Allottee shall be Allotted more than 50% of the Issue Size.

Eligible QIBs that belong to the same group or that are under common control shall be deemed to be a single Allottee for the purpose of the Issue. For details of what constitutes “same group” or “common control”, see “*Application Form – Bid Process*” on beginning page 463.

Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of a recognised stock exchange.

We have applied for and received the in-principle approval of the Stock Exchanges under Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares to be issued pursuant to the Issue on the Stock Exchanges. We have filed a copy of this Preliminary Placement Document and will file a copy of the Placement Document with the Stock Exchanges.

We shall also make the requisite filings with the RoC within the stipulated period as required under the Companies Act, 2013 and the PAS Rules.

The Issue has been authorised and approved by our Board on December 28, 2023 and our Shareholders by special resolution passed through a postal ballot dated February 7, 2024.

Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state of the United States, and may not be offered, sold or delivered in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in “offshore transactions” as defined in, and in reliance on Regulation S and the applicable laws of the jurisdiction where those offers and sales are made. The Equity Shares are transferable only in accordance with the restrictions described under “*Selling Restrictions*” and “*Transfer Restrictions*” on pages 214 and 222, respectively.

The Equity Shares pursuant to this Issue have not been and will not be registered, listed or otherwise qualified in any jurisdiction except India and may not be offered or sold. Bids may not be made by persons in any jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Issue Procedure

1. On Bid / Issue Opening Date, our Company in consultation with the Book Running Lead Manager shall circulate serially numbered copies of this Preliminary Placement Document and the serially numbered Application Form, either in electronic or physical form to Eligible QIBs and the Application Form will be specifically addressed to such Eligible QIBs. In terms of Section 42(3) of the Companies Act, 2013, our Company shall maintain complete records of such Eligible QIBs in the form and manner prescribed under the PAS Rules, to whom this Preliminary Placement Document and the serially numbered Application Form have been dispatched or circulated, as the case may be. Our Company will make the requisite filings with RoC within the stipulated time period as required under the Companies Act, 2013.
2. The list of QIBs to whom the Application Form is delivered shall be determined by our Company in consultation with the Book Running Lead Manager. **Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form, which includes the details of the bank account wherein the Application Amount is to be deposited, is addressed to a particular Eligible QIB, no invitation to subscribe shall be deemed to have been made to such Eligible QIB.** Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid. The Application Form may be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law.
3. Eligible QIB may submit an unsigned copy of the Application Form, as long as the Application Amount is paid along with submission of the Application Form within the Bid/Issue Period. Once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Application Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so.
4. Eligible QIBs may submit an Application Form, including any revisions thereof, along with the Application Amount transferred to the Escrow Account specified in the Application Form and a copy of the PAN card or PAN allotment letter and/or any other documents mentioned in the Application Form, during the Bid/ Issue Period to the Book Running Lead Manager.
5. Bidders will be required to indicate the following in the Application Form:
 - full official name of the Bidder to whom Equity Shares are to be Allotted, complete address, email id, PAN details (if applicable), phone number and bank account details;
 - number of Equity Shares Bid for;
 - price at which they are agreeable to subscribe to the Equity Shares and the aggregate Application Amount for the number of Equity Shares Bid for;
 - details of the beneficiary account maintained by the Depository Participant to which the Equity Shares should be credited pursuant to the Issue;
 - equity shares held by the Bidder in our Company prior to the Issue; and
 - a representation that it is outside the United States acquiring the Equity Shares in an “offshore transaction” as defined in, and in reliance on, Regulation S, and it has agreed to certain other representations set forth in this Preliminary Placement Document and in the Application Form.

NOTE: Eligible FPIs are required to indicate their SEBI FPI registration number in the Application Form. The Bids made by the asset management companies or custodian of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual

Fund will be treated as one application from the Mutual Fund. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.

6. Eligible QIBs shall be required to make the entire payment of the Application Amount for the Equity Shares Bid for, along with the Application Form, only through electronic transfer to the Escrow Account opened in the name of “*Swan Energy Limited – QIP Escrow Account*” with the Escrow Bank, within the Bid/Issue Period as specified in the Application Form sent to the respective Bidders. Please note that any payment of Application Amount for the Equity Shares shall be made from the bank accounts of the relevant Bidders and our Company shall keep a record of the bank account from where such payment has been received. No payment shall be made in the Issue by the Bidders in cash. Application Amount payable on Equity Shares to be held by joint holders shall be paid from the bank account of the person whose name appears first in the Application Form. Until Allotment, and the filing of return of Allotment by our Company with the RoC, or receipt of final listing and trading approvals from the Stock Exchanges, whichever is later, Application Amount received for subscription of the Equity Shares shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised only for the purposes permitted under the Companies Act, 2013. Notwithstanding the above, in the event (a) any Bidder is not allocated Equity Shares in the Issue, (b) the number of Equity Shares Allotted to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, (c) the Application Amount has been arrived at using an indicative price higher than the Issue Price, or (d) any Eligible QIB lowers or withdraws their Bid after submission of the Application Form but on or prior to the Issue Closing Date, the excess Application Amount will be refunded to the same bank account from which it was remitted, in the form and manner set out in “– *Refunds*”.
7. Once a duly completed Application Form is submitted by a Bidder and the Application Amount is transferred to the Escrow Account, such application constitutes an irrevocable offer and the Bid cannot be withdrawn or revised downwards after the Bid/ Issue Closing Date. In case of an upward revision before the Bid/ Issue Closing Date, an additional amount shall be required to be deposited towards the Application Amount in the Escrow Account along with the submission of such revised Bid. The Bid/ Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date after receipt of the Application Form.
8. The Eligible QIBs acknowledge that in accordance with the requirements of the Companies Act, 2013, upon Allocation, our Company will be required to disclose the names of proposed Allottees and the percentage of their post Issue shareholding in the Placement Document and consents to such disclosure, if any Equity Shares are allocated to it.
9. The Bids made by asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.
10. Upon receipt of the duly completed Application Form, whether signed or not and the Application Amount in the Escrow Account, on or after the Bid/ Issue Closing Date, our Company shall, in consultation with the Book Running Lead Manager determine the final terms, including the Issue Price of the Equity Shares to be issued pursuant to the Issue and Allocation. Upon such determination, the Book Running Lead Manager, on behalf of our Company, will send the serially numbered CAN and the Placement Document to the Successful Bidders. The dispatch of a CAN, and the Placement Document (when dispatched) to a Successful Bidder shall be deemed a valid, binding and irrevocable contract for the Successful Bidders to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent to the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. The CAN shall contain details such as the number of Equity Shares Allocated to the Successful Bidders, Issue Price and the aggregate amount received towards the Equity Shares Allocated. In case of Bids being made on behalf of the Eligible QIB where the Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so. The Issue Closing Date shall be notified to the Stock Exchanges and the Eligible

QIBs shall be deemed to have been given notice of such date after receipt of the Application Form. **Please note that the Allocation will be at the absolute discretion of our Company and shall be in consultation with the Book Running Lead Manager.**

11. The Bidder acknowledges that in terms of the requirements of the Companies Act, upon Allocation, our Company will be required to disclose the names of proposed allottees and the percentage of their post-Issue shareholding in the Placement Document and consents to such disclosure, if any Equity Shares are allocated to it.
12. Upon determination of the Issue Price and before Allotment of Equity Shares to the Successful Bidders, the Book Running Lead Manager, shall, on our behalf, send a serially numbered Placement Document either in electronic form or through physical delivery to each of the Successful Bidders who have been Allocated Equity Shares pursuant to dispatch of a serially numbered CAN.
13. Upon dispatch of the serially numbered Placement Document, our Company shall Allot Equity Shares as per the details in the CANs sent to the Successful Bidders. Our Company will inform the Stock Exchanges of the details of the Allotment.
14. After passing the resolution passed by the Board or its committee approving the Allotment and prior to crediting the Equity Shares into the beneficiary account of the Successful Bidders maintained by the Depository Participant, as specified in the records of the depositories or as indicated in their respective Application Form, our Company shall apply to the Stock Exchanges for listing approvals in respect of the Equity Shares Allotted pursuant to the Issue.
15. After receipt of the listing approvals of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the beneficiary accounts of the respective Allottees.
16. Our Company will then apply for the final trading approvals from the Stock Exchanges.
17. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the Successful Bidders shall be eligible for trading on the Stock Exchanges only upon the receipt of final trading and listing approvals from the Stock Exchanges.
18. As per applicable law, the Stock Exchanges will notify the final listing and trading approvals, which are ordinarily available on their websites, and our Company may communicate the receipt of the listing and trading approvals to those Eligible QIBs to whom the Equity Shares have been Allotted. Our Company and the Book Running Lead Manager shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Investors are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.

Eligible Qualified Institutional Buyers

Only Eligible QIBs are eligible to invest in the Equity Shares pursuant to the Issue, provided that with respect to FPIs, only Eligible FPIs applying under Schedule II of the FEMA Non-Debt Rules will be considered as Eligible QIBs. FVCIs are not permitted to participate in the Issue. Currently, QIBs, who are eligible to participate in the Issue(not being excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations) and also as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, are set forth below:

- alternate investment funds registered with SEBI;
- Eligible FPIs;
- insurance companies registered with Insurance Regulatory and Development Authority of India;
- insurance funds set up and managed by army, navy or air force of the Union of India;
- insurance funds set up and managed by the Department of Posts, India;
- multilateral and bilateral development financial institutions;(which are resident in India)
- Mutual Funds registered with SEBI;
- pension funds with minimum corpus of ₹25 crore registered with the Pension Fund Regulatory and Development Authority established under section 3(1) of the Pension Fund Regulatory and Development Authority Act, 2013;
- provident funds with minimum corpus of ₹25 crore;

- public financial institutions; as defined under Section 2(72) of the Companies Act
- scheduled commercial banks;
- state industrial development corporations;
- the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government published in the Gazette of India;
- venture capital funds registered with SEBI; and
- systemically important non-banking financial companies.

Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.

ELIGIBLE FPIS ARE PERMITTED TO PARTICIPATE UNDER SCHEDULE II OF FEMA RULES IN THIS ISSUE. ELIGIBLE FPIS ARE PERMITTED TO PARTICIPATE IN THE ISSUE SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF THE FPIS DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. FVCIS ARE NOT PERMITTED TO PARTICIPATE IN THIS ISSUE.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means common ownership of more than fifty per cent or common control) is not permitted to exceed 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Rules, the total holding by each FPI including its investor group shall be below 10% of the total post- Issue paid-up Equity Share capital of our Company on a fully diluted basis. Eligible FPIs may invest in such number of Equity Shares in the Issue such that (i) the individual investment of the FPI in our Company does not exceed 10% of the post-Issue paid-up capital of our Company on a fully diluted basis, and (ii) the aggregate investment by FPIs in our Company does not exceed the sectoral cap applicable to our Company on a fully diluted basis.

In case the holding of an FPI including its investor group increases to 10% or more of the total post-Issue paid-up equity capital, on a fully diluted basis, the FPI including its investor group is required to divest the excess holding within five trading days from the date of settlement of the trades resulting in the breach. In the event that such divestment of excess holding is not done within the above prescribed time, the total investment made by such FPI together with its investor group will be re-classified as FDI as per procedure specified by SEBI and the FPI and its investor group will be prohibited from making any further portfolio investment in the Company under the SEBI FPI Regulations. However, in accordance with Regulation 22(4) of the SEBI FPI Regulations, the FPIs who are: (a) appropriately regulated public retail funds; (b) public retail funds where the majority is owned by appropriately regulated public retail fund on look through basis; or (c) public retail funds and investment managers of such foreign portfolio investors are appropriately regulated, the aggregation of the investment limits of such FPIs having common control, shall not be applicable.

Two or more subscribers of ODIs having a common beneficial owner shall be considered together as a single subscriber of the ODI. In the event an investor has investments as a FPI and as a subscriber of ODIs, these investment restrictions shall apply on the aggregate of the FPI and ODI investments held in the underlying company.

Pursuant to the SEBI Circular dated April 5, 2018 (Circular No: IMD/FPIC/CIR/P/2018/61), our Company has appointed NSDL as the designated depository to monitor the level of FPI/NRI shareholding in our Company on a daily basis and once the aggregate foreign investment of a company reaches a cut-off point, which is 3% below the overall limit a red flag shall be activated. SEBI however, pursuant to its Circular dated May 17, 2018 (Circular No: SEBI/HO/IMD/FPIC/CIR/P/2018/81), directed that this system of monitoring foreign investment limits in Indian listed companies be made operational with effect from June 1, 2018. The depository is then required to inform the Stock Exchanges about the activation of the red flag. The Stock Exchanges are then required to issue the necessary circulars/ public notifications on their respective websites. Once a red flag is activated, the FPIs must trade cautiously, because in the event that there is a breach of the sectoral cap, the FPIs will be under an obligation to disinvest the excess holding within five trading days from the date of settlement of the trades.

As per the circular issued by SEBI on November 5, 2019, these investment restrictions shall also apply to subscribers of P-Notes. Two or more subscribers of P-Notes having a common beneficial owner shall be considered together as a single subscriber of the P-Note. In the event an investor has investments as a FPI and as a subscriber of P-Notes, these investment restrictions shall apply on the aggregate of the FPI and P-Note investments held in the underlying company.

Further, the aggregate limit of all FPIs investments, with effect from April 1, 2020, is up to the sectoral cap applicable to the sector in which the Company operates. Eligible FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. The existing aggregate investment limit for FPIs in the Company is 100% of the paid up capital of the Company.

In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Restriction on Allotment.

Pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any Eligible QIB being a promoter, or any person related to, the promoter. QIBs, which have all or any of the following rights, shall be deemed to be persons related to the promoter:

- rights under a shareholders' agreement or voting agreement entered into with the promoters or members of the promoter group;
- veto rights; or
- a right to appoint any nominee director on the board of the Issuer.

Provided, however, that an Eligible QIB which does not hold any Equity Shares in our Company and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the promoter.

Our Company, the Book Running Lead Manager and any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, advisors or affiliates shall not be liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply.

Eligible QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not eventually result in triggering a tender offer under the SEBI Takeover Regulations and ensure compliance with applicable laws.

A minimum of 10% of the Equity Shares offered in the Issue shall be Allotted to Mutual Funds. In case of undersubscription in such portion, such portion or part thereof may be Allotted to other Eligible QIBs.

Note: Affiliates or associates of the Book Running Lead Manager who are Eligible QIBs may participate in the Issue in compliance with applicable laws.

Bid Process

Application Form

Eligible QIBs shall only use the serially numbered Application Forms (which are addressed to them) supplied by our Company and the Book Running Lead Manager in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of this Preliminary Placement Document and the Placement Document. By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of this Preliminary Placement Document, the Eligible QIB will be deemed to have made all the following representations and warranties and the representations, warranties and agreements made under “*Notice to Investors*”, “*Representations by Investors*” and “*Selling Restrictions*” beginning on pages 1,4 and 214, respectively:

1. Each Eligible QIB confirms that it is a QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and is not excluded under Regulation 179(2)(b) of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws in India (as applicable) and is eligible to participate in this Issue;

2. Each Eligible QIB confirms that it is not a Promoter and is not a person related to the Promoter(s), either directly or indirectly and its Application Form does not directly or indirectly represent the Promoter(s) or members of the Promoter Group or persons related to the Promoter(s);
3. Each Eligible QIB confirms that it has no rights under a shareholders' agreement or voting agreement with the Promoter or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender not holding any Equity Shares which shall not be deemed to be a person related to the Promoter(s);
4. Each Bidder confirms that in the event it is resident outside India, it is an Eligible FPI, having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and is eligible to invest in India under applicable law, including the FEMA Rules, as amended, and any notifications, circulars or clarifications issued thereunder, and has not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets and is not an FVCI;
5. Each Eligible QIB acknowledges that it has no right to withdraw or revise its Bid downwards after the Bid / Issue Closing Date;
6. Each Bidder confirms that if Equity Shares are Allotted through this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than the floor of a recognised Stock Exchange;
7. Each Eligible QIB confirms that the Eligible QIB is eligible to Bid and hold Equity Shares so Allotted together with any Equity Shares held by it prior to the Issue, if any. Each Eligible QIB further confirms that the holding of the Eligible QIB, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the Eligible QIB;
8. Each Eligible QIB confirms that its Bids would not eventually result in triggering a tender offer under the SEBI Takeover Regulations;
9. The Eligible QIB agrees that it will make payment of its Application Amount along with submission of the Application Form within the Issue Period. Each Eligible QIB agrees that once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Application Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date;
10. The Eligible QIB agrees that although the Application Amount is required to be paid by it along with the Application Form within the Issue Period in terms of provisions of the Companies Act, 2013, our Company reserves the right to Allocate and Allot Equity Shares pursuant to this Issue on a discretionary basis in consultation with the Book Running Lead Manager. The Eligible QIB further acknowledges and agrees that the payment of Application Amount does not guarantee Allocation and/or Allotment of Equity Shares Bid for in full or in part;
11. The Eligible QIB acknowledges that in terms of the requirements of the Companies Act, 2013, upon Allocation, our Company will be required to disclose names as "*proposed Allottees*" and percentage of post-Issue shareholding of the proposed Allottees in the Placement Document and such QIB consents of such disclosure, if any Equity Shares are Allocated to it. However, the Eligible QIB further acknowledges and agrees that, disclosure of such details as "*proposed Allottees*" in the Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the Book Running Lead Manager;
 - a. QIBs "*belonging to the same group*" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and Independent Directors, amongst an Eligible QIB, its subsidiary(ies) or holding company and any other Eligible QIB; and
 - b. 'Control' shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the SEBI Takeover Regulations;

12. The Eligible QIBs acknowledge that no Allocation shall be made to them if the price at which they have Bid for in the Issue is lower than the Issue Price.
13. Each Eligible QIB confirms that it shall not undertake any trade in the Equity Shares credited to its beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges.
14. Each Eligible FPI, confirms that it will participate in the Issue only under and in conformity with Schedule II of FEMA Rules. Further, each Eligible FPI acknowledges that Eligible FPIs may invest in such number of Equity Shares such that the individual investment of the Eligible FPI or its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than fifty per cent or common control) in our Company does not exceed 10% of the post-Issue paid-up capital of our Company on a fully diluted basis. The Bidder confirms that it, individually or together with its investor group, is not restricted from making further investments in our Company through the portfolio investment route, in terms of Regulation 22(3) of the SEBI FPI Regulations.
15. A representation that such Bidder is outside the United States, is acquiring the Equity Shares in an “offshore transaction” under Regulation S and is not an affiliate of the Company or the Book Running Lead Manager or a person acting on behalf of such an affiliate

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India and the FDI Policy, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy.

ELIGIBLE QIBs MUST PROVIDE THEIR NAME, COMPLETE ADDRESS, PHONE NUMBER, EMAIL ID, BANK ACCOUNT DETAILS, BENEFICIARY ACCOUNT DETAILS, PAN, DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANTS IDENTIFICATION NUMBER AND ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM, ELIGIBLE QIBs MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THEIR BENEFICIARY ACCOUNT IS HELD.

IF SO REQUIRE BY THE BOOK RUNNING LEAD MANAGER, THE ELIGIBLE QIBs SUBMITTING A BID ALONG WITH THE APPLICATION FORM, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO THE BOOK RUNNING LEAD MANAGER TO EVIDENCE THEIR STATUS AS A “QIB” AS DEFINED HEREINABOVE.

IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGER, ESCROW BANK OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER BID/ISSUE CLOSING DATE, THE ELIGIBLE QIBs SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE APPLICABLE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details provided in the Application Form. However, for the purposes of refund of all or part of the Application Amount submitted by the Bidder, the bank details as mentioned in the Application Form from which the Application Amount shall be remitted for the Equity Shares applied for in the Issue, will be considered.

The submission of an Application Form and payment of the Application Amount pursuant to the Application Form by a Bidder shall be deemed a valid, binding and irrevocable offer for such Bidder and becomes a binding contract on a Successful Bidder upon issuance of the CAN and the Placement Document (when dispatched) by our Company (by itself or through the Book Running Lead Manager) in favour of the Successful Bidder.

Submission of Application Form

All Application Forms must be duly completed with information including the number of Equity Shares applied for along with payment and a copy of the PAN card or PAN allotment letter. Additionally, the Application Form will include details of the relevant Escrow Account into which the Application Amounts will have to be deposited.

The Application Amount shall be deposited in the Escrow Account as is specified in the Application Form and the Application Form shall be submitted to the Book Running Lead Manager either through electronic form or through physical delivery at either of the following addresses:

Name	Address	Contact Person	Email	Telephone
Systematix Corporate Services Limited	The Capital, A-Wing No. 603-606 6th Floor, Plot No. C-70, G-Block BKC, Bandra (East), Mumbai- 400 051, Maharashtra, India	Amit Kumar/Jinal Sanghvi	projectgrowth@systematixgroup.in	+91 22 6704 8000

The Book Running Lead Manager shall not be required to provide any written acknowledgement of the receipt of the Application Form and the Application Amount.

All Bidders Bidding in the Issue shall pay the entire Application Amount along with the submission of the Application Form, within the Issue Period.

Payment of Application Amount

Our Company has opened the Escrow Account in the name of “*Swan Energy Limited – QIP Escrow Account*” with Amount only through electronic transfer of funds from their own bank account the Escrow Bank, in terms of the Escrow Agreement entered among our Company, the Book Running Lead Manager and the Escrow Bank. Each Bidder will be required to deposit the Application Amount payable for the Equity Shares Bid by it along with the submission of the Application Form and during the Bid/ Issue Period. Bidders can make payment of the Application.

Note: Payments are to be made only through electronic fund transfer. Payments made through cash or cheques are liable to be rejected. Further, if the payment is not made favouring the Escrow Account, the Application Form is liable to be rejected.

Pending Allotment, our Company undertakes to utilise the amount deposited in “*Swan Energy Limited – QIP Escrow Account*” only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) repayment of Application Amount in terms of this Preliminary Placement Document. Notwithstanding the above, in the event a Bidder is not Allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to a Bidder, is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, the excess Application Amount will be refunded to the same bank account from which Application Amount was remitted, in the form and manner set out in “*Issue Procedure – Refunds*” on page 198.

Bank Account Details

Each Bidder shall mention the details of the bank account from which the payment of Application Amount has been made along with confirmation that such payment has been made from such account.

Pricing and Allocation

There is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares quoted on the stock exchange during the two weeks preceding the Relevant Date. For the purpose of determination of the Floor Price, ‘*stock exchange*’ shall mean any of the recognised stock exchanges in which the Equity Shares are listed and in which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. However, our Company may offer a discount of not more than 5% of the Floor Price in accordance with the approval of the Shareholders of our Company accorded through special resolution by way of a postal ballot dated February 7, 2024, and in terms of Regulation 176(1) of the SEBI ICDR Regulations.

Our Company, in consultation with the Book Running Lead Manager, shall determine the Issue Price, which shall be at or above the Floor Price.

The “Relevant Date” referred to above will be the date of the meeting in which the Board or the committee thereof decides to open the Issue and “stock exchange” means any of the recognized stock exchanges in India on which the Equity Shares of the issuer of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. After finalisation of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document.

Build-up of the Book

The Bidders shall submit their Bids (including any revision thereof) through the Application Forms within the Bid/ Issue Period to the Book Running Lead Manager. Such Bids cannot be withdrawn or revised downwards after the Bid/ Issue Closing Date. The book shall be maintained by the Book Running Lead Manager.

Price Discovery and Allocation

Our Company, in consultation with the Book Running Lead Manager, shall determine the Issue Price, which shall be at or above the Floor Price. However, our Company may offer a discount of not more than 5% on the Floor Price in terms of Regulation 176 of the SEBI ICDR Regulations as approved by our shareholders pursuant to special resolution by way of a postal ballot dated February 7, 2024. After finalisation of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document.

Method of Allocation

Our Company shall determine the Allocation in consultation with the Book Running Lead Manager on a discretionary basis and in compliance with Chapter VI of the SEBI ICDR Regulations. Application Forms received from the Bidders at or above the Issue Price shall be grouped together to determine the total demand. The Allocation to all such Bidders will be made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size shall be undertaken subject to valid Bids being received at or above the Issue Price. In case of cancellations or default by the Bidders, our Company in consultation with Book Running Lead Manager has the right to reallocate the Equity Shares at the Issue Price among existing or new Bidders at their sole and absolute discretion subject to the applicable laws.

THE DECISION OF OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL ELIGIBLE QIBS. ELIGIBLE QIBS MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY AND ELIGIBLE QIBS MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AND PAID THE ENTIRE APPLICATION AMOUNT AT OR ABOVE THE ISSUE PRICE WITHIN THE BID/ ISSUE PERIOD. NEITHER OUR COMPANY NOR THE BOOK RUNNING LEAD MANAGER IS NOT OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.

CAN

Based on receipt of the serially numbered Application Forms and Application Amount, our Company, in consultation with the Book Running Lead Manager, in their sole and absolute discretion, shall decide the Successful Bidders to whom the serially numbered CAN shall be dispatched, pursuant to which the details of the Equity Shares Allocated to them, the Issue Price and the Application Amount for the Equity Shares Allocated to them shall be notified to such Successful Bidders. The CAN shall also include details of amount to be refunded, if any, to such Bidders. Additionally, the CAN will include the probable Designated Date, being the date of credit of the Equity Shares to the Successful Bidders’ account, as applicable to the respective Bidder.

The Successful Bidders would also be sent a serially numbered Placement Document (which will include the names of the proposed Allottees along with the percentage of their post-Issue Shareholding in the Company) either in electronic form or by physical delivery.

The dispatch of the serially numbered CAN and the Placement Document (when dispatched), to the respective Successful Bidders shall be deemed a valid, binding and irrevocable contract for such Bidders to subscribe to the Equity Shares Allocated to them. Subsequently, our Board will approve the Allotment of the Equity Shares to the Allottees in consultation with the Book Running Lead Manager.

Eligible QIBs are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue. By submitting the Application Form, a Bidder would have deemed to have made the representations and warranties as specified in “*Notice to Investors*” on page 1 and further that such Eligible QIB shall not undertake any trade on the Equity Shares credited to its Depository Participant account pursuant to the Issue until such time as the final listing and trading approval is issued by Stock Exchanges.

Designated Date and Allotment of Equity Shares

1. Subject to the satisfaction of the terms and conditions of the Placement Agreement, our Company will ensure that the Allotment of the Equity Shares is completed by the Designated Date provided in the CAN.
2. In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialized form to the Allottees. Allottees will have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act, 2013 and the Depositories Act. However, no transfer of securities in listed companies in physical form is permitted as per Regulation 40 of the SEBI Listing Regulations.
3. Our Company, at its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reasons whatsoever.
4. Following the Allotment of the Equity Shares pursuant to the Issue, our Company shall apply to the Stock Exchanges for listing approvals and post receipt of the listing approvals from the Stock Exchanges, our Company shall credit the Equity Shares into the beneficiary accounts of the Allottees.
5. Following the credit of Equity Shares into the respective Allottees’ beneficiary accounts, our Company will apply for the final listing and trading approvals from the Stock Exchanges.
6. The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals of the Stock Exchanges for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Company and the Company files the return of Allotment under PAS-3 in connection with the Issue under Form PAS-3 with the RoC within the prescribed timelines under the Companies Act, 2013.
7. After finalization of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file it with the Stock Exchanges as the Placement Document, which will include names of the proposed Allottees and the percentage of their post-Issue shareholding in the Company. Pursuant to a circular dated March 5, 2010 issued by the SEBI, Stock Exchanges are required to make available on their websites the details of those Allottees in Issue who have been allotted more than 5% of the Equity Shares offered in the Issue, namely, names of the Allottees, and number of Equity Shares Allotted to each of them, pre and post Issue shareholding pattern of our Company along with the Placement Document.

Refunds

In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, or the Bidder has deposited the Application Amount arrived at using a price higher than the Issue Price or Equity Shares are not Allocated to a Bidder for any reasons or the Issue is cancelled prior to Allocation, or a Bidder lowers or withdraws the Bid prior to the Bid/ Issue Closing Date, any excess Application Amount paid by such Bidder will be refunded to the same bank account from which Application Amount was remitted as set out in the Application Form. The Refund Amount will be transferred to the relevant Bidders within two Working Days from the issuance of the CAN.

In the event that we are unable to issue and Allot the Equity Shares offered in the Issue or if the Issue is cancelled within 60 days from the date of receipt of application monies, our Company shall repay the application monies within 15 days from the expiry of 60 days, failing which our Company shall repay that monies with interest at the rate of 12% p.a. from expiry of the sixtieth day. The application monies to be refunded by us shall be refunded to the same bank account from which application monies was remitted by the Bidders, as mentioned in the Application Form. In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in dematerialised form to the Allottees. Allottees will have the option to re-materialise the

Equity Shares, if they so desire, as per the provisions of the Companies Act, 2013, the Depositories Act and other applicable laws.

We, at our sole discretion, reserve the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever. Following the Allotment and credit of Equity Shares into the Eligible QIBs' Depository Participant accounts, we will apply for final trading and listing approvals from the Stock Exchanges. In the event of any delay in the Allotment or credit of Equity Shares, or receipt of trading or listing approvals or cancellation of the Issue, no interest or penalty would be payable by us.

Release of Funds to our Company

The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals of the Stock Exchanges for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Company and the Company files the return of Allotment in connection with the Issue with the RoC, whichever is later.

Other Instructions

Submission of Documents

A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practicable.

Permanent Account Number or PAN

Each Bidder should mention its PAN (except Bids from any category of Bidders, which may be exempted from specifying their PAN for transacting in the securities market) allotted under the IT Act. A copy of PAN card is required to be submitted with the Application Form. Further, the Application Forms without this information will be considered incomplete and are liable to be rejected. It is to be specifically noted that applicants should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

Right to Reject Applications

Our Company, in consultation with the Book Running Lead Manager, may reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company in consultation with the Book Running Lead Manager in relation to the rejection of Bids shall be final and binding. In the event the Bid is rejected by our Company, the Application Amount paid by the Bidder shall be refunded to the same bank account from which the Application Amount was remitted by such Bidder as set out in the Application Form. For details, see "*Issue Procedure*" – "*Refund*" on page 198.

Equity Shares in dematerialised form with NSDL or CDSL

The Allotment of the Equity Shares in this Issue shall be only in dematerialised form (i.e. not in physical certificates but be fungible and be represented by the statement issued through the electronic mode).

An Eligible QIB applying for Equity Shares to be issued pursuant to the Issue must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Equity Shares Allotted to a Successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Successful Bidder, as indicated in the Application Form.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL. The trading of the Equity Shares to be issued pursuant to the Issue would be in dematerialised form only for all QIBs in the demat segment of the respective Stock Exchanges. Our Company and the Book Running Lead Manager shall not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on the part of the Bidders.

PLACEMENT AND LOCK UP

Placement Agreement

The Book Running Lead Manager have entered into the Placement Agreement dated February 20, 2024 with our Company, pursuant to which the Book Running Lead Manager have agreed, subject to certain conditions, to manage this Issue and to act as placement agents in connection with the proposed Issue and procure subscription to Equity Shares on a reasonable effort's basis.

The Equity Shares will be placed with the Eligible QIBs pursuant to this Issue under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules, as amended and other applicable provisions of the Companies Act and the rules made thereunder. The Placement Agreement contains customary representations and warranties, as well as indemnities from our Company and is subject to satisfaction of certain conditions and termination in accordance with the terms contained therein.

Applications shall be made to list the Equity Shares issued pursuant to this Issue and admit them to trading on the Stock Exchanges. No assurance can be given as to the liquidity or sustainability of the trading market for such Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

This Preliminary Placement Document has not been, and will not be, registered as a prospectus with the Registrar of Companies, and no Equity Shares issued pursuant to the Issue, will be offered in India or overseas to the public or any members of the public in India or any other class of prospective investors, other than Eligible QIBs.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state of the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions" as defined in and in reliance on Regulation S and the applicable laws of the jurisdiction where those offers and sales are made. For further details, see "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 214 and 222, respectively

Relationship with the Book Running Lead Manager

In connection with the Issue, the Book Running Lead Manager or its affiliates may, for their own account, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be issued pursuant to the Issue at the same time as the offer and subscription or sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the Book Running Lead Manager may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. Affiliates of the Book Running Lead Manager may purchase or subscribe to the Equity Shares or be Allotted Equity Shares for proprietary purposes and not with a view to distribute or in connection with the issuance of P-Notes. For further details, see the section "*Offshore Derivative Instruments*" beginning on page 10.

From time to time, the Book Running Lead Manager, and its affiliates and associates may have engaged in or may in the future engage in transactions with and perform services including but not limited to investment banking, advisory, commercial banking, trading services for our Company, group companies, affiliates and the Shareholders, as well as to their respective associates and affiliates, pursuant to which fees and commissions have been paid or will be paid to the Book Running Lead Manager and its affiliates and associates.

Lock up

Under the Placement Agreement, our Company has undertaken that it will not, for a period commencing from the date hereof and ending 60 days from the date of Allotment, without the prior written consent of the Book Running Lead Manager, directly or indirectly:

- a) issue, offer, lend, pledge, sell, contract to sell or issue, sell any option or contract to purchase, purchase any option or contract to sell or issue, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any equity shares, or any securities convertible into or exercisable or

exchangeable for Equity Share (including, without limitation, securities convertible into or exercisable for Equity Shares which may be deemed to be beneficially owned);

- b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares, regardless, whether any of the transaction is to be settled by the delivery of Equity Shares or other securities convertible into or exercisable or exchangeable for the Equity Shares, in cash or otherwise; or
- c) enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue, offer, sale or deposit of the Shares in any depository receipt facility;
- d) publicly announce any intention to enter into any transaction described in (a) to (c) above, whether any such transaction described in (a) to (c) above is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise;

However, the foregoing restrictions shall not apply to any sale, transfer or disposition or issue of Equity Shares (including, without limitation, securities convertible into or exercisable or exchangeable for Equity Shares) pursuant to any transaction required by law or an order of a court of law or a statutory authority.

Promoter's Lock-up

Our Promoters and members of Promoter Group agree that without the prior written consent of the Book Running Lead Manager, they shall not, announce any intention to enter into any transaction whether any such transaction which is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise, during the period commencing on the date of the Preliminary Placement Document and ending 60 days from the date of the filing of the Placement Document (both dates inclusive) ("Lock-up Period") directly or indirectly (a) issue, offer, lend, sell, contract to sell, pledge, encumber, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, make any short sale, or otherwise transfer or dispose of, any Promoter and Promoter Group Shares, including but not limited to any options or warrants to purchase any Promoter and Promoter Group Shares, or any securities convertible into or exercisable for, or that represent the right to receive, any Promoter and Promoter Group Shares or file any registration statement under the Securities Act with respect to any of the foregoing (regardless of whether any of the transactions described in this clause (a) is to be settled by the delivery of the Promoter and Promoter Group Shares or such other securities, in cash or otherwise); or (b) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequences associated with the ownership of any of the Promoter and Promoter Group Shares or any securities convertible into or exercisable or exchangeable for any of the Promoter and Promoter Group Shares (regardless of whether any of the transactions described in this clause (b) is to be settled by the delivery of the Promoter and Promoter Group Shares or such other securities, in cash or otherwise); or (c) deposit any of the Promoter and Promoter Group Shares, or any securities convertible into or exercisable or exchangeable for the Promoter and Promoter Group Shares or which carry the rights to subscribe for or purchase the Promoter Shares, with any depository in connection with a depository receipt facility; or (d) publicly announce any intention to enter into any transaction falling within (a) to (c) above or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of a sale or deposit of the Promoter and Promoter Group Shares in any depository receipt facility or publicly announce any intention to enter into any transaction falling within (a) to (c),

provided, however, that the foregoing restrictions shall not apply to (i) any sale, transfer or disposition of any of the Promoter and Promoter Group Shares by the undersigned with prior notice to the Book Running Lead Manager to the extent such sale, transfer or disposition is required by Indian law; (ii) any bona fide pledge or non-disposal undertaking of any of the Promoter and Promoter Group Shares held by the undersigned as collateral for loans on normal commercial terms entered or to be entered into in the ordinary course of business of the undersigned, the Company or transfer of any of the Promoter Shares to any third party pursuant to the invocation of any pledge in relation to the Promoter and Promoter Group Shares; and (iii) any inter group transfer made to any entities promoted by the Promoter ("**Promoter Group Entities**"), subject to compliance with applicable laws and subject to observance by the transferee Promoter Group Entities of the foregoing restrictions on transfer of Promoter Shares until the expiry of the Lock-up Period.

SELLING RESTRICTIONS

General

The Issue is being made only to Eligible QIBs through a QIP, in reliance upon Chapter VI of the SEBI ICDR Regulations and the Companies Act.

The distribution of this Preliminary Placement Document and the offer and sale of the Equity Shares offered in the Issue is restricted by law in certain jurisdictions. This Preliminary Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised. No action has been taken or will be taken that would permit the offer and sale of the Equity Shares offered in the Issue to occur in any jurisdiction other than India, or the possession, circulation or distribution of this Preliminary Placement Document or any other material relating to the Issue in any jurisdiction where action for such purpose is required, except in India. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any offering materials or advertisements in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. Therefore, persons who may come into possession of this Preliminary Placement Document are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions.

Each purchaser of the Equity Shares in this Issue will be deemed to have made the representations, warranties, acknowledgments and agreements as described in this section and “*Notice to Investors*”, “*Representations by Investors*” and “*Transfer Restrictions*” on pages 1, 4, and 222, respectively.

Republic of India

This Preliminary Placement Document may not be distributed directly or indirectly in India or to residents of India and any Equity Shares may not be offered or sold directly or indirectly in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is strictly on a private and confidential basis and is limited to Eligible QIBs and is not an offer to the public. This Preliminary Placement Document has not been and will not be registered as a prospectus with the RoC and will not be circulated or distributed to the public in India or any other jurisdiction and will not constitute a public offer in India or any other jurisdiction.

Australia

This Preliminary Placement Document does not constitute a prospectus or other disclosure document under the Corporations Act 2001 (Cth) (“**Australian Corporations Act**”) and does not purport to include the information required of a disclosure document under the Australian Corporations Act. This Preliminary Placement Document has not been lodged with the Australian Securities and Investments Commission (“**ASIC**”) and no steps have been taken to lodge it as such with ASIC. Any offer in Australia of the Equity Shares under this document may only be made to persons who are “sophisticated investors” (within the meaning of section 708(8) of the Australian Corporations Act), to “professional investors” (within the meaning of section 708(11) of the Australian Corporations Act) or otherwise pursuant to one or more exemptions under section 708 of the Australian Corporations Act so that it is lawful to offer the Equity Shares in Australia without disclosure to investors under Part 6D.2 of the Australian Corporations Act.

If you are acting on behalf of, or acting as agent or nominee for, an Australian resident and you are a recipient of this Preliminary Placement Document, and any offers made under this Preliminary Placement Document, you represent to our Company and the Lead Manager that you will not provide this Preliminary Placement Document or communicate any offers made under this Preliminary Placement Document to, or make any applications or receive any offers for the Equity Shares for, any Australian residents unless they are a “sophisticated investor” or a “professional investor” as defined by section 708 of the Australian Corporations Act.

Any offer of the Equity Shares for on-sale that is received in Australia within 12 months after their issue by our Company, or within 12 months after their sale by a selling security holder (or the Lead Manager) under this Issue, as applicable, is likely to need prospectus disclosure to investors under Part 6D.2 of the Australian Corporations Act, unless such offer for on-sale in Australia is conducted in reliance on a prospectus disclosure exemption under section 708 of the Australian Corporations Act or otherwise. Any persons acquiring the Equity Shares should observe such Australian on-sale restrictions.

Bahrain

The Central Bank of Bahrain, the Bahrain Bourse and the Ministry of Industry, Commerce and Tourism of the Kingdom of Bahrain take no responsibility for the accuracy of the statements and information contained in this Preliminary Placement Document or the performance of the Equity Shares, nor shall they have any liability to any person, investor or otherwise for any loss or damage resulting from reliance on any statements or information contained herein. All applications for investment should be received, and any allotments should be made, in each case from outside the Kingdom of Bahrain. This Preliminary Placement Document has been prepared for private information purposes of intended investors only who will be high net worth individuals and institutions. The Issuer has not made and will not make any invitation to the public in the Kingdom of Bahrain and this Preliminary Placement Document will not be issued, passed to, or made available to the public generally. The Bahrain Monetary Agency has not reviewed, nor has it approved, this Preliminary Placement Document or the marketing of Equity Shares in the Kingdom of Bahrain. Accordingly, Equity Shares may not be offered or sold in Bahrain or to residents thereof except as permitted by Bahrain law.

British Virgin Islands

The Equity Shares are not being and may not be offered to the public or to any person in the British Virgin Islands for purchase or subscription by or on our behalf. The Equity Shares may be offered to companies incorporated under the BVI Business Companies Act, 2004 (British Virgin Islands) (each a “BVI Company”), but only where the offer will be made to, and received by, the relevant BVI Company entirely outside of the British Virgin Islands.

This Preliminary Placement Document has not been, and will not be, registered with the Financial Services Commission of the British Virgin Islands. No registered document has been or will be prepared in respect of the Equity Shares for the purposes of the Securities and Investment Business Act, 2010 or the Public Issuers Code of the British Virgin Islands.

Cayman Islands

No offer or invitation to subscribe for Equity Shares may be made to the public in the Cayman Islands.

People’s Republic of China

This Preliminary Placement Document may not be circulated or distributed in the People’s Republic of China (excluding, for the purposes of this paragraph, the Hong Kong and Macau Special Administrative Regions and Taiwan Province) and the Equity Shares may not be offered or sold directly or indirectly to any resident of the People’s Republic of China, or offered or sold to any person for reoffering or re-sale directly or indirectly to any resident of the People’s Republic of China except under applicable laws and regulations of the People’s Republic of China.

European Economic Area

In relation to each Member State of the European Economic Area (each a “**Member State**”), no Equity Shares have been offered or will be offered pursuant to this Issue to the public in that Member State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, all in accordance with the Prospectus Regulation), except that offers of Equity Shares may be made to the public in that Member State at any time under the following exemptions under the Prospectus Regulation:

- to any legal entity which is a qualified investor as defined under the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of the Lead Manager for any such offer; or
- in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Equity Shares shall require the Issuer or the Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation and each person who initially acquires any Equity Shares or to whom any offer is made

will be deemed to have represented, acknowledged and agreed to and with the Lead Manager and our Company that it is a “qualified investor” within the meaning of Article 2(e) of the Prospectus Regulation.

In the case of any Equity Shares being offered to a financial intermediary, as that term is used in the Prospectus Regulation, each such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Equity Shares subscribed for or acquired by it in this Issue have not been subscribed for or acquired on a non-discretionary basis on behalf of, nor have they been subscribed for or acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Equity Shares to the public other than their offer or resale in a Relevant Member State to qualified investors (as so defined) or in circumstances in which the prior consent of the Lead Manager have been obtained to each such proposed offer or resale. Our Company, its directors, the Lead Manager, their respective affiliates, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

For the purposes of this provision, the expression an “offer to the public” in relation to any Equity Shares in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares, and the expression “Prospectus Regulation” means Regulation (EU) 2017/1129.

Hong Kong

The Equity Shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a “prospectus” within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement, invitation or document relating to the Equity Shares may be offered or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to the Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Japan

The Equity Shares have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law. No. 25 of 1948 as amended) (the “**FIEA**”) and disclosure under the FIEA has not been and will not be made with respect to the Equity Shares. No Equity Shares have, directly or indirectly, been offered or sold, and may not, directly or indirectly, be offered or sold in Japan or to, or for the benefit of, any resident of Japan as defined in the first sentence of Article 6, Paragraph 1, Item 5 of the Foreign Exchange and Foreign Trade Law of Japan (“**Japanese Resident**”) or to others for re-offering or re-sale, directly or indirectly in Japan or to, or for the benefit of, any Japanese Resident except (i) pursuant to an exemption from the registration requirements of the FIEA and (ii) in compliance with any other relevant laws, regulations and governmental guidelines of Japan.

If an offeree does not fall under a “qualified institutional investor” (*tekikaku kikan toshika*), as defined in Article 10, Paragraph 1 of the Cabinet Office Ordinance Concerning Definition Provided in Article 2 of the Financial Instruments and Exchange Act (the “**Qualified Institutional Investor**”), the Equity Shares will be offered in Japan by a private placement to small number of investors (*shoninzu muke kanyu*), as provided under Article 23-13, Paragraph 4 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made.

If an offeree falls under the Qualified Institutional Investor, the Equity Shares will be offered in Japan by a private placement to the Qualified Institutional Investors (*tekikaku kikan toshikamuke kanyu*), as provided under Article 23-13, Paragraph 1 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made. To subscribe the Equity Shares (the “**QII Equity Shares**”) such offeree will be required to agree that it will be prohibited from selling, assigning, pledging or otherwise transferring the QII Equity Shares other than to another Qualified Institutional Investor.

Republic of Korea

We are not making any representation with respect to the eligibility of any recipients of this document to acquire the Equity Shares therein under the laws of Korea, including, but without limitation, the Foreign Exchange Transaction Law and Regulations thereunder. The Equity Shares have not been and will not be registered under the Financial Investment Services and Capital Markets Act of Korea (the “FSCMA”). Accordingly, the Equity Shares may not be offered, sold or delivered, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea (as such term is defined under the Foreign Exchange Transaction Law of Korea and its Enforcement Decree), for a period of one year from the date of issuance of the Equity Shares, except (i) where relevant requirements are satisfied, the Equity Shares may be offered, sold or delivered to or for the account or benefit of a Korean resident which falls within certain categories of qualified professional investors as specified in the FSCMA, its Enforcement Decree and the Regulation on Securities Issuance and Disclosure promulgated thereunder, or (ii) as otherwise permitted under applicable Korean laws and regulations.

Furthermore, the Equity Shares may not be re-sold to Korea residents unless the purchaser of the Equity Shares complies with all applicable regulatory requirements (including, but not limited to, governmental approval requirements under the Foreign Exchange Transaction Law and its subordinate decrees and regulations) in connection with purchase of the Equity Shares.

Kuwait

This Preliminary Placement Document does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, the Equity Shares in the State of Kuwait. The Equity Shares have not been licensed for offering, promotion, marketing, advertisement or sale in the State of Kuwait by the Capital Markets Authority or any other relevant Kuwaiti government agency. The offering, promotion, marketing, advertisement or sale of the Equity Shares in State of Kuwait on the basis of a private placement or public offering is, therefore, prohibited in accordance with Law No. 7 of 2010 and the Executive Bylaws for Law No. 7 of 2010, as amended, which govern the issue, offer, marketing and sale of financial services/products in the State of Kuwait (“**Kuwait Securities Laws**”). No private or public offering of the Equity Shares is or will be made in the State of Kuwait, and no agreement relating to the sale of the Equity Shares will be concluded in the State of Kuwait and no marketing or solicitation or inducement activities are being used to offer or market the Equity Shares in the State of Kuwait.

Malaysia

No prospectus or other offering material or document in connection with the offer and sale of the Equity Shares has been or will be registered with the Securities Commission of Malaysia (“**Commission**”) for the Commission’s approval pursuant to the Capital Markets and Services Act 2007. Accordingly, this Preliminary Placement Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Equity Shares may not be circulated or distributed, nor may the Equity Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Malaysia other than (i) a closed end fund approved by the Commission; (ii) a holder of a Capital Markets Services Licence; (iii) a person who acquires the Equity Shares, as principal, if the offer is on terms that the Equity Shares may only be acquired at a consideration of not less than RM250,000 (or its equivalent in foreign currencies) for each transaction; (iv) an individual whose total net personal assets or total net joint assets with his or her spouse exceeds RM3 million (or its equivalent in foreign currencies), excluding the value of the primary residence of the individual; (v) an individual who has a gross annual income exceeding RM300,000 (or its equivalent in foreign currencies) per annum in the preceding twelve months; (vi) an individual who, jointly with his or her spouse, has a gross annual income of RM400,000 (or its equivalent in foreign currencies), per annum in the preceding twelve months; (vii) a corporation with total net assets exceeding RM10 million (or its equivalent in a foreign currencies) based on the last audited accounts; (viii) a partnership with total net assets exceeding RM10 million (or its equivalent in foreign currencies); (ix) a bank licensee or insurance licensee as defined in the Labuan Financial Services and Securities Act 2010; (x) an Islamic bank licensee or takaful licensee as defined in the Labuan Financial Services and Securities Act 2010; and (xi) any other person as may be specified by the Commission; provided that, in the each of the preceding categories (i) to (xi), the distribution of the Equity Shares is made by a holder of a Capital Markets Services Licence who carries on the business of dealing in securities. The distribution in Malaysia of this Preliminary Placement Document is subject to Malaysian laws. This Preliminary Placement Document does not constitute and may not be used for the purpose of public offering or an issue, offer for subscription or purchase, invitation to subscribe for or purchase any securities requiring the registration of a prospectus with the Commission under the Capital Markets and Services Act 2007.

Mauritius

The Equity Shares may not be offered or sold, directly or indirectly, to the public in Mauritius. Neither this Preliminary Placement Document nor any offering material or information contained herein relating to the offer of the Equity Shares may be released or offered to the public in Mauritius or used in connection with any such offer. This Preliminary Placement Document does not constitute an offer to sell the Equity Shares to the public in Mauritius and is not a prospectus as defined under the Companies Act 2001.

New Zealand

This Preliminary Placement Document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the “**FMC Act**”). This Issue is not an offer of financial products that requires disclosure under Part 3 of the FMC Act and no product disclosure statement, register entry or other disclosure document under the FMC Act will be prepared in respect of this Issue. The Equity Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- (a) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- (b) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- (c) is large within the meaning of clause 39 of Schedule 1 of the FMC Act; or
- (d) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act.

If, in the future, any person in New Zealand to whom the Equity Shares are issued or sold elects to sell any Equity Shares, they must not do so in any manner which will, or is likely to, result in this Issue, or such sale, being viewed as an offer to which Part 3 of the FMC Act is applicable.

Sultanate of Oman

This Preliminary Placement Document and the Equity Shares to which it relates may not be advertised, marketed, distributed or otherwise made available to any person in Oman without the prior consent of the Capital Market Authority (“**Oman CMA**”) and then only in accordance with any terms and conditions of such consent. In connection with the offering of Equity Shares, no prospectus has been filed with the Oman CMA. The offering and sale of Equity Shares described in the Preliminary Placement Document will not take place inside Oman. The Preliminary Placement Document is strictly private and confidential and is being issued to a limited number of sophisticated investors, and may neither be reproduced, used for any other purpose, nor provided to any other person than the intended recipient hereof. This Issue does not constitute a public offer of the Equity Shares in Oman as contemplated by the Commercial Companies Law of Oman (Royal Decree 4/74) or the Capital Market Authority Law (Royal Decree 80/98) (the “**CMAL**”), nor does it constitute an offer to sell, or the solicitation of any offer to buy Non-Omani securities in the Sultanate of Oman as contemplated by Article 139 of the Executive Regulations of Oman CMA. Additionally, this Preliminary Placement Document and the Equity Shares is not intended to lead to the conclusion of a contract for the sale or purchase of securities. The recipient of this Preliminary Placement Document and the Equity Shares represents that it is a sophisticated investor (as described in Article 139 of the Executive Regulations of the CMAL) and that it has experience in business and financial matters that they are capable of evaluating the merits and risks of investments.

Qatar (excluding the Qatar Financial Centre)

This Preliminary Placement Document and the offering of the Equity Shares have not been, and will not be: (i) lodged or registered with, or reviewed or approved by, the Qatar Central Bank, the Qatar Financial Markets Authority the Ministry of Business and Trade or any other governmental authority in the State of Qatar or (ii) authorized, permitted or licensed for offering or distribution in Qatar, and the information contained in this document does not, and is not intended to, constitute a public or general offer or other invitation in respect to the Equity Shares in the State of Qatar. Accordingly, the Equity Shares are not being, and will not be, offered, issued or sold in the State of Qatar, and this document is not being, and will not be, distributed in the State of Qatar. The offering, marketing, issue and sale of the Equity Shares and distribution of this Preliminary Placement Document is being made in, and is subject to the laws, regulations and rules of jurisdictions outside of the State of Qatar. No application has been or will be made for the Equity Shares to be listed or traded on the Qatar Exchange or the QE Venture Market.

This Preliminary Placement Document is strictly private and confidential, and is being sent to a limited number of institutional and/or sophisticated investors (a) upon their request and confirmation that they understand the statements above; and (b) on the condition that it will not be provided to any person other than the original recipient, and is not for general circulation and may not be reproduced or used for any other purpose.

Qatar Financial Centre

This Preliminary Placement Document does not, and is not intended to, constitute an invitation or offer of securities from or within the Qatar Financial Centre (the “QFC”), and accordingly should not be construed as such. This document has not been reviewed or approved by or registered with the Qatar Financial Centre Authority, the Qatar Financial Centre Regulatory Authority or any other competent legal body in the QFC. This document is strictly private and confidential, and may not be reproduced or used for any other purpose, nor provided to any person other than the recipient thereof. Our Company has not been approved or licensed by or registered with any licensing authorities within the QFC.

Singapore

This Preliminary Placement Document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Preliminary Placement Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of any Equity Shares, whether directly or indirectly, to persons in Singapore other than (a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001, of Singapore as modified and amended from time to time (the “SFA”)), (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Equity Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (i) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 of the SFA except:

- to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;
- where no consideration is or will be given for the transfer;
- where the transfer is by operation of law;
- as specified in Section 276(7) of the SFA; or
- as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Switzerland

The Equity Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange (“SIX”) or on any other stock exchange or regulated trading facility in Switzerland. This Preliminary Placement Document has been prepared without regard to the disclosure standards for issuance prospectuses under Article 652a or Article 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under Articles 27 ff. of the SIX Listing Manual or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Equity Shares or this Issue may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the Equity Shares or this Issue or us have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and this Issue will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA, and this Issue has not been and will not be authorized under the Swiss Federal Act on Collective

Investment Schemes (“CISA”). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of the Equity Shares.

The Equity Shares are being offered in Switzerland by way of a private placement, i.e., to a small number of selected investors only, without any public offer and only to investors who do not purchase the Equity Shares with the intention to distribute them to the public. The investors will be individually approached from time to time. This document, as well as any other offering or marketing material relating to the Equity Shares, is confidential and it is exclusively for the use of the individually addressed investors in connection with the offer of the Equity Shares in Switzerland and it does not constitute an offer to any other person. This document may only be used by those investors to whom it has been handed out in connection with this Issue described herein and may neither directly nor indirectly be distributed or made available to other persons without our express consent. It may not be used in connection with any other offer and shall in particular not be copied and/or distributed to the public in or from Switzerland.

Taiwan

The Equity Shares have not been and will not be registered with the Financial Supervisory Commission of Taiwan pursuant to relevant securities laws and regulations and may not be sold, issued or offered within Taiwan through a public offering or in circumstances which constitutes an offer within the meaning of the Securities and Exchange Act of Taiwan that requires a registration or approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorized to offer, sell, give advice regarding or otherwise intermediate the offering and sale of the Equity Shares in Taiwan.

United Arab Emirates (excluding the Dubai International Financial Centre)

This Preliminary Placement Document has not been, and is not intended to be, approved by the UAE Central Bank, the UAE Ministry of Economy, the Emirates Securities and Commodities Authority or any other authority in the UAE or any other authority in any of the free zones established and operating in the UAE. The Equity Shares have not been and will not be offered, sold or publicly promoted or advertised in the UAE in a manner which constitutes a public offering in the UAE in compliance with any laws applicable in the UAE governing the issue, offering and sale of such securities. This Preliminary Placement Document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any other person other than the original recipient and may not be used or reproduced for any other purpose.

Dubai International Financial Centre

The Equity Shares have not been offered and will not be offered to any persons in the Dubai International Financial Centre except on that basis that an offer is:

1. an “Exempt Offer” in accordance with the Markets Rules (MKT) module of the Dubai Financial Services Authority (the “DFSA”); and
2. made only to persons who meet the Professional Client criteria set out in Rule 2.3.2 of the DFSA Conduct of Business Module of the DFSA rulebook.

United Kingdom

No Equity Shares have been offered or will be offered pursuant to the Issue to the public in the United Kingdom prior to the publication of a prospectus in relation to the Equity Shares, except that the Equity Shares may be offered to the public in the United Kingdom at any time:

- (a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the Lead Manager for any such offer; or
- (c) in any other circumstances falling within Section 86 of the FSMA provided that no such offer of the Equity Shares shall require the Issuer or any placement agent to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

Regulation.

For the purposes of this provision, the expression an “offer to the public” in relation to the Equity Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares and the expression “UK Prospectus Regulation” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

United States

The Equity Shares offered in this Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. The Equity Shares are being offered and sold only outside the United States in “offshore transactions” as defined in, and in compliance with, Regulation S and the applicable laws of the jurisdictions where those offers and sales are made. For further information, see sections entitled “*Representations By Investors*”, “*Selling Restrictions*” and “*Purchaser Representations and Transfer Restrictions*” on pages 4, 214 and 222, respectively.

Other Jurisdictions

The distribution of this Preliminary Placement Document and the offer and sale of the Equity Shares may be restricted by law in certain jurisdictions. Persons into whose possession this Preliminary Placement Document comes are required to inform themselves about, and to observe, any such restrictions to the extent applicable.

TRANSFER RESTRICTIONS

Due to the following restrictions, investors are advised to consult their legal counsel prior to purchasing Equity Shares or making any resale, pledge or transfer of the Equity Shares.

Pursuant to Chapter VI of the SEBI ICDR Regulations, any resale of Equity Shares, except on the Stock Exchange, is not permitted for a period of one year from the date of Allotment. In addition to the above, allotments made to Eligible QIBs, including VCFs and AIFs, in the Issue may be subject to lock-in requirements, if any, under the rules and regulations that are applicable to them. For more information, see “*Selling Restrictions*” on page 214.

Purchaser Representations and Transfer Restrictions

The Equity Shares have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws.

By accepting delivery of this Preliminary Placement Document, submitting a bid to purchase the Equity Shares and/or accepting delivery of Equity Shares, you will be deemed to have represented and agreed as follows:

- It is authorised to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations and will comply with all laws, regulations and restrictions (including the selling restrictions contained in this Preliminary Placement Document) which may be applicable in its jurisdiction and it has obtained or will obtain any consent, approval or authorization required for it to purchase and accept delivery of Equity Shares, and it acknowledges and agrees that none of our Company or the BRLMs and their respective affiliates shall have any responsibility in this regard.
- It acknowledges (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer acknowledges) that the Equity Shares are being issued in “offshore transactions” as defined in, and in reliance on, Regulation S, and such Equity Shares have not been and will not be registered under the U.S. Securities Act.
- It certifies that either (A) it is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares and is located outside the United States (within the meaning of Regulation S), and it has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States, or (B) it is a broker-dealer acting on behalf of its customer and its customer has confirmed to it that (i) such customer is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, (ii) such customer is located outside the United States (within the meaning of Regulation S), and (iii) such customer has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States.
- It is aware of the restrictions of the offer, sale and resale of the Equity Shares pursuant to Regulation S.
- It agrees (or it is a broker-dealer acting on behalf of a customer that has confirmed to it that such customer agrees) that neither it, nor any of its affiliates, nor any person acting on its behalf, will make any “directed selling efforts” as defined in Regulation S. It acknowledges and agrees that it is not purchasing any Equity Shares as a result of any “directed selling efforts” as defined in Regulation S.
- It understands and agrees (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer understands and agrees) that the Equity Shares are being offered in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act, that the Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and that if in the future it decides to offer, resell, pledge or otherwise transfer any of the Equity Shares, such Equity Shares may be offered, resold, pledged or otherwise transferred in compliance with the U.S. Securities Act and other applicable securities laws only outside the United States in a transaction complying with the provisions of Rule 903 or Rule 904 of Regulation S or in a transaction otherwise exempt from the registration requirements of the U.S. Securities Act and, in each case, in

accordance with all applicable securities laws of the states of the United States and any other jurisdictions in which such offers or sales are made.

- It is a sophisticated investor and has such knowledge and experience in financial, business and investments as to be capable of evaluating the merits and risks of the investment in the Equity Shares. It is experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions. It and any accounts for which it is subscribing to the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to our Company or the BRLMs for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) is seeking to subscribe to the Equity Shares in this Issue for investment purposes and not with a view to resell or distribute them and it has no reason to anticipate any change in its circumstances, financial or otherwise, which may cause or require any sale or distribution by it of all or any part of the Equity Shares, (v) have no need for liquidity with respect to the investment in the Equity Shares, and (vi) have no reason to anticipate any change in its or their circumstances, financial or otherwise, which may cause or require any sale or distribution by it or them of all or any part of the Equity Shares. It acknowledges that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment. It is seeking to subscribe to the Equity Shares in this Issue for its own investment and not with a view to distribution.
- It has been provided access to this Preliminary Placement Document and will be provided access to the Placement Document which it has read in its entirety.
- It agrees to indemnify and hold our Company and the BRLMs harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations and warranties. It will not hold our Company or the BRLMs liable with respect to its investment in the Equity Shares. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares.
- Where it is subscribing to the Equity Shares for one or more managed accounts, it represents and warrants that it is authorised in writing, by each such managed account to subscribe to the Equity Shares for each managed account and to make (and it hereby makes) the acknowledgements and agreements herein for and on behalf of each such account, reading the reference to “it” to include such accounts.
- It agrees that any resale or other transfer, or attempted resale or other transfer, of the Equity Shares made other than in compliance with the above-stated restrictions shall not be recognised by our Company.

If such person is a dealer (as such term is defined under the U.S. Securities Act), it may not resell the Equity Shares in the United States prior to 40 days from the commencement of the offering of the Equity Shares. It acknowledges that our Company and the BRLMs and their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations or agreements is no longer accurate, it will promptly notify our Company and the BRLMs. It agrees that the terms and provisions of the foregoing acknowledgements, representations and agreements shall inure to the benefit of and any document incorporating such acknowledgements, representations and agreements shall be enforceable by our Company, its successors and its permitted assigns, and the terms and provisions hereof shall be binding on its permitted successors in title, permitted assigns and permitted transferees. It understands that these acknowledgments, representations and undertakings are required in connection with United States securities laws and irrevocably authorizes our Company to produce these acknowledgments, representations and undertakings (or any document incorporating them) to any interested party in any administrative or legal proceedings or official enquiry with respect to the matters covered herein.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the website of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company, the Book Running Lead Manager or any of their respective affiliates or advisors.

The Indian Securities Market

India has a long history of organised securities trading. In 1875, the first stock exchange was established in Mumbai. The BSE and the NSE together hold a dominant position among the stock exchanges in terms of the number of listed companies, market capitalisation and trading activity.

Stock Exchange Regulations

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the SCRA and the SCRR. On October 3, 2018, SEBI, in exercise of its powers under the SCRA and the SEBI Act, as amended from time to time, notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (the “**SECC Regulations**”), which regulate inter alia the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum net worth requirements for stock exchanges. The SCRA, the SCRR and the SECC Regulations along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations and guidelines concerning minimum disclosure requirements by public companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign portfolio investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

Listing and delisting of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, 2013, the SCRA, the SCRR, the SEBI Act, and various guidelines and regulations issued by SEBI including the SEBI ICDR Regulations SEBI Listing Regulations. The SCRA empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions or breach of company’s obligations under the SEBI Listing Regulations or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI Listing Regulations and bye-laws of the stock exchanges in India, to overrule a stock exchange’s governing body and withdraw recognition of a recognized stock exchange.

SEBI has notified the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, to govern the voluntary and compulsory delisting of equity shares from the stock exchanges. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Minimum Level of Public Shareholding

All listed companies (except public sector undertakings) are required to maintain a minimum public shareholding at 25%. In this regard, SEBI has provided several mechanisms to comply with this requirement. Further, where the public shareholding in a listed company falls below 25% (except public sector undertakings) at any time, such company is required to bring the public shareholding to 25% within a maximum period of 12 months from the date of such fall. Consequently, a listed company may be delisted from the stock exchanges for not complying with the above-mentioned requirement. Our Company is in compliance with this minimum public shareholding requirement.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, the SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. The stock exchanges on a daily basis translate the circuit breaker limits based on previous day's closing level of the index. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of the BSE or the S&P CNX NIFTY of the NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise circuit breakers. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

BSE

BSE is one of the stock exchanges in India on which our Equity Shares are listed. Established in 1875, it is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. Pursuant to the BSE (Corporatization and Demutualization) Scheme 2005 of SEBI, with effect from August 19, 2005, BSE was incorporated as a company under the Companies Act, 1956. BSE was listed on NSE with effect from February 3, 2017. It has evolved over the years into its present status as one of the premier stock exchanges of India.

NSE

The NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. Deliveries for trades executed "on- market" are exchanged through the National Securities Clearing Corporation Limited. It has evolved over the years into its present status as one of the premier stock exchanges of India. The NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994. The capital market (equities) segment commenced operations in November 1994 and operations in the derivatives segment commenced in June 2000. NSE launched the NSE 50 Index, now known as S&P CNX NIFTY, on April 22, 1996 and the Mid-cap Index on January 1, 1996.

Internet-based Securities Trading and Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stockbrokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated by SEBI. The NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of the NSE.

Trading Hours

Trading on both the NSE and the BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m.). The BSE and the NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

Trading Procedure

In order to facilitate smooth transactions, the BSE replaced its open outcry system with BSE On-line Trading ("BOLT") facility in 1995. This totally automated screen-based trading in securities was put into practice nation-

wide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work.

NSE has introduced a fully automated trading system called National Exchange for Automated Trading (“NEAT”), which operates on strict time/price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

SEBI Listing Regulations

Public listed companies are required under the SEBI Listing Regulations to prepare and circulate to their shareholders audited annual accounts which comply with the disclosure requirements and regulations governing their manner of presentation and which include sections relating to corporate governance, related party transactions and management’s discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to, inter alia, continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations.

SEBI Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the SEBI Takeover Regulations, which provides for specific regulations in relation to substantial acquisition of shares and takeover. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the SEBI Takeover Regulations will apply to any acquisition of the company’s shares/ voting rights/ control. The SEBI Takeover Regulations prescribes certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the SEBI Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The SEBI Takeover Regulations also provides for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition. The SEBI Takeover Regulations also provides certain general exemptions which exempt certain acquisitions from the obligation to make an open offer. The SEBI Takeover Regulations were further amended on June 22, 2020 to exempt any acquisitions by way of preferential issue from the obligation to make an open offer. Subsequently, the SEBI Takeover Regulations were amended on August 13, 2021 exempting (a) persons, together with persons acting in concert with him, holding shares or voting rights entitling him to exercise twenty-five per cent or more of the voting rights in a target company; and (b) promoter of the target company, together with persons acting in concert with him, from making continual disclosures in relation to aggregate shareholding and voting rights in the target company. Further, the amendment has also removed certain disclosure obligations for acquirers/promoters, pertaining to acquisition or disposal of shares aggregating to 5% and any change of 2% thereafter, annual shareholding disclosure and creation/invocation/release of encumbrance registered in depository systems under the SEBI Takeover Regulations. These relaxations have been given on account of implementation of the System Driven Disclosures (SDD).

SEBI Insider Trading Regulations

The SEBI Insider Trading Regulations have been notified to prohibit and penalise insider trading in India. An insider is, among other things, prohibited from dealing in the securities of a listed company when in possession of unpublished price sensitive information (“**UPSI**”).

The SEBI Insider Trading Regulations were notified on January 15, 2015 and came into effect on May 15, 2015, which repealed the erstwhile regulations of 1992. The SEBI Insider Trading Regulations, inter alia, impose certain restrictions on the communication of information by listed companies. Under the SEBI Insider Trading Regulations, (i) no insider shall communicate, provide or allow access to any UPSI relating to such companies and securities listed or proposed to be listed, to any person including other insiders; and (ii) no person shall procure or cause the communication by any insider of UPSI relating to such companies and securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. However, UPSI may be communicated, provided or allowed access to or procured, under certain circumstances specified in the SEBI Insider Trading Regulations.

The SEBI Insider Trading Regulations make it compulsory for listed companies and certain other entities that are required to handle UPSI in the course of business operations to establish an internal code of practices and procedures for fair disclosure of UPSI and to regulate, monitor and report trading by insiders. To this end, the

SEBI Insider Trading Regulations provide principles of fair disclosure for purposes of code of practices and procedures for fair disclosure of UPSI and minimum standards for code of conduct to regulate, monitor and report trading by insiders. There are also initial and continuing shareholding disclosure obligations under the SEBI Insider Trading Regulations.

The SEBI Insider Trading Regulations also provides for disclosure obligations for promoters, members of the promoter group, designated person or director in case value of trade exceed monetary threshold of ₹1 million over a calendar quarter, within two days of reaching such threshold. The board of directors of all listed companies are required to formulate and publish on the company's website a code of procedure for fair disclosure of UPSI along with a code of conduct for its employees for compliances with the SEBI Insider Trading Regulations.

Further, on July 17, 2020, SEBI amended the Insider Trading Regulations to prescribe that the board of directors or head(s) of listed companies shall ensure that a structured digital database be maintained, containing the nature of unpublished price sensitive information, the names and details of persons who have shared the information and the names and details person with whom information is shared.

Depositories

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfer in book-entry form. Further, SEBI framed regulations in relation to the formation and registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term "securities", as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of SEBI.

DESCRIPTION OF THE EQUITY SHARES

The following information relates to the share capital of our Company, including a brief summary of the Memorandum of Association and Articles of Association and certain provisions of the Companies Act and certain related legislations of India, all as currently in effect. Bidders are urged to read the Memorandum of Association and Articles of Association carefully, and consult with their advisers, as the Memorandum of Association and Articles of Association and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares. Capitalised terms used and not defined herein, shall have the same meaning as ascribed to such words in the Memorandum and Articles of Association.

Share capital

The authorized share capital of our Company is ₹ 1,00,00,00,000 divided into 1,00,00,00,000 Equity Shares of face value of ₹ 1 each, 15,000 11% Cumulative Redeemable Preference Shares of ₹ 100/- each and 10,000 11% Cumulative Preference Shares of ₹100/- each. Our Company's issued and subscribed Capital is ₹26,39,17,000 divided into 26,39,17,000 Equity Shares of face value of ₹1 each. For further details, see "**Capital Structure**" beginning on page 77.

Dividends

Under Indian law, a company pays dividends upon a recommendation by its board of directors and approval by a majority of the shareholders at the AGM of shareholders held each financial year. Under the Companies Act, 2013, unless the board of directors of a company recommends the payment of a dividend, the shareholders at a general meeting have no power to declare any dividend. Subject to certain conditions specified under Section 123 of the Companies Act, 2013 and the rules made thereunder no dividend can be declared or paid by a company for any financial year except (a) out of the profits of the company for that year after providing depreciation, calculated in accordance with the provisions of the , 2013; or (b) out of the profits of the company for any previous financial year(s) arrived at in accordance with the Companies Act, 2013 and remaining undistributed; or (c) out of both; or (d) out of money provided by the Central Government or a state Government for payment of dividend by the Company in pursuance of a guarantee given by that Government.

Further, as per the Companies Act, 2013, read with the Companies (Declaration and Payment of Dividend) Rules, 2014, in case of the inadequacy or absence of profits in any year, a company may declare dividend out of the accumulated profits earned in previous years and transferred to the free reserves, provided: (a) the rate of dividend declared shall not exceed the average of the rates at which dividend was declared by it in the three years immediately preceding that year; provided, this rule shall not apply to a company, which has not declared any dividend in each of the three preceding financial years; (b) the total amount to be drawn from such accumulated profits shall not exceed one-tenth of the sum of the paid up share capital of the company and free reserves as per its most recent audited financial statements; (c) the amount so drawn shall be first utilised to set off the losses incurred by the company in the financial year in which the dividend is declared before any dividend in respect of equity shares is declared; and (d) the balance of the reserves of our Company after such withdrawal shall not fall below 15% of the company's paid up share capital as per its most recent audited financial statements.

These dividends are required to be deposited into a separate bank account within five days of the declaration of such dividend and paid to shareholders within 30 days of the date of its declaration.

The Articles of Association provide that our Company in its general meeting may declare dividends to be paid to the members according to their shareholding. The dividend shall not exceed the amount recommended by our Board, but the Company, in a general meeting, may declare lesser dividend. Further, our Board may from time to time pay the members interim dividend of such amount on such shares and at such times as it may think fit. No dividend may be paid otherwise than out of the profits of our Company, arrived at in the manner provided under the Companies Act, 2013.

The dividends of our Company shall be divisible among the members in proportion of the amount of capital paid up or credited as paid-up on the Equity Shares, held by them for the respective period of the holding of the Equity Shares or both. However, our Board may retain any dividends on which our Company may have a lien and may apply the same towards the satisfaction of the debts or liabilities in respect of which the lien exists. All dividends shall be apportioned and paid on the amounts paid or credited as paid on the Equity Shares during any portion or portions of the period in respect of which the dividend is paid but if any Share is issued on terms providing that it shall rank for dividends as from a particular date, such Share shall rank for dividend accordingly. No member

shall be entitled to receive payment of any interest or dividend or bonus in respect of his Equity Shares while any money may be due or owing from him to the company and our Board may deduct from the interest or dividend to any member all such sums of money so due from him to our Company. A transfer of Equity Shares shall not pass the right to any dividend declared therein before the registration of the transfer.

The Companies Act, 2013 states that any dividends that remain unpaid or unclaimed after that period are to be transferred to a special bank account. Any dividend amount (along with interest) that remains unpaid or unclaimed for seven years from the date of such transfer is to be transferred by our Company to a fund, called the Investor Education and Protection Fund, created by the Government. In addition, all shares in respect of which dividend has not been paid or claimed for seven consecutive years, shall be transferred by the Company to the Investor Education and Protection Fund along with a statement containing requisite details.

Capitalisation of Profits and Issue of Bonus Shares

In addition to permitting dividends to be paid out of current or retained earnings as described above, the Companies Act, 2013 permits the board of directors, if so approved by the shareholders in a general meeting, to capitalise its profits or reserves for the purpose of issuing fully paid-up bonus shares, which are similar to stock dividend. The Companies Act, 2013 permits the issue of fully paid up bonus shares from its free reserves, securities premium account or capital redemption reserve account, provided that bonus shares shall not be issued by capitalising reserves created by revaluation of assets. These bonus Equity Shares must be distributed to shareholders in proportion to the number of Equity Shares owned by them as recommended by the board of directors.

Any issue of bonus shares by a listed company would be subject to the SEBI regulations. The relevant SEBI regulations prescribe that no company shall make a bonus issue of Equity Shares if it has outstanding fully or partly convertible debt instruments at the time of making the bonus issue, unless it has made reservation of the Equity Shares in the same class in favour of the holders of the outstanding convertible debt instruments in proportion to the convertible part thereof and the Equity Shares reserved for the holders of fully or partly convertible debt instruments shall be issued at the time of conversion of such convertible debt instruments on the same terms or same proportion on which the bonds were issued. Further, for issuance of such bonus shares, a company should not have defaulted in the payment of interest or principal in respect of fixed deposits and interest on existing debentures or principal on redemption of such debentures. The declaration of bonus shares in lieu of a dividend cannot be made. The bonus issuance shall be made out of free reserves built out of genuine profits or share premium collected in cash only. The reserves created by revaluation of fixed assets cannot be capitalised. Further, a company should have sufficient reason to believe that it has not defaulted in respect of the payment of statutory dues of the employees, such as contributions to provident funds, gratuities and/or bonuses.

The Company in General Meeting may resolve that any moneys, investments or other assets forming part of the undivided profits of the Company standing to the credit of the Reserve Fund, or any Capital Redemption Reserve Account, or in the hands of the Company and available for dividend (or representing premium received on the issue of Equity Shares and standing to the credit of the Shares Premium Account) be capitalized and distributed among such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalized fund be applied on behalf of such shareholders in paying up in full either at par or at such premium as the resolution may provide, any unissued shares or debentures or debenture-stock of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares or debentures or debenture-stock and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalized sum, provided that a Share Premium Account and a Capital Redemption Reserve Account may, for the purposes of this Article, only be applied in the paying of any unissued shares to be issued to members of the Company as fully paid bonus shares.

Alteration of Share Capital

Subject to the provisions of the Companies Act, 2013 our Company may increase its share capital by issuing new shares on such terms and with such rights as it, by approval of our Shareholders in a General Meeting by way of an ordinary resolution, may determine. According to Section 62(1)(a) of the Companies Act, 2013 such new shares shall be offered to existing shareholders in proportion to the paid up share capital on those shares at that date. The offer shall be made by notice specifying the number of shares offered and the date (being not less than 15 days and not exceeding 30 days from the date of the offer) within which the offer, if not accepted, will be deemed to have been declined. After such date or on receipt of earlier intimation from the persons to whom such notice is

given that they decline to accept the shares offered, the Board may dispose of the shares offered in respect of which no acceptance has been received in a manner which shall not be disadvantageous to the shareholders of our Company. The offer is deemed to include a right exercisable by the person concerned to renounce the shares offered to him in favour of any other person. private placement and public issues shall be undertaken pursuant to Chapter III of the Companies Act, 2013.

Under the provisions of Section 62(1)(c) of the Companies Act, 2013 and the Companies (Share Capital and Debentures) Rules, 2014, new shares may be offered to any persons whether or not those persons include existing shareholders or employees to whom shares are allotted under a scheme of employees stock options, either for cash or for consideration other than cash, if a special resolution to that effect is passed by our Company's shareholders in a general meeting. Our Company may, by a resolution passed in a general meeting, from time to time, increase the share capital by the creation of new Equity Shares of such amount as may be deemed expedient and specified in the resolution. Such increase in the share capital shall be subject to compliance with the provision of the Companies Act, 2013 and of any other laws that may be in force. New Equity Shares shall be issued upon such terms and conditions and with such rights and privileges attached thereto as are consistent with provisions of the Companies Act, 2013 and which the general meeting, resolving upon the creation thereof shall direct and if no direction be given, as our Board shall determine, and in particular such Equity Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of our Company and with a special or without any right of voting, subject to the conditions prescribed under the Companies Act, 2013.

Our Company may by ordinary resolution:

- (i) Increase the share capital by such sum, to be divided into shares of such amount, as it thinks expedient;
- (ii) Consolidate and divide all or any its Equity Shares into shares of larger amount than its existing Equity Shares; subject to the applicable approvals under the Companies Act, 2013 for any consolidation and division which results in changes in the voting percentage of members;
- (iii) Subdivide its existing Equity Shares or any of them into Equity Shares of smaller amount than is fixed originally by the Memorandum of Association;
- (iv) Convert all or any of its fully-paid up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
- (v) Cancel any Equity Shares which at the date of the passing of the ordinary resolution, have not been taken or agreed to be taken by any person.

Further, our Company may, from time to time, by special resolution, reduce its share capital or any share premium account in any manner, subject to any incident authorized and consent required by law.

General Meetings of Shareholders

Every year our Company is required to hold an annual general meeting in addition to any other meetings. Further, our Board may, whenever it thinks fit, call an extraordinary general meeting and shall, on the requisition of a number of members who constitute not less than one-tenth of the paid-up capital of our Company, proceed to call an extraordinary general meeting. Not less than 21 days' clear notice in writing of the general meeting is to be given, but shorter notice may be given if consent in writing is accorded by all the members entitled to vote and in case of any other meetings, with the consent of members holding not less than 95 per cent of such part of the paid-up Share capital of our Company which gives a right to vote at the meeting. For a meeting of the shareholders, (i) five shareholders present in person, if the number of shareholders as on the date of meeting is not more than 1,000; (ii) 15 shareholders present in person, if the number of shareholders as on the date of the meeting is more than 1,000 but up to 5,000; and (iii) 30 shareholders present in person, if the number of shareholders as on the date of meeting exceeds 5,000, shall constitute a quorum for a general meeting of our Company, whether AGM or EGM. No business is to be transacted at the general meeting unless the requisite quorum is present at the commencement of the same. If the quorum is not present within half an hour of the time appointed for a meeting, the meeting, if convened upon such requisition as aforesaid, shall be dissolved; but in any other case it shall stand adjourned to the same day in the next week at the same time and place. The Articles of Association further provide that no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

The Chairman of our Board shall be entitled to take the chair at every general meeting or, if there is no such chairman, or if at any general meeting he is not present within fifteen minutes after the time appointed for holding such general meeting or is unwilling to act as Chairman, the Directors present shall elect one of them to be the chairman of the meeting. If no Director is present or if all the Directors present decline to take the chair, then the members present shall choose one amongst themselves to be chairman of the general meeting.

A company intending to pass a resolution relating to matters such as, but not limited to, amendments to the objects clause of the Memorandum of Association, a variation of the rights attached to a class of shares or debentures or other securities, buy-backs of shares, giving loans or extending guarantees in excess of limits prescribed, is required to obtain the resolution passed by means of a postal ballot instead of transacting the business in our Company's general meeting. A notice to all the shareholders shall be sent along with a draft resolution explaining the reasons thereof and requesting them to send their assent or dissent in writing on a postal ballot within a period of 30 days from the date of posting the notice. Postal ballot includes voting by electronic mode.

Voting Rights

Every member present in person shall have one vote on poll and the member present in person or by proxy shall have one vote for each Share of our Company held by him, subject to any rights or restrictions for the time being attached to any class or classes of Equity Shares. The Articles of Association provide that any member entitled to attend and vote at a General Meeting may do so either personally or through his constituted attorney or through another person as proxy on his behalf, for that meeting. The manner of giving proxies is provided in detailed in the Articles of Association of the Company.

The instrument appointing a proxy is required to be lodged at the registered office at least 48 hours before the time of the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid. A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the instrument or transfer of the Share in respect of which the vote is given provided no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office of our Company before the general meeting. Provided never the less that the chairman of any general meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and that the same has not been revoked.

No member is entitled to be present or to vote on any question either personally or by proxy or as proxy for another member at any general meeting or upon a poll or to be reckoned in a quorum while any call or other sum payable to our Company in respect of any of the Equity Shares of such member shall remain unpaid, and no member is entitled to be present or to vote at any general meeting in respect of any Equity Share that he has acquired by transfer unless his name is entered as the registered holder of the Equity Share in respect of which he claims to vote, but this shall not affect Equity Shares acquired under a testamentary disposition or by succession to an intestate or under an insolvency or liquidation.

Ordinary resolutions may be passed by simple majority of those present and voting and those voting electronically. Special resolutions require that the votes cast in favour of the resolution must be at least three times the votes cast against the resolution.

Registration of transfers and register of members

Our Company is required to maintain a register of members wherein the particulars of the members of our Company are entered. We recognize as shareholders only those persons whose names appear on the register of shareholders and cannot recognize any person holding any share or part of it upon any express, implied or constructive trust, except as permitted by law. In respect of electronic transfers, the depository transfers shares by entering the name of the purchaser in its books as the beneficial owner of the shares. In turn, the name of the depository is entered into our records as the registered owner of the shares. The beneficial owner is entitled to all the rights and benefits as well as the liabilities with respect to the shares held by a depository.

For the purpose of determining the shareholders, entitled to corporate benefits declared by our Company, the register may be closed for such period not exceeding 45 days in any one year or 30 days at any one time at such times, as the Board of Directors may deem expedient in accordance with the provisions of the Companies Act. Under the SEBI Listing Regulations of the stock exchanges on which our Company's outstanding Equity Shares are listed, our Company may, upon at least seven working days' or such lesser period as may be prescribed for

certain situations (excluding the date of intimation and the record date) advance notice to such stock exchanges, set a record date and/or close the register of shareholders in order to ascertain the identity of shareholders. The trading of Equity Shares and the delivery of certificates in respect thereof may continue while the register of shareholders is closed.

Directors

The Articles of Association provide that the number of Directors shall not be less than three and not be more than fifteen. The Directors shall be appointed by our Company in the general meeting subject to the provisions of the Companies Act, 2013 and the Articles of Association. The Companies Act, 2013 provides that not less than one-third of the total number of directors on the board of a company, excluding the independent directors, shall be liable to retire by rotation. One-third of the directors shall automatically retire every year at the annual general meeting and shall be eligible for re-appointment. The Board shall have the power to determine the directors whose period of office is or is not liable to determination by retirement of directors by rotation. The independent directors may be appointed for a maximum of two terms of up to five consecutive years each; however, such directors are eligible for re-appointment after the expiry of three years of ceasing to be an independent director provided that such directors were not, during the three years period, appointed in or associated with the company in any other capacity, either directly or indirectly. Any reappointment of independent directors, inter alia, shall be on the basis of performance evaluation report and requires the approval of the shareholders by way of a special resolution.

Our Board is required to meet at least once every 120 days for the dispatch of business, adjourn and otherwise regulate its meetings and proceedings as it thinks fit provided that at least four such meetings shall be held in every year. The quorum for a meeting of our Board is one-third of its total strength (any fraction contained in that one-third being rounded off as one) or two Directors, whichever is higher. However, where it involves a decision on an affirmative vote item, the quorum is required to include an investor Director.

Buy-back

Our Company may buy back its own Equity Shares or other specified securities subject to the provisions of the Companies Act, 2013 and the related SEBI guidelines issued in connection therewith.

Transfer and transmission of shares

Shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by SEBI. These regulations provide the regime for the functioning of the depositories and the participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed in this system.

Transfers of beneficial ownership of shares held through a depository are subject to STT (levied on and collected by the stock exchanges on which such equity shares are sold), however, are exempt from stamp duty. Our Company has entered into an agreement for such depository services with NSDL and CDSL.

SEBI requires that the shares for trading and settlement purposes be in book-entry form for all investors, except for transactions that are not made on a stock exchange and transactions that are not required to be reported to the stock exchange. Our Company shall keep a book in which every transfer or transmission of shares will be entered. Pursuant to the SEBI Listing Regulations, except in case of transmission or transposition of Equity Shares, requests for effecting transfer of Equity Shares shall not be processed unless the Equity Shares are held in dematerialized form with a depository. The Equity Shares shall be freely transferable, subject to applicable laws.

Winding up

If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not. For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

The Board of Directors

Swan Energy Limited

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

(Referred as the “Company”)

Systematix Corporate Services Limited

The Capital, A-Wing No. 603-606
6th Floor, Plot No. C-70,
G-Block, BKC, Bandra (East)
Mumbai- 400 051, Maharashtra, India

(Referred as the “Book Running Lead Manager” or “BRLM”)

Dear Sirs/Madams,

Sub: Statement of possible special tax benefits available to Swan Energy Limited (the “Company”), its shareholders and the Material Subsidiaries (as defined herein below), under the direct and indirect tax laws, prepared in accordance with the requirements under Schedule VII (18) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (‘SEBI ICDR Regulations’).

1. We, the current statutory auditors of the Company, namely, M/s. N. N. Jambusaria & Co., Chartered Accountants, (Firm Registration Number: 104030W), are independent chartered accountants, appointed by the Company and have received a request from the Company to provide certain confirmations on the statement of possible special tax benefits to the Company, its Shareholders and its Material Subsidiaries. This certificate is issued in accordance with our engagement letter dated December 28, 2023 with the Company in relation to the proposed offering of equity shares of face value ₹1 each by the Company in a Qualified Institutions Placement in accordance with the provisions of Chapter VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “**Issue**”).
2. We hereby confirm that the enclosed Annexure A, prepared by the Company and initialed by us and the Company for identification purpose (“**Statement**”) for the proposed Qualified Institutions Placement of equity shares of the Company, provides the possible special tax benefits available to the Company, its shareholders and its Material Subsidiaries under the Income Tax Act, 1961 read with the rules, circulars and notifications issued in connection thereto, (“the **Act**”) as amended, applicable for the financial year ended March 31, 2024 and relevant to the assessment year 2024-25, presently in force in India and under indirect taxation laws presently in force in India (“**Tax Laws**”). Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company and/or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company and/or its shareholders may or may not choose to fulfill.
3. The benefits discussed in the enclosed Annexure cover the possible special tax benefits available to the Company or its shareholders and do not cover any general tax benefits available to the Company or its shareholders. Further, the preparation of the enclosed Annexure and its contents is the responsibility of the Management of the Company. Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities and for claiming/utilization of these available tax benefits. The benefits discussed in the enclosed Statement are not exhaustive. We were informed that the Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his/ her/their own tax consultant with respect to the specific tax implications arising out of their participation in the proposed offer particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the possible special tax benefits, which an investor can avail. Neither we are suggesting nor

advising the investors to invest money based on the Annexure.

We do not express any opinion or provide any assurance as to whether:

- The Company or its shareholders or its Material Subsidiaries will continue to obtain these benefits in the future;
 - The conditions prescribed for availing of the benefits, where applicable have been/would be complied with.
 - The Revenue Authorities/Courts will concur with the views expressed herein.
4. The contents of the enclosed Statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.
 5. We conducted our examination and issued the certifications requested by the Company in relation to the Issue in accordance with the Guidance Note on Reports or Certificate for Special Purposes (Revised 2016) (the “**Guidance Note**”) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
 6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for the Firm that performs Audits and Reviews of the Historical Financial Information and Other assurance and related services engagements issued by ICAI.
 7. The enclosed statement is issued in connection with the Issue and the contents of the statements, in full or in part, can be disclosed in the Preliminary Placement Document, the Placement Document and other documents or materials in relation to the Issue.
 8. This is not a statement/ confirmation of the tax treatment of any transaction of investing in the company or a treatise on tax rates and tax provisions. It only elaborates any possible special tax benefits that are available to the company or to its shareholders over and above those that are generally available to operating companies and to the shareholders.
 9. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.
 10. This certificate may be relied upon by the addressees to this certificate and the legal counsels appointed for the purpose of the Issue. We hereby consent to extracts of, or reference to, this certificate being used in the preliminary placement document and placement document to be filed in relation to the Issue. We also consent to the submission of this certificate as may be necessary to any regulatory authority and/or for the records to be maintained by the Book Running Lead Manager in connection with the Issue, in accordance with applicable law.

For M/s. **N. N. Jambusaria & Co.**
Chartered Accountants
Firm Registration Number: **104030W**
Peer Review Number: **015604**

Nimesh N. Jambusaria
Partner
Membership Number: 038979
UDIN: 24038979BKBNPX2181

Place: Mumbai
Date: February 20, 2024

Annexure A

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY, ITS SUBSIDIARIES AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

LIST OF SUBSIDIARIES CONSIDERED AS PART OF THE STATEMENT

1. Cardinal Energy and Infrastructure Private Limited ("CEIPL")
2. Pegasus Ventures Private Limited ("PVPL")
3. Swan LNG Private Limited ("SLPL")
4. Triumph Offshore Private Limited ("TOPL")
5. Swan Mills Private Limited ("SMPL")
6. Veritas (India) Limited ("VIL")
7. Hazel Infra Limited ("HIL"); and
8. Wilson Corporation FZE ("Wilson Corp")

The above mentioned is the list of all the subsidiaries of the Company are eligible for certain tax benefits. However, the same are not material subsidiaries which would form part of this Statement as their income or net worth in the immediately preceding year (i.e., March 31, 2023) does not exceed 10% of the consolidated income or consolidated net worth respectively, of the holding company and its subsidiaries in the immediate preceding year as identified in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY, ITS SHAREHOLDERS AND ITS SUBSIDIARIES UNDER THE APPLICABLE DIRECT TAX LAWS

Outlined below are the possible tax benefits available to the Company, its Shareholders and its Subsidiaries, under the Income Tax Act, 1961 presently forced in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have different interpretation on the benefits, which an investor can avail.

STATEMENT OF POSSIBLE SPECIAL DIRECT TAX BENEFITS AVAILABLE TO THE COMPANY, TO THE SHAREHOLDERS OF THE COMPANY AND ITS SUBSIDIARIES

Under the Income Tax Act, 1961 ('the Act')

1. Special tax benefits available to the Company under the Act

Section 80JJAA of the Act: Deduction in respect of employment of new employee- In accordance with and subject to the conditions specified under Section 80JJAA of the Act, a company is entitled to a deduction of an amount equal to 30% of additional employee cost incurred in the course of business in a previous year, for 3 consecutive assessment years including the assessment year relevant to the previous year in which such additional employment cost is incurred.

Additional employee cost means the total emoluments paid or payable to additional employees employed in the **previous** year. The deduction under section 80JJAA would continue to be available to the company even where the company opts for the lower tax rate of 22% under the provisions of section 115BAA (as discussed above).

The company should be eligible to claim this deduction in case it incurs additional employee cost within the meaning of Explanation (i) to sub-section (2) of Section 80JJAA of the Act and satisfies the conditions mentioned in the section.

2. General tax benefits available to the Company

- a) Section 115BAA of the Act: Corporate Tax Rate of 22%**

- Section 115BAA, as inserted vide The Taxation Laws (Amendment) Act, 2019, provides that domestic company can opt for a rate of 22% (plus applicable surcharge and education cess) for the financial year 2019-20 onwards, provided the total income of the company is computed without claiming certain specified deductions or set-off of losses, depreciation etc., and claiming depreciation determined in the prescribed manner.

- In case a company opts for section 115BAA, provisions of Minimum Alternate Tax would not be applicable and earlier year MAT credit will not be available for set – off.

- The options needs to be exercised on or before the due date of filing the income tax return. Option once exercised, cannot be subsequently withdrawn for the same or any other tax year.

Further, if the conditions mentioned in section 115BAA are not satisfied in any year, the option exercised shall become invalid in respect of such year and subsequent years, and the other provisions of the Act shall apply as if the option under section 115BAA had not been exercised.

- The company has represented to us that they will opt for section 115BAA of the Act for AY 2022-23.

b) Section 32 of the Act- Depreciation Allowance

- As per section 32(1) of the Act, the Company can claim depreciation allowance at the prescribed rates in respect of its tangible and intangible assets.

c) Section 36(1)(vii) of the Act -Allowance of bad debts written off

Under section 36(1)(vii), any bad debt or part thereof which has been written off as irrecoverable in the books of accounts is allowable as deduction for computing the income under the head “Profit and gains of business or profession”, subject to the fulfilment of the conditions as specified in section 36(2) read with section 36(1)(vii) of the Act.

d) Taxation on dividend income

According to the Finance Act, 2020 any income by way of dividends or income from equity shares are now taxable in the hands of shareholder at the applicable rate and the domestic company or specified company are not required to pay any dividend distribution tax (“DDT”) w.e.f. 01.04.2020.

e) Taxability of income from capital gains

As per section 2(42A) of the Act, if the period of holding of a security (other than a unit) listed on a recognised stock exchange in India or a unit of the Unit Trust of India or a unit of an equity-oriented fund or a zero-coupon bond is more than 12 months, it will be considered a long-term capital asset as per section 2(29A) of the Act. With respect to immovable property (being land or building or both) and shares of a company not being listed on a recognized stock exchange, the determinative period of holding shall be more than 24 months for it to be regarded as long-term capital asset. With respect to other assets including a unit of a mutual fund other than equity oriented mutual fund or unit of a business trust, the determinative period of holding is more than 36 months for it to be regarded as long-term capital asset. Asset not considered as long-term capital asset shall be regarded as short-term capital assets As per the provisions of section 112(1)(d) of the Act, gains arising on the transfer of long-term capital

assets shall be chargeable to tax at the rate of 20% (plus applicable surcharge and cess). However, as per the proviso to section 112 of the Act, the tax on long term capital gains resulting on transfer of listed securities (other than those covered under section 112A) and Zero-Coupon Bonds shall be the lower of the following:

i. 20% (plus applicable surcharge and cess) with indexation benefit; or

ii. 10% (plus applicable surcharge and cess) without indexation benefit

The short-term capital gains are chargeable to tax at a normal tax rate (plus applicable surcharge and cess).

As per section 70 read with section 74 of the Act, short term capital loss arising during an year is allowed to be set-off against short term capital gains as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years. Long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent eight assessment years.

f) Section 35D of the Act- Where the assessee is a company, also expenditure in connection with the issue, for public subscription, of shares in or debentures of the company, being underwriting commission, brokerage and charges for drafting, typing, printing and advertisement of the prospectus, the assessee shall, in accordance with and subject to the provisions of this section, be allowed a deduction under the head “Profit and gains of business or profession” of an amount equal to one-fifth of such expenditure for each of the five successive financial years.

3. Special tax benefits available to the Shareholders under the Act

There are no special tax benefits available to the Shareholders under the Tax Laws.

4. General tax benefits available to the Shareholders

a) Exemption on Dividend Income received from Indian Company

Dividend income earned on shares of the Company will be taxable in the hands of Shareholders as to such shareholder. The shareholder is eligible to claim deduction of interest expense wholly and exclusively incurred for earning of such dividend income under section 57 of the Act. However, such deduction is restricted to 20 per cent of dividend received.

Further, in case of a shareholder being a company, deduction in respect of dividends received from the Company shall be available under section 80M of the Act, to the extent such dividend is distributed by it on or before the specified due date.

b) Taxability of gain/ loss arising from sale of shares of the Company:

The characterisation of gains/ losses, arising from sale of shares, as capital gains or business income would depend on the nature of holding in the hands of the shareholder and various other factors.

i. Taxability under the head ‘capital gains’

Income arising from transfer of shares of the Company held for more than 12 months and subject to securities transaction tax, shall be considered as long-term capital assets. The shares which are not considered as long-term capital assets shall be considered as short-term capital assets.

Section 112A of the Act provides for concessional rate of 10% (plus applicable surcharge and cess) on long term capital gains (exceeding Rs. 1,00,000) arising from equity shares of the Company, if STT has been paid on both acquisition and transfer of such shares. The benefit of indexation under the second proviso to section 48 of the Act shall not be applicable for computing long term capital gains taxable under section 112A of the Act.

As per section 112 of the Act, the tax on long term capital gains resulting on transfer of listed shares of the Company (other than those covered under section 112A) shall be the lower of the following:

a. 20% (plus applicable surcharge and cess) with indexation benefit; or

b. 10% (plus applicable surcharge and cess) without indexation benefit

As per the provisions of section 111A of the Act, short term capital gain arising from transfer of equity share in the Company through a recognized stock exchange and subject to STT shall be taxable at a concessional rate of 15% (plus applicable surcharge and cess if any).

As per section 70 read with section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against short term capital gains as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years. Long term capital loss

arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent eight assessment years.

ii. Taxability under the head ‘income from business and profession’:

Where the gains arising on the transfer of shares of the Company are included in the business income of a shareholder and assessable under the head “Profits and Gains from Business or Profession” and on such transfer is subjected to STT, then such STT shall be a deductible expense from the business income as per the provisions of section 36(1)(xv) of the Act.

For non-resident shareholders being Foreign Portfolio Investors (‘FPIs’) / Foreign Institutional Investors (‘FIIs’)

a) Taxability of dividend income from shares of the Company

Dividend income earned on shares of the Company will be taxable in the hands of shareholders as ‘income from other sources’ at tax rate applicable to such shareholder.

b) Taxability of gain/ loss arising from sale of shares of the Company

As per section 2(14) of the Act, transfer of any shares/ securities (other than those held as stock in trade) being invested in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992 shall be deemed to be treated as Capital Gains.

Income arising from transfer of shares of the Company held for more than 12 months and subject to securities transaction tax, shall be considered as long-term capital assets. The shares which are not considered as long-term capital assets shall be considered as short-term capital assets.

Section 115AD read with section 112A of the Act provides for concessional rate of 10% (plus applicable surcharge and cess) on long term capital gains (exceeding Rs. 1,00,000) arising from equity shares of the Company, if STT has been paid on both acquisition and transfer of such shares. The benefit of indexation under the second proviso to section 48 of the Act shall not be applicable for computing long term capital gains taxable under section 112A of the Act.

As per section 115AD of the Act, the tax on long term capital gains resulting on transfer of listed shares of the Company (other than those covered under section 112A) shall be 10% (plus applicable surcharge and cess) without indexation benefit.

Under section 115AD(1)(ii) of the Act, income by way of short term capital gains arising to the FPI/ FII on transfer of shares of the Company shall be chargeable at the rate of 15% (plus applicable surcharge and cess) if such transaction of sale is entered on a recognised stock exchange in India and is chargeable to STT.

As per section 70 read with section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against short term capital gains as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years.

Long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent eight assessment years.

Under the provisions of section 90(2) of the Act, a non-resident will be governed by the provisions of the country of tax residence of the FII/ FPI or the provisions of the Act, to the extent they are more beneficial to the FII/ FPI.

For non-resident Shareholders, other than FPIs/ FIIs

a) Taxability of dividend income from shares of the Company

Dividend income earned on shares of the Company will be taxable in the hands of shareholders as ‘income from other sources’ at tax rate applicable to such shareholder. The shareholder is eligible to claim deduction of interest

expense wholly and exclusively incurred for earning of such dividend income under section 57 of the Act. However, such deduction is restricted to 20 per cent of dividend received.

b) Taxability of gain/ loss arising from sale of shares of the Company

i. Taxability under the head ‘capital gains’

Income arising from transfer of shares of the Company held for more than 12 months and subject to securities transaction tax, shall be considered as long-term capital assets. The shares which are not considered as long-term capital assets shall be considered as short-term capital assets.

Section 112A of the Act provides for concessional rate of 10% (plus applicable surcharge and cess) on long term capital gains (exceeding Rs. 1,00,000) arising from equity shares of the Company, if STT has been paid on both acquisition and transfer of such shares. The benefit of indexation under the second proviso to section 48 of the Act shall not be applicable for computing long term capital gains taxable under section 112A of the Act.

As per section 112 of the Act, the tax on long term capital gains resulting on transfer of listed shares of the Company (other than those covered under section 112A) shall be the lower of the following:

a. 20% (plus applicable surcharge and cess) with indexation benefit; or

b. 10% (plus applicable surcharge and cess) without indexation benefit

As per the provisions of section 111A of the Act, short term capital gain arising from transfer of equity share in the Company through a recognized stock exchange and subject to STT shall be taxable at a concessional rate of 15% (plus applicable surcharge and cess if any).

As per section 70 read with section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against short term capital gains as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years. Long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent eight assessment years.

ii. Taxability under the head ‘income from business and profession’

Where the gains arising on the transfer of shares of the Company are included in the business income of transfer is subjected to STT, then such STT shall be a deductible expense from the business income as per the provisions of section 36(1)(xv) of the Act.

Under the provisions of section 90(2) of the Act, a non-resident will be governed by the provisions of the Double Tax Avoidance Agreement (‘DTAA’) between India and the country of tax residence of the non-resident or the provisions of the Act, to the extent they are more beneficial to the non-resident.

As per Explanation 4 to section 115JB(2), the provisions of section 115JB shall not be applicable to a foreign company if the foreign company is a resident of a country having DTAA with India and such foreign company does not have a permanent establishment within the definition of the term in the relevant DTAA, or the foreign company is a resident of a country which does not have a DTAA with India and such foreign company is not required to seek registration under section 592 of the Companies Act 1956 or section 380 of the Companies Act 2013.

5. Special Tax Benefits available to Subsidiaries The possible special tax benefits available to the Subsidiaries of the Company under the Income Tax Act, 1961.

NOTES:

1. The above is as per the current Tax Laws.

2. The above Statement of possible tax benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all the existing and potential tax consequences of the purchase, ownership and disposal of equity shares of the Company.

3. This Statement does not discuss any tax consequences in any country outside India of an investment in the equity shares of the Company. The shareholders / investors in any country outside India are advised to consult their own professional advisors regarding possible income tax consequences that apply to them under the laws of such jurisdiction.

ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO THE COMPANY, TO THE SHAREHOLDERS OF THE COMPANY AND ITS SUBSIDIARIES

INDIRECT TAXATION

Outlined below are the special tax benefits available to the Company, its Shareholders under The Central Goods and Services Tax Act, 2017 (“CGST Act”), the Integrated Goods and Services Tax Act, 2017 (“IGST Act”), the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017 (read with respective State Goods and Services Tax Rules, circulars, notifications), the Customs Act, 1962 and the Customs Tariff Act, 1975, the Foreign Trade (Development and Regulation) Act, 1992 (read with the Foreign Trade Policy 2016-2021 as applicable for the financial year 2023-2024 relevant to the assessment year 2024-2025 (“FTP”)) (collectively referred to as “**Indirect tax**”).

1. Special tax benefits available to the Company

There are no special tax benefits available to the Company.

2. Special Tax Benefits available to the Shareholders of the Company

There are no special tax benefits available to the shareholders of the Company.

3. Special tax benefits available to subsidiaries of the Company-

There are no special tax benefits available to the subsidiaries of the Company.

LEGAL PROCEEDINGS

We are involved in various legal proceedings from time to time, mostly arising in the ordinary course of business. These legal proceedings are primarily in the nature of tax disputes, criminal and civil proceedings, which are pending before various adjudicating forums.

*In terms of our Company's "Policy for Determination of Materiality of Events/information" ("**Materiality Policy**") framed in accordance with Regulation 30 of the SEBI Listing Regulations, there are no outstanding litigations involving our Company that have been disclosed to the Stock Exchanges, and accordingly, there is no such outstanding litigation involving our Company that requires disclosure in this Preliminary Placement Document.*

*However, solely for the purpose of the Issue, our Company has disclosed in this section, to the extent applicable (i) all outstanding criminal proceedings involving our Company, our Subsidiaries, our Directors and our Promoters; (ii) all outstanding actions by statutory or regulatory authorities against our Company, our Subsidiaries, our Directors and our Promoters; (iii) outstanding civil proceedings against our Company, our Subsidiaries, our Promoters and our Directors which involve an amount equivalent to or above ₹ 1438.14 lakhs and which is 1% of the total revenue of the consolidated financial statements for Fiscal 2023 ("**Materiality Threshold**") ; (iv) consolidated disclosure of the direct and indirect tax matters involving the Company and our Subsidiaries; and (v) any other outstanding litigation involving our Company, our Subsidiaries, our Directors and our Promoters wherein the amount involved cannot be determined or is below the Materiality Threshold, but an adverse outcome of which could materially and adversely affect the reputation, operations or financial position of our Company.*

Except as disclosed in the Preliminary Placement Document (i) There is no litigation or legal action pending or taken by any ministry or department of the government or a statutory authority against any of our Promoters during the last three years immediately preceding the year of circulation of this Preliminary Placement Document and no directions have been issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action; (ii) there are no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or the Companies Act, 1956 in the last three years immediately preceding the year of circulation of this Preliminary Placement Document involving our Company or our Subsidiaries, nor are there any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Preliminary Placement Document involving our Company or our Subsidiaries; (iii) there are no defaults in repayment of (a) statutory dues; (b) debentures and interests thereon; (c) deposits and interests thereon; and (d) loan obtained from any bank or financial institution and interest thereon by our Company, as of the date of this Preliminary Placement Document; (iv) there are no material frauds committed against us in the last three years; (v) there are no defaults in annual filing of our Company under the Companies Act, 2013 and the rules made thereunder; (vi) there are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations; or (vii) there are no reservations, qualifications or adverse remarks of auditors in the last five Fiscal Years immediately preceding the year of circulation of this Preliminary Placement Document.

It is clarified that for the purposes of the above, pre-litigation notices received by any of our Company, our Subsidiaries, our Directors and/or our Promoters from third parties (excluding statutory / regulatory /governmental authorities or notices threatening criminal action) shall, not be considered as litigation proceedings till such time that any of our Company, our Subsidiaries, our Directors and/or our Promoters, are impleaded as parties in any such litigation proceedings before any court, tribunal or governmental authority, or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced.

Capitalised terms used herein shall, unless otherwise specified, have the meanings ascribed to such terms in this section.

1. Litigation involving our Company

Material civil proceedings involving our Company

A. Civil Proceedings filed by our Company

Our Company ("**Claimant**") entered into a development agreement dated March 31, 2004 for development of its properties at Sewri and Kurla, Mumbai, with Peninsula Land Limited ("**Respondent**") and under the

aforesaid agreement jointly developed a residential property namely Ashok Gardens and IT Park at Kurla namely Equinox Business Park “**Properties**”. On completion of the projects, the parties reconciled the accounts and raised certain claims against each other. By Letter of Understanding dated April 18 2018, both the parties agreed to discuss and amicably resolve certain claims inter se between them with regards to *inter alia* (i) reimbursement of value added tax and service tax owed to Claimant by the Flat Purchasers of Ashok Gardens, (ii) losses done by the Claimant in the sales of pent house in the Ashok Gardens due to making the buyers member of the Society without execution of an Agreement for Sale and receiving adequate consideration, (iii) default in construction and dealing with the flat purchasers by the Respondent and (iv) fraudulent use of FSI from Claimant’s land in another project being developed by the Respondent. The Claimant and Respondent unable to mutually settle the claims of ₹ 131,32,79,752/-invoked arbitration. The arbitration is at the cross-examination stage.

B. Civil Proceedings filed against our Company

- 1) Our Company entered into a development agreement dated March 31, 2004 for development of property in Sewri, Mumbai, with Peninsula Land Limited and under the aforesaid agreement jointly developed a residential property namely Ashok Gardens “**Property**”. Ashok Gardens Co-operative Housing Society “herein after referred to as **Complainant**”, a cooperative society formed and registered under the Maharashtra Co-operative Societies Act, 1960 filed a consumer petition against our Company and Peninsula Land Limited “jointly referred to as **Respondents**”. The flat owners and members of Ashok Gardens Co-operative Housing Society entered into respective sales agreements “**Sales Agreement**” with the Respondents at the time of purchase of the flats in the said Property. The Complainant, alleges that the Respondents have provided deficient services and failed to honour their commitments as per clause 3 of the Sales Agreement. Therefore, the Complainant have filed a petition before the National Consumer Dispute Redressal Commission claiming an amount of ₹2,385 lakhs on behalf of all the flat owners for alleged deficiency in services. The matter is pending before National Consumer Dispute Redressal Commission for final hearing.
- 2) Subramanya Construction and Development Company Limited (**SCDC**) and Prakruthi Infrastructure and Development Company Limited (**PIDC**) (SCDC and PIDC together referred to as “**Claimant**”) were owners of several immovable properties situated in Bangaluru, Hyderabad, Mangalore, Mysore and Chennai. In the 2012, the Claimants approached our Company (“**Respondent**”) for financial assistance of an amount of ₹ 265 Crores for the purpose of settlement of its bank loans which had been classified as Non -Performing Asset and release of its properties which the Claimant had mortgaged with the banks. The Respondent provided the financial assistance to the Claimant with an arrangement to jointly develop the released properties from bank together and the Claimant and the Respondent executed a Memorandum of Understanding dated February 10, 2012 “**MOU**” for this purpose. The Claimant alleged that the Respondent has failed to adhere to the terms and conditions of the MOU and have sought termination of MOU dated 10 February 2012 and for reconveyance of certain immovable properties together with damages of ₹ 400 crores. As per clause 9 of terms and conditions of the MOU, the dispute was referred for arbitration. Currently, the arbitration is at cross examination stage.

Criminal Proceedings involving our Company

A. Criminal Matters filed by our Company

Our Company has filed 4 (four) complaints against various parties’ “**Respondents**” under Section 138 read with Sections 141 and 142 of the Negotiable Instruments Act, 1881 (“**NI Act**”) for dishonour of cheques issued by the Respondents to our Company in the ordinary course of business. The matters are pending for proceeding before the Metropolitan Magistrate, Ahmedabad at different stages. The aggregate amount involved in these matters is ₹ 57,10,873.

B. Criminal Matters filed against our Company

Our Company entered into a development agreement dated March 31, 2004 for development of property in Sewri, Mumbai, with Peninsula Land Limited and under the aforesaid agreement jointly developed a residential property namely Ashok Gardens “**Property**”. Rajesh Yaggopal Singh Chaddha (referred to as “**Complainant**”) vide agreement for sale dated March 31, 2011 “**Sales Agreement**” purchased a flat bearing number 2202 on 22nd Floor of Tower A “**Flat**” of the Property. The Complainant filed a complaint no. 31/SS/2013 under sections 3, 4, 5, 7, 10, 11 and 13 of Maharashtra Ownership Flats Act 1963 “**MOF Act**” against our Company and Others and Peninsula Land Limited and Others (jointly referred to as “**Accused**”) for alleged delay in the possession of the Flat, deficiency in services from that mentioned in the Sales Agreement and for alleged discrepancy in area of the Flat from that mentioned in the Sales Agreement before the Court of Metropolitan Magistrate, 15th Court, Mazgaon, Mumbai “**MM Court**”. The MM Court vide order dated August 7, 2013 “**Order**” issued process against the Accused under sections 3, 4, 5, 7, 10, 11 and 13 of MOF Act which included execution of bail bond by the Accused. Aggrieved by the Order, the Accused filed a criminal revision petition number 1248 of 2013 in appeal before Court of session - Greater Mumbai and the Court of session - Greater Mumbai stayed the order. The Complainant against the stay on Order granted by Court of session - Greater Mumbai, filed a Writ Petition bearing number W.P. 4052 OF 2015 before the High Court of Bombay which is currently pending for hearing.

Actions taken by statutory or regulatory authorities against our Company

- 1) The Employee's State Insurance Corporation “**ESIC**” has issued a Show Cause Notice dated June 4, 2015 bearing number G/CB/DB/370/VTV/2014 (“**SNC**”), under section 68 of Employee's State Insurance Act in death case of Sanjay Parmar “**Deceased**”. The Deceased, a contractual laborer at our Vatva, Gujarat site suffered fatal injuries due to electrocution due to which he passed away on March 8, 2015. The SNC alleged that our Company violated section 12 of Employees' State Insurance (General) Regulations, 1950 “**ESI Regulations 1950**” and that the particulars and signature of the deceased were not in the Declaration Form before taking him to employment starting on March 3, 2015 as required under section 12 of ESI Regulation 1950. Further the Employees' State Insurance Corporation, Gujarat Regional Office issued recovery notices dated August 28, 2015, December 17, 2015 and February 23, 2016 (jointly referred to a “**Notices**”) for recovery of amount of ₹ 4,44,123/- with interest @8% p.a. calculated at the rate of Rs. 97.34 per day from April 9, 2015. Our Company filed an application bearing number ESI/332016 before the Employees Insurance Court at Ahmedabad disputing the SNC and other Notices against the Deputy Director ESIC. The application was allowed on June 30, 2022. The ESIC has challenged the order before the Gujarat High Court in First Appeal No. 6129 of 2023. The matter is at the stage of issuance of notice.
- 2) Our Company received an enquiry for non-payment of statutory dues under section 7A of Employees Provident Fund and Miscellaneous Provisions Act 1952 (“**EPF Act**”) and vide order dated January 22, 2014 “**Order-I**”, our Company was made liable for an amount of ₹ 1, 28,251 for non-payment of interest of dues from the period 2002-03 to 2010-11 on the final settlement claim of Rs, 2,33,568/- paid to the workman. Against the Order-I, our Company filed a petition before the Employees Provident Fund Tribunal (**EPF Tribunal**) vide case no. 262(9) of 2014. The EFP Tribunal, by way of its order dated February 3, 2017, (“**Order-II**”) set aside the Order dated January 22, 2014, pursuant to which, Central Board of Trustees, EPF filed a petition in the Hon'ble High Court, Mumbai vide writ petition number 10169 of 2018. The matter is currently pending before the Hon'ble High Court, Mumbai for hearing.

Tax proceedings involving our Company

We have set out below claims relating to direct and indirect taxes involving our Company in a consolidated manner giving details of number of cases and total amount involved in such claims (Net of Provision):

Nature of case	Number of cases	Amount Involved (Net of Provision) (in ₹ lakhs)
Direct Tax	11	20,688.56

2. Litigation involving our Subsidiaries

Material civil proceedings involving our Subsidiaries

A. Civil Proceedings filed by our Subsidiaries

Triumph Offshore Private Limited (“**Claimant**”) owns a vessel namely Vasant 1 (“**Vessel**”) which is a Floating, Storage, and Regasification Unit (“**FSRU**”) for LNG receipt, storage, regasification, and send-out. Tema LNG Terminal Company Limited (“**Respondent**”) vide charter party agreement dated April 26, 2021 “**Charter Agreement**” hired the vessel for 270 days “**Charter Period**” at an agreed charter rate of 31,500 per day as per the **Charter Agreement** to be used as a floating storage unit for the LNG Terminal at Tema Port. There was a damage to the vessel and disputes arose between the Claimant and Respondent. As per the Claimant the terms of the Charter Agreement were breached by the Respondent with regard to *inter-alia* (i) unpaid hire for part of the Charter Period and resulting bank charges and interest on late payment of hire; (ii) outstanding charges for cleaning services and security guards; (iii) damage to the Vessel; (iv) the unpaid contractual ballast bonus; and/or (v). Damages for hull fouling on redelivery of the Vessel. The aforesaid claims could not be resolved by the Claimant and Respondent amicably and therefore the matter was referred for arbitration at London as per clause 64 of the Chartered Agreement. The matter is currently at the stage of exchanging questionnaire.

B. Civil Proceedings filed against our Subsidiaries

Onix Assets Limited and Aventura Global Limited (jointly referred to as the “**Plaintiffs**”) are engaged in the business of making investments and made investments in warrants and equity shares of our subsidiary Veritas India Limited (“**Defendant**”), which is a listed company on BSE Limited. The Plaintiffs between December 24, 2009 to March 26, 2010 made investments in the Defendant company for amounts of ₹ 12,50,00,000 and 37,55,11,179 respectively as Foreign Investments. The Defendant submitted the application for Foreign Investment Promotional Board “**FIPB**” but was rejected by the FIPB. The Defendant further submitted the application on 5 other occasions but the same were rejected by the FIPB. Therefore, the Plaintiffs filed ordinary civil suits- 325 of 2015 for recovery of amount of ₹ 32,50,65,535/- and 326 of 2015 for recovery of amount of ₹ 97,17,39,048/-, respectively before the High Court of Bombay. The matters are transferred to the list of Commercial Causes before the Bombay High Court. The matters are at the stage of framing of issues.

Criminal proceedings involving our Subsidiaries

A. Criminal Matters filed by our Subsidiaries

- 1) Our Subsidiary Veritas (India) Limited has filed 3 (three) complaints against various parties’ “**Respondents**” under Section 138 read with Sections 141 and 142 of the Negotiable Instruments Act, 1881 (“**NI Act**”) for dishonour of cheques issued by the Respondents to our Company in the ordinary course of business. The matters are at pending for proceeding before the Metropolitan Magistrate Court in various jurisdictions at different stages. The aggregate amount involved in these matters is ₹ 3,98,66,000.
- 2) Our Subsidiary Swan LNG Private Limited (“**Complainant**”) entered into an agreement dated October 15, 2018 with Mantovani Di Dharti Pvt. Ltd. (MDPL) for development of break water for the Complainant at LNG Port for an amount of ₹ 916 crores. As per the agreement, the work contract was granted to MDPL on MDPL furnishing a performance bank guarantee and advance mobilization bank guarantee “**Bank Guarantees**”. The terms and conditions of the agreement were breached by MDPL and the Complainant sought to encash the Bank Guarantees when it was found that the Bank Guarantees were forged by Rajendra Akkumala, Director of MDPL (“**Accused**”), therefore, the Complainant through its Chief Executive Officer Rahul Sharma lodged a complaint in Ahmedabad Police Station against the Accused under sections 409,

420, 465, 467, 468, 471, 114 of the Indian Penal Code. An FIR number 11191011220 dated May 2, 2020 was lodged against the Accused and the charge sheet is filed. Stage at which matter is at the stage of framing of charges

- 3) Our Subsidiary Veritas (India) Limited “**Complainant**” has filed a criminal complaint number 2430 of 2015 against N. Thangavel, proprietor of Thankam Traders (“**Accused**”) under section 420 of Indian Penal Code “**IPC**”. Complainant supplied various chemicals i.e. Melamine, Butyl Acetate, Cyclohexanane and Iso Propyl Alcohol to the accused in the ordinary course of business against which the Accused issued 2 cheques of ₹ 33,66,000/- to the Complainant. The cheques got dishonored due to insufficient balance and therefore the Complainant lodged a criminal complaint before Ernakulam Police Station under section 420 of IPC. The matter is now pending before the court of Judicial Magistrate number VII Coimbatore for service of summons.
- 4) Our Subsidiary Veritas (India) Limited “**Complainant**” supplied goods i.e 50 MT stainless steel to Vittrag Mines and Minerals Private Limited (Vittrag Mines and Minerals Private Limited along with its directors Jayesh Doshi and Kavita Doshi together referred as “**Accused**”) for an amount of 1,39,10,000. The Accused issued a cheque worth 1 crore in lieu of the aforesaid transaction which was dishonored due to insufficient balance and therefore the Director of Complainant Nitin Kumar Didwani lodged a Complaint against the Accused before Additional Commissioner of Police, Economic Offence Wing at Mumbai. An FIR dated March 30, 2011 was lodged against the Accused at Marine Drive Police Station Mumbai and further a charge sheet bearing number 1026/PW/2014 dated December 4, 2014 was filed at Metropolitan Magistrate Court at Esplanade Mumbai. The matter is currently at the stage of filing of Affidavit of Evidence.

B. Criminal Matters filed against our Subsidiaries

As on the date of this Preliminary Placement Document, there are no outstanding criminal matters filed against our subsidiaries.

Actions taken by statutory or regulatory authorities against our Subsidiaries

Our Subsidiary Cardinal Energy and Infrastructure Private Limited received a **Show Cause Notice dated August 2, 2023 (“SCN”)** from the Department of Factories, Boilers, Industrial Safety and Health due to accidental death of civil contractor Abhiram Nayak on December 6, 2022 at Cardinal One project site at Bangalore. The SCN has been issued due to allegedly not reporting the accident within 24 hours of the occurrence and a penalty of ₹ 2000 thereof to paid to the court in this regard. The matter is pending for hearing before the Chief Metropolitan Magistrate Court at Bangalore.

Tax proceedings involving our Subsidiaries

Nature of case	Number of cases	Amount Involved (Net of Provision) (in ₹ lakhs)
Direct Tax	6	2,860.24
Indirect Tax	2	8,554.70

3. Litigation involving our Directors

Material civil proceedings involving our Directors

A. Civil Proceedings filed by our Directors

As on the date of this Preliminary Placement Document, there are no outstanding material civil proceedings by our Directors.

B. Civil Proceedings filed against our Directors

As on the date of this Preliminary Placement Document, there are no outstanding material civil proceedings against our Directors.

Criminal proceedings involving our Directors

A. *Criminal Matters filed by our Directors*

As on the date of this Preliminary Placement Document, there are no outstanding material criminal proceedings by our Directors.

B. *Criminal Matters filed against our Directors*

Our Directors Navinbhai C. Dave, Paresh V. Merchant, Nikhil V. Merchant, Shobhan I. Diwanji, Rajat Kumar Dasgupta, Pitamber Tekchandani and Padmanabhan Sugavanam are also a party to case as mentioned in “*Criminal Matters filed against our Company*” on page 242.

Actions taken by statutory or regulatory authorities against our Directors

Our Director Nikhil V. Merchant has received summons from Directorate of Enforcement, Mumbai-I, Zonal office bearing reference number FEMA/SUMMON/MBZO/2024/270 dated February 5, 2024 under section 37 (1) and (3) of Foreign Exchange Management Act, 1999 read with section 131(1) of Income Tax Act, 1961 and section 30 of the Code of Civil Procedure, 1908 in connection with the ongoing civil proceedings of Onix Assets Limited and Aventia Global Limited against our Subsidiary Veritas India Limited as mentioned in “*Civil Proceedings filed against our Subsidiaries*” on page 242

4. Litigation involving our Promoters

Material civil proceedings involving our Promoters

A. *Civil Proceedings filed by our Promoters*

As on the date of this Preliminary Placement Document, there are no outstanding material civil proceedings by our Promoters.

B. *Civil Proceedings filed against our Promoters*

As on the date of this Preliminary Placement Document, there are no outstanding material civil proceedings against our Promoters.

Criminal proceedings involving our Promoters

A. *Criminal Matters filed by our Promoters*

As on the date of this Preliminary Placement Document, there are no outstanding criminal proceedings by our Promoters.

B. *Criminal Matters filed against our Promoters*

Our Promoter Nikhil V. Merchant is also a party to case as mentioned in “*Criminal Matters filed against our Company*” on page 242

Actions taken by statutory or regulatory authorities against our Promoters

As on the date of this Preliminary Placement Document, there are no pending actions taken by statutory or regulatory authorities against our Promoters.

5. Inquiries, inspections, or investigations under the Companies Act initiated or conducted in the last three years

There have been no inquiries, inspections or investigations initiated or conducted against our Company or our Subsidiaries under the Companies Act, 1956 or the Companies Act, 2013 in the last three years immediately preceding the year of issue of this Preliminary Placement Document, nor have there been any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years

immediately preceding the year of this Preliminary Placement Document involving our Company or our Subsidiaries.

6. Details of acts of material frauds committed against our Company in the last three years, if any, and if so, the action taken by our Company.

There have been no material frauds committed against our Company in the last three years preceding the date of this Preliminary Placement Document.

7. Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of statutory dues; debentures and interests thereon; deposits and interest thereon; and loan from any bank or financial institution and interest thereon

As on the date of this Preliminary Placement Document, our Company has no outstanding defaults in repayment of statutory dues, dues payable to holders of any debentures and interest thereon, deposits and interest thereon and loans and interest thereon from any bank or financial institution.

8. Details of defaults in annual filing of our Company under the Companies Act, 2013 and the rules made thereunder

As on the date of this Preliminary Placement Document, our Company has not made any default in filings of our Company under the Companies Act, 2013 and the rules made thereunder.

Details of significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operation.

There are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations.

9. Reservations, qualifications or adverse remarks of auditors in the last five Fiscals immediately preceding the year of issue of this Preliminary Placement Document and their impact on the financial statements and financial positions of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said reservations or qualifications or adverse remarks.

There are no reservations, qualifications or adverse remarks of our auditors in their respective reports on our audited consolidated financial statements for the last five Fiscals preceding the date of this Preliminary Placement Document, except the matter of emphasis as mentioned in “*Management’s Discussion on Financial Condition and Results of Operations – Auditor’s Observations*” on page 81.

OUR STATUTORY AUDITOR

N N Jambusaria & Co., Chartered Accountants, are the current independent Statutory Auditors with respect to our Company as required by the Companies Act, 2013 and in accordance with the guidelines prescribed by ICAI.

N. N. Jambusaria & Co., Chartered Accountants have audited the Audited Consolidated Financial Statements for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 which are included in this Preliminary Placement Document in “**Financial Information**” on page 253.

N. N. Jambusaria & Co., Chartered Accountants, have performed a review of the Unaudited consolidated financial results of our Company, and its Subsidiaries as at and for the nine months ended December 31, 2023 (including comparative as at and for the nine months ended December 31, 2022) and have issued review reports dated January 31, 2024 on the Unaudited Consolidated Financial Results, which is included in this Preliminary Placement Document in “**Financial Information**” on page 253.

GENERAL INFORMATION

1. Our Company was originally incorporated as “Swan Mills Limited” in Mumbai, Maharashtra on February 22, 1909 as a private limited company, under the Companies Act, 1882 and was granted a certificate of incorporation by the Registrar of Companies, Maharashtra at Mumbai.
2. Our registered office is situated at 6, Feltham House, 2nd Floor, 10 J.N. Heredia Marg, Ballard Estate, Mumbai- 400001. The website of our Company is www.swan.co.in. The registration number of our Company is 000294 and our corporate identification number is L17100MH1909PLC000294.
3. The Issue was authorized and approved by our Board of Directors on December 28, 2023 and approved by the Shareholders of our Company pursuant to a special resolution passed through a postal ballot resolution dated February 7, 2024.
4. The Equity Shares are listed on BSE and NSE. Our Company has received in-principle approvals in terms of Regulation 28(1) of the SEBI Listing Regulations from each of BSE and NSE on February 20, 2024 to list the Equity Shares issued pursuant to the Issue on the Stock Exchange. We will apply for final listing and trading approvals of the Equity Shares to be issued pursuant to the Issue on the Stock Exchanges after Allotment of the Equity Shares in the Issue.
5. In compliance with Regulation 173A of the SEBI ICDR Regulations, our Company has appointed CARE Ratings Limited as the Monitoring Agency, for monitoring the utilisation of the proceeds in relation to the Issue. The Monitoring Agency will submit its report to us on a quarterly basis in accordance with the SEBI ICDR Regulations.
6. The authorized share capital of our Company as of the date of this Preliminary Placement Document is ₹ 1,00,00,00,000 divided into 1,00,00,00,000 Equity Shares of face value of ₹ 1 each, 15,000 11% Cumulative Redeemable Preference Shares of ₹ 100/- each and 10,000 11% Cumulative Preference Shares of ₹100/- each. Our issued, subscribed and paid-up equity share capital as of the date of this Preliminary Placement Document is ₹ 26,39,17,000 divided into 26,39,17,000 Equity Shares.
7. Copies of our Memorandum of Association and Articles of Association will be available for inspection between 10.00 am to 5.00 pm on all working days, (except Saturdays and public holidays) during the Bid/ Issue Period at our Registered Office.
8. No change in control of the Company will occur consequent to the Issue.
9. Except as disclosed in this Preliminary Placement Document, there has been no material adverse change in our financial or trading position since the date of the Unaudited Consolidated Financial Statements, which has been included in this Preliminary Placement Document.
10. There have been no defaults in the annual filings of our Company under the Companies Act or the rules made thereunder.
11. Except as disclosed in this Preliminary Placement Document, there are no material litigation or arbitration proceedings against or affecting us, or our assets or revenues, nor are we aware of any pending or threatened litigation or arbitration proceedings, which may have a material adverse effect on the Issue. For further details, see “*Legal Proceedings*” on page 242.
12. The Floor Price is ₹703.29 per Equity Share, calculated in accordance with the provisions of Chapter VI of the SEBI ICDR Regulations. Our Company may offer a discount of not more than 5% on the Floor Price in terms of Regulation 176(1) of the SEBI ICDR Regulations in accordance with resolution of our Shareholders passed by way of a postal ballot dated February 7, 2024.
13. Our Company is in compliance with the minimum public shareholding requirements as required under the SEBI Listing Regulations and Rule 19A of the SCRR.
14. Our Company has obtained necessary consents, approvals and authorizations as may be required in

connection with the Issue.

15. Our Company and the Book Running Lead Manager accept no responsibility for statements made otherwise than in this Preliminary Placement Document and anyone placing reliance on any other source of information, including our website, would be doing it at his or her own risk.
16. Arun S Agarwal is the Company Secretary and Compliance Officer of our Company. His details are as follows:

Arun S Agarwal

Company Secretary and Compliance Officer

Swan Energy Limited

6, Feltham House, 2nd Floor,

10 J.N. Heredia Marg,

Ballard Estate, Mumbai City,

Mumbai, Maharashtra, India, 400001

Tel: +91 22 40587300

Email: arun@swan.co.in

DETAILS OF PROPOSED ALLOTTEES IN THE ISSUE

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made by our Company, in consultation with the Book Running Lead Manager, to Eligible QIBs only, on a discretionary basis.

The names of the proposed Allottees and the percentage of post-Issue share capital that may be held by them is set forth below.

S. No.	Name of the proposed Allottees	Percentage of the post-Issue share capital held (%)^*
1.	[●]	[●]
2.	[●]	[●]
3.	[●]	[●]
4.	[●]	[●]
5.	[●]	[●]
Total		[●]

[^] Based on beneficiary position as on [●], 2024 (adjusted for Equity Shares Allocated in the Issue).

^{*} Subject to receipt of funds and allotment in the Issue. The above table has been intentionally left blank and shall be updated in the Placement Document.

These details of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to the Issue, will be included in the Placement Document to be sent to such proposed Allottees.

FINANCIAL INFORMATION

S. No.	Financial Information
1.	Unaudited consolidated financial results of our Company, and its Subsidiaries as at and for the nine months ended December 31, 2023 (including comparative as at and for the nine months ended December 31, 2022) along with the review report thereon
2.	Audited Consolidated Financial Statements as at and for the year ended March 31, 2023 along with audit report issued
3.	Audited Consolidated Financial Statements as at and for the year ended March 31, 2022 along with audit report issued
4.	Audited Consolidated Financial Statements as at and for the year ended March 31, 2021 along with audit report issued

Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Consolidated Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

**To the Board of Directors of
Swan Energy Limited, Mumbai**

- 1) We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of Swan Energy Limited ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as 'the Group'), and its shares of the net profit after tax and total comprehensive income for the quarter and nine months ended 31st December, 2023 ("the Statement") attached herewith, being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("the regulation") as amended.
- 2) This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the 'Listing Regulations'. Our responsibility is to express a conclusion on the Statement based on our review.
- 3) We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

- 4) We did not review the interim financial information of 5 subsidiaries (including 1 foreign subsidiary) included in "the Statement" whose interim financial information for the quarter ended 31st December 2023 reflect total revenue of Rs. 1,57,612.37 lakh, total net profit after tax of Rs. 22,195.27 lakh and total comprehensive profit of Rs. 22,300.05 lakh, as considered in the Statement.

The quarterly and nine months unaudited financial statements and other financial information of 4 Indian subsidiaries have been reviewed by other auditors, whose reports have been furnished to us by the Management and our conclusion on the unaudited consolidated financial results, to the extent, is based solely on the reports of such other auditors. For 1 foreign subsidiary, we have relied upon the letter from the management, certifying the correctness of the figures for the quarter and nine months ended 31st December 2023.

- 5) In our conclusion and to the best of our information and according to the explanations given to us, and based on the consideration of the Reports of the other auditors and management letter referred to in paragraph 4 above, these quarterly unaudited consolidated financial results:

N. N. Jambusaria & Co.

Chartered Accountants

a. includes the results of the following 8 (eight) subsidiaries.

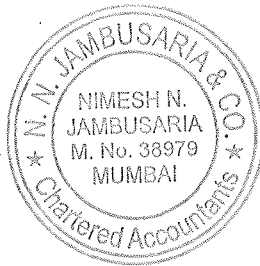
Name of the Entity	Relationship
i. Cardinal Energy and Infrastructure Private Limited	wholly owned Subsidiary
ii. Pegasus Ventures Private Limited	wholly owned Subsidiary
iii. Swan LNG Private Limited	Subsidiary
iv. Triumph Offshore Private Limited	Subsidiary
v. Swan Mills Private Limited	wholly owned Subsidiary
vi. Veritas (India) Limited	Subsidiary
vii. Hazel Infra Limited	Subsidiary
viii. Wilson Corporation FZE	Foreign - wholly owned subsidiary

b. have been presented in accordance with the requirements of Regulation 33 of 'the Regulation', as amended.

c. nothing has come to our attention that causes us to believe that the accompanying Statement contains any material misstatement.

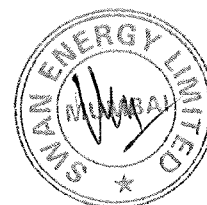
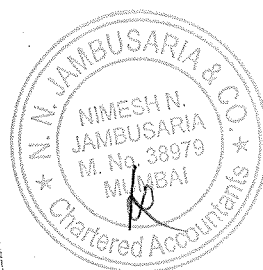
For N. N. Jambusaria & Co.
Chartered Accountants
Firm Registration No. 104030W

N. N. Jambusaria



Nimesh N. Jambusaria
Partner
Membership No. 038979
UDIN: 24038979 BKB NOW 9809
Mumbai, 31st January 2024

SWAN ENERGY LIMITED						
Corporate Identity Number(CIN): L17100MH1909PLC000294						
Regd. Office: 6, Feltham House, J.N. Heredia Marg, Ballard Estate, Mumbai - 400 001						
Phone:022-40587300; Email: swan@swan.co.in; Website: www.swan.co.in						
Statement of Unaudited Consolidated Financial Results For the Quarter and Nine Months Ended December 31, 2023						
(₹ in Lakhs)						
Sr. No.	Particulars	Quarter Ended			Nine Month Ended	
		31.12.2023 (Unaudited)	30.09.2023 (Unaudited)	31.12.2022 (Unaudited)	31.12.2023 (Unaudited)	31.12.2022 (Unaudited)
						31.03.2023 (Audited)
1	INCOME:					
	a) Revenue from Operations	1,59,167.96	1,22,326.32	10,109.51	3,61,924.06	50,495.12
	b) Other Income	6,278.49	684.65	164.54	7,377.77	652.68
	Total Income	1,65,446.45	1,23,010.97	10,274.05	3,69,301.83	51,147.80
2	EXPENSES:					
	(a) Cost of materials consumed	1,29,238.77	94,908.99	8,122.75	2,80,651.96	45,002.38
	(b) Changes in inventories of finished goods, work in progress and stock-in-trade	(493.47)	(2,383.71)	(780.11)	(5,648.78)	(3,035.92)
	(c) Employee benefits expenses	1,065.89	831.14	748.43	2,631.48	2,071.13
	(d) Finance Costs	5,753.23	5,834.26	5,608.43	17,328.87	16,117.61
	(e) Depreciation & amortisation expense	2,715.85	2,709.54	1,825.27	8,104.23	5,452.76
	(f) Other Expenses	3,773.29	3,273.57	3,377.63	9,274.46	7,131.15
	Total Expenses	1,42,053.56	1,05,173.79	18,902.40	3,12,342.22	72,739.11
3	Profit/(Loss) before exceptional Items and Tax (1-2)	23,392.89	17,837.18	(8,628.35)	56,959.61	(21,591.31)
4	Exceptional Items - (Expense)/Income	-	-	-	-	-
5	Profit share in associate	-	-	5,393.68	-	5,393.68
6	Profit/(Loss) before Tax	23,392.89	17,837.18	(3,234.67)	56,959.61	(16,197.63)
7	Tax Expenses					
	(1) Current tax	56.06	62.68	154.11	191.72	442.74
	(2) Short/(Excess) provision for earlier years	0.26	-	-	0.26	-
	(3) Deferred Tax	1,337.51	1,217.90	(1,818.72)	3,729.85	(4,320.96)
8	Net Profit after Tax (6-7)	21,999.06	16,556.60	(1,570.06)	53,037.78	(12,319.41)
9	Other Comprehensive Income (Net of Tax)	104.78	1,108.42	-	1,019.57	-
10	Total Comprehensive Income (8+9)	22,103.84	17,665.02	(1,570.06)	54,057.35	(12,319.41)
11	Attributable to					
	Owners of the Company	11,511.20	8,458.16	1,685.01	27,458.43	(4,146.34)
	Non-Controlling Interest	10,487.86	8,098.44	(3,255.07)	25,579.35	(8,173.07)
12	Paid - up Equity Share Capital [Face value: ₹ 1/- per share]	2,639.17	2,639.17	2,639.17	2,639.17	2,639.17
13	Earnings per Shares (EPS) Basic & Diluted					
	a) Before Extraordinary Items (In ₹)	8.38	6.69	(0.59)	20.48	(4.67)
	b) After Extraordinary Items (In ₹)	8.38	6.69	(0.59)	20.48	(4.67)



Segment Wise Revenue, Results and Capital Employed

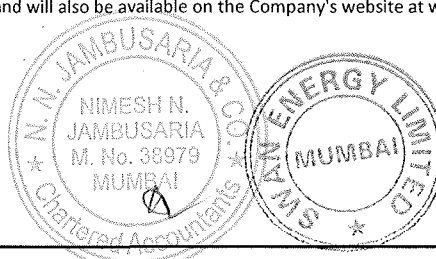
(₹ in Lakhs)

Sr. No.	Particulars	Quarter Ended			Nine Month Ended		Year Ended
		31.12.2023 (Unaudited)	30.09.2023 (unaudited)	31.12.2022 (Unaudited)	31.12.2023 (Unaudited)	31.12.2022 (Unaudited)	31.03.2023 (Audited)
1	SEGMENT REVENUE (GROSS INCOME)						
	a) Segment - Textile	4,955.53	5,563.42	5,574.79	16,221.52	18,073.64	24,485.21
	b) Segment - Energy	19,121.92	18,929.41	-	56,743.51	-	19,885.42
	c) Segment - Construction/Others	2,700.77	3,746.75	4,534.72	12,959.65	32,421.48	33,545.17
	d) Segment - Distribution & Development	1,27,284.74	92,081.68	-	2,60,361.81	-	29,864.31
	e) Segment - Warehousing	5,090.58	2,005.06	-	15,623.15	-	36,034.26
	f) Segment - Manufacturing	-	-	-	-	-	-
	g) Segment - Power Generation	14.42	-	-	14.42	-	-
	Total	1,59,167.96	1,22,326.32	10,109.51	3,61,924.06	50,495.12	1,43,814.37
	Less:- Inter Segment Revenue						
	Total Income	1,59,167.96	1,22,326.32	10,109.51	3,61,924.06	50,495.12	1,43,814.37
2	SEGMENT RESULTS (+/-)						
	Profit before tax and interest						
	a) Segment - Textile	924.71	859.60	421.83	2,376.82	1,633.46	2,133.14
	b) Segment - Energy	17,967.48	17,714.85	(4,315.32)	52,877.43	(8,938.51)	7,728.41
	c) Segment - Construction/Others	38.08	277.04	873.57	640.43	1,831.35	2,929.00
	d) Segment - Distribution & Development	1,525.93	679.31	-	2,677.69	-	1,302.10
	e) Segment - Warehousing	8,733.55	4,117.69	-	15,715.67	-	2,299.16
	f) Segment - Manufacturing	-	-	-	-	-	-
	g) Segment - Power Generation	(68.66)	(2.07)	-	(74.69)	-	-
	Total Segment Results	29,121.09	23,646.42	(3,019.92)	74,213.35	(5,473.70)	16,391.81
	Less : Interest	5,753.23	5,834.26	5,608.43	17,328.87	16,117.61	22,279.90
	Less : Others un allocable exp	(25.03)	(25.02)	-	(75.13)	-	336.24
	Add : Share of profit/(loss) of associate	-	-	5,393.68	-	5,393.68	-
	Total Profit before Tax	23,392.89	17,837.18	(3,234.67)	56,959.61	(16,197.63)	(6,224.33)
3	SEGMENT ASSETS						
	a) Segment - Textile	19,825.81	18,900.78	18,392.39	19,825.81	18,392.39	18,027.99
	b) Segment - Energy	4,98,552.88	5,11,703.69	4,53,802.57	4,98,552.88	4,53,802.57	4,62,364.65
	c) Segment - Construction/Others	1,58,439.55	1,37,564.96	1,50,760.30	1,58,439.55	1,50,760.30	1,26,421.80
	d) Segment - Distribution & Development	2,69,626.16	2,66,954.53	-	2,69,626.16	-	1,65,838.37
	e) Segment - Warehousing	1,20,763.00	1,20,702.04	-	1,20,763.00	-	2,09,023.41
	f) Segment - Manufacturing	36,299.10	35,983.23	-	36,299.10	-	36,143.94
	g) Segment - Power Generation	-	117.89	-	-	-	134.22
	h) Unallocable	2,180.47	3,273.58	-	2,180.47	-	4,523.81
	Total Segment Assets	11,05,686.97	10,95,200.70	6,22,955.26	11,05,686.97	6,22,955.26	10,22,478.19
4	SEGMENT LIABILITIES						
	a) Segment - Textile	3,463.43	7,531.27	9,832.31	3,463.43	9,832.31	9,337.50
	b) Segment - Energy	3,32,792.74	3,59,750.10	3,41,566.52	3,32,792.74	3,41,566.52	3,37,491.39
	c) Segment - Construction/Others	1,59,786.88	1,35,678.97	1,22,841.60	1,59,786.88	1,22,841.60	1,20,385.48
	d) Segment - Distribution & Development	1,02,966.99	1,02,312.58	-	1,02,966.99	-	33,568.84
	e) Segment - Warehousing	67,175.96	72,876.06	-	67,175.96	-	1,44,518.06
	f) Segment - Manufacturing	4,205.73	3,889.79	-	4,205.73	-	3,656.58
	g) Segment - Power Generation	-	4.26	-	-	-	2.08
	h) Unallocable	-	-	-	-	-	11.07
	Total Segment Liabilities	6,70,391.73	6,82,043.03	4,74,240.43	6,70,391.73	4,74,240.43	6,48,971.00

Notes:

- The Consolidated financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and amendments thereto and other Recognised Accounting Practices and Policies to the extent applicable.
- The above financial results have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at its meeting held on Wednesday, January 31, 2024. The Statutory Auditors have carried out Limited review of the aforesaid financial results as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- The Resolution Applicant Hazel Mercantile Ltd. along with its strategic investor Swan Energy Ltd through SPV - Hazel Infra Ltd. has acquired RNEL. The shareholding ratio of SEL and HML in the SPV is 74 and 26 respectively. Hon'ble NCLT, Ahmedabad Bench, vide its order dated 23.12.2022, has approved Resolution Plan submitted by HML and SEL to acquire RNEL.
As against the Upfront Payment made by HIL, RNEL has to allot 5 crore equity shares to HIL. As per the sanctioned Resolution Plan, the Monitoring Committee of RNEL, at its meeting held on 08.12.2023, approved the allotment of 5 crore equity shares of RNEL to HIL, subject to legal, regulatory and secretarial compliances and requisite approvals from the regulatory authorities and stock exchanges. RNEL is in the process of obtaining the requisite approvals which has not been received till 31.12.2023. Since 5 crore equity shares have not been credited to the demat account of HIL till 31.12.2023, RNEL has not become the subsidiary of HIL and step down subsidiary of SEL. On the shares being credited to the demat account of HIL, RNEL will become the subsidiary of HIL and step down subsidiary of SEL and requisite accounting treatments will be given effect to in the books of all concerned companies.
- The Company operates in Seven segments namely, a) Textiles, b) Energy c) Construction/others d) Distribution & Development e) Warehousing f) Manufacturing and g) Power Generation.
- The figures for the previous period have been regrouped and/or rearranged, wherever considered necessary.
- These results will be filed with BSE Limited and National Stock Exchange of India Limited and will also be available on the Company's website at www.swan.co.in.

Place : Mumbai
Date: January 31, 2024



For Swan Energy Limited

Nikhil V. Merchant
Managing Director
DIN: 00614790

Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Standalone Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

To the Board of Directors of
Swan Energy Limited, Mumbai

1) We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of Swan Energy Limited (the "Company") for the quarter and nine months ended 31st December, 2023 ("the Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India is the responsibility of the Company's Management and approved by the Board of Directors of the Company. Our responsibility is to express a conclusion on the Statement based on our review.

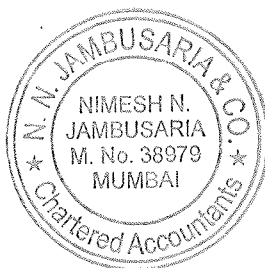
We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial Statement are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results prepared in accordance with applicable Indian Accounting Standards (Ind AS) and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of the Regulation, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For N. N. Jambusaria & Co.
Chartered Accountants
Firm Registration No. 104030W

N. N. Jambusaria

Nimesh N. Jambusaria
Partner
Membership No. 038979
UDIN: 24038979 BKB NOV 7726
Mumbai, 31st January, 2024



SWAN ENERGY LIMITED

Corporate Identity Number(CIN): L17100MH1909PLC000294

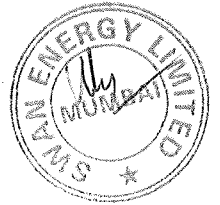
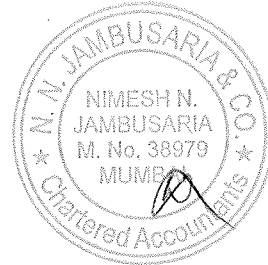
Regd. Office: 6, Feltham House, J.N. Heredia Marg, Ballard Estate, Mumbai - 400 001

Phone:022-40587300; Email: swan@swan.co.in; Website: www.swan.co.in

Statement of Unaudited Standalone Financial Results For the Quarter and Nine Months Ended Dec 31, 2023

(₹ in Lakhs)

Sr. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31.12.2023	30.09.2023	31.12.2022	31.12.2023	31.12.2022	31.03.2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	INCOME:						
	a) Revenue from Operations	6,799.66	8,453.54	9,260.01	26,611.26	48,044.00	54,722.62
	b) Other Income	134.94	90.44	35.60	268.94	168.04	250.49
	Total Income	6,934.60	8,543.98	9,295.61	26,880.20	48,212.04	54,973.11
2	EXPENSES:						
	(a) Cost of materials consumed	5,527.66	6,932.89	7,916.95	21,969.15	44,311.15	48,900.68
	(b) Changes in inventories of finished goods, work in progress and stock-in-trade	(660.29)	(335.00)	(139.68)	(811.28)	(845.53)	(1,053.95)
	(c) Employee benefits expenses	567.47	411.87	445.56	1,407.21	1,076.84	1,549.38
	(d) Finance Costs	334.30	487.49	485.24	1,057.32	1,065.83	1,754.54
	(e) Depreciation & amortisation expense	201.36	200.16	197.53	599.44	589.72	798.90
	(f) Other Expenses	933.66	778.79	332.39	2,425.76	1,839.28	2,543.40
	Total Expenses	6,904.16	8,476.20	9,237.99	26,647.60	48,037.29	54,492.95
3	Profit/(Loss) before exceptional Items and Tax (1-2)	30.44	67.78	57.62	232.60	174.75	480.16
4	Exceptional Items - (Expense)/Income	-	-	-	-	-	-
5	Profit/(Loss) before Tax	30.44	67.78	57.62	232.60	174.75	480.16
6	Tax Expenses						
	(1) Current tax	6.10	21.82	19.71	73.46	59.14	145.70
	(2) Short/(Excess) provision for earlier years	-	-	-	-	-	-
	(3) Deferred Tax	(11.66)	(12.36)	(6.72)	(39.89)	(23.00)	(29.04)
7	Net Profit after Tax (5-6)	36.00	58.32	44.63	199.03	138.61	363.50
8	Other Comprehensive Income (Net of Tax)	-	-	-	-	-	11.41
9	Total Comprehensive Income (7+8)	36.00	58.32	44.63	199.03	138.61	374.91
10	Paid - up Equity Share Capital (FV: ₹ 1/- per share)	2,639.17	2,639.17	2,639.17	2,639.17	2,639.17	2,639.17
11	Earnings per Shares (EPS) Basic & Diluted						
	a) Before Extraordinary Items (In ₹)	0.01	0.02	0.02	0.08	0.05	0.14
	b) After Extraordinary Items (In ₹)	0.01	0.02	0.02	0.08	0.05	0.14



Segment Wise Revenue, Results and Capital Employed

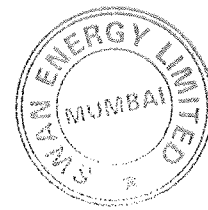
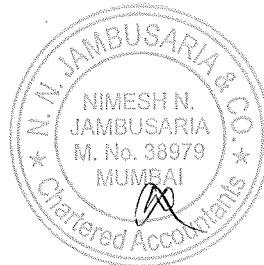
(₹ in Lakhs)

Sr. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31.12.2023	30.09.2023	31.12.2022	31.12.2023	31.12.2022	31.03.2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	SEGMENT REVENUE (GROSS INCOME)						
	a) Segment - Textile	4,955.53	5,563.42	5,574.79	16,221.52	18,073.64	24,485.21
	b) Segment - Construction/Others	1,844.13	2,890.12	3,685.22	10,389.74	29,970.36	30,237.41
	Total	6,799.66	8,453.54	9,260.01	26,611.26	48,044.00	54,722.62
	Less:- Inter Segment Revenue	-	-	-	-	-	-
	Total Income	6,799.66	8,453.54	9,260.01	26,611.26	48,044.00	54,722.62
2	SEGMENT RESULTS (+/-)						
	Profit/(Loss) before tax and interest						
	a) Segment - Textile	924.71	859.60	421.83	2,376.82	1,633.46	2,133.14
	b) Segment - Construction/Others	(559.97)	(304.33)	121.03	(1,086.90)	(392.88)	101.56
	Total Segment Results	364.74	555.27	542.86	1,289.92	1,240.58	2,234.70
	Less : Interest	334.30	487.49	485.24	1,057.32	1,065.83	1,754.54
	Less : Others un allocable exp	-	-	-	-	-	-
	Total Profit/(Loss) before Tax	30.44	67.78	57.62	232.60	174.75	480.16
3	SEGMENT ASSETS						
	a) Segment - Textile	19,825.81	18,900.78	18,392.39	19,825.81	18,392.39	18,027.99
	b) Segment - Construction/Others	1,53,177.27	1,70,401.84	1,53,469.28	1,53,177.27	1,53,469.28	1,57,426.25
	c) Unallocable	89.13	61.49	-	89.13	-	56.86
	Total Segment Assets	1,73,092.21	1,89,364.11	1,71,861.67	1,73,092.21	1,71,861.67	1,75,511.10
4	SEGMENT LIABILITIES						
	a) Segment - Textile	3,463.43	7,531.27	9,832.31	3,463.43	9,832.31	9,337.50
	b) Segment - Construction/Others	41,146.95	53,375.34	34,060.53	41,146.95	34,060.53	37,586.98
	c) Unallocable	421.05	432.72	-	421.05	-	460.95
	Total Segment Liabilities	45,031.43	61,339.33	43,892.84	45,031.43	43,892.84	47,385.43

Notes:

- The Standalone financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and amendments thereto and other Recognised Accounting Practices and Policies to the extent applicable.
- The above financial results have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at its meeting held on Wednesday, January 31, 2024. The Statutory Auditors have carried out Limited review of the aforesaid financial results as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- The Company operates in two segments namely, a) Textiles and b) Construction/others.
- The figures for the previous period have been regrouped and/or rearranged, wherever considered necessary.
- These results will be filed with BSE Limited and National Stock Exchange of India Limited and will also be available on the Company's website at www.swan.co.in

For Swan Energy Limited



Nikhil V. Merchant
Managing Director
DIN: 00614790

Place : Mumbai
Date : January 31, 2024



Swan Energy Limited

Consolidated Audited Accounts

For the year ended March 31, 2023

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

INDEPENDENT AUDITORS' REPORT

To the Members of
SWAN ENERGY LIMITED

Report on the Audit of the 'Consolidated Financial Statements' (CFS)

I. Opinion

We have audited the accompanying Consolidated Financial Statements of Swan Energy Limited ('the Holding Company') and its subsidiaries (together referred to as 'the Group'), which comprise the consolidated Balance sheet as at 31st March, 2023 and the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the CFS").

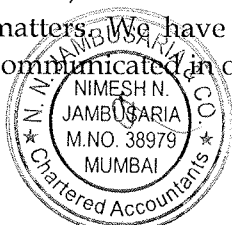
In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditor on separate financial statements of four subsidiaries, the aforesaid CFS give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, read with relevant Rules, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2023, of its consolidated loss (including other comprehensive income), consolidated changes in equity and consolidated cash flows for the year ended on that date.

II. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs), as specified under Section 143 (10) of the Act. Our responsibilities under those SAs are further described in the 'Auditor's Responsibilities for the Audit of the CFS' section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the CFS under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

III. Key Audit Matters

Key audit matters (KAM) are those matters that, in our professional judgement and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries were of most significance in our audit of the CFS of the current period. These matters were addressed in the context of our audit of the CFS as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.



1 Key Audit Matter

Revenue recognition

(Refer Note no. 2.15 of the consolidated financial statements)

Revenue is one of the key profit drivers and is therefore susceptible to misstatement. Cut-off is the key assertion in so far as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of results for the year.

Auditor's Response

We assessed the appropriateness of the revenue recognition accounting policies and applicable accounting standards. Our audit procedures with regard to revenue recognition included testing controls in place (both automated/manual) for dispatches/deliveries, inventory reconciliations, circularization of receivable balances, substantive testing for cut-offs and analytical review procedures.

2 Key Audit Matter

Provision for taxation, litigation and other significant provisions

(Refer Note no. 2.21 and 24 of the consolidated financial statements)

These provisions require the management to make judgements and estimates in relation to the issues and exposures arising from a range of matters in the regular course of business. The key judgement lies in the estimation of provisions which may differ from future obligations. Additionally, there is a risk that provisions could be provided inappropriately that are not yet committed.

Auditor's Response

We discussed with the management and tested the effectiveness of the controls in place for recognition of the provisions.

We used our subject experts to perform retrospective review of prior year provisions and to assess the value of material provisions and assessing whether there was an indication of management bias.

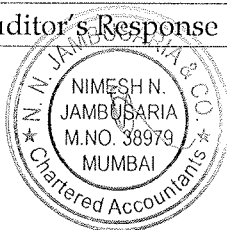
3 Key Audit Matter

Assessment of contingent liabilities relating to litigations and claims

(Refer Note no. 2.20 and 41 of the consolidated financial statements)

The company is subject to challenges/scrutiny on range of matters relating to direct/indirect taxes, legal proceedings etc. Assessment of contingencies requires management to make judgements and estimates, which is inherently subjective.

Auditor's Response



We discussed with the management and performed retrospective review of prior year judgements/estimates. We tested the effectiveness of the controls in place for recording the contingencies. We used our subject experts to assess the value of material contingencies and discussed the status and potential exposures with the company's advisors.

4	Key Audit Matter
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Capital work-in progress/Property Plant and Equipment (PPE)
(Refer Note no. 3 (iii) of the consolidated financial statements)

The Group has embarked on various projects through its four subsidiary companies. The expenditures incurred on projects need to be capitalized and depreciated once the assets are ready for use. Inappropriate timing of capitalization could result in material misstatement due to consequent impact on depreciation and results for the year.

Auditor's Response

We tested design, implementation and operating effectiveness of controls with source documentation for various categories of PPE, to determine the capital nature of the expenditure and its segregation into appropriate categories. We reviewed operating expenses to determine appropriateness of accounting.

5	Key Audit Matter
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Implementation of Ind AS 116 - Leases
(Refer Note no. 2.3 and 3 (ii) of the consolidated financial statements)

The auditors of Swan LNG Private Limited (SLPL), a subsidiary of the Holding Company have applied Ind AS 116- Leases (the 'Standard').

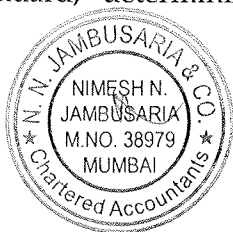
Implementation of the Standard has a significant impact on the asset and liability position of SLPL and involves review of significant contractual arrangements to determine those which fall under the purview of the Standard. Judgement is also involved in determining the application of the Standard to the relevant contractual arrangements about whether an arrangement is scoped out of the purview of the Standard by virtue of it not involving an identified asset, composite arrangements which involves an element of service and identified asset and variable leasing arrangements which do not require recognition of a right of use asset and a corresponding lease liability.

Auditor's Response

Obtained and read the financial statements of SLPL to identify whether Ind AS 116 accounting policies are included in the consolidated financial statement of the Group.

Following procedures have been performed by the auditors of SLPL: -

- i. evaluation and testing of the design and operating effectiveness of controls in respect of review of subsidiary's contractual agreements to identify those which fall under the purview of the Standard, determining the application of the Standard to the relevant contractual agreements;



- ii. review of accounting policies on Ind AS 116- leases included in the financial statements and testing of the disclosures made in the financial statements mandated by the Standard.

IV. Other Information

The Holding Company's Board of Directors is responsible for the other information, which comprise the information included in the Holding Company's annual report, but does not include the CFS and our report thereon.

Our opinion on the CFS does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of CFS, our responsibility is to read the other information and, in doing so, consider, whether the other information is materially inconsistent with the CFS or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed and based on the audit report of other auditor, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

V. Responsibility of Management for the CFS

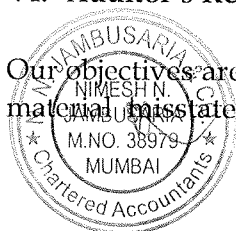
The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these CFS that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the CFS that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the CFS, the respective Board of Directors of companies included in the Group are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of companies included in the Group is responsible for overseeing the financial reporting process of each company.

VI. Auditor's Responsibility for the Audit of the CFS

Our objectives are to obtain reasonable assurance about whether the CFS as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that



includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these CFS.

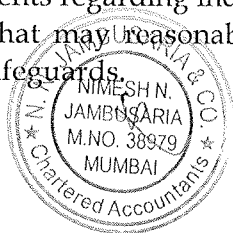
As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the CFS, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the CFS or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the CFS, including the disclosures, and whether the CFS represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the CFS that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the CFS may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the CFS.

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

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



From the matters communicated with TCWG, we determine those matters that were of most significance in the audit of the CFS of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

VII. Other Matters

1. We did not audit the financial statements of following Five subsidiaries, whose financial statements as at March 31st, 2023, as considered in the CFS, reflect:

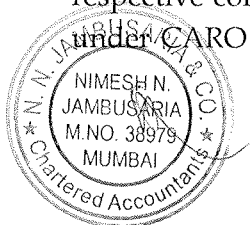
- i- Total assets of Rs. 2,87,836.46 lacs, total revenue of Rs. 124.74 lacs, total net loss (including total comprehensive income) of Rs. 609.21 lacs and cash flows (net) of Rs. (68,939.52) lacs for Swan LNG Private Limited (SLPL);
- ii- Total assets of Rs. 1,79,545.17 lacs, total revenue of Rs. 20,423.70 lacs, total net loss (including total comprehensive income) of Rs. 7,520.87 lacs and cash flows (net) of Rs. (7,706.86) lacs for Triumph Offshore Private Limited (TOPL);
- iii- Total assets of Rs. 2,091.85 lacs, total revenue of Rs. 23.64, total net profit (including total comprehensive income) of Rs. 14.16 lacs and cash flows (net) of Rs. (10.04) lacs for Hazel Infra Limited (HIL);
- iv- Total assets of Rs. 1.18 lacs, total revenue of Rs. 0.21, total net loss (including total comprehensive income) of Rs. 0.77 lacs and cash flows (net) of Rs. (0.15) lacs for Swan Mills Private Limited (SMPL);
- v- Total assets of Rs. 14.20 lacs, total revenue of Rs. NIL, total net loss (including total comprehensive income) of Rs. 12.89 lacs for Wilson Corporation FZE (WCFZE);

These financial statements have been audited by other auditors whose report has been furnished to us by the Management and our opinion on the CFS, in so far as it relates to the amounts and disclosures in respect of these four subsidiaries, and our report in terms of Section 143(3) of the Act, in so far it relates to the aforesaid subsidiaries, is based solely on the audit report of the other auditors.

Our opinion on the CFS, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

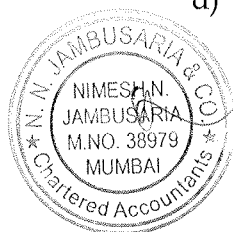
VIII. Report on Other Legal and Regulatory Requirements

(A) With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO" / "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the Consolidated Financial Statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report



that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said respective companies.

- (B) As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements of such subsidiary as was audited by other auditor, as noted in the 'Other Matters' paragraph, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid CFS comply with the Ind AS specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors of the Group as on 31st March 2023 taken on record by the Board of Directors of the Holding company and subsidiary companies, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (C) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- a) The impact of the pending litigation as on 31st March 2023 is not expected to be material on the financial position of the company.
 - b) The Company did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses.
 - c) There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company.
 - d) (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the



understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

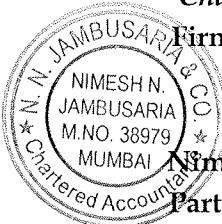
(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above, contain any material misstatement.

e) The dividend declared or paid during the year by the company is in compliance with Section 123 of the Act.

(D) With respect to matter to be included in the Auditor's Report under Section 197 (16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act.

Place: Mumbai
Date: 20th May 2023

For N.N Jambusaria & CO
Chartered Accountants
Firm No.:104030W

Nimesh Jambusaria
Partner
Membership Number.:038979
UDIN No.: 23038979BGUZJL1846

Annexure A

To the Independent Auditor's Report on the CFS of Swan Energy Limited for the year ended 31st March 2023.

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

Report on the Internal Financial Controls under Section 143(3)(i) of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the CFS of the Company as of and for the year ended 31st March, 2023, we have audited the internal financial controls over financial reporting of Swan Energy Limited ('the Company') and its subsidiaries companies, which are incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

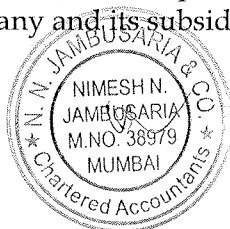
The Company's Board of Directors of the Company and its subsidiaries, which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal financial control over financial reporting criteria established by the respective Companies considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting, issued by the Institute of Chartered Accountants of India (the 'Guidance Note'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company and its subsidiaries, which are incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of such internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company and its subsidiaries, which are incorporated in India.



Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting include those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company and its subsidiaries, which are incorporated in India, have, in all material aspects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2023, based on the internal financial controls over financial reporting criteria established by the respective Companies considering the essential components of internal controls stated in the 'Guidance Note'.

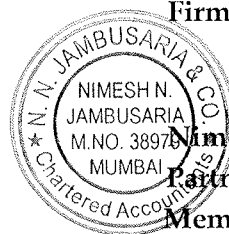
Place: Mumbai

Date: 20th May 2023

For N.N Jambusaria & CO

Chartered Accountants

Firm No.:104030W




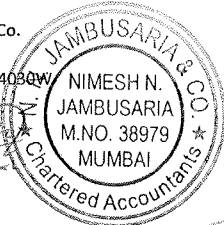
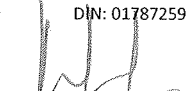

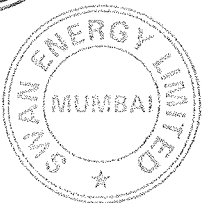



Nimesh Jambusaria

Partner

Membership Number.:038979

UDIN No.: 23038979BGUZJL1846

Swan Energy Limited			
Consolidated Balance Sheet as at March 31, 2023			
(₹ in Lakhs)			
Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
I ASSETS			
A Non-Current Assets			
a Property, Plant and Equipment	3(i)	3,82,646.93	1,83,202.91
b Right of use Assets	3(ii)	58.08	92.91
c Capital Work in Progress	3(iii)	3,25,291.78	2,38,902.77
d Other Intangible Assets	3(iv)	0.05	0.05
e Investment Property	4	39,817.33	40,457.54
f Financial Assets			
(i) Investments	5	1,260.92	213.30
(ii) Loans	6	74.34	26.85
(iii) Other Financial Assets	7	1.00	-
g Non Current Tax Assets	8	-	778.10
h Deferred Tax Assets (Net)	9	4,523.32	3,760.78
i Other Non Current Assets	10	11,183.44	12,233.81
Total Non Current Asstes (A)		7,64,857.19	4,79,669.02
B Current Assets			
a Inventories	11	26,057.36	17,144.36
b Financial Assets			
(i) Investments	12	1,736.93	79.29
(ii) Trade Receivables	13	1,78,559.83	21,375.94
(iii) Cash and Cash Equivalents	14	14,508.50	90,680.37
(iv) Bank Balances Other Than (iii) above	15	5,659.20	4,726.01
(v) Loans	16	13,215.17	8,602.79
(vi) Other Financial Assets	17	81.06	508.84
c Other Current Assets	18	17,802.95	16,945.19
Total Current Assets (B)		2,57,621.00	1,60,062.79
TOTAL ASSETS (A+B)		10,22,478.19	6,39,731.81
II EQUITY AND LIABILITIES			
A Equity			
a Equity Share Capital	19	2,639.17	2,639.17
b Other Equity	20	2,25,728.69	1,21,892.74
c Non-Controlling Interest		1,45,139.33	45,310.61
Total Equity (A)		3,73,507.19	1,69,842.52
Liabilities			
B Non-Current Liabilities			
a Financial Liabilities			
(i) Borrowings	21	3,92,789.43	3,53,997.95
(ii) Trade Payables	22	22,611.76	-
(iii) Other Financial Liabilities	23	7,159.73	2,381.55
b Provisions	24	281.39	148.58
Total Non-Current Liabilities (B)		4,22,842.31	3,56,528.08
C Current Liabilities			
a Financial Liabilities			
(i) Borrowings	25	83,694.76	55,513.69
(ii) Trade Payables	26	96,236.66	20,690.81
(iii) Other Financial Liabilities	27	37,129.28	34,603.99
b Other Current Liabilities	28	8,966.94	2,483.68
c Provisions	29	101.05	69.04
Total Current Liabilities (C)		2,26,128.69	1,13,361.21
TOTAL EQUITY & LIABILITIES (A+B+C)		10,22,478.19	6,39,731.81
The accompanying notes 1 & 2 are an integral part of the Consolidated financial statements			
As per our Report of even date			
For N. N. Jambusaria & Co. Chartered Accountants Firm Registration No: 104039W	For and on behalf of the Board of Directors		
 Nimesh N. Jambusaria Partner M No. 038979	 Navinbhai C. Dave Chairman DIN: 01787259	 Nikhil V. Merchant Managing Director DIN: 00614790	
	 Paresh V. Merchant Executive Director DIN: 00660027	 Chetan K. Selarka Chief Financial Officer	
		 Arun S. Agarwal Company Secretary	
Mumbai, May 20, 2023	272	Mumbai, May 20, 2023	

Swan Energy Limited
Consolidated Statement of Profit and Loss for Year Ended March 31, 2023

(₹ in Lakhs)

Particulars	Note No.	Year Ended March 31, 2023	Year Ended Mar 31, 2022
Income:			
Revenue from Operations	30	1,43,814.37	48,719.96
Other Income	31	1,076.78	689.15
Total Income		1,44,891.15	49,409.11
Expenses:			
Cost of Materials Consumed	32	1,10,440.26	34,662.18
(Increase)/Decrease in Finished Goods and Work-in-Progress	33	(3,683.57)	(2,139.06)
Employee Benefit Expenses	34	3,161.99	2,514.79
Finance Costs	35	22,279.90	18,914.94
Depreciation and Amortization Expense	3 & 4	8,134.78	7,026.65
Other Expenses	36	10,782.12	6,852.48
Total Expenses		1,51,115.48	67,831.98
Profit/(Loss) before Tax		(6,224.33)	(18,422.87)
Tax Expense:	37		
(1) Current tax		518.77	441.04
(2) Deferred Tax		(718.96)	(3,074.62)
(3) MAT Credit Adjustment		80.78	-
Profit/(Loss) for the year		(6,104.92)	(15,789.29)
Other Comprehensive Income for the year		(542.91)	11.32
Total Comprehensive Income for the year		(6,647.83)	(15,777.97)
Attributable to			
Owners of the Company		(3,883.52)	(8,742.61)
Non-Controlling Interest		(2,764.31)	(7,035.36)
Earnings Per Equity Share	40		
Basic and diluted (in ₹)		(2.52)	(6.46)

The accompanying notes 1 & 2 are an integral part of the Consolidated financial statements

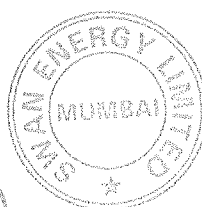
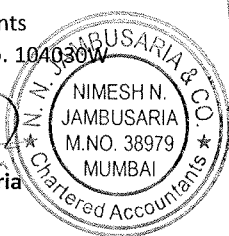
As per our Report of even date

For N. N. Jambusaria & Co.

Chartered Accountants

Firm Registration No. 104030W


Nimesh N. Jambusaria
 Partner
 M No. 038979


For and on behalf of the Board of Directors
Navinbhai C. Dave

Chairman

DIN: 01787259

Paresh V. Merchant

Executive Director

DIN: 00660027

Nikhil V. Merchant

Managing Director

DIN: 00614790

Chetan K. Selarka

Chief Financial Officer


Arun S. Agarwal
 Company Secretary

Mumbai, May 20, 2023

Mumbai, May 20, 2023

Swan Energy Limited
Consolidated Statement of Changes in Equity for Year Ended March 31, 2023 (SOCIE)
(a) Equity Share Capital (Refer Note No.19)

Particulars	No. of Shares	(₹ in Lakhs)
Balance as at April 01, 2021	24,42,57,000	2,442.57
Changes in equity share capital due to prior period errors	-	-
Changes in Equity Share Capital during the year	1,96,60,000	196.60
Balance as at March 31, 2022	26,39,17,000	2,639.17
Changes in equity share capital due to prior period errors	-	-
Changes in Equity Share Capital during the year	-	-
Balance as at March 31, 2023	26,39,17,000	2,639.17

(b) Other Equity (Refer Note No.20)

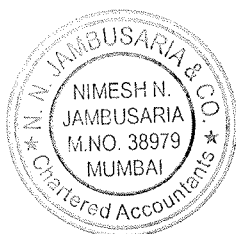
(₹ in Lakhs)

Particulars	Capital Reserve	Capital Redemption Reserve	Securities Premium Reserve	General Reserve	Quasi Equity in Verasco FZE*	Foreign Currency Translation Reserve	Equity Component of Optionally Convertible Debentures	Retained Earnings	Total
Balance as at April 01, 2021	5,811.32	14.25	67,842.58	372.00	-	0.35	-	10,944.75	84,985.25
Add:- Change during the year	-	-	31,652.60	-	-	(0.35)	14,230.82	11.29	45,894.36
Profit/(Loss) for the year	-	-	-	-	-	-	-	(8,753.93)	(8,753.93)
Other Comprehensive Income for the year	-	-	-	-	-	-	-	11.32	11.32
Total Comprehensive Income for the year	-	-	-	-	-	-	-	(8,742.61)	(8,742.61)
Changes in equity share capital due to prior period errors	-	-	-	-	-	-	-	-	-
Transaction with the owners in their capacity as owners:									
Dividend on Equity shares	-	-	-	-	-	-	-	(244.26)	(244.26)
Balance as at March 31, 2022	5,811.32	14.25	99,495.18	372.00	-	0.00	14,230.82	1,969.17	1,21,892.74
Add:- Change during the year	82,581.75	-	-	-	25,436.75	(0.00)	-	(35.11)	1,07,983.39
Profit/(Loss) for the year	-	-	-	-	-	-	-	(3,883.52)	(3,883.52)
Other Comprehensive Income for the year	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	82,581.75	-	-	-	25,436.75	(0.00)	-	(3,918.63)	1,04,099.87
Changes in equity share capital due to prior period errors	-	-	-	-	-	-	-	-	-
Transaction with the owners in their capacity as owners:									
Dividend on Equity shares	-	-	-	-	-	-	-	(263.92)	(263.92)
Balance as at March 31, 2023	88,393.07	14.25	99,495.18	372.00	25,436.75	0.00	14,230.82	(2,213.38)	2,25,728.69

The accompanying notes 1 & 2 are an integral part of the Consolidated financial statements

As per our Report of even date

 For N. N. Jambusaria & Co.
Chartered Accountants
Firm Registration No. 104030W

 Nimesh N. Jambusaria
Partner
M No. 038979

 Navinbhai C. Dave
Chairman
DIN: 01787259

 Paresh V. Merchant
Executive Director
DIN: 00660027

For and on behalf of the Board of Directors

 Nikhil V. Merchant
Managing Director
DIN: 00614790

 Chetan K. Selarka
Chief Financial Officer

 Arun S. Agarwal
Company Secretary

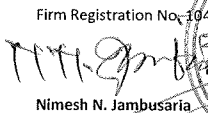
Mumbai, May 20, 2023

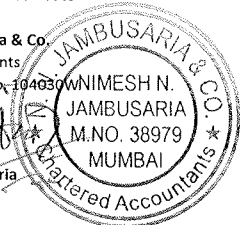
Mumbai, May 20, 2023

Swan Energy Limited				
Consolidated Cash Flow Statement for Year Ended March 31, 2023				
(₹ in Lakhs)				
	Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022	
A	Cash Flow from Operating Activities			
	Profit/(Loss) before tax	(6,767.25)	(18,411.55)	
	Adjustments for :			
	Depreciation	8,134.78	7,026.65	
	Foreign Currency Translation Reserve	(176.34)	(0.35)	
	(Profit) / Loss on sale of Investments	(118.53)	(21.04)	
	Ind AS Interest impact of OCD issued	893.16	2.45	
	(Profit) / Loss on sale of Assets	1.31	18.01	
	Considered Separately:			
	Interest Expenses	22,279.90	18,914.94	
	Interest Income	(764.46)	(623.02)	
	Dividend Income	(6.06)	(5.40)	
	Operating Profit before Working Capital Changes	23,476.51	6,900.69	
	Adjustments for :			
	Decrease/ (Increase) in Other Non Current Assets	1,050.36	4,847.42	
	Decrease/ (Increase) in Non Current Loans	(47.50)	(14.04)	
	Decrease/ (Increase) in Non Current Other Financial Assets	(1.00)	711.68	
	Decrease / (Increase) in Inventory	(8,913.00)	(2,671.99)	
	Decrease / (Increase) in Trade and Other Receivables	(1,57,183.90)	(18,509.13)	
	Decrease / (Increase) in Other Current Financial Assets	427.78	(454.18)	
	Decrease / (Increase) in Other Current Assets	(857.77)	344.55	
	Decrease / (Increase) in Investment Property	-	326.01	
	(Decrease) / Increase in Other Non-Current Financial Liabilities	4,778.17	(598.10)	
	(Decrease) / Increase in Other Current Financial Liabilities	(16,800.45)	(5,671.86)	
	(Decrease) / Increase in Other Current Liabilities	6,483.25	907.22	
	(Decrease) / Increase in Provisions	153.75	34.21	
	(Decrease) / Increase in Trade and Other Payables	98,157.61	17,396.85	
	Cash generated from operations	(49,276.19)	3,549.33	
	Direct Taxes (Paid)/Received	189.63	(673.59)	
	Net Cash from Operating Activities (A)	(49,086.56)	2,875.74	
	B	Cash Flow from Investing Activities		
		Purchase of Property, Plant and Equipment	(2,07,007.82)	(2,952.34)
		Proceeds from Sale of Fixed Assets	20.99	7.65
		Increase in Capital Work In Progress (Net)	(86,307.18)	(46,105.61)
		Retained Earnings of new subsidiaries acquired during the year	(35.11)	0.04
		Retained Earnings of strike-off subsidiaries during the year	-	16.25
Capital Reserve of new subsidiaries acquired during the year		1,08,194.85	-	
Minority Interest in newly acquired subsidiary		1,02,593.03	-	
Deferred Tax balance of newly acquired subsidiary		(43.58)	-	
Purchase of Investments		(19,013.62)	(5,577.30)	
Proceeds from Sale of Investments		16,426.89	5,362.64	
Loan to Others		(1,601.31)	(808.61)	
Interest Income		764.46	623.02	
Dividend Income		6.06	5.40	
Net Cash from Investing Activities (B)		(86,002.34)	(49,428.86)	
C		Cash Flow from Financing Activities		
	Proceeds from Issue of Equity Shares	-	31,849.20	
	Loan from / (Refund) of Loan to Related Parties	42,331.53	1,265.65	
	(Refund) of / Loan from Other Parties	22,762.16	(50,461.80)	
	(Repayment) / Proceed of Loan from Banks	17,300.36	1,46,744.03	
	Repayment of Bonds/ Debentures	-	(2,500.00)	
	Proceed from Bonds /Debentures	-	23,160.00	
	Interest Expenses	(22,279.90)	(18,914.94)	
	Dividend Paid	(263.92)	(244.26)	
	Net Cash from Financing Activities (C)	59,850.23	1,30,897.88	
	Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	(75,238.67)	84,344.76	
	Opening Balance of Cash & Cash Equivalents	95,406.38	11,061.62	
	Closing Balance of Cash & Cash Equivalents	20,167.71	95,406.38	

As per our Report of even date

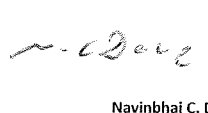
For N. N. Jambusaria & Co.
Chartered Accountants
Firm Registration No. 104930


Nimesh N. Jambusaria
Partner
M No. 038979

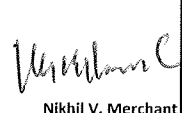


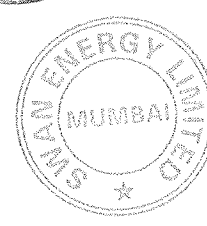
For and on behalf of the Board of Directors

Navinbhai C. Dave
Chairman
DIN: Q1787259

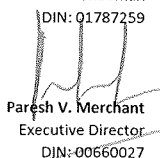


Nikhil V. Merchant
Managing Director
DIN: 00614790







Parash V. Merchant
Executive Director
DIN: 00660027



Chetan K. Selarka
Chief Financial Officer



Arun S. Agatwal
Company Secretary



Mumbai, May 20, 2023

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Mumbai, May 20, 2023

Swan Energy Limited

Notes to the Consolidated Financial Statement for Year Ended March 31, 2023

1. CORPORATE INFORMATION:

Swan Energy Limited (SEL) is a public limited company incorporated on 22/02/1909 at Bombay, under the erstwhile Indian Companies Act, VI of 1882, as 'Swan Mills Limited' and is listed on BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE) in India.

The registered office of the company is situated at 6, Feltham House, 2nd Floor, 10, J. N. Heredia Marg, Ballard Estate, Mumbai - 400 001.

The Company has three verticles of business i.e., Textiles, Energy and Constructions & others The Company has 8 subsidiary companies. 2 subsidiaries are engaged in Real estate business, 2 subsidiaries are engaged in construction of LNG Port Project at Gujarat, 1 subsidiary is engaged in Infrastructure, 1 company is in Textile trading business and 2 subsidiaries are engaged in trading of petroleum and petrochemical products. Out of 8, 1 is a foreign subsidiary incorporated in UAE which is engaged in trading of petroleum and petrochemical products, balance 7 subsidiaries are indian subsidiaries.

2. BASIS OF COMPLIANCE, BASIS OF PREPARATION, CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS AND SIGNIFICANT ACCOUNTING POLICIES:

2.1. Basis of compliance:

The financial statements comply in all material aspects with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('Act') read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act.

2.2. Basis of preparation and presentation:

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

Current and Non – Current Classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

The financial statements of the Company for the year ended March 31, 2023 were approved for issue in accordance with a resolution of the Board of Directors in its meeting held on May 20, 2023.

Swan Energy Limited

Notes to the Consolidated Financial Statement for Year Ended March 31, 2023

2.3. Application of new Accounting Standard:

New Standards adopted by the Company

Ind AS 116 Leases

This is first set of the Company's financial statements to which Ind AS 116 Leases has been applied. The Company has adopted Ind AS 116 Leases using the modified retrospective method of adoption from April 01, 2019 (transition date for Ind AS 116). As permitted under transitional provisions of Ind AS, previous year comparatives are not restated. The Company has elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets'). The Company has also elected not to reassess whether a contract is or contains a lease at the date of initial application of Ind AS 116. The Company recognized lease liabilities in relation to only those leases for which company had signed lease agreement and has been classified as operating leases under the principal of Ind AS 17 Leases. These liabilities were measured at the present value of the 'lease term together with estimated period of extension (lease period)', discounted using the lessee's incremental borrowing rate as on April 01, 2019.

The impact of the adoption of the standard on the financial statements of the Company is insignificant.

2.4. Use of Judgements and Estimates:

The preparation of the financial statements requires management to make estimates, assumptions and judgments that affect the reported balances of assets and liabilities and disclosures as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates considering different assumptions and conditions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Impact on account of revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are discussed below:

- a. Estimates of useful lives and residual value of property, plant and equipment and intangible assets;
- b. Measurement of defined benefit obligations;
- c. Measurement and likelihood of occurrence of provisions and contingencies;
- d. Impairment of investments;
- e. Recognition of deferred tax assets; and
- f. Measurement of recoverable amounts of cash-generating units.

Swan Energy Limited

Notes to the Consolidated Financial Statement for Year Ended March 31, 2023

2.5. Property, plant and equipment:

2.5.1. Property, plant and equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any;

2.5.2. The initial cost of an asset comprises its purchase price (including import duties and non-refundable taxes), any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any, and, borrowing cost for qualifying assets (i.e. assets that necessarily take a substantial period of time to get ready for their intended use);

2.5.3. Machinery spares that meet the definition of property, plant and equipment are capitalised;

2.5.4. Property, plant and equipment which are not ready for intended use as on date of Balance Sheet are disclosed as "Capital work-in-progress";

2.5.5. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred;

2.5.6. An item of property, plant and equipment and any significant part initially recognised separately as part of property, plant and equipment is derecognised upon disposal; or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the Statement of Profit and Loss when the asset is derecognised;

2.5.7. Depreciation is provided on a pro-rata basis on the straight line method based on estimated useful life prescribed under Schedule II to the Act. Assets costing ₹ 5,000/- or less are charged to the Statement of Profit & Loss in the year of purchase;

2.5.8. Components of the main asset that are significant in value and have different useful lives as compared to the main asset are depreciated over their estimated useful life. Useful life of such components has been assessed based on historical experience and internal technical assessment;

2.5.9. Depreciation on spare parts specific to an item of property, plant and equipment is based on life of the related property, plant and equipment. In other cases, the spare parts are depreciated over their estimated useful life based on the technical assessment;

2.5.10. Leasehold land is amortised over the primary lease period. Other assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and useful lives;

2.5.11. Freehold land is not depreciated;

2.5.12. The residual values and useful lives of property, plant and equipment are reviewed at each financial year end and changes, if any, are accounted in the line with revisions to accounting estimates;

Swan Energy Limited

Notes to the Consolidated Financial Statement for Year Ended March 31, 2023

2.6. Intangible Assets:

2.6.1. Intangible assets are recognised only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably;

2.6.2. Intangible assets are carried at cost net of accumulated amortization and accumulated impairment losses, if any;

2.6.3. The intangible assets with a finite useful life are amortised using straight line method over their estimated useful lives.

2.6.4. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses on de-recognition are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses);

2.6.5. The estimated useful life is reviewed at each financial year end and changes, if any, are accounted in the line with revisions to accounting estimates;

2.7. Investment property:

2.7.1. Investment property is property (land or a building — or part of a building — or both) held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in production or supply of goods or services or for administrative purposes. Investment properties are stated at cost net of accumulated depreciation and accumulated impairment losses, if any;

2.7.2. Any gain or loss on disposal of investment property is calculated as the difference between the net proceeds from disposal and the carrying amount of the investment property is recognised in Statement of Profit and Loss;

2.8. Non-currents assets held for sale:

2.8.1. Non-current assets are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets;

2.8.2. Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell;

2.8.3. Non – current assets classified as held for sale are not depreciated or amortized from the date when they are classified as held for sale.

Swan Energy Limited

Notes to the Consolidated Financial Statement for Year Ended March 31, 2023

2.9. Leases:

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset to lessee for a period of time in exchange for consideration. The Company shall reassess whether a contract is, or contains, a lease only if the terms and conditions of the contract are changed.

As a Lessee

At the commencement date, company recognises a right-of-use (RoU) asset at cost and a lease liability at present value of the lease payments that are not paid at commencement date. The Lease Payments shall be discounted using Company's incremental borrowing rate on periodic basis. Subsequently, RoU asset is depreciated over lease term and lease liability is reduced as payments are made and an imputed finance cost on lease liability is recognised in Statement of Profit and Loss using the Company's incremental borrowing rate.

If a lease, at the commencement date, has a lease term of 12 months or less, it is treated as Short term lease. Lease payments associated with short term leases are treated as an expense on systematic basis.

As a Lessor

A lessor shall classify each of its leases as either an operating lease or a finance lease.

Finance leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Company shall recognise assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

Operating leases

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. Company shall recognise lease payments from operating leases as income on systematic basis in the pattern in which benefit from the use of the underlying asset is diminished.

2.10. Impairment of Non-financial Assets:

2.10.1. Non-financial assets other than inventories, deferred tax assets and non-current assets classified as held for sale are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any indication of such impairment exists, the recoverable amount of such assets / cash generating unit is estimated and in case the carrying amount of these assets exceeds their recoverable amount, an impairment is recognised;

2.10.2. The recoverable amount is the higher of the fair value less costs of disposal and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. Assessment is also done at each Balance Sheet date as to whether there is indication that an impairment loss recognised for an asset in prior accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss.

Swan Energy Limited

Notes to the Consolidated Financial Statement for Year Ended March 31, 2023

2.11. Inventories:

2.11.1. Inventories comprising Closing stock of finished goods, raw material and consumables and spares are valued at lower of cost (on weighted average) and net realisable value after providing for obsolescence and other losses, where considered necessary;

2.11.2. Cost includes all charges in bringing the goods to their present location and condition. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty;

2.11.3. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

2.12. Investment in Subsidiaries:

Investments in equity shares of Subsidiaries are recorded at cost and reviewed for impairment at each reporting date.

2.13. Fair Value measurement:

2.13.1. The Company measures certain financial instruments at fair value at each reporting date;

2.13.2. Certain accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities;

2.13.3. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability also reflects its non-performance risk;

2.13.4. The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently that difference is recognised in Statement of Profit and Loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out;

Swan Energy Limited

Notes to the Consolidated Financial Statement for Year Ended March 31, 2023

2.13.5. While measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation technique as follows:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities
- **Level 2:** inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- **Level 3:** inputs for the assets or liability that are not based on observable market data (unobservable inputs);

2.13.6. When quoted price in active market for an instrument is available, the Company measures the fair value of the instrument using that price. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis;

2.13.7. If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction;

2.13.8. The Company regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the Company assesses the evidence obtained from third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

2.14. Financial Instruments:

2.14.1. Financial Assets:

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognised at fair value, in case of financial assets which are recognised at fair value through profit and loss, its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

Financial assets are subsequently classified as measured at

- amortised cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets.

Swan Energy Limited

Notes to the Consolidated Financial Statement for Year Ended March 31, 2023

Trade Receivables and Loans:

Trade receivables and loans are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

Debt instruments:

Debt instruments are subsequently measured at amortised cost, FVOCI or FVTPL till de-recognition on the basis of:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

Measured at amortised cost:

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

Measured at FVOCI:

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at FVOCI. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On de-recognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

Measured at FVTPL:

A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

Equity Instruments:

All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL.

The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

Swan Energy Limited

Notes to the Consolidated Financial Statement for Year Ended March 31, 2023

De-recognition:

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset;

Redeemable Preference shares:

Redeemable preference share are separated into liability and equity components based on the terms of the contract.

On issuance of the redeemable preference shares, the fair value of the liability component is determined using a market rate for an equivalent non convertible instrument. This amount is classified as financial liability measured at amortized cost (net of transaction cost) until it is extinguished on redemption.

Transaction cost are apportioned between the liability and equity component of the redeemable preference share based on the allocation of the proceed to the liability and equity component when the instrument are initially recognized.

Optionally convertible debentures:

Optionally convertible debentures are separated into liability and equity components based on the terms of the issue as per Ind AS.

On issuance of the Optionally convertible Debentures, the fair value of the liability component is determined using a market rate for an equivalent convertible instrument. This amount is classified as financial liability measured at amortized cost until it is extinguished on conversion.

2.14.2. Financial Liabilities:

Initial recognition and measurement:

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as FVTPL. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest method.

Subsequent measurement:

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at FVTPL are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

De-recognition:

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires;

2.14.3. Financial guarantees:

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of the debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the fair value initially recognised less cumulative amortisation;

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Notes to the Consolidated Financial Statement for Year Ended March 31, 2023

2.14.4. Derivative financial instruments:

The Company uses derivative financial instruments to manage the exposure on account of fluctuation in interest rate and foreign exchange rates. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value with the changes being recognised in the Statement of Profit and Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative;

2.14.5. Embedded derivatives:

If the hybrid contract contains a host that is a financial asset within the scope of Ind-AS 109, the classification requirements contained in Ind AS 109 are applied to the entire hybrid contract. Derivatives embedded in all other host contracts, including financial liabilities are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at FVTPL. These embedded derivatives are measured at fair value with changes in fair value recognised in Statement of Profit and Loss, unless designated as effective hedging instruments. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows;

2.14.6. Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.15. Revenue Recognition:

2.15.1. Sale of goods:

The Company is engaged in the Business of textiles, development of property and trading of petroleum and petroleum products. 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, petroleum and petroleum products are recognised when it is earned and no significant uncertainty exists as to its realization or collection.

Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods.

Revenue from the sale of regassification services is recognised at a point in time when the control of RLNG is transferred to the customers at the point of dispatch.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

Swan Energy Limited

Notes to the Consolidated Financial Statement for Year Ended March 31, 2023

Trade Receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities

A contract liability is the obligation to transfer goods to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

2.15.2. Rendering of Services

Revenue is recognized from rendering of services when the performance obligation is satisfied and the services are rendered in accordance with the terms of customer contracts. Revenue is measured based on the transaction price, which is the consideration, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

2.15.3. Income from export incentives such as duty drawback and premium on sale of import licenses are recognised on accrual basis;

2.15.4. Income from sale of scrap is accounted for on realisation;

2.15.5. Interest income is recognized using the effective interest rate (EIR) method;

2.15.6. Dividend income on investments is recognised when the right to receive dividend is established;

2.15.7. Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

2.15.8. Rent for the immovable properties is recognised on accrual basis as per the respective agreements with the parties.

2.16. Employee Benefits:

2.16.1. Short-term employee benefits:

Short-term employee benefits (including leave) are recognized as an expense at an undiscounted amount in the Statement of Profit and Loss of the year in which the related services are rendered;

2.16.2. Post-employment benefits:

The Company operates the following post – employment schemes:

- Defined contribution plans such as provident fund; and
- Defined benefit plans such as gratuity

Defined Contribution Plans:

Obligations for contributions to defined contribution plans such as provident fund are recognised as an expense in the Statement of Profit and Loss as the related service is provided.

Swan Energy Limited

Notes to the Consolidated Financial Statement for Year Ended March 31, 2023

Defined Benefit Plans:

The Company's net obligation in respect of defined benefit plans such as gratuity is calculated by estimating the amount of future benefit that the employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed at each reporting period end by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of the economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

The current service cost of the defined benefit plan, recognized in the Statement of Profit and Loss as part of employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognized immediately in the Statement of Profit and Loss. The net interest is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This net interest is included in employee benefit expense in the Statement of Profit and Loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

2.17. Borrowing costs:

2.17.1. Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs;

2.17.2. Borrowing costs that are attributable to the acquisition or construction of qualifying assets (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use) are capitalized as a part of the cost of such assets. All other borrowing costs are charged to the Statement of Profit and Loss;

2.17.3. Investment Income earned on the temporary investment of funds of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

2.18. Foreign Currency Transactions:

2.18.1. The financial statements are presented in INR, the functional currency of the Company (i.e. the currency of the primary economic environment in which the Company operates);

Swan Energy Limited

Notes to the Consolidated Financial Statement for Year Ended March 31, 2023

2.18.2. Monetary items:

Transactions in foreign currencies are initially recorded at their respective exchange rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at exchange rates prevailing on the reporting date.

Exchange differences arising on settlement or translation of monetary items (except for long term foreign currency monetary items outstanding as of March 31, 2021 which are accumulated in "Foreign Currency Monetary Item Translation Difference Account" and amortised over balance period of liability) are recognised in Statement of Profit and Loss either as profit or loss on foreign currency transaction and translation or as borrowing costs to the extent regarded as an adjustment to borrowing costs.

2.18.3. Non – Monetary items:

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

2.19. Government Grants:

2.19.1. Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with;

2.19.2. When the grant relates to an expense item, it is recognized in Statement of Profit and Loss on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed;

2.19.3. Government grants relating to property, plant and equipment are presented as deferred income and are credited to the Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset.

2.20. Provisions and Contingent Liabilities:

2.20.1. Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation;

2.20.2. The expenses relating to a provision is presented in the Statement of Profit and Loss net of reimbursements, if any;

2.20.3. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost;

Swan Energy Limited

Notes to the Consolidated Financial Statement for Year Ended March 31, 2023

2.20.4. Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Company, or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability;

2.20.5. Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.

2.21. Taxes on Income

2.21.1. Current Tax

Income-tax Assets and Liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the end of reporting period.

Current Tax items are recognised in correlation to the underlying transaction either in the Statement of Profit and Loss, other comprehensive income or directly in equity;

2.21.2. Deferred tax

Deferred tax is provided using the Balance Sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred Tax items are recognised in correlation to the underlying transaction either in the Statement of Profit and Loss, other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Swan Energy Limited

Notes to the Consolidated Financial Statement for Year Ended March 31, 2023

2.22. Earnings per share

2.22.1. Basic earnings per share are calculated by dividing the profit or loss for the period attributable to equity shareholders (after deducting preference dividends, if any, and attributable taxes) by the weighted average number of equity shares outstanding during the period;

2.22.2. For the purpose of calculating diluted earnings per share, the profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effect of all dilutive potential equity shares.

2.23. Cash and Cash equivalents:

Cash and cash equivalents in the Balance Sheet include cash at bank, cash, cheque, draft on hand and demand deposits with an original maturity of less than three months, which are subject to an insignificant risk of changes in value.

For the purpose of Statement of Cash Flows, Cash and cash equivalents include cash at bank, cash, cheque and draft on hand. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

2.24. Cash Flows:

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

2.25. Dividend:

Final dividend on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

3(i) Property, Plant and Equipment

(₹ in Lakhs)											
Particulars	Freehold Land	Lease Land	Buildings	Plant & Machinery	Computers	Furniture & Fixtures	Office Equipments	Vessel	Right to Use Assets	Motor Vehicles	Tangibles Total
Gross Carrying Value											
As at April 01, 2021	7,268.39	-	1,443.74	8,844.57	147.94	1,367.97	1,402.05	1,75,062.80	-	889.69	1,96,427.15
Additions	-	-	405.23	624.32	57.08	1,808.79	3.98	-	-	52.93	2,952.34
Deductions	-	-	-	82.47	-	-	13.39	-	-	3.22	99.08
Other adjustments	-	-	-	-	-	13.39	-	-	-	-	13.39
As at March 31, 2022	7,268.39	-	1,848.97	9,386.42	205.02	3,190.16	1,392.64	1,75,062.80	-	939.40	1,99,293.80
Balance of Subsidiary acquired during the year	84,883.05	305.59	-	1,29,643.54	29.14	443.30	45.88	-	6,897.00	252.73	2,22,500.23
Additions	2.70	-	-	69.62	9.59	459.21	10.91	-	763.88	322.34	1,638.26
Deductions	-	-	-	-	-	-	-	-	-	156.95	156.95
Other Adjustments	-	-	-	(890.45)	(7.79)	(2.75)	-	-	(42.64)	(1.39)	(945.02)
As at March 31, 2023	92,154.14	305.59	1,848.97	1,38,209.12	235.96	4,089.92	1,449.44	1,75,062.80	7,618.25	1,356.13	4,22,330.32
Accumulated depreciation											
As at April 01, 2021	-	-	400.10	4,162.03	124.87	999.55	705.61	2,718.67	-	620.48	9,731.31
Depreciation expense	-	-	51.89	598.16	13.71	97.80	92.04	5,528.46	-	37.55	6,419.61
Deductions	-	-	-	56.98	-	-	-	-	-	3.05	60.03
Other Adjustments	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2022	-	-	451.99	4,703.21	138.58	1,097.35	797.65	8,247.13	-	654.98	16,090.89
Balance of Subsidiary acquired during the year	-	41.49	-	14,612.30	27.58	186.49	30.14	-	1,286.67	114.41	16,299.07
Depreciation expense	-	2.18	59.43	1,383.33	18.18	290.99	94.11	5,543.65	89.86	59.82	7,541.55
Deductions	-	-	-	-	-	-	-	-	-	134.70	134.70
Other Adjustments	-	-	-	(99.71)	(7.79)	(1.09)	-	-	(4.25)	(0.59)	-113.43
As at March 31, 2023	(0.00)	43.67	511.42	20,599.13	176.56	1,573.74	921.89	13,790.78	1,372.28	693.92	39,683.39
Carrying Amount											
As at March 31, 2023	92,154.14	261.93	1,337.55	1,17,609.99	59.41	2,516.17	527.55	1,61,272.02	6,245.97	662.22	3,82,646.93
As at March 31, 2022	7,268.39	-	1,396.98	4,683.21	66.44	2,092.81	594.99	1,66,815.67	-	284.42	1,83,202.91

Note:-

- The title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.

- The Company has not revalued its Property, Plant and Equipment (including Right-of-Use Asset) since the Company has adopted cost model as its accounting policy to an entire class of Property, Plant and Equipment in accordance with Ind AS 16.

3(ii) Right of use Assets

Particulars	(₹ in Lakhs)	
	Office	Total
Gross Block		
As at April 01, 2021		
Additions	197.46	197.46
Deductions	-	-
As at March 31, 2022	-	-
Additions	197.46	197.46
Deductions	-	-
As at March 31, 2023	-	-
	197.46	197.46
Accumulated depreciation		
As at April 01, 2021		
Depreciation expense	69.70	69.70
Deductions	34.85	34.85
As at March 31, 2022	-	-
Depreciation expense	104.55	104.55
Deductions	34.85	34.85
As at March 31, 2023	-	-
	139.38	139.38
Net Block		
As at March 31, 2023		
As at March 31, 2022	58.08	58.08
	92.91	92.91

Ind AS 116 Leases

- A) The following is the Movement in Right of Use assets during the reporting period ended March 31, 2023 and its carrying value as on that date

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Balance as on April 01, 2022		
Addition of right-of-use assets that do not meet the definition of investment property	92.92	127.77
Depreciation charged during the current period	-	-
Carrying value of Right-of-use assets	34.85	34.85
	58.08	92.92

- B) The following is the movement in lease liabilities for the year ended March 31, 2023

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
As at beginning of the year		
Addition	107.26	140.27
Finance Cost accrued during the year	-	-
Deletion	6.76	9.43
Payment of Lease liability	-	-
Lease Liability as at end of the year	-44.51	-42.44
	69.52	107.26

- C) Maturity Analysis of Lease liabilities

Maturity analysis—contractual undiscounted cash flows	(₹ in Lakhs)	
	Apr'22-Mar'23	Apr'21-Mar'22
Less than one year (Excluding GST)	44.51	44.51
One to five years (Excluding GST)	25.96	74.18
More than five years		
Total undiscounted lease liabilities for the period ended	70.48	118.68
Lease liabilities included in the statement of financial position		
Current	40.67	37.74
Non-current	28.85	69.52

- D) Amounts recognised in the statement of profit or loss #

Particulars	(₹ in Lakhs)	
	Apr'22-Mar'23	Apr'21-Mar'22
Depreciation		
Interest on lease liabilities	34.85	34.85
Variable lease payments not included in the measurement of lease liabilities	6.76	9.43
Expenses relating to short-term leases		
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	79.96	50.84
Total	121.57	95.11

Since the project is yet to commence its commercial operations, hence for the year ended March 31, 2023, the entire amount aggregating to ₹ 121.57 Lakh (PY March 31, 2022 ₹ 95.11 Lakh) have been transferred to pre & pre-operative expenses as part of CWIP.

- E) Amount recognised in the statement of cash flows

Particulars	(₹ in Lakhs)	
	Apr'22-Mar'23	Apr'21-Mar'22
Total cash outflow for leases	124.46	93.28

Notes to the Consolidated Financial Statement for Year Ended March 31, 2023

3(iii) Capital Work in Progress

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	2,38,902.77	1,92,728.71
Addition during the year	52,454.53	48,961.32
Adjustment during the year	(439.59)	(2,787.26)
Balance of Subsidiary acquired during the year	34,374.07	-
Balance at the end of the year	3,25,291.78	2,38,902.77

Ageing of capital-work-in progress (CWIP) is as under:

(₹ in Lakhs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	46,196.58	38,763.65	64,204.38	1,76,127.17	3,25,291.78
Projects temporarily suspended	-	-	-	-	-

Completion schedule for CWIP

(₹ in Lakhs)

Particulars	To be completed in				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	46,196.58	38,212.09	32,224.77	2,08,658.33	3,25,291.78
Projects temporarily suspended	-	-	-	-	-

3(iv) Other Intangible Assets

(₹ in Lakhs)

Particulars	Computer Software	Total Intangible Assets
Gross Carrying Value		
As at April 01, 2021	1.28	1.28
Additions	-	-
Deductions	-	-
As at March 31, 2022	1.28	1.28
Additions	-	-
Deductions	-	-
As at March 31, 2023	1.28	1.28
Accumulated depreciation		
As at April 01, 2021	0.82	0.82
Depreciation expense	0.41	0.41
Deductions	-	-
As at March 31, 2022	1.23	1.23
Depreciation expense	-	-
Deductions	-	-
As at March 31, 2023	1.23	1.23
Carrying Amount		
As at March 31, 2023	0.05	0.05
As at March 31, 2022	0.05	0.05

Note on Depreciation for Swan LNG Private Limited - Subsidiary:

During the year ended March 31, 2023, the Company has provided depreciation aggregating to ₹ 81.84 Lakhs (March 31, 2022 ₹ 68.47 Lakhs) including Dep. of ₹ NIL on Intangible assets, (March 31, 2022 ₹ 0.41 Lakhs), Out of which the Company has transferred ₹ 81.84 Lakhs (March 31, 2022 ₹ 68.47 Lakhs) to pre & pre-operative expense and balance amount of Rs NIL (March 31, 2022 - Rs. Nil) has been charged to statement of P/L A/c.

- The Company has not revalued its Property, Plant and Equipment (including Right-of-Use Asset) since the Company has adopted cost model as its accounting policy to an entire class of Property, Plant and Equipment in accordance with Ind AS 16.

Swan Energy Limited

Notes to the Consolidated Financial Statement for Year Ended March 31, 2023

4 Investment Property

(₹ in Lakhs)

Particulars	Land	Buildings	Total
Gross Carrying Value			
As at April 01, 2021	2,573.06	43,032.17	45,605.23
Additions	-	-	-
Deductions	-	326.01	326.01
As at March 31 2022	2,573.06	42,706.16	45,279.22
Additions	-	-	-
Deductions	-	-	-
As at March 31 2023	2,573.06	42,706.16	45,279.22
Accumulated depreciation			
As at April 01, 2021	-	4,181.46	4,181.46
Depreciation expense	-	640.22	640.22
Deductions	-	-	-
As at March 31 2022	-	4,821.68	4,821.68
Additions	-	640.21	640.21
Deductions	-	-	-
As at March 31 2023	-	5,461.89	5,461.89
Carrying Amount			
As at March 31 2023	2,573.06	37,244.27	39,817.33
As at March 31 2022	2,573.06	37,884.48	40,457.54

Notes to the Consolidated Financial Statement for Year Ended March 31, 2023

5 Investments

Particulars	March 31, 2023	March 31, 2022
	₹ in Lakhs	₹ in Lakhs
Proposed Reliance Naval and Engineering Limited		
- Bank Commission & Other Incidental Expenses ***	297.81	177.30
Investment in Debenture	811.00	-
Other Equity Shares - Quoted	116.11	-
Other Equity Shares - Unquoted **	36.00	36.00
Total	1,260.92	213.30

*** The bank commission & other incidental expenses is incurred for obtaining bank guarantee as per the terms of RP submitted by hazel mercantile limited which was approved under IBC process of Reliance Naval. The company Hazel Infra Limited is acting as special purpose vehicle to complete the process of Acquisition of Promoter's share in Reliance Naval as per the approved plan. Other Incidental expenses are incurred in relation to proposed acquisition.

** The fair value of Other Equity Shares Investments are similar to carrying amounts as carrying amounts are a reasonable approximation of the fair values due to its unquoted nature.

6 Loans

Particulars	March 31, 2023	March 31, 2022
	₹ in Lakhs	₹ in Lakhs
Security Deposit	74.34	26.85
Total	74.34	26.85

7 Other Financial Assets

Particulars	March 31, 2023	March 31, 2022
	₹ in Lakhs	₹ in Lakhs
In Deposit Accounts (where maturity exceed twelve months)	1.00	-
Total	1.00	-

8 Non Current Tax Assets

Particulars	March 31, 2023	March 31, 2022
	₹ in Lakhs	₹ in Lakhs
Advance Tax /TDS Receivable (Net of Provision)	-	778.10
Total	-	778.10

9 Deferred Tax Assets (Net)

Particulars	March 31, 2023	March 31, 2022
	₹ in Lakhs	₹ in Lakhs
Related to Fixed Assets, Unabsorbed Losses & Gratuities	4,523.32	3,760.78
Total	4,523.32	3,760.78

Notes to the Consolidated Financial Statement for Year Ended March 31, 2023

10 Other Non Current Assets

Particulars	March 31, 2023	March 31, 2022
	₹ in Lakhs	₹ in Lakhs
Capital Advance(Project)	8,968.72	9,896.84
Security Deposits	762.29	723.86
Unammortised Processing / Upfront Fees	1,452.43	1,613.11
Total	11,183.44	12,233.81

11 Inventories

Particulars	March 31, 2023	March 31, 2022
	₹ in Lakhs	₹ in Lakhs
Work-in-progress and Advances	11,143.59	8,478.93
Stock-in trade	4,411.96	-
Textiles		
(a)Raw materials	3,530.89	2,771.46
(b)Work-in-process	3,045.74	2,755.66
(c)Finished goods	3,802.70	3,038.83
(d)Stores and spares	122.48	99.48
Total	26,057.36	17,144.36

12 Investments

Particulars	March 31, 2023	March 31, 2022
	₹ in Lakhs	₹ in Lakhs
Investment in Mutual Funds	1,736.93	79.29
	1,736.93	79.29

Notes to the Consolidated Financial Statement for Year Ended March 31, 2023

13 Trade Receivable

Particulars	March 31, 2023	March 31, 2022
	₹ in Lakhs	₹ in Lakhs
Trade Receivable -Considered Good	1,77,923.05	21,375.94
Trade receivable which have significant increase in credit risk	636.78	-
	1,78,559.83	21,375.94

Trade receivables are neither due from directors or other officers of the Company either severally or jointly with any other person, nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member except ₹ 4,173.55 from Hazel Mercantile Limited and ₹ 4,298.62 from Sanman Trade Impex Private Limited being group company of our Subsidiary Veritas (India) Limited.

Refer below ageing schedule of Trade Receivables.

Ageing Schedule of Trade Receivables - Consolidated

Particulars	Outstanding for following periods					(₹ in Lakhs)
	< 6 months	6 months - 1 year	1-2 years	2-3 years	> 3 years	TOTAL
As at March 31, 2023						
(i) Undisputed Trade receivables – considered good	1,63,416.09	1,069.07	9,694.93	97.17	3,997.61	1,78,274.87
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	636.78	-	-	636.78
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Less :Provision for Expected Credit Loss allowance on doubtful debts	-	-	-	-	-	(351.82)
Total	1,63,416.09	1,069.07	10,331.71	97.17	3,997.61	1,78,559.83
As at March 31, 2022						
(i) Undisputed Trade receivables – considered good	20,367.51	148.80	1.12	0.09	271.28	20,788.80
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	587.14	-	-	-	-	587.14
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Less :Provision for Expected Credit Loss allowance on doubtful debts	-	-	-	-	-	-
Total	20,954.65	148.80	1.12	0.09	271.28	21,375.94

Notes to the Consolidated Financial Statement for Year Ended March 31, 2023

14 Cash and cash equivalents

Particulars	March 31, 2023	March 31, 2022
	₹ in Lakhs	₹ in Lakhs
Cash in hand	32.15	24.00
Balances with banks		
In Current Accounts	2,992.74	39,990.63
In Deposit Accounts	11,483.61	50,665.74
Total	14,508.50	90,680.37

15 Bank Balances Other Than Cash and cash equivalents

Particulars	March 31, 2023	March 31, 2022
	₹ in Lakhs	₹ in Lakhs
Balances with banks		
In Deposit Accounts (where maturity does not exceed twelve months)	5,629.64	4,719.78
In Unpaid Dividend Accounts	29.56	6.23
Total	5,659.20	4,726.01

16 Loans

Particulars	March 31, 2023	March 31, 2022
	₹ in Lakhs	₹ in Lakhs
Loans to Related Parties		
Loans To Other Related Parties	3,998.34	987.27
Loans to other than Related Parties		
Loans to employees	189.76	39.10
Loans & Advances to Others	9,027.07	7,576.42
Total	13,215.17	8,602.79

17 Other Financial Assets

Particulars	March 31, 2023	March 31, 2022
	₹ in Lakhs	₹ in Lakhs
Balances with banks		
Interest Accrued on Fixed Deposit	81.06	508.84
Total	81.06	508.84

18 Other Current Assets

Particulars	March 31, 2023	March 31, 2022
	₹ in Lakhs	₹ in Lakhs
Prepaid Expenses	436.93	382.66
Security Deposit	138.59	28.96
Unammortised Processing / Upfront Fees	185.50	380.81
Advance to Suppliers	845.89	754.62
Other Receivable	333.74	335.82
Other Advances	192.04	113.29
Input Tax Credit	15,670.26	14,949.03
Total	17,802.95	16,945.19

19 Share Capital

(a) Authorised Share Capital:

Particulars	March 31, 2023	March 31, 2022
	₹ in Lakhs	₹ in Lakhs
15,000 11% Cumulative Redeemable Preference Shares of ₹ 100/- each	15.00	15.00
10,000 11% Cumulative Preference Shares of ₹ 100/- each	10.00	10.00
1,00,00,00,000 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, 2023	March 31, 2022
	₹ in Lakhs	₹ in Lakhs
26,39,17,000 Equity Shares (26,39,17,000: March 31, 2022) of ₹ 1/- each fully paid up.	2,639.17	2,639.17
Total	2,639.17	2,639.17

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

Particulars	March 31, 2023		March 31, 2022	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
Outstanding At the beginning of the year (Face Value ₹ 1/- per share)	26,39,17,000	2,639.17	24,42,57,000	2,442.57
Shares Issued during the year (Face Value ₹ 1/- per share)	-	-	1,96,60,000	196.60
Outstanding At the end of the year (Face Value ₹ 1/- per share)	26,39,17,000	2,639.17	26,39,17,000	2,639.17

Terms/rights attached to Equity shares :

The Company has only one class of issued Equity Shares having a par value of ₹ 1 per share. Each Shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of Interim Dividend. In the event of liquidation, the equity shareholders are eligible to receive the residual assets of the Company after distribution of all preferential

(d) Shareholding of promoters

Name of the Shareholder	No of Shares held as on March 31, 2022	% of Total Shares	No of Shares held as on March 31, 2023	% of Total Shares	% Change during the Year
Ms. Vinita Nikhil Merchant	41,500	0.02	41,500	0.02	-
Mr. Bhavik Nikhil Merchant	41,000	0.02	41,000	0.02	-
Mr. Nikhil Vasantlal Merchant	4,000	0.00	4,000	0.00	-
Dave Impex Private Limited	4,60,30,400	17.44	4,60,30,400	17.44	-
Swan Realtors Private Limited	4,15,89,000	15.76	4,15,89,000	15.76	-
Swan Engitech Works Private Limited	3,84,02,858	14.55	3,84,02,858	14.55	-
Dave Leasing And Holdings Private Limited	74,40,800	2.82	74,40,800	2.82	-
Sahajanand Soaps And Chemicals Pvt Ltd	66,10,000	2.50	66,10,000	2.50	-
Muse Advertising And Media Private Limited	53,39,500	2.02	53,39,500	2.02	-
Vakratund Plaza Private Limited	53,08,500	2.01	53,08,500	2.01	-
Dhankalash Tradecomm Private Limited	40,00,000	1.52	40,00,000	1.52	-
Forceful Vincom Private Limited	40,00,000	1.52	40,00,000	1.52	-
Banshidhar Traders Private Limited	40,00,000	1.52	40,00,000	1.52	-
Inderlok Dealcomm Private Limited	40,00,000	1.52	40,00,000	1.52	-
Swan International Limited	23,40,442	0.89	23,40,442	0.89	-
Promoters	16,91,48,000	64.09	16,91,48,000	64.09	-
Public	9,47,69,000	35.91	9,47,69,000	35.91	-
Total	26,39,17,000	100.00	26,39,17,000	100.00	-

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

Name of the Shareholder	March 31, 2023		March 31, 2022	
	No. of Shares	% holding	No. of Shares	% holding
Dave Impex Private Limited	4,60,30,400	17.44	4,60,30,400	17.44
Swan Engitech Works Private Limited	3,84,02,858	14.55	3,84,02,858	14.55
Swan Realtors Private Limited	4,15,89,000	15.76	4,15,89,000	15.76
2i Capital PCC	2,30,77,000	8.74	2,30,77,000	8.74

Notes to the Consolidated Financial Statement for Year Ended March 31, 2023

20 Other Equity

Particulars	March 31, 2023		March 31, 2022	
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Capital Reserve				
At the beginning of the year	5,811.32		5,811.32	
Add:- Change during the year	82,581.75		-	
At the end of the year		88,393.07		5,811.32
Capital Redemption Reserve		14.25		14.25
Securities Premium Reserve				
At the beginning of the year	99,495.18		67,842.58	
Add:- Change during the year	-		31,652.60	
At the end of the year		99,495.18		99,495.18
General Reserve		372.00		372.00
Quasi Equity in Verasco FZE*				
At the beginning of the year	-		-	
Add:- Change during the year	25,436.75		-	
At the end of the year		25,436.75		-
Foreign Currency Translation Reserve				
At the beginning of the year	-		0.35	
Add:- Change during the year	(0.00)		(0.35)	
At the end of the year		(0.00)		-
Equity Component of Optionally Convertible Debentures				
At the beginning of the year	14,230.82		-	
Add: Issue during the year	-		14,230.82	
At the end of the year		14,230.82		14,230.82
Retained Earnings				
At the beginning of the year	1,969.17		10,944.75	
Add:- Opening balance of new subsidiaries	(35.11)		(4.96)	
Less:- Opening balance of strike-off subsidiaries	-		16.25	
Add: Profit/(Loss) for the year	(3,883.52)		(8,742.61)	
Less: - Dividend on equity shares Paid	(263.92)		(244.26)	
At the end of the year		(2,213.38)		1,969.17
Total		2,25,728.69		1,21,892.74

*Represent SEL portion of amount contributed by Hazel Middle East FZE which is sub-ordinated against Bank facilities availed by the Verasco FZE

Notes to the Consolidated Financial Statement for Year Ended March 31, 2023

21 Borrowings

Particulars	March 31, 2023	March 31, 2022
	₹ in Lakhs	₹ in Lakhs
Secured		
From Banks/NBFC (Term Loan)	3,39,600.08	3,45,012.54
From Banks (Vehicle Loan)	167.20	53.78
From Director	3,630.08	-
Unsecured		
From Other Related Parties	39,567.28	-
Redeemable Optionally-Convertible Debentures	9,824.79	8,931.63
Total	3,92,789.43	3,53,997.95

Term loan from Banks / NBFC in Swan Energy Ltd. includes:

i) Term loan Facility of ₹ 5,875 Lacs from Piramal Capital & Housing Finance Ltd. (March 31, 2022 - ₹ 3,000 Lacs from JM Financial) : Secured by mortgage of Investment Property and by pledge of Equity Shares of Swan Energy Limited held by the promoters/group company(s).

Term loan from Banks / NBFC in Cardinal Energy

i) HDFC LTD Loan: ₹ 6,134.69 Lakhs (as at March 31, 2022: ₹ 6,855.07 Lakhs) is secured by Gachibowli property at Hyderabad.

ii) Indian Bank Loan: ₹ 8,235.32 Lakhs (as at March 31, 2022: ₹ 8,429.70) is secured by Whitefield property at Bengaluru.

iii) Canara Bank Loan: ₹ 1,094.24 Lakhs (as at March 31, 2022: NIL) is secured by mortgage of our share in the "Cardinal One" Project at Bengaluru.

Term loan from Banks / NBFC in Swan LNG Pvt. Ltd. is after net off amortized portion of Term Loan processing fees/Financing charges of ₹ 2,591.37 Lakhs (March 31, 2022 ₹ 2,776.87 Lakhs) as per Ind AS 109 and balance includes:

i) State Bank of India Loan: ₹ 34,583.10 Lakhs (as at March 31, 2022: ₹ 34,577.60 Lakhs)

ii) Punjab National Bank Loan: ₹ 45,960.29 Lakhs (as at March 31, 2022: ₹ 45,963.62 Lakhs)

iii) Union Bank of India Loan: ₹ 37,343.15 Lakhs (as at March 31, 2022: ₹ 37,340.40 Lakhs)

iv) India Infrastructure Finance Company Ltd Loan: ₹ 28,726.00 Lakhs (as at March 31, 2022: ₹ 28,726.00 Lakhs)

v) Syndicate Bank Loan: ₹ 14,142.28 Lakhs (as at March 31, 2022: ₹ 14,141.55 Lakhs)

vi) Indian Bank Loan: ₹ 11,489.38 Lakhs (as at March 31, 2022: ₹ 11,489.09 Lakhs)

vii) Canara Bank Loan: ₹ 8,837.78 Lakhs (as at March 31, 2022: ₹ 8,837.53 Lakhs)

Securities and Terms of Repayment for Secured Borrowings in Swan LNG Pvt. Ltd. :

Rupee Term Loans: The Company has been sanctioned Rupee Term Loan by SBI lead consortium Banks. These Term loans are secured by

i) first ranking mortgage over the immovable properties (both present and future), except the project land given under lease.

ii) first ranking mortgage over the leasehold rights on the project land given under lease.

iii) First charge over the plant and machinery and other moveable assets (both present and future),

iv) first ranking security interest over all intangible assets, and current assets (both present and future)

v) Pledge of 100% Equity and Preference shares of the Company held by the Holding Company.

vi) first ranking mortgage over the specifically identified immovable properties owned by the Group company called Cardinal Energy and Infrastructure Pvt. Ltd. and Pegasus Ventures Pvt. Ltd.

The Loan is repayable in sixty-one quarterly instalments and first instalment shall become due and payable in the 4th quarter of FY 2023-2024 along with accrued interest for the period.

Notes to the Consolidated Financial Statement for Year Ended March 31, 2023

Term loan from Banks / NBFC in Triumph Offshore Pvt. Ltd. is after net off amortized portion of Term Loan processing fees/Financing charges of ₹ 2,905.98 Lakhs (as at March 31, 2022: ₹ 2,939.46 Lakhs) as per Ind AS 109 and balance includes:

- i) State Bank of India Loan: ₹ 58,945.94 Lakhs (as at March 31, 2022: ₹ 62,928.00 Lakhs)
- ii) Indian Bank Loan: ₹ 27,569.98 Lakhs (as at March 31, 2022: ₹ 29,432.20 Lakhs)
- iii) Union Bank of India Loan: ₹ 22,673.16 Lakhs (as at March 31, 2022: ₹ 24,202.61 Lakhs)
- iv) Punjab National Bank Loan: ₹ 19,883.19 Lakhs (as at March 31, 2022: ₹ 20,283.57 Lakhs)
- v) Canara Bank (erstwhile Syndicate Bank that got merged in Canara Bank) Loan: ₹ 13,603.93 Lakhs (as at March 31, 2022: ₹ 14,521.93 Lakhs)

b) Securities and Terms of Repayment for Secured Borrowings in Triumph Offshore Pvt. Ltd. :

Rupee Term Loans (RTL) : The Company has been sanctioned Rupee Term Loan by SBI lead consortium Banks. These Term loans are secured by

- i) First ranking mortgage/ charge over the Vessel including all the relevant equipment, being legally part of the FSRU;
- ii) First ranking mortgage over the immovable properties (both present and future) of the Company.
- iii) First ranking Security interest over the movable assets of the Company, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles, and all other movable assets both present and future.
- iv) First ranking Security interest or assignment by way of security of all the rights, title, interest, benefits, claims and demands whatsoever of the Company in the project documents or under insurance contracts / policies, procured in relation to the FSRU.
- v) First ranking Security Interest over the present and future current assets and all intangible assets of the Company.
- vi) Pledge of 100% Equity and Preference shares of the Company held by the Holding Company & IIFCO.
- vii) A Corporate Guarantee from Swan Energy Ltd.

The Loan is repayable in sixty-one quarterly instalments and first instalment shall become due and payable in the 3rd quarter of FY 2023-2024 along with accrued interest for the period.

Vehicle loan: Secured by hypothecation of Vehicle.

22 Trade Payables

Particulars	March 31, 2023	March 31, 2022
	₹ in Lakhs	₹ in Lakhs
Due to Micro, Small and Medium Enterprises	-	-
Others	22,611.76	-
Total	22,611.76	-

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

Ageing Schedule of Trade Payables is as below:-

(₹ in Lakhs)

Particulars	Outstanding for following periods					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2023						
(i) MSME	-	-	-	-	-	-
(ii) Others	-	-	10,055.99	194.58	12,361.19	22,611.76
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
(v) Unbilled Dues	-	-	-	-	-	-
Total	-	-	10,055.99	194.58	12,361.19	22,611.76

Notes to the Consolidated Financial Statement for Year Ended March 31, 2023

23 Other Financial Liabilities

Particulars	March 31, 2023	March 31, 2022
	₹ in Lakhs	₹ in Lakhs
Rental Deposits	1,956.98	2,312.03
Long term maturities of finance lease obligations [Refer Note 3 (ii)]	5,202.75	69.52
Total	7,159.73	2,381.55

24 Provisions

Particulars	March 31, 2023	March 31, 2022
	₹ in Lakhs	₹ in Lakhs
Provision for Gratuity & Leave Encashment	281.39	148.58
Total	281.39	148.58

25 Borrowings

Particulars	March 31, 2023	March 31, 2022
	₹ in Lakhs	₹ in Lakhs
Secured		
From Banks	8,258.00	4,984.33
Unsecured		
Loan from Other Related Parties	8,390.87	6,245.63
Loan from Other Parties	67,045.89	44,283.73
Total	83,694.76	55,513.69

Borrowings from Banks in Swan Energy Limited is towards Working Capital as per below details:

i) Union Bank of India ₹ 3,381.34 Lakhs (as at March 31, 2022: ₹ 2,982.65 Lakhs).

ii) Punjab National Bank ₹ 1,187.45 Lakhs (as at March 31, 2022: ₹ 1,130.85 Lakhs).

iii) Bank of Baroda ₹ 546.35 Lakhs (as at March 31, 2022: ₹ 506.95 Lakhs).

iv) The Mehsana urban Co-op Bank Ltd ₹ 425.25 Lakhs (as at March 31, 2022: ₹ 363.88 Lakhs).

All the above loans are secured by pari passu mortgage of building, plant/machinery & factory land at Ahmedabad.

Also, secured against pari passu charge on hypothecation of Inventories and Book debts of the textile division, by mortgage of the property in Sewree, Mumbai held by one of our group company and by pledge of Equity Shares of Swan Energy Limited held by the promoters/group company(s).

Term loan from Banks / NBFC in Triumph Offshore Pvt. Ltd. is as per below details:

i) State Bank of India Loan: ₹ 1,077.62 Lakhs (as at March 31, 2022: NIL)

ii) Indian Bank Loan: ₹ 538.42 Lakhs (as at March 31, 2022: NIL)

iii) Union Bank of India Loan: ₹ 453.56 Lakhs (as at March 31, 2022: NIL)

iv) Punjab National Bank Loan: ₹ 375.99 Lakhs (as at March 31, 2022: NIL)

v) Canara Bank (erstwhile Syndicate Bank that got merged in Canara Bank) Loan: ₹ 272.02 Lakhs (as at March 31, 2022: NIL)

Securities and Terms of Repayment for above Secured Borrowings in Triumph Offshore Pvt. Ltd. is as per Note No. 21

Notes to the Consolidated Financial Statement for Year Ended March 31, 2023

26 Trade Payables

Particulars	March 31, 2023	March 31, 2022
	₹ in Lakhs	₹ in Lakhs
Due to Micro, Small and Medium Enterprises	-	-
Others	96,236.66	20,690.81
Total	96,236.66	20,690.81

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

Ageing Schedule of Trade Payables is as below:-

Particulars	Outstanding for following periods					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2023						
(i) MSME	-	-	-	-	-	-
(ii) Others	-	93,689.04	2,382.80	72.13	92.69	96,236.66
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
(v) Unbilled Dues	-	-	-	-	-	-
Total	-	93,689.04	2,382.80	72.13	92.69	96,236.66
As at March 31, 2022						
(i) MSME	-	-	-	-	-	-
(ii) Others	16,786.69	3,615.36	169.85	12.40	106.51	20,690.81
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
(v) Unbilled Dues	-	-	-	-	-	-
Total	16,786.69	3,615.36	169.85	12.40	106.51	20,690.81

Swan Energy Limited

Notes to the Consolidated Financial Statement for Year Ended March 31, 2023

27 Other Financial Liabilities

Particulars	March 31, 2023	March 31, 2022
	₹ in Lakhs	₹ in Lakhs
Current Maturities of Non-Current Borrowings		
From Banks/NBFC (Term Loan)	21,404.42	2,102.65
From Banks (Vehicle Loan)	44.75	20.78
Current maturities of finance lease obligations [Refer note 3(ii)]	564.28	37.74
Capital Creditor	11,392.07	29,114.94
Capital Retention money	3,357.24	3,121.21
Other Payables	250.25	-
Provision for Expenses	116.27	206.67
Total	37,129.28	34,603.99

Term loan from Banks / NBFC in Swan Energy Ltd. includes:

i) Term loan Facility of ₹ 864.95 Lacs from Piramal Capital & Housing Finance Ltd. (March 31, 2022 - ₹ 1,250 Lacs from JM Financial) : Secured by mortgage of Investment Property .

Current maturities of Non-Current Borrowings in Cardinal Energy & Infrastructure Pvt. Ltd. includes:

i) HDFC LTD Loan: ₹ 721.27 Lakhs (as at March 31, 2022: ₹ 674.92 Lakhs) is secured by Gachibowli property at Hyderabad.

ii) Indian Bank Loan: ₹ 259.67 Lakhs (as at March 31, 2022: ₹ 177.73 Lakhs) is secured by Whitefield property at Bengaluru.

Current maturities of Non-Current Borrowings in Veritas (India) Limited Ltd. includes:

i) National Bank of Fujairah Loan: ₹ 6,511.82 Lakhs

ii) State Bank of India (DIFC) Loan: ₹ 4,102.78 Lakhs

iii) Union Bank of India (DIFC) Loan: ₹ 3,075.03 Lakhs

iv) United Arab Bank Loan: ₹ 2,236.38 Lakhs

v) Ajman Bank Loan: ₹ 2,234.78 Lakhs

vi) National Bank of Oman Loan: ₹ 1,397.74 Lakhs

All the above Loans in Veritas (India) Limited are secured by:-

- Charge on the Building, Plant and Machinery and Movable assets located at Plot – 1A-08, Hamriyah Free Zone, Sharjah, UAE.
- Corporate Guarantee of
 1. Veritas India Limited to the extent of USD 50.00 Million
 2. Hazel Middle East FZE
 3. Veritas International FZE
- Personal guarantee of Mr. Nitin Kumar Didwania
- Subordination of Shareholder loan and current account balances
- Pledge over Revenue collection and DSRA account
- Assignment of Insurance covering the assets and the revenue

Vehicle loan: Secured by hypothecation of Vehicle.

Notes to the Consolidated Financial Statement for Year Ended March 31, 2023

28 Other Current Liabilities

Particulars	March 31, 2023	March 31, 2022
	₹ in Lakhs	₹ in Lakhs
Income Received in Advance	912.78	591.44
Advance from Customers	710.75	25.22
Statutory Dues Payable	1,419.95	1,458.10
Retention Money	159.47	402.63
Unpaid Dividend	29.56	6.23
Provision for Expense	177.73	-
Creditors for Expenditure	5,556.70	0.06
Total	8,966.94	2,483.68

29 Provisions

Particulars	March 31, 2023	March 31, 2022
	₹ in Lakhs	₹ in Lakhs
Provision for Tax (Net of Advance Tax)	11.07	-
Provision for Gratuity & Leave Encashment	89.98	69.04
Total	101.05	69.04

Notes to the Consolidated Financial Statement for Year Ended March 31, 2023

30 Revenue from Operations

Particulars	Apr'22-Mar'23	Apr'21-Mar'22
	₹ in Lakhs	₹ in Lakhs
Sale of Products		
-Textile Goods	24,485.21	17,058.71
Other Operating Revenues		
-Construction & Other Services	248.93	1,679.61
-Trading of goods	95,795.96	20,564.04
-Rental Income from Investment Property	3,398.85	3,327.94
-Construction (Work Contract Service)	-	1,453.57
-Revenue from Services	19,885.42	4,636.09
Total	1,43,814.37	48,719.96

31 Other Income

Particulars	Apr'22-Mar'23	Apr'21-Mar'22
	₹ in Lakhs	₹ in Lakhs
Interest Income	764.46	623.02
Dividend Income	6.06	5.40
Net Exchange Gain	54.80	29.02
Profit on sale of Investments	118.53	21.04
Miscellaneous Income	132.93	10.67
Total	1,076.78	689.15

32 Cost of Materials consumed

Particulars	Apr'22-Mar'23	Apr'21-Mar'22
	₹ in Lakhs	₹ in Lakhs
Material used in Construction Activities	755.45	962.85
Cost of traded goods Sold	89,107.88	20,331.72
Textile		
Greige	16,344.57	9,690.01
Stores & Spares	233.27	182.12
Dyes, Chemicals and others	3,999.09	3,495.48
Total for Textiles	20,576.93	13,367.61
Total	1,10,440.26	34,662.18

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

Particulars	Apr'22-Mar'23	Apr'21-Mar'22
	₹ in Lakhs	₹ in Lakhs
Finished Goods		
Opening Stock	7,460.89	2,972.08
Closing Stock	8,189.71	3,038.83
Changes in Inventory of Finished Goods	(728.82)	(66.75)
Work in Progress		
Opening Stock	11,234.58	9,162.27
Closing Stock	14,189.33	11,234.58
Changes in Inventory Work in Progress	(2,954.75)	(2,072.31)
Total	(3,683.57)	(2,139.06)

Notes to the Consolidated Financial Statement for Year Ended March 31, 2023

34 Employee benefit expenses

Particulars	Apr'22-Mar'23	Apr'21-Mar'22
	₹ in Lakhs	₹ in Lakhs
Salaries Wages and Bonus	3,108.10	2,457.69
Contribution to Provident Fund and Other Funds	18.59	25.82
Gratuity	27.06	23.69
Staff Welfare Expenses	8.24	7.59
Total	3,161.99	2,514.79

35 Finance Costs

Particulars	Apr'22-Mar'23	Apr'21-Mar'22
	₹ in Lakhs	₹ in Lakhs
Interest expense	20,873.64	18,496.47
Interest on Pref Share(Exp - IND AS)	893.16	2.44
Other Borrowing cost	513.10	416.03
Total	22,279.90	18,914.94

36 Other Expenses

Particulars	Apr'22-Mar'23	Apr'21-Mar'22
	₹ in Lakhs	₹ in Lakhs
Advertisement Expenses	6.70	5.18
Audit Fees	51.84	7.22
Architect Fees	0.30	11.37
Brokerage & Commision	273.41	143.87
Business Development Expenses	46.10	105.24
Communication cost	28.57	17.42
Donation/CSR	19.67	40.89
Freight Charges	285.75	91.39
Insurance	550.82	458.49
Labour Charges	620.58	584.15
Legal & Professional fees	702.01	424.52
Listing and related expenses	11.07	23.37
Loss on sale of Fixed Assets	1.31	18.01
Lubricants Consumed	3,013.18	800.50
Membership & Subscription	19.31	13.72
Net Loss on Investment carried at FVTPL	10.49	-
Other Development Expenses	855.01	1,081.49
Printing & Stationery	20.11	13.24
Power & Fuel	568.17	564.51
Rates & Taxes	208.25	165.08
Rent	36.22	76.69
Repair & Maintainence - Building	4.16	6.92
Repair & Maintainence - Machinery	114.93	697.82
Repair & Maintainence - Others	1,987.75	60.52
Security Charges	47.10	50.32
Ship Management Fees	364.87	369.25
Stores, Spares & Consumables	155.63	173.82
Vehicle Expenses	37.89	22.08
Miscellaneous Expenses	740.92	825.40
Total	10,782.12	6,852.48

Notes to the Consolidated Financial Statement for Year Ended March 31, 2023

37 Tax Expenses

A

(₹ in Lakhs)

Particulars	Apr'22-Mar'23	Apr'21-Mar'22
The major components of income tax expense for the year are as under:		
(i) Income tax recognised in the Consolidated Statement of Profit and Loss		
Current tax:		
Current Tax Charges	599.54	441.04
Deferred tax:		
In respect of current year	(718.96)	(3,074.62)
Income tax expense recognised in the Consolidated Statement of Profit and Loss	(119.41)	(2,633.58)
(ii) Income tax expense recognised in OCI		
Deferred tax expense on remeasurements of defined benefit plans	-	-
Income tax expense recognised in OCI	-	-

B Reconciliation of tax expense and the accounting profit for the year is as under:

(₹ in Lakhs)

Particulars	Apr'22-Mar'23	Apr'21-Mar'22
Profit/(Loss) before tax	(6,767.25)	(18,411.55)
Tax using company's domestic Tax Rate	92.36	212.71
Tax effect Due to lower tax rate	(13.19)	(3.51)
Tax effect due to Expenses Disallowed under income tax	228.98	214.68
Tax effect due to Ind AS Interest Expense	1.31	3.23
Effect due to Income not considered in P&L A/c but offered for tax	409.86	200.18
Tax effect due to claim of Depreciation	(203.65)	(243.78)
Tax effect due to Ind AS Interest Income	(1.33)	(3.11)
Others Adjustment	82.34	60.64
Tax credit C/F and set off u/s 115JAA	2.87	-
Total	599.54	441.04
Tax expense as per Consolidated Statement of Profit and Loss	599.54	441.04
Note:		
For reconciliation purpose, the Company has considered the following tax rate;		
Corporate tax rate	27.82%	33.38%
Short term capital gain tax	16.69%	16.69%

C The major components of deferred tax (liabilities) / assets arising on account of timing differences are as follows:

(₹ in Lakhs)

Particulars	Balance Sheet	Statement of Profit & Loss	OCI	Opening Bal of Subsidiary acquired during the year	Balance Sheet
	March 31, 2022	Apr'22-Mar'23	Apr'22-Mar'23	Apr'22-Mar'23	March 31, 2023
Difference between written down value/capital work in progress of Property, Plant and Equipment as per the books of accounts and Income Tax Act, 1961.	(545.20)	-31.51	-	21.16	(534.85)
Remeasurement benefit of defined benefit plans through P&L	38.64	3.75	-		34.89
On Provision for Doubtful Debts	-	-0.05	-	(64.74)	64.79
Unabsorbed business loss	4,263.35	-691.95	-		4,955.30
Lease Rentals	3.99	0.80	-		3.19
Deferred tax expense/(income) Net Deferred tax asset/(liabilities)	3,760.78	(718.96)	-	(43.58)	4,523.32

(₹ in Lakhs)

Particulars	Balance Sheet	Statement of Profit & Loss	OCI	Balance Sheet
	March 31, 2021	Apr'21-Mar'22	Apr'21-Mar'22	March 31, 2022
Difference between written down value/capital work in progress of Property, Plant and Equipment as per the books of accounts and Income Tax Act, 1961.	(507.88)	37.32	-	(545.20)
Remeasurement benefit of defined benefit plans through P&L	44.61	5.97	-	38.64
On Provision for Doubtful Debts	-	-	-	-
Unabsorbed business loss	1,145.95	(3,117.40)	-	4,263.35
Lease Rentals	3.48	(0.51)	-	3.99
Deferred tax expense/(income) Net Deferred tax asset/(liabilities)	686.16	(3,074.62)	-	3,760.78

Notes to the Consolidated Financial Statement for Year Ended March 31, 2023

38 Financial Instruments - Fair Values and Risk Management

Accounting classification and fair values

A Carrying Value as on reporting date & Fair Value hierarchy:

The following table shows carrying amount and fair values of financial assets and financial liabilities, including their levels in fair value hierarchy. It does not include fair value information of financial assets and liabilities not measured at fair value if the carrying amount is reasonable approximation of fair value.

Particulars	March 31, 2023				(₹ in Lakhs)			
	FVTPL	FVTOCI	Amortised Cost	Total	Fair Value hierarchy			
					Level 1	Level 2	Level 3	Total
Financial Assets								
(i) Current Investments	1,736.93	-	-	1,736.93	-	1,736.93	-	1,736.93
(ii) Trade Receivables	-	-	1,78,559.83	1,78,559.83	-	-	-	1,78,559.83
(iii) Cash and Cash Equivalents	-	-	14,508.50	14,508.50	-	-	1,78,559.83	1,78,559.83
(iv) Bank Balances Other Than (iii) above	-	-	5,659.20	5,659.20	-	-	14,508.50	14,508.50
(v) Loans	-	-	13,215.17	13,215.17	-	-	5,659.20	5,659.20
(vi) Other Financial Assets	-	-	81.06	81.06	-	-	13,215.17	13,215.17
Total	1,736.93	-	2,12,023.76	2,13,760.69	-	1,736.93	2,12,023.76	2,13,760.69
Financial Liabilities								
(i) Borrowings	-	-	83,694.76	83,694.76	-	-	83,694.76	83,694.76
(ii) Trade Payables	-	-	96,236.66	96,236.66	-	-	96,236.66	96,236.66
(iii) Other Financial Liabilities	-	-	37,129.28	37,129.28	-	-	37,129.28	37,129.28
Total	-	-	2,17,060.70	2,17,060.70	-	-	2,17,060.70	2,17,060.70

Particulars	March 31, 2022				(₹ in Lakhs)			
	FVTPL	FVTOCI	Amortised Cost	Total	Fair Value hierarchy			
					Level 1	Level 2	Level 3	Total
Financial Assets								
(i) Current Investments	79.29	-	-	79.29	-	79.29	-	79.29
(ii) Trade Receivables	-	-	21,375.94	21,375.94	-	-	-	21,375.94
(iii) Cash and Cash Equivalents	-	-	90,680.37	90,680.37	-	-	21,375.94	21,375.94
(iv) Bank Balances Other Than (iii) above	-	-	4,726.01	4,726.01	-	-	90,680.37	90,680.37
(v) Loans	-	-	8,602.79	8,602.79	-	-	4,726.01	4,726.01
(vi) Other Financial Assets	-	-	508.84	508.84	-	-	8,602.79	8,602.79
Total	79.29	-	1,25,893.95	1,25,973.24	-	79.29	1,25,893.95	1,25,973.24
Financial Liabilities								
(i) Borrowings	-	-	55,513.69	55,513.69	-	-	55,513.69	55,513.69
(ii) Trade Payables	-	-	20,690.81	20,690.81	-	-	20,690.81	20,690.81
(iii) Other Financial Liabilities	-	-	34,603.99	34,603.99	-	-	34,603.99	34,603.99
Total	-	-	1,10,808.49	1,10,808.49	-	-	1,10,808.49	1,10,808.49

With respect to disclosure of fair value of financial instruments such as cash and cash equivalents, other bank balances, trade receivables and other receivables, other current and non current financial assets, borrowings and other current financial liabilities at March 31, 2023 and March 31, 2022 are similar to carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short term nature.

Notes to the Consolidated Financial Statement for Year Ended March 31, 2023

Financial Instruments - Fair Values and Risk Management (continued....)

B Financial Risk Management

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

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

The source of risk are as follows -

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

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

a Credit Risk

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

The Company's maximum exposure to credit risk as at March 31, 2022 is the carrying value of each class of financial assets.

i Trade and other receivables

Credit risk on trade receivables is limited based on past experience and management's estimate.

Ageing of trade and other receivables that were not impaired is as follows.

Particulars	Carrying Amount	
	March 31, 2023	March 31, 2022
Neither Past due nor impaired	1,63,416.09	20,954.65
Past due more than 180 days	15,143.74	421.29

ii Loans

The Loans have been given in the ordinary course of business and the management does not expect any impairment in the Carrying amount of Loans that were not impaired was as follows -

Particulars (Current & Non Current)	Carrying Amount	
	March 31, 2023	March 31, 2022
Loan To Other Related Parties	3,998.34	987.27
Loan to employees	189.76	39.10
Loan to Others	9,027.07	7,576.42

iii Loans (Project Advances)

The Loans have been given in the ordinary course of business and the management does not expect any impairment in the Carrying amount of Loans that were not impaired was as follows -

Particulars	Carrying Amount	
	March 31, 2023	March 31, 2022
Capital Advance (Project)- Other Non Current Assets	8,968.72	9,896.84

iv Cash and Cash Equivalents

The Company held cash and bank balance with credit worthy banks of ₹ 20,167.71 Lakhs at March 31, 2023 (March 31, 2022: ₹ 95,406.38 Lakhs). The credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks where credit risk is largely perceived to be extremely insignificant. Further the Company has an interest accrued but not due on above fixed deposits of ₹ 81.06 Lakhs as at March 31, 2023 (March 31, 2022: ₹ 508.84 Lakhs).

Notes to the Consolidated Financial Statement for Year Ended March 31, 2023

Financial Instruments - Fair Values and Risk Management (continued....)

b Liquidity Risk

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

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

i Exposure to Liquidity Risk

The company has outstanding borrowing through Current and Non-Current borrowings from Banks / NBFCs and third parties.

Carrying amounts are as below

(₹ in Lakhs)

Particulars	March 31, 2023			
	Carrying Amount	Within 1 Year	Between 1-5 years	More than 5 Years
Borrowings - (Non-Current)	3,92,789.43	-	63,934.00	3,28,855.43
Other Financial Liabilities (Non-Current)	7,159.73	-	7,159.73	-
Borrowings* - (Current)	83,694.76	83,694.76	-	-
Trade Payables	96,236.66	96,236.66	-	-
Other Financial Liabilities (Current)	37,129.28	37,129.28	-	-
Total	6,17,009.86	2,17,060.70	71,093.73	3,28,855.43

Carrying amounts are as below

(₹ in Lakhs)

Particulars	March 31, 2022			
	Carrying Amount	Within 1 Year	Between 1-5 years	More than 5 Years
Borrowings - (Non-Current)	3,53,997.95	-	78,272.66	2,75,725.29
Other Financial Liabilities (Non-Current)	2,381.55	-	2,381.55	-
Borrowings* - (Current)	55,513.69	55,513.69	-	-
Trade Payables	20,690.81	20,690.81	-	-
Other Financial Liabilities (Current)	34,603.99	34,603.99	-	-
Total	4,67,188.00	1,10,808.49	80,654.22	2,75,725.29

* The amount shown under 'Borrowings - (Current)' includes advances received from other related parties and other parties. These have been received in the ordinary course of business and are repayable on demand.

c Market Risk

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

Swan Energy Limited

Notes to the Consolidated Financial Statement for Year Ended March 31, 2023

Financial Instruments - Fair Values and Risk Management (continued....)

i Currency Risk

The Company is exposed to currency risk on account of its trade and other payables in foreign currency. The functional currency of the Company is Indian Rupee. Currency risk is not material, as the Company does not have any exposure in foreign currency.

Particulars	Currency	As at March 31, 2023
Financial Assets - Trade Receivables	₹ in Lakhs	1,64,943.77
	US \$ in millions	200.61
Trade Payables	₹ in Lakhs	88,641.15
	US \$ in millions	107.81
Other Financial Liability	₹ in Lakhs	-
	US \$ in millions	-

Particulars	Currency	As at March 31, 2022
Financial Assets - Trade Receivables	₹ in Lakhs	587.14
	US \$ in millions	0.77
Trade Payables	₹ in Lakhs	60.01
	US \$ in millions	0.08
Other Financial Liability	₹ in Lakhs	28.81
	US \$ in millions	0.04

As on March 31, 2023, for conversion of US \$ liabilities into INR the Company has consider an exchange rate USD/INR ₹ 82.22 (PY : March 31 2022 USD/INR ₹ 75.81)

The following table details the Company's sensitivity to a 5% increase and decrease in the functional currency against the relevant foreign currencies of all the currencies in the Company. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit and other equity where the respective functional currency strengthens by 5% against the relevant foreign currency. For a 5% weakening of the functional currency against the relevant currency, there would be an equal and opposite impact on the profit and other equity, and the balances below would be negative.

ii

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
US\$ impact	Impact on profit before tax	
	3,815.13	24.92

iii Price Risk

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

a Fair value sensitivity analysis for fixed rate Instruments

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

b Cash flow sensitivity analysis for variable rate Instruments

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

Notes to the Consolidated Financial Statement for Year Ended March 31, 2023

39 (i) Employee Benefits - Gratuity

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

Particulars	Apr'22-Mar'23	Apr'21-Mar'22
Type of Benefit	Gratuity	Gratuity
Country	India	India
Reporting Currency	INR	INR
Reporting Standard	Indian Accounting Standard 19 (Ind AS 19)	Indian Accounting Standard 19 (Ind AS 19)
Funding Status	Unfunded	Unfunded
Starting Period	01-Apr-22	01-Apr-21
Date of Reporting	31-Mar-23	31-Mar-22
Period of Reporting	12 Months	12 Months
Reference ID	781383	642018

Assumptions (Apr'21-Mar'22)		
Particulars	Apr'22-Mar'23	Apr'21-Mar'22
Expected Return on Plan Assets	N.A.	N.A.
Rate of Discounting	7.15%	6.86%
Rate of Salary Increase	8.33%	8.33%
Rate of Employee Turnover	5.00%	5.00%
Mortality Rate During Employment	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality (2006-08) Ultimate

Assumptions (Apr'22-Mar'23)		
Particulars	Apr'22-Mar'23	Apr'21-Mar'22
Expected Return on Plan Assets	N.A.	N.A.
Rate of Discounting	7.44%	7.15%
Rate of Salary Increase	8.33%	8.33%
Rate of Employee Turnover	5.00%	5.00%
Mortality Rate During Employment	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)

Notes to the Consolidated Financial Statement for Year Ended March 31, 2023

Table Showing Change in the Present Value of Defined Benefit Obligation

Particulars	Apr'22-Mar'23	Apr'21-Mar'22
Present Value of Benefit Obligation at the Beginning of the Period	1,63,23,783	1,56,27,906
Interest Cost	11,67,150	10,58,026
Current Service Cost	15,38,443	13,11,011
Past Service Cost	-	-
Liability Transferred In/ Acquisitions	-	-
(Liability Transferred Out/ Divestments)	-	-
(Gains)/ Losses on Curtailment	-	-
(Liabilities Extinguished on Settlement)	-	-
(Benefit Paid Directly by the Employer)	(3,18,729)	(5,41,035)
(Benefit Paid From the Fund)	-	-
The Effect Of Changes in Foreign Exchange Rates	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	-	(975)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(2,32,342)	(2,24,639)
Actuarial (Gains)/Losses on Obligations - Due to Experience	(9,08,913)	(9,06,511)
Present Value of Benefit Obligation at the End of the Period	1,75,69,392	1,63,23,783

Table Showing Change in the Fair Value of Plan Assets

Particulars	Apr'22-Mar'23	Apr'21-Mar'22
Fair Value of Plan Assets at the Beginning of the Period	-	-
Interest Income	-	-
Contributions by the Employer	-	-
Expected Contributions by the Employees	-	-
Assets Transferred In/Acquisitions	-	-
(Assets Transferred Out/ Divestments)	-	-
(Benefit Paid from the Fund)	-	-
(Assets Distributed on Settlements)	-	-
Effects of Asset Ceiling	-	-
The Effect of Changes In Foreign Exchange Rates	-	-
Return on Plan Assets, Excluding Interest Income	-	-
Fair Value of Plan Assets at the End of the Period	-	-

Notes to the Consolidated Financial Statement for Year Ended March 31, 2023

Amount Recognized in the Balance Sheet

Particulars	Apr'22-Mar'23	Apr'21-Mar'22
(Present Value of Benefit Obligation at the end of the Period)	(1,75,69,392)	(1,63,23,783)
Fair Value of Plan Assets at the end of the Period	-	-
Funded Status (Surplus/ (Deficit))	(1,75,69,392)	(1,63,23,783)
Net (Liability)/Asset Recognized in the Balance Sheet	(1,75,69,392)	(1,63,23,783)

Net Interest Cost for Current Period

Particulars	Apr'22-Mar'23	Apr'21-Mar'22
Present Value of Benefit Obligation at the Beginning of the Period	1,63,23,783	1,56,27,906
(Fair Value of Plan Assets at the Beginning of the Period)	-	-
Net Liability/(Asset) at the Beginning	1,63,23,783	1,56,27,906
Interest Cost	11,67,150	10,58,026
(Interest Income)	-	-
Net Interest Cost for Current Period	11,67,150	10,58,026

Expenses Recognized in the Statement of Profit or Loss for Current Period

Particulars	Apr'22-Mar'23	Apr'21-Mar'22
Current Service Cost	15,38,443	13,11,011
Net Interest Cost	11,67,150	10,58,026
Past Service Cost	-	-
(Expected Contributions by the Employees)	-	-
(Gains)/Losses on Curtailments And Settlements	-	-
Net Effect of Changes in Foreign Exchange Rates	-	-
Expenses Recognized	27,05,593	23,69,037

Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period

Particulars	Apr'22-Mar'23	Apr'21-Mar'22
Actuarial (Gains)/Losses on Obligation For the Period	(11,41,255)	(11,32,125)
Return on Plan Assets, Excluding Interest Income	-	-
Change in Asset Ceiling	-	-
Net (Income)/Expense For the Period Recognized in OCI	(11,41,255)	(11,32,125)

Notes to the Consolidated Financial Statement for Year Ended March 31, 2023

Balance Sheet Reconciliation

Particulars	Apr'22-Mar'23	Apr'21-Mar'22
Opening Net Liability	1,63,23,783	1,56,27,906
Expenses Recognized in Statement of Profit or Loss	27,05,593	23,69,037
Expenses Recognized in OCI	(11,41,255)	(11,32,125)
Net Liability/(Asset) Transfer In	-	-
Net (Liability)/Asset Transfer Out	-	-
(Benefit Paid Directly by the Employer)	(3,18,729)	(5,41,035)
(Employer's Contribution)	-	-
Net Liability/(Asset) Recognized in the Balance Sheet	1,75,69,392	1,63,23,783

Category of Assets

Particulars	Apr'22-Mar'23	Apr'21-Mar'22
Government of India Assets	-	-
State Government Securities	-	-
Special Deposits Scheme	-	-
Debt Instruments	-	-
Corporate Bonds	-	-
Cash And Cash Equivalents	-	-
Insurance fund	-	-
Asset-Backed Securities	-	-
Structured Debt	-	-
Other	-	-
Total	-	-

Other Details

Particulars	Apr'22-Mar'23	Apr'21-Mar'22
No of Members in Service	124	133
Per Month Salary For Members in Service	64,96,922	50,26,252
Weighted Average Duration of the Defined Benefit Obligation	6	6
Average Expected Future Service	10	11
Defined Benefit Obligation (DBO) - Total	1,75,69,392	1,63,23,783
Defined Benefit Obligation (DBO) - Due but Not Paid	11,73,249	-
Expected Contribution in the Next Year	-	-

Notes to the Consolidated Financial Statement for Year Ended March 31, 2023

Net Interest Cost for Next Year

Particulars	Apr'22-Mar'23	Apr'21-Mar'22
Present Value of Benefit Obligation at the End of the Period	1,75,69,392	1,63,23,783
(Fair Value of Plan Assets at the End of the Period)	-	-
Net Liability/(Asset) at the End of the Period	1,75,69,392	1,63,23,783
Interest Cost	12,19,873	11,67,150
(Interest Income)	-	-
Net Interest Cost for Next Year	12,19,873	11,67,150

Expenses Recognized in the Statement of Profit or Loss for Next Year

Particulars	Apr'22-Mar'23	Apr'21-Mar'22
Current Service Cost	17,04,543	15,38,443
Net Interest Cost	12,19,873	11,67,150
(Expected Contributions by the Employees)	-	-
Expenses Recognized	29,24,416	27,05,593

Maturity Analysis of the Benefit Payments

Particulars	Apr'22-Mar'23	Apr'21-Mar'22
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	85,76,846	66,15,382
2nd Following Year	4,70,530	22,93,247
3rd Following Year	21,53,988	4,31,355
4th Following Year	4,05,826	20,15,139
5th Following Year	4,49,510	5,30,766
Sum of Years 6 To 10	34,84,310	26,23,743
Sum of Years 11 and above	1,37,99,044	1,26,68,485

Notes to the Consolidated Financial Statement for Year Ended March 31, 2023

Sensitivity Analysis

Particulars	Apr'22-Mar'23	Apr'21-Mar'22
Defined Benefit Obligation on Current Assumptions	1,75,69,392	1,63,23,783
Delta Effect of +1% Change in Rate of Discounting	(7,28,058)	(7,02,200)
Delta Effect of -1% Change in Rate of Discounting	8,47,010	8,20,266
Delta Effect of +1% Change in Rate of Salary Increase	6,61,052	6,19,341
Delta Effect of -1% Change in Rate of Salary Increase	(6,00,345)	(5,59,448)
Delta Effect of +1% Change in Rate of Employee Turnover	(3,445)	(20,626)
Delta Effect of -1% Change in Rate of Employee Turnover	(9,778)	13,155

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the Defined Benefit Obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the Defined Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the Defined Benefit Obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Notes

Gratuity is payable as per entity's scheme as detailed in the report.

Actuarial gains/losses are recognized in the period of occurrence under Other Comprehensive Income (OCI).

All above reported figures of OCI are gross of taxation.

Salary escalation & attrition rate are considered as advised by the entity; they appear to be in line with the industry practice considering promotion and demand & supply of the employees.

Maturity Analysis of Benefit Payments is undiscounted cashflows considering future salary, attrition & death in respective year for members as mentioned above.

Average Expected Future Service represents Estimated Term of Post - Employment Benefit Obligation.

Weighted Average Duration of the Defined Benefit Obligation is the weighted average of cash flow timing, where weights are derived from the present value of each cash flow to the total present value.

Any benefit payment and contribution to plan assets is considered to occur end of the year to depict liability and fund movement in the disclosures.

Qualitative Disclosures

Para 139 (a) Characteristics of defined benefit plan

The entity has a defined benefit gratuity plan in India (unfunded). The entity's defined benefit gratuity plan is a final salary plan for employees.

Gratuity is paid from entity as and when it becomes due and is paid as per entity scheme for Gratuity.

Para 139 (b) Risks associated with defined benefit plan

Gratuity is a defined benefit plan and entity is exposed to the Following Risks:

Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. entity has to manage pay-out based on pay as you go basis from own funds.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Para 139 (c) Characteristics of defined benefit plans

During the year, there were no plan amendments, curtailments and settlements.

Para 147 (a)

Gratuity plan is unfunded.

Swan Energy Limited

Notes to the Consolidated Financial Statement for Year Ended March 31, 2023

39 (ii) Employee Benefits - Gratuity for Swan LNG Private Limited

The Company has a defined benefit gratuity plan and is governed by the Payment of Gratuity Act, 1972. Under the Act, every employee who has completed at least five year of service is entitled to gratuity benefits on departure at 15 days salary (last drawn salary) for each completed year of service. The company's Gratuity plan is unfunded. The following tables summarise the component of the net benefits expense recognised in the statement of profit and loss account and the Net Liability/(Asset) Recognized in the Balance Sheet.

Gratuity Disclosure Statement as Per (Ind AS 19)

The principle assumptions as used in determining gratuity obligation is as follows:

Assumptions	March 31, 2023	March 31, 2022
Expected Return on Plan Assets	N.A.	N.A.
Rate of Discounting	7.45%	7.10%
Rate of Salary Increase	8.33%	8.33%
Rate of Employee Turnover	5.00%	5.00%
Mortality Rate During Employment	100% of IALM 2012-14	100% of IALM 2012-14
Mortality Rate After Employment	N.A.	N.A.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been significant change in expected rate of return on assets due to change in the market scenario.

Since the company has yet to commence its commercial operation, all Gratuity Exp amounting to Rs .90 Lakh recognized in the statement of profit and loss and in other comprehensive income for the year ended 31st March 2023 have been transferred to CWIP as preliminary and preoperative expenses.

Swan Energy Limited

Notes to the Consolidated Financial Statement for Year Ended March 31, 2023

		₹ in lakh	
II	Changes in Present Value of the defined benefit obligation are as follows	March 31, 2023	March 31, 2022
	Present Value of Benefit Obligation at the Beginning of the Period	39.93	27.13
	Interest Cost	2.83	1.80
	Current Service Cost	10.21	10.87
	Past Service Cost	-	-
	Liability Transferred In/ Acquisitions	-	-
	(Liability Transferred Out/ Divestments)	-	-
	(Gains)/ Losses on Curtailment	-	-
	(Liabilities Extinguished on Settlement)	-	-
	(Benefit Paid Directly by the Employer)	-	-
	(Benefit Paid From the Fund)	-	-
	The Effect Of Changes in Foreign Exchange Rates	-	-
	Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	-	-
	Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(1.50)	-
	Actuarial (Gains)/Losses on Obligations - Due to Experience	(10.64)	0.12
	Present Value of Benefit Obligation at the End of the Period	40.83	39.93

₹ in lakh

III	Changes in the Fair Value of Plan Assets are as follows	March 31, 2023	March 31, 2022
	Fair Value of Plan Assets at the Beginning of the year	-	-
	Interest Income	-	-
	Contributions by the Employer	-	-
	Expected Contributions by the Employees	-	-
	Assets Transferred In/Acquisitions	-	-
	(Assets Transferred Out/ Divestments)	-	-
	(Benefit Paid from the Fund)	-	-
	(Assets Distributed on Settlements)	-	-
	Effects of Asset Ceiling	-	-
	The Effect of Changes In Foreign Exchange Rates	-	-
	Return on Plan Assets, Excluding Interest Income	-	-
	Fair Value of Plan Assets at the End of the year	-	-

₹ in lakh			
IV	Net Assets/Liability recognised in the balance sheet	March 31, 2023	March 31, 2022
	Present Value of Benefit Obligation at the end of the Period	40.83	39.93
	Fair Value of Plan Assets at the end of the Period	-	-
	Funded Status (Surplus/ (Deficit))	(40.83)	(39.93)
	Net (Liability)/Asset Recognized in the Balance Sheet	(40.83)	(39.93)

Swan Energy Limited

Notes to the Consolidated Financial Statement for Year Ended March 31, 2023

		₹ in lakh	
V	Net Interest Cost	March 31, 2023	March 31, 2022
	Present Value of Benefit Obligation at the Beginning of the Period	39.93	27.13
	(Fair Value of Plan Assets at the Beginning of the Period)	-	-
	Net Liability/(Asset) at the Beginning	39.93	27.13
	Interest Cost	2.83	1.80
	(Interest Income)	-	-
	Net Interest Cost for Current Period	2.83	1.80
VI	Expenses Recognized in the Statement of Profit or Loss for the year	March 31, 2023	March 31, 2022
	Current Service Cost	10.21	10.87
	Net Interest Cost	2.83	1.80
	Expenses Recognized	13.04	12.68
VII	Recognized in the Other Comprehensive Income (OCI) for the year	March 31, 2023	March 31, 2022
	Actuarial (Gains)/Losses on Obligation For the Period	(12.14)	0.12
	Return on Plan Assets, Excluding Interest Income	-	-
	Change in Asset Ceiling	-	-
	Net (Income)/Expense For the Period Recognized in OCI	(12.14)	0.12
VIII	Balance Sheet Reconciliation	March 31, 2023	March 31, 2022
	Opening Net Liability	39.93	27.13
	Net Expenses Recognized during the year in CWIP	13.04	12.68
	Expenses Recognized in OCI	(12.14)	0.12
	Net Liability/(Asset) Transfer In	-	-
	Net (Liability)/Asset Transfer Out	-	-
	(Benefit Paid Directly by the Employer)	-	-
	(Employer's Contribution)	-	-
	Net Liability/(Asset) Recognized in the Balance Sheet	40.83	39.93

Swan Energy Limited

Notes to the Consolidated Financial Statement for Year Ended March 31, 2023

		₹ in lakh	
IX	Other Details	March 31, 2023	March 31, 2022
	No of Active Members	41	46
	Per Month Salary For Active Members	20.02	26.44
	Average Past Service (Years)	1.85	1.22
	Average Age (Years)	36.05	37.98
	Average Remaining Working Life	22.00	20.26
	Number of Completed Years Valued	76	56
	Decrement adjusted remaning working life(years)	12.15	11.35

X The Expected cash flows of defined benefit obligation over the future period

		₹ in lakh	
	Particular	March 31, 2023	March 31, 2022
	1st Following Year	1.78	1.70
	2nd Following Year	1.90	1.81
	3rd Following Year	2.03	1.93
	4th Following Year	2.39	2.11
	5th Following Year	2.50	2.32
	Sum of Years 6 To 10	30.78	13.05
	Sum of Years 11 and above	58.05	74.63

XI Quantitative sensitivity analysis for significant assumption is as below

		₹ in lakh	
	Particulars	March 31, 2023	March 31, 2022
	Projected Benefit Obligation on Current Assumptions	40.83	39.93
	Delta Effect of +1% Change in Rate of Discounting	(3.86)	(4.01)
	Delta Effect of -1% Change in Rate of Discounting	4.46	4.66
	Delta Effect of +1% Change in Rate of Salary Increase	4.38	4.56
	Delta Effect of -1% Change in Rate of Salary Increase	(3.87)	(4.00)
	Delta Effect of +50% Change in Rate of Employee Turnover	(0.90)	(1.15)
	Delta Effect of -50% Change in Rate of Employee Turnover	1.05	1.40
	Delta Effect of +10% Change in Rate of Mortality Rate	(0.00)	(0.01)
	Delta Effect of -10% Change in Rate of Mortality Rate	0.00	0.01
The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.			
Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.			

Swan Energy Limited

Notes to the Consolidated Financial Statement for Year Ended March 31, 2023

39 (iii) Employee Benefits - Leave Earned Plan for Swan LNG Private Limited

The Company has a defined benefit Leave Earned plan under which the encashment benefit will be regulated on the basis of the last pay drawn which should be the monthly basic pay of the employee at the time of applying for the leave encashment. A month will generally be a calendar month of 30 days. The company's Leave Earned plan is unfunded. The following tables summarise the component of the net benefits expense recognised in the statement of profit and loss account and the Net Liability/(Asset) Recognized in the Balance Sheet.

Earned Leave Plan Statement as Per (Ind AS 19)

The principle assumptions as used in determining gratuity obligation is as follows:

Assumptions	March 31, 2023	March 31, 2022
Expected Return on Plan Assets	N.A.	N.A.
Rate of Discounting	7.45%	7.10%
Rate of Salary Increase	8.33%	8.33%
Rate of Employee Turnover	5.00%	5.00%
Rate of Leave Availment (per annum)	0.00%	0.00%
Mortality Rate	100% of IALM 2012-14	100% of IALM 2012-14

The salary growth rate indicated above is the Company's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.

Since the company has yet to commence its commercial operation, all Leave Encashment Expense amounting to Rs 0.82 Lakh recognized in the statement of profit and loss and in other comprehensive income for the year ended 31st March 2023 have been transferred to CWIP as preliminary and preoperative expenses.

Expense Recognised in Income Statement	March 31, 2023	March 31, 2022
Present value of obligation as at the beginning	14.45	-
Present value of obligation as at the End	15.27	14.45
Benefit Payment	-	-
Actual return on plan assets	-	-
Transfer In / (Out)	-	-
Expenses Recognized in Income Statement	0.82	14.45

Net Assets/Liability recognised in the Balance Sheet	March 31, 2023	March 31, 2022
Present Value of Benefit Obligation at the end of the Period	15.27	14.45
Fair Value of Plan Assets at the end of the Period	-	-
Funded Status (Surplus/ (Deficit))	(15.27)	(14.45)
Net (Liability)/Asset Recognized in the Balance Sheet	(15.27)	14.45

Swan Energy Limited

Notes to the Consolidated Financial Statement for Year Ended March 31, 2023

IV	Other Details	March 31, 2023	March 31, 2022
	No of Active Members	41	46
	Per Month Salary For Active Members	20.02	26.44
	Average Past Service (Years)	1.85	1.22
	Average Age (Years)	36.05	37.98
	Average Remaining Working Life	22.00	20.26
	Total number of Outstanding Leaves valued	645	398
	Decrement adjusted remaning working life(years)	12.15	11.35

V Expected cash flows over the next (valued on undiscounted basis):

	Particular	March 31, 2023	March 31, 2022
		₹ in lakh	
1 Year		1.01	1.19
2 to 5 Year		3.81	3.14
6 to 10 Year		8.24	4.59
More than 10 Year		26.57	26.35

VI Quantitative sensitivity analysis for significant assumption is as below

Particulars	March 31, 2023	March 31, 2022
	₹ in lakh	
Projected Benefit Obligation on Current Assumptions	15.27	14.45
Delta Effect of +1% Change in Rate of Discounting	(1.49)	(1.42)
Delta Effect of -1% Change in Rate of Discounting	1.74	1.65
Delta Effect of +1% Change in Rate of Salary Increase	1.71	1.62
Delta Effect of -1% Change in Rate of Salary Increase	(1.49)	(1.41)
Delta Effect of +50% Change in Rate of Employee Turnover	(0.19)	(0.26)
Delta Effect of -50% Change in Rate of Employee Turnover	0.26	0.35
Delta Effect of +10% Change in Rate of Mortality Rate	(0.00)	(0.00)
Delta Effect of -10% Change in Rate of Mortality Rate	0.00	0.00
Please note that the sensitivity analysis presented above may not be representative of the actual change in the present value of obliagtaion as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.		
The assumptions used in this Report, other than the rates of mortality, are the expectations of the Company for future years. The Company acknowledges that it has been advised to consider the relevant factors (including historical trends, which may or may not be suitable for future projections or may be suitable only after certain adjustments / modifications) in determination of assumptions.		

39 (iv) Employee Benefits - Gratuity for Veritas (India) Limited

The Gratuity Plan is governed by the Payment of Gratuity Act, 1972. Under the Act, an Employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the Member's length of service at separation date. The following table set out the funded status of the gratuity plans and the amount recognised in the company's financial statements as at March 31, 2023 and March 31, 2022.

(Rs. In Lakhs)

I	Change in Benefit Obligation		
	Particulars	As at 31st March 2023	As at 31st March 2022
	Present Value of Defined Benefit Obligation at beginning of the year	31.69	21.29
	Current Service Cost	6.81	3.18
	Interest Cost	2.22	1.43
	Actuarial (Gains)/Losses	(3.26)	9.33
	Benefits Paid	-	(3.54)
	Present Value of Defined Benefit Obligation at end of the year	37.46	31.69

II	Change in Assets		
	Particulars	As at 31st March 2023	As at 31st March 2022
	Fair Value of Plan Assets at the beginning of the year	36.10	37.34
	Actual Benefits Paid	-	(3.54)
	Interest Income	2.78	2.64
	Contributions by Employer	0.38	0.32
	Actuarial Gains /(Losses)	(0.64)	(0.66)
	Plan Assets at the end of the year	38.63	36.10

III	Net Asset/(Liability) recognized in the Balance Sheet		
	Particulars	As at 31st March 2023	As at 31st March 2022
	Present Value of Defined Benefit Obligation	37.46	31.69
	Fair Value of Plan assets at the end of the year	(38.63)	(36.10)
	Fund Status Surplus/(Deficit)	(1.17)	(4.41)
	Net (Asset)/Liability at the end of the year	(1.17)	(4.41)

IV	Expenses recognized in the statement of Profit & Loss under Employee Benefit Expenses		
	Particulars	As at 31st March 2023	As at 31st March 2022
	Current Service Cost	6.81	3.18
	Net Interest Cost	(0.56)	(1.21)
	Total Expense	6.25	1.97

V	The major categories of plan assets as a percentage of total plan		
	Particulars	As at 31st March 2023	As at 31st March 2022
	Insurer Managed Funds	100%	100%

VI	Actuarial Assumptions		
	Particulars	As at 31st March 2023	As at 31st March 2022
	Discount Rate	7.45%	7.15%
	Rate of Return on Plan Assets	7.45%	7.15%
	Mortality Table	LIC (1994-96)	LIC (1994-96)
	Retirement Age	60 Years	60 years

(Rs. In Lakhs)

I	Change in Benefit Obligation		
	Particulars	As at 31st March 2023	As at 31st March 2022
	Present Value of Defined Benefit Obligation at beginning of the year	16.71	9.25
	Current Service Cost	2.75	7.70
	Interest Cost	1.15	0.61
	Actuarial (Gains)/Losses	(1.87)	2.93
	Benefits Paid	(0.74)	(3.78)
	Present Value of Defined Benefit Obligation at end of the year	18.00	16.71

II	Change in Assets		
	Particulars	As at 31st March 2023	As at 31st March 2022
	Fair Value of Plan Assets at the beginning of the year	-	-
	Actual Benefits Paid	-	-
	Expected returns on Plan Assets	-	-
	Contributions by Employer	-	-
	Actuarial Gains /(Losses)	-	-
	Plan Assets at the end of the year	-	-

III	Net Asset/(Liability) recognized in the Balance Sheet		
	Particulars	As at 31st March 2023	As at 31st March 2022
	Net Opening provision in books of accounts	16.71	9.25
	Employee benefit expenses	2.03	11.24
	Benefits Paid by the Company	(0.74)	(3.78)
	Net Closing provision in books of accounts	18.00	16.71

IV	Expenses recognized in the statement of Profit & Loss under Employee Benefit Expenses		
	Particulars	As at 31st March 2023	As at 31st March 2022
	Current Service Cost	2.75	7.70
	Interest Cost	1.15	0.61
	Net Actuarial (Gains)/Losses	(1.87)	2.93
	Total Expense	2.03	11.24

V	Actuarial Assumptions		
	Particulars	As at 31st March 2023	As at 31st March 2022
	Discount Rate	7.45%	7.15%
	Mortality Table	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
	Retirement Age	60 Years	60 Years

40 Earning Per Share

Sr. No.	Particulars	April'22-March'23	April'21-March'22
i)	Net profit (Loss) after tax as per Statements of Profit & Loss attributable to Equity Shareholders (₹ In Lakhs)	(6,647.83)	(15,777.97)
ii)	Weighted average number of shares used as denomination for calculating Basic and Diluted earning per share	26,39,17,000	24,43,10,863
iii)	Face value of shares (₹ Per Share)	1.00	1.00
iv)	Basic/Diluted earning per share (in ₹)	(2.52)	(6.46)

41 Contingent Liabilities

(₹ in Lakhs)

Sr. No.	Particulars	March 31, 2023	March 31, 2022
i)	Income Tax	6,733.43	3,172.14
ii)	Corporate Guarantee	5,53,654.00	5,12,544.00
iii)	Bank guarantee	14,771.00	14,771.00
iv)	Sales Tax And GST Demand pending Appeal	427.80	-

42 Payment to Auditors

(₹ in Lakhs)

Sr. No.	Particulars	April'22-March'23	April'21-March'22
i)	Statutory Audit Fees	49.31	5.00
ii)	Tax Audit Fees	1.50	1.50
iii)	Other Capacity	0.58	1.39

43 Related Party Disclosures, as required by Ind AS 24 are given below:**A List of Related Parties**

Sr No.	Name of the parties	Relationship
i)	Mr. Navinbhai C. Dave - Chairman	Key Management Personnel
ii)	Mr. Nikhil V. Merchant - Managing Director	
iii)	Mr. Paresh V. Merchant - Executive Director	
iv)	Mr. Padmanabhan Sugavanam - Director	
v)	Mr. Chetan Selarka - Chief Financial Officer	
vi)	Mr. Arun Agarwal - Company Secretary	
vii)	Mr. Satyanarayan Tripathi - President Finance (Appointed on October 03, 2022)	
viii)	Mr. Niraj Khatri - Manager, Wilson Corporation FZE	
ix)	Mr. Nirav Arvindkumar Shah - Company Secretary, Swan LNG Pvt. Ltd. (Resigned on 31/05/2022)	
x)	Mr. Nilay Gandhi - Company Secretary, Swan LNG Pvt. Ltd. (Appointed on 11/05/2022)	
xi)	Mr. Rahul Sharma- CEO, Swan LNG Pvt. Ltd.	
xii)	Mr. Nitin Kumar Didwania - Director, Veritas Petro Industries Private Limited	Relative of Key Management Personnel
xiii)	Mr. Bhavik N. Merchant	
xiv)	Mr. Vivek P. Merchant	
xv)	Ms. Vinita Naman Patel	
xvi)	Mr. Naman Patel	Enterprise over which Key Management Personnel is able to exercise significant influence
xvii)	Good Earth Commodities (India) Private Limited	
xviii)	Feltham Trading Private Limited	
xix)	Ami Tech (India) Private Limited	
xx)	Miri Technologies Private Limited	
xxi)	Swansat (OPC) Private Limited	
xxii)	Altamount Estates Private Limited	
xxiii)	Swan Constructions Private Limited	
xxiv)	Dave Impex India Private Limited	
xxv)	Dave Leasing And Holding Private Limited	
xxvi)	Swan Engitech Works Private Limited	
xxvii)	Swan Realtors Private Limited	
xxviii)	Swan International Private Limited	
xxix)	Gazdar Bandh Developers Private Limited	
xxx)	Sadavir Trading Private Limited	
xxxi)	Swan Mills Private Limited (Upto September 01, 2022) (Upto January 01, 2023 it was an unlisted public company, converted to Private Limited Company w.e.f. January 02, 2023)	
xxxii)	Stormsoft Technologies Private Limited	
xxxiii)	Varun Real Properties and Investments Private Limited	
xxxiv)	Feltham Resources Private Limited	
xxxv)	Feltham Steels Private Limited	
xxxvi)	Gujarat Maritime Board ("GMB")	
xxxvii)	Sahajanand Soaps & Chemicals Private Limited	
xxxviii)	Hazel Mercantile Limited	
xxxix)	Sanman Trade Impex Private Limited	
xl)	Hazel Middle East FZE	
xli)	Swan Desilting Private Limited	

Notes to the Consolidated Financial Statement for Year Ended March 31, 2023

43 B (i) Transaction during the year Apr'22-Mar'23 with related parties

Sr No.	Name of the Company	Opening Balance Dr	Opening Balance Cr	Purchases	Remuneration Paid	Expenses/ Paid/ Booked	Foreign Exchange Gain / Loss	Advance Given	Advance received back	Advance taken	Advance paid back	Closing Balance Dr	Closing Balance Cr
i)	Mr. Nikhil Merchant	-	-	-	137.36	-	-	-	-	-	-	-	-
ii)	Mr. Parash Merchant	-	0.68	-	137.36	3.00	-	-	-	-	0.68	-	-
iii)	Mr. Sugavanam Padmanabhan	-	-	-	35.24	-	-	-	-	-	-	-	-
iv)	Mr. Chetan Selarka - Chief Financial Officer	-	-	-	81.38	-	-	-	-	-	-	-	-
v)	Mr. Arun Agarwal - Company Secretary	-	-	-	29.58	-	-	-	-	-	-	-	-
vi)	Mr. Satyanarayan Tripathi - President Finance	-	-	-	61.83	-	-	-	-	-	-	-	-
vii)	Mr. Niraj Khatri - Manager, Wilson Corporation FZE	-	-	-	-	-	-	-	-	-	-	-	-
viii)	Mr. Nirav Arvindkumar Shah - Company Secretary, Swan LNG Pvt. Ltd.	-	-	-	1.40	-	-	-	-	13.64	-	-	13.64
ix)	Mr. Nilay Gandhi - Company Secretary, Swan LNG Pvt. Ltd.	-	-	-	7.56	-	-	-	-	-	-	-	-
x)	Mr. Rahul Sharma- CEO, Swan LNG Pvt. Ltd.	-	-	-	81.80	-	-	-	-	-	-	-	-
xi)	Mr. Nitin Kumar Didwania - Director, Veritas Petro Industries Private Limited	-	-	-	-	-	-	-	-	-	-	-	-
xii)	Mr. Bhavik Merchant	-	-	-	28.97	-	-	-	-	-	-	-	3,630.08
xiii)	Mr. Vivek Merchant	-	-	-	28.97	-	-	-	-	100.00	-	-	100.00
xiv)	Ms. Vinita Naman Patel	-	-	-	-	30.62	-	-	-	-	-	-	-
xv)	Mr. Naman Patel	-	-	-	-	29.02	-	-	-	-	-	-	-
xvi)	Good Earth Commodities (India) Private Limited	-	592.43	-	-	-	-	48.69	0.01	441.13	42.20	-	942.68
xvii)	Feltham Trading Private Limited	-	50.30	-	-	1.80	-	-	0.15	50.00	50.45	-	50.00
xviii)	Ami Tech (India) Private Limited	-	2,146.25	-	-	-	-	308.86	56.70	356.00	1,167.93	-	1,082.16
xix)	Miri Technologies Private Limited	-	-	-	-	-	-	262.00	100.00	-	-	162.00	-
xx)	Swansat (OPC) Private Limited	-	-	-	-	-	-	8.62	-	-	-	8.62	-
xxi)	Dave Impex India Private Limited	-	428.99	-	-	-	-	-	-	103.50	2.05	-	530.44
xxii)	Dave Leasing And Holding Private Limited	-	56.15	-	-	-	-	-	-	1.15	0.35	-	56.95
xxiii)	Altamount Estates Private Limited	-	45.63	-	-	17.36	-	210.63	105.00	-	45.63	105.63	-
xxiv)	Swan Constructions Private Limited	30.34	-	-	-	-	-	173.08	-	-	-	203.42	-
xxv)	Swan Engitech Works Private Limited	-	340.00	-	-	-	-	-	-	270.00	610.00	-	-
xxvi)	Swan Realtors Private Limited	-	609.38	-	-	-	-	-	-	30.00	639.38	-	-
xxvii)	Swan International Private Limited	-	56.89	-	-	-	-	0.18	0.14	-	-	-	56.85
xxviii)	Gazdar Bandh Developers Private Limited	269.02	-	-	-	-	-	1,450.51	110.00	5,312.00	1,415.00	-	2,287.47
xxix)	Sadavir Trading Private Limited	-	-	-	-	6.00	-	-	-	-	-	-	-
xxx)	Swan Mills Private Limited	4.70	-	-	-	-	-	-	-	-	-	-	-
xxxi)	Stormsoft Technologies Private Limited	-	1,778.47	-	-	-	-	-	-	-	-	-	-
xxxii)	Varun Real Properties and Investments Private Limited	17.50	-	-	-	-	-	1.05	-	985.00	1,436.76	-	1,326.71
xxxiii)	Feltham Resources Private Limited	-	-	-	-	-	-	233.60	-	-	-	18.55	-
xxxiv)	Gujarat Maritime Board	-	-	-	-	-	-	31.00	-	-	-	31.00	-
xxxv)	Sahajanand Soaps & Chemicals Private Limited	1.12	-	-	-	304.63	-	-	-	-	-	-	-
xxxvi)	Hazel Mercantile Limited	-	0.98	2,702.84	-	-	-	-	1.12	33.50	0.05	-	33.45
xxxvii)	Sanman Trade Impex Private Limited	-	-	2,321.48	-	-	-	-	-	-	0.98	-	4,173.55
xxxviii)	Hazel Middle East FZE	-	-	-	-	-	-	-	-	-	-	-	4,298.62
xxxix)	Swan Desilting Private Limited	24.43	-	-	-	-	(270.59)	-	-	536.00	-	-	39,567.28
xl	Total	347.11	6,106.15	5,024.32	631.45	392.43	(270.59)	4,039.78	384.61	8,231.92	5,411.46	2,087.32	58,149.88

Notes to the Consolidated Financial Statement for Year Ended March 31, 2023

43 B (ii) Transaction during the year Apr'21-Mar'22 with related parties

Sr No.	Name of the Company	Opening Balance Dr	Opening Balance Cr	Purchases	Remuneration Paid	Expenses/ Paid/ Booked	Foreign Exchange Gain / Loss	Advance Given	Advance received back	Advance taken	Advance paid back	Closing Balance Dr	Closing Balance Cr
i)	Mr. Nikhil Merchant	-	-	-	114.29	-	-	-	-	-	-	-	-
ii)	Mr. Paresh Merchant	-	-	-	114.29	3.00	-	-	-	-	-	-	-
iii)	Mr. Sugavanam Padmanabhan	-	-	-	35.24	-	-	-	-	-	-	-	0.68
iv)	Mr. Chetan Selarka - Chief Financial Officer	-	-	-	76.57	-	-	-	-	-	-	-	-
v)	Mr. Arun Agarwal - Company Secretary	-	-	-	26.74	-	-	-	-	-	-	-	-
vi)	Mr. Mirav Arvindkumar Shah - Company Secretary, Swan LNG Pvt Ltd.	-	-	-	7.56	-	-	-	-	-	-	-	-
vii)	Mr. Rahul Sharma- CEO, Swan LNG Pvt Ltd.	-	-	-	50.00	-	-	-	-	-	-	-	-
viii)	Mr. Bhavik Merchant	-	-	-	21.29	-	-	-	-	-	-	-	-
ix)	Mr. Vivek Merchant	-	-	-	21.29	-	-	-	-	-	-	-	-
x)	Ms. Vinita Naman Patel	-	-	-	-	16.94	-	-	-	-	-	-	-
xi)	Mr. Naman Patel	-	-	-	-	16.94	-	-	-	-	-	-	-
xii)	Good Earth Commodities (India) Private Limited	-	670.80	-	-	-	-	-	-	-	-	-	-
xiii)	Feltham Trading Private Limited	0.82	-	-	-	-	-	-	-	444.31	522.68	-	592.43
xiv)	Ani Tech (India) Private Limited	-	1,465.00	-	-	1.80	-	-	0.82	50.62	0.76	-	50.30
xv)	Dave Impex India Private Limited	-	443.00	-	-	-	-	-	-	1,426.76	745.51	-	2,146.25
xvi)	Dave Leasing And Holding Private Limited	-	57.00	-	-	-	-	-	-	59.96	73.97	-	428.99
xvii)	Altamount Estates Private Limited	-	-	-	-	-	-	-	-	-	0.85	-	56.15
xviii)	Swan Constructions Private Limited	30.34	-	-	-	69.46	-	-	-	37.84	7.84	-	45.63
xix)	Swan Engitech Works Private Limited	-	222.27	-	-	-	-	-	-	-	-	30.34	-
xx)	Swan Realtors Private Limited	-	492.38	-	-	-	-	-	-	568.00	450.27	-	340.00
xxi)	Swan International Private Limited	-	-	-	-	-	-	-	-	841.38	724.38	-	609.38
xxii)	Gazdar Bandh Developers Private Limited	-	-	-	-	-	-	-	-	57.50	0.61	-	56.89
xxiii)	Sadavir Trading Private Limited	93.49	-	-	-	-	-	176.53	-	1.00	-	-	269.02
xxiv)	Swan Mills Private Limited	-	-	-	-	6.00	-	-	-	-	-	-	-
xxv)	Stormsoft Technologies Private Limited	4.69	-	-	-	-	-	-	-	-	-	-	-
xxvi)	Varun Real Properties and Investments Private Limited	-	1,606.00	-	-	-	-	4.70	4.69	-	-	4.70	-
xxvii)	Gujarat Maritime Board	-	-	-	-	-	-	-	-	1,420.00	1,247.53	-	1,778.47
xxviii)	Sahajanand Soaps & Chemicals Private Limited	-	-	-	-	1,173.91	-	17.50	-	-	-	17.50	-
xxix)	Swan Desilting Private Limited	-	-	-	-	-	-	1.12	-	-	-	-	-
		24.37	-	-	-	-	-	-	-	-	-	1.12	-
	Total	153.71	4,956.45	-	467.27	1,288.05	-	199.85	5.51	4,907.43	3,774.40	347.11	6,105.17

(₹ in Lakhs)

Notes to the Consolidated Financial Statement for Year Ended March 31, 2023

44 Corporate Social Responsibility

For detailed information on Corporate Social Responsibility, refer point no.9.10 (ii) of Director's Report.

45 Segment Reporting

Based on the "Management Approach" as defined in Ind AS 108 - Operating Segments, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators of business, the segments in which the Company operates. The Company is primarily engaged in the segment as per the list in below table which the Management and CODM recognise as the business segments and accordingly the following information is given.

Particulars	April'22-March'23	April'21-March'22
	₹ In Lakhs	₹ In Lakhs
Segment Revenue		
a) Segment - Textile	24,515.83	17,075.50
b) Segment - Energy	20,548.44	5,151.63
c) Segment - Construction/Others	33,928.31	27,181.98
d) Segment - Distribution & Development	29,864.31	-
e) Segment - Warehousing	36,034.26	-
f) Segment - Manufacturing	-	-
g) Segment - Power Generation	-	-
Total Segment Revenue	1,44,891.15	49,409.11
Segment Results (Before Interest & Tax)		
a) Segment - Textile	2,133.14	435.20
b) Segment - Energy	7,728.41	(4,414.66)
c) Segment - Construction/Others	2,929.00	4,471.53
d) Segment - Distribution & Development	1,302.10	-
e) Segment - Warehousing	2,299.16	-
f) Segment - Manufacturing	-	-
g) Segment - Power Generation	-	-
Total Segment Results	16,391.81	492.07
Less : Interest	22,279.90	18,914.94
Less : Others un allocable exp	336.24	-
Add : Share of profit/(loss) of associate	-	-
Total Profit/(Loss) before Tax	(6,224.33)	(18,422.87)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
	₹ In Lakhs	₹ In Lakhs
Segment Assets		
a) Segment - Textile	18,027.99	17,920.22
b) Segment - Energy	4,62,364.65	4,93,810.73
c) Segment - Construction/Others	1,26,421.80	1,23,461.98
d) Segment - Distribution & Development	2,02,034.20	-
e) Segment - Warehousing	2,09,023.41	-
f) Segment - Manufacturing	(51.40)	-
g) Segment - Power Generation	134.22	-
Total Segment Assets	10,17,954.87	6,35,192.93
Segment Liabilities		
a) Segment - Textile	9,337.50	8,994.73
b) Segment - Energy	3,37,491.39	3,60,426.61
c) Segment - Construction/Others	1,20,385.48	1,00,467.96
d) Segment - Distribution & Development	33,568.84	-
e) Segment - Warehousing	1,44,518.06	-
f) Segment - Manufacturing	3,656.58	-
g) Segment - Power Generation	2.08	-
Total Segment Liabilities	6,48,959.93	4,69,889.30

Geographical Segments

The secondary reporting segment for the Company is geographical segment based on location of customers, which are as follows:

Particulars	April'22-March'23
	₹ In Lakhs
Revenue from Operations	
Domestic	67,061.18
Overseas/Export	76,753.19
Total	1,43,814.37

Notes to the Consolidated Financial Statement for Year Ended March 31, 2023

46 Standards issued but not effective

As at the date of issue of financial statements, there are no new standards or amendments which have been notified by the MCA but not yet adopted by the Company. Hence, the disclosure is not applicable.

47 Capital management

For the purposes of the company's capital management, capital includes issued capital and all other equity. The primary objective of the company's capital management is to maximize shareholder value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year. No changes were made in the objectives, policies, or processes for managing capital during the years ended March 31, 2023 and March 31, 2022.

48 Commitments

(₹ in Lakhs)		
Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for	1,25,228.00	1,73,487.00

49 Proceedings under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder:

There are no proceedings initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder

50 The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. The quarterly returns or statements filed by the Company with the banks or financial institutions are in agreement with the books of accounts.**51 The Company is not declared as wilful defaulter by any bank or financial Institution or other lenders.****52 Relationship with Struck off Companies:**

The Company did not have any transactions with Companies struck off under Section 248 of Companies Act, 2013 or Section 560 of Companies Act, 1956 considering the information available with the Company.

53 Scheme of arrangements :

There are no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the year.

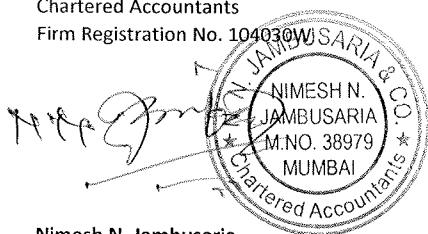
54 Previous Year's figures are regrouped/rearranged wherever necessary.

As per our report of even date

For N. N. Jambusaria & Co.

Chartered Accountants

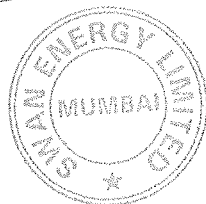
Firm Registration No. 104030W



Nimesh N. Jambusaria

Partner

M No. 038979



Navinbhai C. Dave

Chairman

DIN: 01787259

Paresh V. Merchant
Executive Director
DIN: 00660027

For and on behalf of the Board of Directors

Nikhil V. Merchant
Managing Director
DIN: 00614790

Chetan K. Selarka
Chief Financial Officer

Arun S. Agarwal
Company Secretary

Mumbai, May 20, 2023

Mumbai, May 20, 2023

INDEPENDENT AUDITORS' REPORT

**To the Members of
SWAN ENERGY LIMITED**

Report on the Audit of the 'Consolidated Financial Statements' (CFS)

I. Opinion

We have audited the accompanying Consolidated Financial Statements of Swan Energy Limited ('the Holding Company') and its subsidiaries (together referred to as 'the Group'), which comprise the consolidated Balance sheet as at 31st March, 2022 and the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the CFS").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditor on separate financial statements of four subsidiaries, the aforesaid CFS give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, read with relevant Rules, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2022, of its consolidated loss (including other comprehensive income), consolidated changes in equity and consolidated cash flows for the year ended on that date.

II. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs), as specified under Section 143 (10) of the Act. Our responsibilities under those SAs are further described in the 'Auditor's Responsibilities for the Audit of the CFS' section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the CFS under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

III. Key Audit Matters

Key audit matters (KAM) are those matters that, in our professional judgement and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries were of most significance in our audit of the CFS of the current period. These matters were addressed in the context of our audit of the CFS as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.



1 Key Audit Matter

Revenue recognition

(Refer Note no. 2.15 of the consolidated financial statements)

Revenue is one of the key profit drivers and is therefore susceptible to misstatement. Cut-off is the key assertion in so far as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of results for the year.

Auditor's Response

We assessed the appropriateness of the revenue recognition accounting policies and applicable accounting standards. Our audit procedures with regard to revenue recognition included testing controls in place (both automated/manual) for dispatches/deliveries, inventory reconciliations, circularization of receivable balances, substantive testing for cut-offs and analytical review procedures.

2 Key Audit Matter

Provision for taxation, litigation and other significant provisions

(Refer Note no. 2.21 and 24 of the consolidated financial statements)

These provisions require the management to make judgements and estimates in relation to the issues and exposures arising from a range of matters in the regular course of business. The key judgement lies in the estimation of provisions which may differ from future obligations. Additionally, there is a risk that provisions could be provided inappropriately that are not yet committed.

Auditor's Response

We discussed with the management and tested the effectiveness of the controls in place for recognition of the provisions.

We used our subject experts to perform retrospective review of prior year provisions and to assess the value of material provisions and assessing whether there was an indication of management bias.

3 Key Audit Matter

Assessment of contingent liabilities relating to litigations and claims

(Refer Note no. 2.20 and 41 of the consolidated financial statements)

The company is subject to challenges/scrutiny on range of matters relating to direct/indirect taxes, legal proceedings etc. Assessment of contingencies requires management to make judgements and estimates, which is inherently subjective.

Auditor's Response

We discussed with the management and performed retrospective review of prior year judgements/estimates. We tested the effectiveness of the controls in place for recording the



contingencies. We used our subject experts to assess the value of material contingencies and discussed the status and potential exposures with the company's advisors.

4	Key Audit Matter
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Capital work-in progress/Property Plant and Equipment (PPE)
(Refer Note no. 3 (iii) of the consolidated financial statements)

The Group has embarked on various projects through its four subsidiary companies. The expenditures incurred on projects need to be capitalized and depreciated once the assets are ready for use. Inappropriate timing of capitalization could result in material misstatement due to consequent impact on depreciation and results for the year.

Auditor's Response

We tested design, implementation and operating effectiveness of controls with source documentation for various categories of PPE, to determine the capital nature of the expenditure and its segregation into appropriate categories. We reviewed operating expenses to determine appropriateness of accounting.

5	Key Audit Matter
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Implementation of Ind AS 116 - Leases
(Refer Note no. 2.3 and 3 (ii) of the consolidated financial statements)

The auditors of Swan LNG Private Limited (SLPL), a subsidiary of the Holding Company have applied Ind AS 116- Leases (the 'Standard').

Implementation of the Standard has a significant impact on the asset and liability position of SLPL and involves review of significant contractual arrangements to determine those which fall under the purview of the Standard. Judgement is also involved in determining the application of the Standard to the relevant contractual arrangements about whether an arrangement is scoped out of the purview of the Standard by virtue of it not involving an identified asset, composite arrangements which involves an element of service and identified asset and variable leasing arrangements which do not require recognition of a right of use asset and a corresponding lease liability.

Auditor's Response

Obtained and read the financial statements of SLPL to identify whether Ind AS 116 accounting policies are included in the consolidated financial statement of the Group.

Following procedures have been performed by the auditors of SLPL: -

i. evaluation and testing of the design and operating effectiveness of controls in respect of review of subsidiary's contractual agreements to identify those which fall under the purview of the Standard, determining the application of the Standard to the relevant contractual agreements;

ii. review of accounting policies on Ind AS 116- leases included in the financial statements and testing of the disclosures made in the financial statements mandated by the Standard.



IV. Other Information

The Holding Company's Board of Directors is responsible for the other information, which comprise the information included in the Holding Company's annual report, but does not include the CFS and our report thereon.

Our opinion on the CFS does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of CFS, our responsibility is to read the other information and, in doing so, consider, whether the other information is materially inconsistent with the CFS or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed and based on the audit report of other auditor, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

V. Responsibility of Management for the CFS

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these CFS that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the CFS that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the CFS, the respective Board of Directors of companies included in the Group are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of companies included in the Group is responsible for overseeing the financial reporting process of each company.

VI. Auditor's Responsibility for the Audit of the CFS

Our objectives are to obtain reasonable assurance about whether the CFS as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually



or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these CFS.

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

- Identify and assess the risks of material misstatement of the CFS, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the CFS or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the CFS, including the disclosures, and whether the CFS represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the CFS that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the CFS may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the CFS.

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

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

From the matters communicated with TCWG, we determine those matters that were of most significance in the audit of the CFS of the current period and are therefore the key audit matters.



We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

VII. Other Matters

1. We did not audit the financial statements of following four subsidiaries, whose financial statements as at March 31st, 2022, as considered in the CFS, reflect:

i- Total assets of Rs. 3,05,266.03 lacs, total revenue of Rs. 400.18 lacs, total net loss (including total comprehensive income) of Rs. 141.57 lacs and cash flows (net) of Rs. 68,017.93 lacs for Swan LNG Private Limited (SLPL);

ii- Total assets of Rs. 1,92,856.80 lacs, total revenue of Rs. 4,751.45 lacs, total net loss (including total comprehensive income) of Rs. 14,406.87 lacs and cash flows (net) of Rs. 15,642.12 lacs for Triumph Offshore Private Limited (TOPL);

iii- Total assets of Rs. 959.10 lacs, total revenue of Rs. Nil, total net loss (including total comprehensive income) of Rs. 1.20 lacs and cash flows (net) of Rs. 28.46 lacs for Hazel Infra Limited (HIL);

iv. Total assets of Rs. Nil, total revenue of Rs. Nil, total net profit (including total comprehensive income) of Rs. Nil and cash flows (net) of Rs. Nil for Swan Global PTE Limited.

These financial statements have been audited by other auditors whose report has been furnished to us by the Management and our opinion on the CFS, in so far as it relates to the amounts and disclosures in respect of these four subsidiaries, and our report in terms of Section 143(3) of the Act, in so far it relates to the aforesaid subsidiaries, is based solely on the audit report of the other auditors.

Our opinion on the CFS, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

VIII. Report on Other Legal and Regulatory Requirements

(A) With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the Consolidated Financial Statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said respective companies.

(B) As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements of such subsidiary as was audited by other auditor, as noted in the 'Other Matters' paragraph, we report that:



- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid CFS comply with the Ind AS specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors of the Group as on 31st March 2022 taken on record by the Board of Directors of the Holding company and subsidiary companies, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (C) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- a) The impact of the pending litigation as on 31st March 2022 is not expected to be material on the financial position of the company.
 - b) The Company did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses.
 - c) There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company.
 - d) (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



(b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above, contain any material misstatement.

e) The dividend declared or paid during the year by the company is in compliance with Section 123 of the Act.

(D) With respect to matter to be included in the Auditor's Report under Section 197 (16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act.

Place: Mumbai
Date: 30th May 2022



For N.N Jambusaria & CO

Chartered Accountants

Firm No.:104030W

Nimesh Jambusaria

Partner

Membership Number.:038979

UDIN No.: 22038979AKBOKC1089

Swan Energy Limited
Consolidated Balance Sheet as at March 31, 2022

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
I ASSETS			
A Non-Current Assets			
a Property, Plant and Equipment	3(i)	1,83,202.91	1,86,695.84
b Right of use Assets	3(ii)	92.91	127.76
c Capital Work in Progress	3(iii)	2,38,902.77	1,92,728.71
d Other Intangible Assets	3(iv)	0.05	0.46
e Investment Property	4	40,457.54	41,423.77
f Financial Assets			
(i) Investments	5	36.00	36.00
(ii) Loans	6	26.85	12.81
(iii) Other Financial Assets	7	-	711.68
g Non Current Tax Assets	8	778.10	545.55
h Deferred Tax Assets (Net)	9	3,760.78	686.16
i Other Non Current Assets	10	12,233.81	17,081.22
Total Non Current Assets (A)		4,79,491.72	4,40,049.96
B Current Assets			
a Inventories	11	17,144.36	14,472.36
b Financial Assets			
(i) Investments	12	256.59	20.89
(ii) Trade Receivables	13	21,375.94	2,866.81
(iii) Cash and Cash Equivalents	14	90,680.37	7,323.65
(iv) Bank Balances Other Than (iii) above	15	4,726.01	3,737.97
(v) Loans	16	8,602.79	7,794.18
(vi) Other Financial Assets	17	508.84	54.66
c Other Current Assets	18	16,945.19	17,289.75
Total Current Assets (B)		1,60,240.09	53,560.27
TOTAL ASSETS (A+B)		6,39,731.81	4,93,610.23
II EQUITY AND LIABILITIES			
A Equity			
a Equity Share Capital	19	2,639.17	2,442.57
b Other Equity	20	1,21,892.74	84,985.25
c Non-Controlling Interest		45,310.61	52,340.97
Total Equity (A)		1,69,842.52	1,39,768.79
Liabilities			
B Non-Current Liabilities			
a Financial Liabilities			
(i) Borrowings	21	3,53,997.95	1,99,642.73
(ii) Other Financial Liabilities	22	2,381.55	2,979.65
b Provisions	23	148.58	116.81
Total Non-Current Liabilities (B)		3,56,528.08	2,02,739.19
C Current Liabilities			
a Financial Liabilities			
(i) Borrowings	24	55,513.69	1,04,942.08
(ii) Trade Payables	25	20,690.81	3,293.96
(iii) Other Financial Liabilities	26	34,603.99	41,223.18
b Other Current Liabilities	27	2,483.68	1,576.43
c Provisions	28	69.04	66.60
Total Current Liabilities (C)		1,13,361.21	1,51,102.25
TOTAL EQUITY & LIABILITIES (A+B+C)		6,39,731.81	4,93,610.23

The accompanying notes 1 & 2 are an integral part of the Consolidated financial statements

As per our Report of even date

For N. N. Jambusaria & Co.
Chartered Accountants
Firm Registration No. 104030W

Nimesh N. Jambusaria
Partner
M No. 038979



For and on behalf of the Board of Directors

Navinbhai C. Dave
Chairman
DIN: 01787259

Nikhil V. Merchant
Managing Director
DIN: 00614790

Paresh V. Merchant
Executive Director
DIN: 00660027

Chetan K. Selarka
Chief Financial Officer

Arun S. Agarwal
Company Secretary

Swan Energy Limited
Consolidated Statement of Profit and Loss for Year ended March 31, 2022

Particulars	Note No.	Year Ended Mar 31, 2022	Year Ended March 31, 2021
Income:			
Revenue from Operations	29	48,719.96	32,046.88
Other Income	30	689.15	394.40
Total Income		49,409.11	32,441.28
Expenses:			
Cost of Materials Consumed	31	34,662.18	21,031.04
(Increase)/Decrease in Finished Goods and Work-in-Progress	32	(2,139.06)	(2,973.67)
Employee Benefit Expenses	33	2,514.79	1,809.26
Finance Costs	34	18,914.94	10,803.55
Depreciation and Amortization Expense	3 & 4	7,026.65	4,166.38
Other Expenses	35	6,852.48	5,409.50
Total Expenses		67,831.98	40,246.06
Profit/(Loss) before Tax		(18,422.87)	(7,804.78)
Tax Expense:			
(1) Current tax	36	441.04	141.58
(2) Short/(Excess) Provisions of Previous Years		-	(0.83)
(3) Deferred Tax		(3,074.62)	(1,084.10)
Profit/(Loss) for the year		(15,789.29)	(6,861.43)
Other Comprehensive Income for the year		11.32	14.11
Total Comprehensive Income for the year		(15,777.97)	(6,847.32)
Attributable to			
Owners of the Company		(8,742.61)	(3,809.39)
Non-Controlling Interest		(7,035.36)	(3,037.93)
Earnings Per Equity Share	39		
Basic and diluted (in ₹)		(6.46)	(2.80)

The accompanying notes 1 & 2 are an integral part of the Consolidated financial statements

As per our Report of even date

For N. N. Jambusaria & Co.

Chartered Accountants

Firm Registration No. 104030W

Nimesh N. Jambusaria

Partner

M No. 038979



For and on behalf of the Board of Directors

Navinbhai C. Dave

Chairman

DIN: 01787259

Paresh V. Merchant

Executive Director

DIN: 00660027

Nikhil V. Merchant

Managing Director

DIN: 00614790

Chetan K. Selarka

Chief Financial Officer

Arun S. Agarwal

Company Secretary

Mumbai, May 30, 2022

Mumbai, May 30, 2022

Swan Energy Limited

Consolidated Statement of Changes in Equity for Year ended March 31, 2022 (SOCIE)

(a) Equity Share Capital (Refer Note No.19)

Particulars	No. of Shares	(₹ in Lakhs)
Balance as at April 01, 2020	24,42,57,000	2,442.57
Changes in equity share capital due to prior period errors	-	-
Changes in Equity Share Capital during the year	-	-
Balance as at March 31, 2021	24,42,57,000	2,442.57
Changes in equity share capital due to prior period errors	-	-
Changes in Equity Share Capital during the year	1,96,60,000	196.60
Balance as at March 31, 2022	26,39,17,000	2,639.17

(b) Other Equity (Refer Note No.20)

Particulars	Capital Reserve	Capital Redemption Reserve	Securities Premium Reserve	General Reserve	Foreign Currency Translation Reserve	Equity Component of Optionally Convertible Debentures	Retained Earnings	Total
Balance as at April 01, 2020	5,811.32	14.25	67,842.58	372.00	0.52	-	14,998.40	89,039.07
Add:- Change during the year	-	-	-	-	(0.17)	-	-	(0.17)
Profit/(Loss) for the year	-	-	-	-	-	-	(3,823.50)	(3,823.50)
Other Comprehensive Income for the year	-	-	-	-	-	-	14.11	14.11
Total Comprehensive Income for the year	-	-	-	-	-	-	(3,809.39)	(3,809.39)
Changes in equity share capital due to prior period errors	-	-	-	-	-	-	-	-
Transaction with the owners in their capacity as owners:	-	-	-	-	-	-	-	-
Dividend on Equity shares	-	-	-	-	-	-	(244.26)	(244.26)
Balance as at March 31, 2021	5,811.32	14.25	67,842.58	372.00	0.35	-	10,944.75	84,985.25
Add:- Change during the year	-	-	31,652.60	-	(0.35)	14,230.82	11.29	45,894.36
Profit/(Loss) for the year	-	-	-	-	-	-	(8,753.93)	(8,753.93)
Other Comprehensive Income for the year	-	-	-	-	-	-	11.32	11.32
Total Comprehensive Income for the year	-	-	-	-	-	-	(8,742.61)	(8,742.61)
Changes in equity share capital due to prior period errors	-	-	-	-	-	-	-	-
Transaction with the owners in their capacity as owners:	-	-	-	-	-	-	-	-
Dividend on Equity shares	-	-	-	-	-	-	(244.26)	(244.26)
Balance as at March 31, 2022	5,811.32	14.25	99,495.18	372.00	0.00	14,230.82	1,969.17	1,21,892.74

The accompanying notes 1 & 2 are an integral part of the Consolidated financial statements

As per our Report of even date

For N. N. Jambusaria & Co.
Chartered Accountants
Firm Registration No. 104030W

Nimesh N. Jambusaria
Partner
M No. 038979



Navinbhai C. Dave
Chairman
DIN: 01787259

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For and on behalf of the Board of Directors

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Managing Director
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Chetan K. Selarka
Chief Financial Officer

Arun S. Agarwal
Company Secretary

Mumbai, May 30, 2022

Mumbai, May 30, 2022

Swan Energy Limited
Consolidated Cash Flow Statement for Year ended March 31, 2022
(₹ in Lakhs)

	Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
A	Cash Flow from Operating Activities		
	Profit/(Loss) before tax	(18,411.55)	(7,790.67)
	Adjustments for :		
	Depreciation	7,026.65	4,166.38
	Foreign Currency Translation Reserve	(0.35)	(0.17)
	(Profit) / Loss on sale of Investments	(21.04)	(33.73)
	Ind AS Interest impact of OCD issued	2.45	-
	(Profit) / Loss on sale of Assets	18.01	36.13
	Considered Separately:		
	Interest Expenses	18,914.94	10,803.55
	Interest Income	(623.02)	(349.88)
	Dividend Income	(5.40)	-
	Operating Profit before Working Capital Changes	6,900.69	6,831.61
	Adjustments for :		
	Decrease/ (Increase) in Other Non Current Assets	4,847.42	63,149.43
	Decrease/ (Increase) in Non Current Loans	(14.04)	(7.55)
	Decrease/ (Increase) in Non Current Other Financial Assets	711.68	(711.68)
	Decrease / (Increase) in Inventory	(2,671.99)	(1,849.57)
	Decrease / (Increase) in Trade and Other Receivables	(18,509.13)	2,546.41
	Decrease / (Increase) in Other Current Financial Assets	(454.18)	(38.26)
	Decrease / (Increase) in Other Current Assets	344.55	(4,995.01)
	Decrease / (Increase) in Investment Property	326.01	171.23
	(Decrease) / Increase in Other Non-Current Financial Liabilities	(598.10)	189.73
	(Decrease) / Increase in Other Current Financial Liabilities	(5,671.86)	(32,828.88)
	(Decrease) / Increase in Other Current Liabilities	907.22	124.17
	(Decrease) / Increase in Provisions	34.21	(4.64)
	(Decrease) / Increase in Trade and Other Payables	17,396.85	(2,338.99)
	Cash generated from operations	3,549.33	30,238.00
	Direct Taxes (Paid)/Received	(673.59)	10.10
	Net Cash from Operating Activities (A)	2,875.74	30,248.10
B	Cash Flow from Investing Activities		
	Purchase of Property, Plant and Equipment	(2,952.34)	(1,77,058.98)
	Proceeds from Sale of Fixed Assets	7.65	8.45
	Increase in Capital Work In Progress (Net)	(46,105.61)	(24,140.10)
	Retained Earnings of new subsidiaries acquired during the year	0.04	-
	Retained Earnings of strike-off subsidiaries during the year	16.25	-
	Purchase of Investments	(5,577.30)	(2,394.00)
	Proceeds from Sale of Investments	5,362.64	3,174.69
	Loan to Others	(808.61)	(8.58)
	Interest Income	623.02	349.88
	Dividend Income	5.40	-
	Net Cash from Investing Activities (B)	(49,428.86)	(2,00,068.64)
C	Cash Flow from Financing Activities		
	Proceeds from Issue of Equity Shares	31,849.20	-
	Loan from / (Refund) of Loan to Related Parties	1,265.65	1,835.89
	(Refund) of / Loan from Other Parties	(50,461.80)	3,664.76
	(Repayment) / Proceed of Loan from Banks	1,46,744.03	1,81,556.48
	Repayment of Bonds/ Debentures	(2,500.00)	-
	Proceed from Bonds /Debentures	23,160.00	-
	Interest Expenses	(18,914.94)	(10,803.55)
	Dividend Paid	(244.26)	(244.26)
	Net Cash from Financing Activities (C)	1,30,897.88	1,76,009.32
	Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	84,344.76	6,188.78
	Opening Balance of Cash & Cash Equivalents	11,061.62	4,872.84
	Closing Balance of Cash & Cash Equivalents	95,406.38	11,061.62

As per our Report of even date

 For N. N. Jambusaria & Co.
 Chartered Accountants
 Firm Registration No. 104030W

 Nimesh N. Jambusaria
 Partner
 M No. 038979


For and on behalf of the Board of Directors

 Navinbhai C. Dave
 Chairman
 DIN: 01787259

 Paresh V. Merchant
 Executive Director
 DIN: 00660027

 Nikhil V. Merchant
 Managing Director
 DIN: 00614790

 Chetan K. Selarka
 Chief Financial Officer

 Arun S. Agarwal
 Company Secretary

Mumbai, May 30, 2022

Mumbai, May 30, 2022

Swan Energy Limited

Notes to the Consolidated Financial Statement for Year ended March 31, 2022

1. CORPORATE INFORMATION:

Swan Energy Limited (SEL) is a public limited company incorporated on 22/02/1909 at Bombay, under the erstwhile Indian Companies Act, VI of 1882, as 'Swan Mills Limited' and is listed on BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE) in India.

The registered office of the company is situated at 6, Feltham House, 2nd Floor, 10, J. N. Heredia Marg, Ballard Estate, Mumbai - 400 001.

The Company has three verticles of business i.e., Textiles, Energy and Constructions & others The Company has 6 subsidiary companies. 2 subsidiaries are engaged in Real estate business, 2 subsidiaries are engaged in construction of LNG Port Project at Gujarat, 1 subsidiary is engaged in Infrastructure and 1 have ceased operations. Out of 6, 1 is a foreign subsidiary of which the operations have ceased and is in the process of strike-off from the registering authority in Singapore, balance 5 subsidiaries are indian subsidiaries.

2. BASIS OF COMPLIANCE, BASIS OF PREPARATION, CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS AND SIGNIFICANT ACCOUNTING POLICIES:

2.1. Basis of compliance:

The financial statements comply in all material aspects with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('Act') read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act.

2.2. Basis of preparation and presentation:

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

Current and Non – Current Classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

The financial statements of the Company for the year ended March 31, 2022 were approved for issue in accordance with a resolution of the Board of Directors in its meeting held on May 30, 2022.

Swan Energy Limited

Notes to the Consolidated Financial Statement for Year ended March 31, 2022

2.3. Application of new Accounting Standard:

New Standards adopted by the Company

Ind AS 116 Leases

This is first set of the Company's financial statements to which Ind AS 116 Leases has been applied. The Company has adopted Ind AS 116 Leases using the modified retrospective method of adoption from April 01, 2019 (transition date for Ind AS 116). As permitted under transitional provisions of Ind AS, previous year comparatives are not restated. The Company has elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets'). The Company has also elected not to reassess whether a contract is or contains a lease at the date of initial application of Ind AS 116. The Company recognized lease liabilities in relation to only those leases for which company had signed lease agreement and has been classified as operating leases under the principal of Ind AS 17 Leases. These liabilities were measured at the present value of the 'lease term together with estimated period of extension (lease period)', discounted using the lessee's incremental borrowing rate as on April 01, 2019.

The impact of the adoption of the standard on the financial statements of the Company is insignificant.

2.4. Use of Judgements and Estimates:

The preparation of the financial statements requires management to make estimates, assumptions and judgments that affect the reported balances of assets and liabilities and disclosures as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates considering different assumptions and conditions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Impact on account of revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are discussed below:

- a. Estimates of useful lives and residual value of property, plant and equipment and intangible assets;
- b. Measurement of defined benefit obligations;
- c. Measurement and likelihood of occurrence of provisions and contingencies;
- d. Impairment of investments;
- e. Recognition of deferred tax assets; and
- f. Measurement of recoverable amounts of cash-generating units.

Swan Energy Limited

Notes to the Consolidated Financial Statement for Year ended March 31, 2022

2.5. Property, plant and equipment:

- 2.5.1. Property, plant and equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any;
- 2.5.2. The initial cost of an asset comprises its purchase price (including import duties and non-refundable taxes), any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any, and, borrowing cost for qualifying assets (i.e. assets that necessarily take a substantial period of time to get ready for their intended use);
- 2.5.3. Machinery spares that meet the definition of property, plant and equipment are capitalised;
- 2.5.4. Property, plant and equipment which are not ready for intended use as on date of Balance Sheet are disclosed as "Capital work-in-progress";
- 2.5.5. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred;
- 2.5.6. An item of property, plant and equipment and any significant part initially recognised separately as part of property, plant and equipment is derecognised upon disposal; or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the Statement of Profit and Loss when the asset is derecognised;
- 2.5.7. Depreciation is provided on a pro-rata basis on the straight line method based on estimated useful life prescribed under Schedule II to the Act. Assets costing ₹ 5,000/- or less are charged to the Statement of Profit & Loss in the year of purchase;
- 2.5.8. Components of the main asset that are significant in value and have different useful lives as compared to the main asset are depreciated over their estimated useful life. Useful life of such components has been assessed based on historical experience and internal technical assessment;
- 2.5.9. Depreciation on spare parts specific to an item of property, plant and equipment is based on life of the related property, plant and equipment. In other cases, the spare parts are depreciated over their estimated useful life based on the technical assessment;
- 2.5.10. Leasehold land is amortised over the primary lease period. Other assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and useful lives;
- 2.5.11. Freehold land is not depreciated;
- 2.5.12. The residual values and useful lives of property, plant and equipment are reviewed at each financial year end and changes, if any, are accounted in the line with revisions to accounting estimates;

Swan Energy Limited

Notes to the Consolidated Financial Statement for Year ended March 31, 2022

2.6. Intangible Assets:

- 2.6.1. Intangible assets are recognised only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably;
- 2.6.2. Intangible assets are carried at cost net of accumulated amortization and accumulated impairment losses, if any;
- 2.6.3. The intangible assets with a finite useful life are amortised using straight line method over their estimated useful lives.
- 2.6.4. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses on de-recognition are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses);
- 2.6.5. The estimated useful life is reviewed at each financial year end and changes, if any, are accounted in the line with revisions to accounting estimates;

2.7. Investment property:

- 2.7.1. Investment property is property (land or a building — or part of a building — or both) held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in production or supply of goods or services or for administrative purposes. Investment properties are stated at cost net of accumulated depreciation and accumulated impairment losses, if any;
- 2.7.2. Any gain or loss on disposal of investment property is calculated as the difference between the net proceeds from disposal and the carrying amount of the investment property is recognised in Statement of Profit and Loss;

2.8. Non-currents assets held for sale:

- 2.8.1. Non-current assets are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets;
- 2.8.2. Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell;
- 2.8.3. Non – current assets classified as held for sale are not depreciated or amortized from the date when they are classified as held for sale.

Swan Energy Limited

Notes to the Consolidated Financial Statement for Year ended March 31, 2022

2.9. Leases:

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset to lessee for a period of time in exchange for consideration. The Company shall reassess whether a contract is, or contains, a lease only if the terms and conditions of the contract are changed.

As a Lessee

At the commencement date, company recognises a right-of-use (RoU) asset at cost and a lease liability at present value of the lease payments that are not paid at commencement date. The Lease Payments shall be discounted using Company's incremental borrowing rate on periodic basis. Subsequently, RoU asset is depreciated over lease term and lease liability is reduced as payments are made and an imputed finance cost on lease liability is recognised in Statement of Profit and Loss using the Company's incremental borrowing rate.

If a lease, at the commencement date, has a lease term of 12 months or less, it is treated as Short term lease. Lease payments associated with short term leases are treated as an expense on systematic basis.

As a Lessor

A lessor shall classify each of its leases as either an operating lease or a finance lease.

Finance leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Company shall recognise assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

Operating leases

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. Company shall recognise lease payments from operating leases as income on systematic basis in the pattern in which benefit from the use of the underlying asset is diminished.

2.10. Impairment of Non-financial Assets:

2.10.1. Non-financial assets other than inventories, deferred tax assets and non-current assets classified as held for sale are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any indication of such impairment exists, the recoverable amount of such assets / cash generating unit is estimated and in case the carrying amount of these assets exceeds their recoverable amount, an impairment is recognised;

2.10.2. The recoverable amount is the higher of the fair value less costs of disposal and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. Assessment is also done at each Balance Sheet date as to whether there is indication that an impairment loss recognised for an asset in prior accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss.

Swan Energy Limited

Notes to the Consolidated Financial Statement for Year ended March 31, 2022

2.11. Inventories:

2.11.1. Inventories comprising Closing stock of finished goods, raw material and consumables and spares are valued at lower of cost (on weighted average) and net realisable value after providing for obsolescence and other losses, where considered necessary;

2.11.2. Cost includes all charges in bringing the goods to their present location and condition. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty;

2.11.3. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

2.12. Investment in Subsidiaries:

Investments in equity shares of Subsidiaries are recorded at cost and reviewed for impairment at each reporting date.

2.13. Fair Value measurement:

2.13.1. The Company measures certain financial instruments at fair value at each reporting date;

2.13.2. Certain accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities;

2.13.3. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability also reflects its non-performance risk;

2.13.4. The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently that difference is recognised in Statement of Profit and Loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out;

Swan Energy Limited

Notes to the Consolidated Financial Statement for Year ended March 31, 2022

2.13.5. While measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation technique as follows:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities
- **Level 2:** inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- **Level 3:** inputs for the assets or liability that are not based on observable market data (unobservable inputs);

2.13.6. When quoted price in active market for an instrument is available, the Company measures the fair value of the instrument using that price. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis;

2.13.7. If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction;

2.13.8. The Company regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the Company assesses the evidence obtained from third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

2.14. Financial Instruments:

2.14.1. Financial Assets:

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognised at fair value, in case of financial assets which are recognised at fair value through profit and loss, its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

Financial assets are subsequently classified as measured at

- amortised cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets.

Swan Energy Limited

Notes to the Consolidated Financial Statement for Year ended March 31, 2022

Trade Receivables and Loans:

Trade receivables and loans are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

Debt instruments:

Debt instruments are subsequently measured at amortised cost, FVOCI or FVTPL till de-recognition on the basis of:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

Measured at amortised cost:

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

Measured at FVOCI:

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at FVOCI. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On de-recognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

Measured at FVTPL:

A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

Equity Instruments:

All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL.

The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

Swan Energy Limited

Notes to the Consolidated Financial Statement for Year ended March 31, 2022

De-recognition:

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset;

Redeemable Preference shares:

Redeemable preference share are separated into liability and equity components based on the terms of the contract.

On issuance of the redeemable preference shares, the fair value of the liability component is determined using a market rate for an equivalent non convertible instrument. This amount is classified as financial liability measured at amortized cost (net of transaction cost) until it is extinguished on redemption.

Transaction cost are apportioned between the liability and equity component of the redeemable preference share based on the allocation of the proceed to the liability and equity component when the instrument are initially recognized.

Optionally convertible debentures:

Optionally convertible debentures are separated into liability and equity components based on the terms of the issue as per Ind AS.

On issuance of the Optionally convertible Debentures, the fair value of the liability component is determined using a market rate for an equivalent convertible instrument. This amount is classified as financial liability measured at amortized cost until it is extinguished on conversion.

2.14.2. Financial Liabilities:

Initial recognition and measurement:

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as FVTPL. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest method.

Subsequent measurement:

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at FVTPL are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

De-recognition:

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires;

2.14.3. Financial guarantees:

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of the debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the fair value initially recognised less cumulative amortisation;

Swan Energy Limited

Notes to the Consolidated Financial Statement for Year ended March 31, 2022

2.14.4. Derivative financial instruments:

The Company uses derivative financial instruments to manage the exposure on account of fluctuation in interest rate and foreign exchange rates. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value with the changes being recognised in the Statement of Profit and Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative;

2.14.5. Embedded derivatives:

If the hybrid contract contains a host that is a financial asset within the scope of Ind-AS 109, the classification requirements contained in Ind AS 109 are applied to the entire hybrid contract. Derivatives embedded in all other host contracts, including financial liabilities are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at FVTPL. These embedded derivatives are measured at fair value with changes in fair value recognised in Statement of Profit and Loss, unless designated as effective hedging instruments. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows;

2.14.6. Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.15. Revenue Recognition:

2.15.1. Sale of goods:

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.

Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods.

Revenue from the sale of regassification services is recognised at a point in time when the control of RLNG is transferred to the customers at the point of dispatch.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

Further Sales from real estate are net of cancellation of sale and amount payable to the developer and taxes, if any.

Swan Energy Limited

Notes to the Consolidated Financial Statement for Year ended March 31, 2022

Trade Receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities

A contract liability is the obligation to transfer goods to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

2.15.2. Rendering of Services

Revenue is recognized from rendering of services when the performance obligation is satisfied and the services are rendered in accordance with the terms of customer contracts. Revenue is measured based on the transaction price, which is the consideration, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

2.15.3. Income from export incentives such as duty drawback and premium on sale of import licenses are recognised on accrual basis;

2.15.4. Income from sale of scrap is accounted for on realisation;

2.15.5. Interest income is recognized using the effective interest rate (EIR) method;

2.15.6. Dividend income on investments is recognised when the right to receive dividend is established;

2.15.7. Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

2.15.8. Rent for the immovable properties is recognised on accrual basis as per the respective agreements with the parties.

2.16. Employee Benefits:

2.16.1. Short-term employee benefits:

Short-term employee benefits (including leave) are recognized as an expense at an undiscounted amount in the Statement of Profit and Loss of the year in which the related services are rendered;

2.16.2. Post-employment benefits:

The Company operates the following post – employment schemes:

- Defined contribution plans such as provident fund; and
- Defined benefit plans such as gratuity

Defined Contribution Plans:

Obligations for contributions to defined contribution plans such as provident fund are recognised as an expense in the Statement of Profit and Loss as the related service is provided.

Swan Energy Limited

Notes to the Consolidated Financial Statement for Year ended March 31, 2022

Defined Benefit Plans:

The Company's net obligation in respect of defined benefit plans such as gratuity is calculated by estimating the amount of future benefit that the employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed at each reporting period end by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of the economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

The current service cost of the defined benefit plan, recognized in the Statement of Profit and Loss as part of employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognized immediately in the Statement of Profit and Loss. The net interest is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This net interest is included in employee benefit expense in the Statement of Profit and Loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

2.17. Borrowing costs:

2.17.1. Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs;

2.17.2. Borrowing costs that are attributable to the acquisition or construction of qualifying assets (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use) are capitalized as a part of the cost of such assets. All other borrowing costs are charged to the Statement of Profit and Loss;

2.17.3. Investment Income earned on the temporary investment of funds of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

2.18. Foreign Currency Transactions:

2.18.1. The financial statements are presented in INR, the functional currency of the Company (i.e. the currency of the primary economic environment in which the Company operates);

Swan Energy Limited

Notes to the Consolidated Financial Statement for Year ended March 31, 2022

2.18.2. Monetary items:

Transactions in foreign currencies are initially recorded at their respective exchange rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at exchange rates prevailing on the reporting date.

Exchange differences arising on settlement or translation of monetary items (except for long term foreign currency monetary items outstanding as of March 31, 2021 which are accumulated in "Foreign Currency Monetary Item Translation Difference Account" and amortised over balance period of liability) are recognised in Statement of Profit and Loss either as profit or loss on foreign currency transaction and translation or as borrowing costs to the extent regarded as an adjustment to borrowing costs.

2.18.3. Non – Monetary items:

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

2.19. Government Grants:

2.19.1. Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with;

2.19.2. When the grant relates to an expense item, it is recognized in Statement of Profit and Loss on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed;

2.19.3. Government grants relating to property, plant and equipment are presented as deferred income and are credited to the Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset.

2.20. Provisions and Contingent Liabilities:

2.20.1. Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation;

2.20.2. The expenses relating to a provision is presented in the Statement of Profit and Loss net of reimbursements, if any;

2.20.3. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost;

Swan Energy Limited

Notes to the Consolidated Financial Statement for Year ended March 31, 2022

2.20.4. Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Company, or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability;

2.20.5. Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.

2.21. Taxes on Income

2.21.1. Current Tax

Income-tax Assets and Liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the end of reporting period.

Current Tax items are recognised in correlation to the underlying transaction either in the Statement of Profit and Loss, other comprehensive income or directly in equity;

2.21.2. Deferred tax

Deferred tax is provided using the Balance Sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred Tax items are recognised in correlation to the underlying transaction either in the Statement of Profit and Loss, other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Swan Energy Limited

Notes to the Consolidated Financial Statement for Year ended March 31, 2022

2.22. Earnings per share

2.22.1. Basic earnings per share are calculated by dividing the profit or loss for the period attributable to equity shareholders (after deducting preference dividends, if any, and attributable taxes) by the weighted average number of equity shares outstanding during the period;

2.22.2. For the purpose of calculating diluted earnings per share, the profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effect of all dilutive potential equity shares.

2.23. Cash and Cash equivalents:

Cash and cash equivalents in the Balance Sheet include cash at bank, cash, cheque, draft on hand and demand deposits with an original maturity of less than three months, which are subject to an insignificant risk of changes in value.

For the purpose of Statement of Cash Flows, Cash and cash equivalents include cash at bank, cash, cheque and draft on hand. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

2.24. Cash Flows:

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

2.25. Dividend:

Final dividend on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

Notes to the Consolidated Financial Statement for the year ended March 31, 2022

3(i) Property, Plant and Equipment

Particulars	Freehold Land	Buildings	Plant & Machinery	Computers	Furniture & Fixtures	Office Equipments	Vessel	Motor Vehicles	Tangibles Total
Gross Carrying Value									
As at April 01, 2020	6,924.91	1,233.18	7,607.57	141.63	1,361.75	1,388.66	-	840.80	19,498.50
Additions	343.48	210.56	1,350.96	6.31	6.22	13.39	1,75,062.80	65.26	1,77,058.98
Deductions	-	-	113.96	-	-	-	-	16.37	130.33
Other adjustments									
As at March 31, 2021	7,268.39	1,443.74	8,844.57	147.94	1,367.97	1,402.05	1,75,062.80	889.69	1,96,427.15
Additions	-	405.23	624.32	57.08	1,808.79	3.98	-	52.93	2,952.34
Deductions	-	-	82.47	-	-	13.39	-	3.22	99.08
Other adjustments					13.39				13.39
As at March 31, 2022	7,268.39	1,848.97	9,386.42	205.02	3,190.16	1,392.64	1,75,062.80	939.40	1,99,293.80
Accumulated depreciation									
As at April 01, 2020	-	357.27	3,695.47	109.90	886.34	613.91	-	597.71	6,260.60
Depreciation expense	-	42.83	536.75	14.97	113.21	91.70	2,718.67	38.32	3,556.45
Deductions	-	-	70.19	-	-	-	-	15.55	85.74
As at March 31, 2021	-	400.10	4,162.03	124.87	999.55	705.61	2,718.67	620.48	9,731.31
Depreciation expense	-	51.89	598.16	13.71	97.80	92.04	5,528.46	37.55	6,419.61
Deductions	-	-	56.98	-	-	-	-	3.05	60.03
As at March 31, 2022	-	451.99	4,703.21	138.58	1,097.35	797.65	8,247.13	654.98	16,090.89
Carrying Amount									
As at March 31, 2022	7,268.39	1,396.98	4,683.21	66.44	2,092.81	594.99	1,66,815.67	284.42	1,83,202.91
As at March 31, 2021	7,268.39	1,043.64	4,682.54	23.07	368.42	696.44	1,72,344.13	269.21	1,86,695.84

Note:

- Other adjustment under the head Furniture and Fixture is during FY 2020-21 addition to Furniture and Fixture was wrongly added under the head Office Equipment same has been rectified in Current FY 2021-22.
- The title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
- The Company has not revalued its Property, Plant and Equipment (including Right-of-Use Asset) since the Company has adopted cost model as its accounting policy to an entire class of Property, Plant and Equipment in accordance with Ind AS 16.

Swan Energy Limited

Notes to the Consolidated Financial Statement for Year ended March 31, 2022

3(ii) Right of use Assets

(₹ in Lakhs)		
Particulars	Office	Total
Cost		
Recognition on initial application of IND AS 116 (Refer Note Below)	197.46	197.46
As at April 01, 2020	197.46	197.46
Additions	-	-
Deductions	-	-
As at March 31, 2021	197.46	197.46
Additions	-	-
Deductions	-	-
As at March 31, 2022	197.46	197.46
Accumulated depreciation		
Depreciation for the year	34.85	34.85
As at April 01, 2020	34.85	34.85
Depreciation expense	34.85	34.85
Deductions	-	-
As at March 31, 2021	69.70	69.70
Depreciation expense	34.85	34.85
Deductions	-	-
As at March 31, 2022	104.55	104.55
Net Block		
As at March 31, 2022	92.91	92.91
As at March 31, 2021	127.76	127.76

Ind AS 116 Leases

- A) The following is the Movement in Right of Use assets during the reporting period ended 31st March 2021 and its carrying value as on that date

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Balance as on 1 st April, 2021	177.77	167.61
Addition of right-of-use assets that do not meet the definition of investment property	-	-
Depreciation charged during the current period	34.85	34.85
Carrying value of Right-of-use assets	92.92	127.77

- B) The following is the movement in lease liabilities for the year ended 31st March, 2022

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
As at beginning of the year	140.27	169.93
Addition	-	-
Finance Cost accrued during the year	9.43	11.74
Deletion	-	-
Payment of Lease liability	-42.44	-41.40
Lease Liability as at end of the year	107.26	140.27

- C) Maturity Analysis of Lease liabilities

(₹ in Lakhs)		
Maturity analysis—contractual undiscounted cash flows	Apr'21-Mar'22	Apr'20-Mar'21
Less than one year (Excluding GST)	44.51	42.44
One to five years (Excluding GST)	74.18	118.68
More than five years	-	-
Total undiscounted lease liabilities for the period ended	118.68	161.12
Lease liabilities included in the statement of financial position		
Current	37.74	33.01
Non-current	69.52	107.26

- D) Amounts recognised in the statement of profit or loss #

(₹ in Lakhs)		
Particulars	Apr'21-Mar'22	Apr'20-Mar'21
Depreciation	34.85	34.85
Interest on lease liabilities	9.43	11.74
Variable lease payments not included in the measurement of lease liabilities	-	-
Expenses relating to short-term leases	50.84	31.49
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	-	-
Total	95.11	78.07

Since the project is yet to commence its commercial operations, hence for the year ended 31st March 2022, the entire amount aggregating to ₹ 95.11 Lakh (PY 31st March 2021 ₹ 78.07 Lakh) have been transferred to pre & pre-operative expenses as part of CWIP.

- E) Amount recognised in the statement of cash flows

(₹ in Lakhs)		
Particulars	Apr'21-Mar'22	Apr'20-Mar'21
Total cash outflow for leases	93.28	72.89

Swan Energy Limited

Notes to the Consolidated Financial Statement for year ended March 31, 2022

3(iii) Capital Work in Progress

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	1,92,728.71	1,68,523.06
Addition during the year	48,961.32	2,00,722.12
Adjustment during the year	(2,787.26)	(1,76,516.47)
Balance at the end of the year	2,38,902.77	1,92,728.71

Ageing of capital-work-in progress (CWIP) is as under:

(₹ in Lakhs)

Particulars	Amount in CWIP for a period of				TOTAL
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	48,212.96	32,339.09	42,761.82	1,15,588.90	2,38,902.77
Projects temporarily suspended	-	-	-	-	-

Completion schedule for CWIP

(₹ in Lakh)

Particulars	To be completed in				TOTAL
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	2,06,327.33	2,377.85	30,197.59	-	2,38,902.77
Projects temporarily suspended	-	-	-	-	-

3(iv) Other Intangible Assets

(₹ in Lakhs)

Particulars	Computer Software	Total Intangible Assets
Gross Carrying Value		
As at April 01, 2020	1.28	1.28
Additions	-	-
Deductions	-	-
As at March 31, 2021	1.28	1.28
Additions	-	-
Deductions	-	-
As at March 31, 2022	1.28	1.28
Accumulated depreciation		
As at April 01, 2020	0.41	0.41
Depreciation expense	0.41	0.41
Deductions	-	-
As at March 31, 2021	0.82	0.82
Depreciation expense	0.41	0.41
Deductions	-	-
As at March 31, 2022	1.23	1.23
Carrying Amount		
As at March 31, 2022	0.05	0.05
As at March 31, 2021	0.46	0.46

Note on Depreciation for Swan LNG Private Limited - Subsidiary:

- During the year ended FY 21-22, the Company has provided depreciation aggregating to ₹ 68.47 Lakh (FY 20-21 ₹ 65.54 Lakh), including Dep. of ₹ 0.41 Lakh on Intangible assets, (FY 20-21 ₹ 0.41 Lakh), Out of which the Company has transferred ₹ 68.47 Lakh (FY 20-21 ₹ 65.54 Lakh) to pre & pre-operative expense and balance amount of ₹ NIL (FY 20-21 - ₹ Nil) has been charged to statement of P/L A/c.

- The Company has not revalued its Property, Plant and Equipment (including Right-of-Use Asset) since the Company has adopted cost model as its accounting policy to an entire class of Property, Plant and Equipment in accordance with Ind AS 16.

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Notes to the Consolidated Financial Statement for Year ended March 31, 2022

4 Investment Property

(₹ in Lakhs)

Particulars	Land	Buildings	Total
Gross Carrying Value			
As at April 01, 2020	2,573.06	43,203.40	45,776.46
Additions	-	-	-
Deductions	-	171.23	171.23
As at March 31, 2021	2,573.06	43,032.17	45,605.23
Additions	-	-	-
Deductions	-	326.01	326.01
As at March 31 2022	2,573.06	42,706.16	45,279.22
Accumulated depreciation			
As at April 01, 2020	-	3,541.24	3,541.24
Depreciation expense	-	640.22	640.22
Deductions	-	-	-
As at March 31, 2021	-	4,181.46	4,181.46
Depreciation expense	-	640.22	640.22
Deductions	-	-	-
As at March 31 2022	-	4,821.68	4,821.68
Carrying Amount			
As at March 31 2022	2,573.06	37,884.48	40,457.54
As at March 31, 2021	2,573.06	38,850.71	41,423.77

Swan Energy Limited

Notes to the Consolidated Financial Statement for Year ended March 31, 2022

5 Investments

Particulars	March 31, 2022	March 31, 2021
	₹ in Lakhs	₹ in Lakhs
(i) Investment in Subsidiary (At Cost)		
Other Equity Shares - Unquoted *	36.00	36.00
Total	36.00	36.00

* The fair value of Other Equity Shares Investments are similar to carrying amounts as carrying amounts are a reasonable approximation of the fair values due to its unquoted nature.

6 Loans

Particulars	March 31, 2022	March 31, 2021
	₹ in Lakhs	₹ in Lakhs
Security Deposit	26.85	12.81
Total	26.85	12.81

7 Other Financial Assets

Particulars	March 31, 2022	March 31, 2021
	₹ in Lakhs	₹ in Lakhs
In Deposit Accounts (where maturity exceed twelve months)	-	711.68
Total	-	711.68

8 Non Current Tax Assets

Particulars	March 31, 2022	March 31, 2021
	₹ in Lakhs	₹ in Lakhs
Advance Tax /TDS Receivable (Net of Provision)	778.10	545.55
Total	778.10	545.55

9 Deferred Tax Assets (Net)

Particulars	March 31, 2022	March 31, 2021
	₹ in Lakhs	₹ in Lakhs
Related to Fixed Assets, Unabsorbed Losses & Gratuity	3,760.78	686.16
Total	3,760.78	686.16

10 Other Non Current Assets

Particulars	March 31, 2022	March 31, 2021
	₹ in Lakhs	₹ in Lakhs
Capital Advance(Project)	9,896.84	12,638.21
Security Deposits	723.86	733.02
Moratorium Interest	-	330.76
Unammortised Processing / Upfront Fees	1,613.11	3,379.23
Total	12,233.81	17,081.22

11 Inventories

Particulars	March 31, 2022	March 31, 2021
	₹ in Lakhs	₹ in Lakhs
Work-in-progress and Advances	8,478.93	6,595.14
Textiles		
(a)Raw materials	2,771.46	2,237.57
(b)Work-in-process	2,755.66	2,567.13
(c)Finished goods	3,038.83	2,972.08
(d)Stores and spares	99.48	100.44
Total	17,144.36	14,472.36

Swan Energy Limited

Notes to the Consolidated Financial Statement for Year ended March 31, 2022

12 Investments

Particulars	March 31, 2022	March 31, 2021
	₹ in Lakhs	₹ in Lakhs
Investment in Mutual Funds	79.29	20.89
Bid for Reliance Naval and Engineering Limited		
- Bank Commission *	177.30	-
	256.59	20.89

* The bank commission is incurred for obtaining bank guarantee as per the terms of RP submitted by Hazel Mercantile Limited Which was approved under IBC process of reliance naval. The company is acting as special purpose vehicle to complete the process of Acquisition of Promoter's share in Reliance Naval as per the RP.

13 Trade Receivable

Particulars	March 31, 2022	March 31, 2021
	₹ in Lakhs	₹ in Lakhs
Trade Receivable -Considered Good	21,375.94	2,866.81
	21,375.94	2,866.81

Trade receivables are neither due from directors or other officers of the Company either severally or jointly with any other person, nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member. Refer Note No. 13(i) for the ageing schedule of Trade Receivables

14 Cash and cash equivalents

Particulars	March 31, 2022	March 31, 2021
	₹ in Lakhs	₹ in Lakhs
Cash in hand	24.00	21.66
Balances with banks		
In Current Accounts	39,990.63	2,690.07
In Deposit Accounts	50,665.74	4,611.92
Total	90,680.37	7,323.65

15 Bank Balances Other Than Cash and cash equivalents

Particulars	March 31, 2022	March 31, 2021
	₹ in Lakhs	₹ in Lakhs
Balances with banks		
In Deposit Accounts (where maturity does not exceed twelve months)	4,719.78	3,730.97
In Unpaid Dividend Accounts	6.23	7.00
Total	4,726.01	3,737.97

16 Loans

Particulars	March 31, 2022	March 31, 2021
	₹ in Lakhs	₹ in Lakhs
Loans to Related Parties		
Loan To Other Related Parties	987.27	146.59
Loans to other than Related Parties		
Loan to employees	39.10	71.17
Loan to Others	7,576.42	7,576.42
Total	8,602.79	7,794.18

Swan Energy Limited

Notes to the Consolidated Financial Statement for Year ended March 31, 2022

17 Other Financial Assets

Particulars	March 31, 2022	March 31, 2021
	₹ in Lakhs	₹ in Lakhs
Balances with banks		
Interest Accrued on Fixed Deposit	508.84	54.66
Total	508.84	54.66

18 Other Current Assets

Particulars	March 31, 2022	March 31, 2021
	₹ in Lakhs	₹ in Lakhs
Prepaid Expenses	382.66	1,426.90
Security Deposit	28.96	32.85
Unamortised Processing / Upfront Fees	380.81	273.24
Advance to Suppliers	754.62	970.85
Other Receivable	335.82	339.18
Other Advances	113.29	40.86
Input Tax Credit	14,949.03	14,205.87
Total	16,945.19	17,289.75

Trade Receivables Ageing as on March 31, 2022

(₹ in Lakhs)

Particulars	< 6 months	6 months - 1 year	1-2 years	2-3 years	> 3 years	TOTAL
(i) Undisputed Trade receivables – considered good	20,367.51	148.80	1.12	0.09	271.27	20,788.80
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	587.14	-	-	-	-	587.14
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	20,954.65	148.81	1.12	0.09	271.27	21,375.94

Trade Receivables Ageing as on March 31, 2021

(₹ in Lakhs)

Particulars	< 6 months	6 months - 1 year	1-2 years	2-3 years	> 3 years	TOTAL
(i) Undisputed Trade receivables – considered good	2,117.70	0.02	0.28	23.80	725.01	2,866.81
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	2,117.70	0.02	0.28	23.80	725.01	2,866.81

Swan Energy Limited

Notes to the Consolidated Financial Statement for the year ended March 31, 2022

19 Share Capital

(a) Authorised Share Capital:

Particulars	March 31, 2022	March 31, 2021
	₹ in Lakhs	₹ in Lakhs
15,000 11% Cumulative Redeemable Preference Shares of ₹ 100/- each	15.00	15.00
10,000 11% Cumulative Preference Shares of ₹ 100/- each	10.00	10.00
1,00,00,00,000 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, 2022	March 31, 2021
	₹ in Lakhs	₹ in Lakhs
26,39,17,000 Equity Shares (24,42,57,000: March 31, 2021) of ₹ 1/- each fully paid up.	2,639.17	2,442.57
Total	2,639.17	2,442.57

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

Particulars	March 31, 2022		March 31, 2021		Sept
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs	No. of Shares
Outstanding At the beginning of the year (Face Value ₹ 1/- per share)	24,42,57,000	2,442.57	24,42,57,000	2,442.57	24,42,57,000
Shares Issued during the year (Face Value ₹ 1/- per share)	1,96,60,000	196.60	-	-	-
Outstanding At the end of the year (Face Value ₹ 1/- per share)	26,39,17,000	2,639.17	24,42,57,000	2,442.57	24,42,57,000

Terms/rights attached to Equity shares :

The Company has only one class of issued Equity Shares having a par value of ₹ 1 per share. Each Shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of Interim Dividend. In the event of liquidation, the equity shareholders are eligible to receive the residual assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(d) Shareholding of promoters

Name of the Shareholder	No. of shares held as on 31st March, 2021	% of total Shares	No. of shares held as on 31st March, 2022	% of total Shares	% Change during the year
Ms. Vinita Nikhil Merchant	41,500	0.02	41,500	0.02	(0.00)
Mr. Bhavik Nikhil Merchant	41,000	0.02	41,000	0.02	(0.00)
Mr. Nikhil Vasantlal Merchant	4,000	0.00	4,000	0.00	(0.00)
Dave Impex Private Limited	4,60,30,400	18.85	4,60,30,400	17.44	(1.40)
Swan Realtors Private Limited	4,15,89,000	17.03	4,15,89,000	15.76	(1.27)
Swan Engitech Works Private Limited	3,84,02,858	15.72	3,84,02,858	14.55	(1.17)
Dave Leasing And Holdings Private Limited	74,40,800	3.05	74,40,800	2.82	(0.23)
Sahajanand Soaps And Chemicals Pvt Ltd	66,10,000	2.71	66,10,000	2.50	(0.20)
Muse Advertisement And Media Private Limited	-	-	53,39,500	2.02	2.02
Vakratund Plaza Private Limited	-	-	53,08,500	2.01	2.01
Dhankalash Tradecomm Private Limited	40,00,000	1.64	40,00,000	1.52	(0.12)
Forceful Vincom Private Limited	40,00,000	1.64	40,00,000	1.52	(0.12)
Banshidhar Traders Private Limited	40,00,000	1.64	40,00,000	1.52	(0.12)
Inderlok Dealcomm Private Limited	40,00,000	1.64	40,00,000	1.52	(0.12)
Swan International Limited	23,40,442	0.96	23,40,442	0.89	(0.07)
Promoters	15,85,00,000	64.89	16,91,48,000	64.09	(0.80)
Public	8,57,57,000	35.11	9,47,69,000	35.91	(0.80)
Total:	24,42,57,000	100.00	26,39,17,000	100.00	

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

Name of the Shareholder	March 31, 2022		March 31, 2021	
	No. of Shares	% holding	No. of Shares	% holding
Dave Impex Private Limited	4,60,30,400	17.44	4,60,30,400	18.85
Swan Engitech Works Private Limited	3,84,02,858	14.55	3,84,02,858	15.72
Swan Realtors Private Limited	4,15,89,000	15.76	4,15,89,000	17.03
21 Capital PCC	2,30,77,000	8.74	2,30,77,000	9.45

20 Other Equity

Particulars	March 31, 2022		March 31, 2021	
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Capital Reserve		5,811.32		5,811.32
Capital Redemption Reserve		14.25		14.25
Securities Premium Reserve				
At the beginning of the year	67,842.58		67,842.58	
Add:- Change during the year	31,652.60		-	
At the end of the year		99,495.18		67,842.58
General Reserve		372.00		372.00
Foreign Currency Translation Reserve				
At the beginning of the year	0.35		0.52	
Add:- Change during the year	(0.35)		(0.17)	
At the end of the year		-		0.35
Equity Component of Optionally Convertible Debentures				
At the beginning of the year	-		-	
Add: Issue during the year	14,230.82		-	
At the end of the year		14,230.82		-
Retained Earnings				
At the beginning of the year	10,944.75		14,998.40	
Add:- Opening balance of new subsidiaries	(4.96)		-	
Less:- Opening balance of strike-off subsidiaries	16.25			
Add: Profit/(Loss) for the year	(8,742.61)		(3,809.39)	
Less: - Dividend on equity shares Paid	(244.26)		(244.26)	
At the end of the year		1,969.17		10,944.75
Total		1,21,892.74		84,985.25

Notes to the Consolidated Financial Statement for the year ended March 31, 2022

21 Borrowings

Particulars	March 31, 2022	March 31, 2021
	₹ in Lakhs	₹ in Lakhs
Secured		
From Banks/NBFC (Term Loan)	3,45,012.54	1,98,336.55
From Banks (Vehicle Loan)	53.78	56.18
Redeemable Non-Convertible Debentures	-	1,250.00
Unsecured		
Redeemable Optionally-Convertible Debentures	8,931.63	-
Total	3,53,997.95	1,99,642.73

Term loan from Banks / NBFC in Swan Energy Ltd. includes:

Term Loan facility ₹ 3,000 Lakhs (as at March 31, 2021 NIL) from JM Financial: secured by mortgage of Investment Property

Term loan from Banks / NBFC in Cardinal Energy &

i) PNB Housing Finance Limited loan: ₹ (NIL) Lakhs (as at March 31, 2021: ₹ 7,533.12 Lakhs) was secured by the Whitefield property at Bengaluru.

ii) Indian Bank Loan: ₹ 8,429.70 Lakhs (as at March 31, 2021: ₹ NIL) is secured by Whitefield property at Bengaluru.

iii) HDFC LTD Loan: ₹ 6,855.07 Lakhs (as at March 31, 2021: ₹ 7,562.36 Lakhs) is secured by Gachibowli property at Hyderabad.

Term loan from Banks / NBFC in Swan LNG Pvt. Ltd. is after net off amortized portion of Term Loan processing fees/Financing charges of ₹ 2778.87 Lakhs (FY 31st March 2021 ₹ 1741.67 Lakhs) as per Ind AS 109 and balance includes:

i) State Bank of India Loan: ₹ 34,577.60 Lakhs (as at March 31, 2021: ₹ 12,373.00 Lakhs)

ii) Punjab National Bank Loan: ₹ 45,963.62 Lakhs (as at March 31, 2021: ₹ 16,443.00 Lakhs)

iii) Union Bank of India Loan: ₹ 37,340.40 Lakhs (as at March 31, 2021: ₹ 13,356.13 Lakhs)

iv) India Infrastructure Finance Company Ltd Loan: ₹ 28,726.00 Lakhs (as at March 31, 2021: ₹ 10,278.00 Lakhs)

v) Syndicate Bank Loan: ₹ 14,141.55 Lakhs (as at March 31, 2021: ₹ 5,138.14 Lakhs)

vi) Indian Bank Loan: ₹ 11,489.09 Lakhs (as at March 31, 2021: ₹ 4,107.97 Lakhs)

vii) Canara Bank Loan: ₹ 8,837.53 Lakhs (as at March 31, 2021: ₹ 3,082.26 Lakhs)

Securities and Terms of Repayment for Secured Borrowings in Swan LNG Pvt. Ltd. :

Rupee Term Loans: The Company has been sanctioned Rupee Term Loan by SBI lead consortium Banks. These Term loans are secured by

i) first ranking mortgage over the immovable properties (both present and future), except the project land given under lease.

ii) first ranking mortgage over the leasehold rights on the project land given under lease.

iii) First charge over the plant and machinery and other moveable assets (both present and future),

iv) first ranking security interest over all intangible assets, and current assets (both present and future)

v) Pledge of 100% Equity and Preference shares of the Company held by the Holding Company.

vi) first ranking mortgage over the specifically identified immovable properties owned by the Group company called Cardinal Energy and Infrastructure Pvt. Ltd. and Pegasus Ventures Pvt. Ltd.

The Loan is repayable in sixty-one quarterly instalments and first instalment shall become due and payable after end of the 4th quarter from March 31, 2023 along with accrued interest for the period.

Term loan from Banks / NBFC in Triumph Offshore Pvt. Ltd. is after net off amortized portion of Term Loan processing fees/Financing charges of ₹ 2,939.46 Lakhs (as at March 31, 2021: ₹ 2,633.18 Lakhs) as per Ind AS 109 and balance includes:

i) State Bank of India Loan: ₹ 62,928.00 Lakhs (as at March 31, 2021: ₹ 50,670.00 Lakhs)

ii) Indian Bank Loan: ₹ 29,432.20 Lakhs (as at March 31, 2021: ₹ 22,493.77 Lakhs)

iii) Union Bank of India Loan: ₹ 24,202.61 Lakhs (as at March 31, 2021: ₹ 19,483.61 Lakhs)

iv) Punjab National Bank Loan: ₹ 20,283.57 Lakhs (as at March 31, 2021: ₹ 18,499.00 Lakhs)

v) Canara Bank (erstwhile Syndicate Bank that got merged in Canara Bank) Loan: ₹ 14,521.93 Lakhs (as at March 31, 2021: ₹ 11,691.04 Lakhs)

Notes to the Consolidated Financial Statement for the year ended March 31, 2022

b) Securities and Terms of Repayment for Secured Borrowings in Triumph Offshore Pvt. Ltd. :

Rupee Term Loans (RTL) : The Company has been sanctioned Rupee Term Loan by SBI lead consortium Banks.

These Term loans are secured by

i) First ranking mortgage/ charge over the Vessel including all the relevant equipment, being legally part of the FSRU;

ii) First ranking mortgage over the immovable properties (both present and future) of the Company.

iii) First ranking Security interest over the movable assets of the Company, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles, and all other movable assets both present and future.

iv) First ranking Security interest or assignment by way of security of all the rights, title, interest, benefits, claims and demands whatsoever of the Company in the project documents or under insurance contracts / policies, procured in relation to the FSRU.

v) First ranking Security Interest over the present and future current assets and all intangible assets of the Company.

vi) Pledge of 100% Equity and Preference shares of the Company held by the Holding Company & IIFCO.

vii) A Corporate Guarantee from Swan Energy Ltd.

The Loan is repayable in sixty-one quarterly instalments and first instalment shall become due and payable after end of the 4th quarter from March 31, 2023 along with accrued interest for the period.

Redeemable Non-Convertible Debentures in Pegasus Ventures Pvt. Ltd. includes :

Debentures of ₹ NIL (as at March 31, 2021: ₹ 1,250.00 Lakhs) are secured by mortgage of immovable property at Kovilambakkam village, Chennai, HD Kote, Mysore and pledge of unencumbered dematerialized equity shares of Swan Energy Limited.

Vehicle loan: Secured by hypothecation of Vehicle.

22 Other Financial Liabilities

Particulars	March 31, 2022	March 31, 2021
	₹ in Lakhs	₹ in Lakhs
Rental Deposits	2,312.03	2,872.39
Long term maturities of finance lease obligations [Refer Note 3 (ii)]	69.52	107.26
Total	2,381.55	2,979.65

23 Provisions

Particulars	March 31, 2022	March 31, 2021
	₹ in Lakhs	₹ in Lakhs
Provision for Gratuity	148.58	116.81
Total	148.58	116.81

24 Borrowings

Particulars	March 31, 2022	March 31, 2021
	₹ in Lakhs	₹ in Lakhs
Secured		
From Banks	4,984.33	5,203.57
Interest Accrued but Not Due on Term Loan	-	13.00
Unsecured		
Loan from related parties		
Loan from Other Related Parties	6,245.63	4,979.98
Loan from Other than related parties	729.32	-
Loan from Other Parties	43,554.41	94,745.53
Total	55,513.69	1,04,942.08

Notes to the Consolidated Financial Statement for the year ended March 31, 2022

Borrowings from Banks is towards Working Capital as per below details:

- i) Union Bank of India ₹ 2,982.65 Lakhs (as at March 31, 2021: ₹ 3,188.61 Lakhs).
- ii) Punjab National Bank (erstwhile Oriental Bank of Commerce that merged with Punjab National Bank) ₹ 1,130.85 Lakhs (as at March 31, 2021: ₹ 1,110.70 Lakhs).
- iii) Bank of Baroda ₹ 506.95 Lakhs (as at March 31, 2021: ₹ 505.12 Lakhs).
- iv) The Mehsana urban Co-op Bank Ltd ₹ 363.88 Lakhs (as at March 31, 2021: ₹ 399.14 Lakhs).

All the above loans are secured by pari passu mortgage of building, plant/machinery & factory land at

Ahmedabad. Also, secured against pari passu charge on hypothecation of Inventories and Book debts of the textile division and by pledge of Equity Shares of Swan Energy Limited held by the promoters/group company(s).

25 Trade Payables

Particulars	March 31, 2022	March 31, 2021
	₹ in Lakhs	₹ in Lakhs
Due to Micro, Small and Medium Enterprises	-	-
Others	20,690.81	3,293.96
Total	20,690.81	3,293.96

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

26 Other Financial Liabilities

Particulars	March 31, 2022	March 31, 2021
	₹ in Lakhs	₹ in Lakhs
Current Maturities of Non-Current Borrowings		
From Banks/NBFC (Term Loan)	2,102.65	1,793.58
From Banks (Vehicle Loan)	20.78	27.18
Redeemable Non-Convertible Debentures	-	1,250.00
Current maturities of finance lease obligations [Refer note 3(ii)]	37.74	33.01
Capital Creditor	29,114.94	34,457.61
Capital Retention money	3,121.21	3,248.68
Provision for Expenses	206.67	413.12
Total	34,603.99	41,223.18

Current maturities of Non-Current Borrowings in Swan Energy Ltd. includes:

₹ 1250 Lacs (as at March 31, 2021: ₹ NIL) Term Loan facility from JM Financial: secured by mortgage of Investment Property

Current maturities of Non-Current Borrowings in Cardinal Energy & Infrastructure Pvt. Ltd. includes:

- i) PNB Housing Finance Limited Loan: NIL (as at March 31, 2021: ₹ 1,244.20 Lakhs) is secured by the Whitefield property at Bengaluru.
- ii) Indian Bank Loan: ₹ 177.73 Lakhs (as at March 31, 2021: ₹ NIL) is secured by Whitefield property at Bengaluru.
- iii) HDFC LTD Loan: ₹ 674.92 Lakhs (as at March 31, 2021: ₹ 549.38 Lakhs) is secured by Gachibowli property at Hyderabad.

Redeemable Non-Convertible Debentures Include :

Debentures of ₹ NIL (as at March 31, 2021: ₹ 1,250) are secured by mortgage of immovable property at Kovilambakkam village, Chennai, HD Kote, Mysore and pledge of unencumbered dematerialized equity shares of Swan Energy Limited.

Vehicle loan: Secured by hypothecation of Vehicle.

27 Other Current Liabilities

Particulars	March 31, 2022	March 31, 2021
	₹ in Lakhs	₹ in Lakhs
Income Received in Advance	591.44	55.75
Advance from Customers	25.22	54.73
Statutory Dues Payable	1,458.10	1,083.14
Retention Money	402.63	365.55
Unpaid Dividend	6.23	7.00
Creditors for Expenditure	0.06	10.26
Total	2,483.68	1,576.43

28 Provisions

Particulars	March 31, 2022	March 31, 2021
	₹ in Lakhs	₹ in Lakhs
Provision for Gratuity	69.04	66.60
Total	69.04	66.60

Ageing Schedule of Trade Payables-Consolidated

As at March 31, 2022

(₹ in Lakhs)

Particulars	Outstanding for following periods					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i). MSME						
(ii) Others	16,786.69	3,615.36	169.85	12.40	106.51	20,690.81
(iii). Disputed Dues - MSME						
(iv). Disputed Dues - Others						
(v). Unbilled Dues						
Total	16,786.69	3,615.36	169.85	12.40	106.51	20,690.81
As at March 31, 2021						
(i). MSME						
(ii) Others	472.68	2,578.21	39.57	18.81	184.69	3,293.96
(iii). Disputed Dues - MSME						
(iv). Disputed Dues - Others						
(v). Unbilled Dues						
Total	472.68	2,578.21	39.57	18.81	184.69	3,293.96

Swan Energy Limited

Notes to the Consolidated Financial Statement for the year ended March 31, 2022

29 Revenue from Operations

Particulars	Apr'21-March'22	Apr'20-Mar'21
	₹ in Lakhs	₹ in Lakhs
Sale of Products		
-Textile Goods	17,058.71	21,453.04
Other Operating Revenues		
-Construction	1,679.61	2,225.00
-Trading of goods	20,564.04	
-Rental Income from Investment Property	3,327.94	3,638.24
-Construction (Work Contract Service)	1,453.57	1,422.91
-Revenue from Services	4,636.09	3,307.69
Total	48,719.96	32,046.88

30 Other Income

Particulars	Apr'21-March'22	Apr'20-Mar'21
	₹ in Lakhs	₹ in Lakhs
Interest Income	623.02	349.88
Dividend Income	5.40	-
Net Exchange Gain	29.02	10.79
Profit on sale of Investments	21.04	33.73
Miscellaneous Income	10.67	0.00
Total	689.15	394.40

31 Cost of Materials consumed

Particulars	Apr'21-March'22	Apr'20-Mar'21
	₹ in Lakhs	₹ in Lakhs
Material used in Construction Activities	962.85	416.47
Cost of traded goods Sold	20,331.72	
Textile		
Greige	9,690.01	18,439.50
Stores & Spares	182.12	204.13
Dyes, Chemicals and others	3,495.48	1,970.94
Total for Textiles	13,367.61	20,614.57
Total	34,662.18	21,031.04

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

Particulars	Apr'21-March'22	Apr'20-Mar'21
	₹ in Lakhs	₹ in Lakhs
Finished Goods		
Opening Stock	2,972.08	1,839.14
Closing Stock	3,038.83	2,972.08
Changes in Inventory of Finished Goods	(66.75)	(1,132.94)
Work in Progress		
Opening Stock	9,162.27	7,321.54
Closing Stock	11,234.58	9,162.27
Changes in Inventory Work in Progress	(2,072.31)	(1,840.73)
Total	(2,139.06)	(2,973.67)

Swan Energy Limited

Notes to the Consolidated Financial Statement for the year ended March 31, 2022

33 Employee benefit expenses

Particulars	Apr'21-March'22	Apr'20-Mar'21
	₹ in Lakhs	₹ in Lakhs
Salaries Wages and Bonus	2,457.69	1,767.80
Contribution to Provident Fund and Other Funds	25.82	10.10
Gratuity	23.69	25.48
Staff Welfare Expenses	7.59	5.88
Total	2,514.79	1,809.26

34 Finance Costs

Particulars	Apr'21-March'22	Apr'20-Mar'21
	₹ in Lakhs	₹ in Lakhs
Interest expense	18,496.47	10,684.83
Interest on Pref Share(Exp - IND AS)	2.44	-
Other Borrowing cost	416.03	118.72
Total	18,914.94	10,803.55

35 Other Expenses

Particulars	Apr'21-March'22	Apr'20-Mar'21
	₹ in Lakhs	₹ in Lakhs
Advertisement Expenses	5.18	1.23
Audit Fees	7.22	9.06
Architect Fees	11.37	8.46
Brokerage & Commission	143.87	83.57
Business Development Expenses	105.24	40.22
Communication cost	17.42	17.51
Donation	40.89	48.37
Freight Charges	91.39	62.30
Insurance	458.49	258.61
Labour Charges	584.15	446.91
Legal & Professional fees	424.52	173.31
Listing and related expenses	23.37	10.41
Loss on sale of Fixed Assets	18.01	36.13
Lubricants Consumed	800.50	436.90
Membership & Subscription	13.72	14.88
Net Exchange Loss	-	59.89
Other Development Expenses	1,081.49	1,560.60
Printing & Stationery	13.24	10.85
Power & Fuel	564.51	467.64
Rates & Taxes	165.08	414.84
Rent	76.69	78.91
Repair & Maintenance - Building	6.92	8.07
Repair & Maintenance - Machinery	697.82	75.87
Repair & Maintenance - Others	60.52	349.21
Security Charges	50.32	53.90
Ship Management Fees	369.25	183.56
Stores, Spares & Consumables	173.82	140.58
Vehicle Expenses	22.08	15.91
Miscellaneous Expenses	825.40	341.80
Total	6,852.48	5,409.50

36 Tax Expenses

Particulars	(₹ in Lakhs)	
	Apr'21-Mar'22	Apr'20-Mar'21
The major components of income tax expense for the year are as under:		
(i) Income tax recognised in the Consolidated Statement of Profit and Loss		
Current tax:		
Current Tax Charges	441.04	141.58
Deferred tax:		
In respect of current year	(3,074.62)	(1,084.10)
Income tax expense recognised in the Consolidated Statement of Profit and Loss	(2,633.58)	(942.52)
(ii) Income tax expense recognised in OCI		
Deferred tax expense on remeasurements of defined benefit plans	-	-
Income tax expense recognised in OCI	-	-

B Reconciliation of tax expense and the accounting profit for the year is as under:

Particulars	Apr'21-Mar'22	Apr'20-Mar'21
Profit/(Loss) before tax	(18,411.55)	(7,790.67)
Tax using company's domestic Tax Rate	212.71	80.23
Tax effect Due to lower tax rate	(3.51)	(5.46)
Tax effect due to Expenses Disallowed under Income tax	214.68	200.45
Tax effect due to Ind AS Interest Expense	3.23	41.43
Effect due to Income not considered in P&L A/c but offered for tax	200.18	-
Tax effect due to claim of Depreciation	(243.78)	(173.95)
Tax effect due to Ind AS Interest Income	(3.11)	(2.14)
Others Adjustment	60.64	1.02
Tax credit C/F and set off u/s 115IAA	-	-
Total	441.04	141.58
Tax expense as per Consolidated Statement of Profit and Loss	441.04	141.58
Note:		
For reconciliation purpose, the Company has considered the following tax rate;		
Corporate tax rate	33.38%	33.38%
Short term capital gain tax	16.69%	16.69%

C The major components of deferred tax (liabilities) / assets arising on account of timing differences are as follows:

Particulars	(₹ in Lakhs)							
	Balance Sheet	Statement of Profit & Loss	OCI	Balance Sheet	Balance Sheet	Statement of Profit & Loss	OCI	Balance Sheet
	March 31, 2021	Apr'21-Mar'22	Apr'21-Mar'22	March 31, 2022	March 31, 2020	Apr'20-Mar'21	Apr'20-Mar'21	March 31, 2021
Difference between written down value/capital work in progress of Property, Plant and Equipment as per the books of accounts and Income Tax Act, 1961.	(507.88)	37.32	-	(545.20)	(442.36)	65.52	-	(507.88)
Remeasurement benefit of defined benefit plans through P&L	44.61	5.97	-	38.64	42.38	(2.23)	-	44.61
Unabsorbed business loss	1,145.95	(3,117.40)	-	4,263.35	-	(1,145.95)	-	1,145.95
Lease Rentals	3.48	(0.51)	-	3.99	2.04	(1.44)	-	3.48
Deferred tax expense/(income) Net Deferred tax asset/(liabilities)	686.16	(3,074.62)	-	3,760.78	(397.94)	(1,084.10)	-	686.16

37 Financial Instruments - Fair Values and Risk Management

Accounting classification and fair values

A Carrying Value as on reporting date & Fair Value hierarchy:

The following table shows carrying amount and fair values of financial assets and financial liabilities, including their levels in fair value hierarchy. It does not include fair value information of financial assets and liabilities not measured at fair value if the carrying amount is reasonable approximation of fair value.

(₹ in Lakhs)

Particulars	March 31, 2022				Fair Value hierarchy			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
(i) Current Investments	256.59	-	-	256.59	-	256.59	-	256.59
(ii) Trade Receivables	-	-	21,375.94	21,375.94	-	-	21,375.94	21,375.94
(iii) Cash and Cash Equivalents	-	-	90,680.37	90,680.37	-	-	90,680.37	90,680.37
(iv) Bank Balances Other Than (iii) above	-	-	4,726.01	4,726.01	-	-	4,726.01	4,726.01
(v) Loans	-	-	8,602.79	8,602.79	-	-	8,602.79	8,602.79
(vi) Other Financial Assets	-	-	508.84	508.84	-	-	508.84	508.84
Total	256.59	-	1,25,893.95	1,26,150.54	-	256.59	1,25,893.95	1,26,150.54
Financial Liabilities								
(i) Borrowings	-	-	55,513.69	55,513.69	-	-	55,513.69	55,513.69
(ii) Trade Payables	-	-	20,690.81	20,690.81	-	-	20,690.81	20,690.81
(iii) Other Financial Liabilities	-	-	34,603.99	34,603.99	-	-	34,603.99	34,603.99
Total	-	-	1,10,808.49	1,10,808.49	-	-	1,10,808.49	1,10,808.49

(₹ in Lakhs)

Particulars	March 31, 2021				Fair Value hierarchy			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
(i) Current Investments	20.89	-	-	20.89	-	20.89	-	20.89
(ii) Trade Receivables	-	-	2,866.81	2,866.81	-	-	2,866.81	2,866.81
(iii) Cash and Cash Equivalents	-	-	7,323.65	7,323.65	-	-	7,323.65	7,323.65
(iv) Bank Balances Other Than (iii) above	-	-	3,737.97	3,737.97	-	-	3,737.97	3,737.97
(v) Loans	-	-	7,794.18	7,794.18	-	-	7,794.18	7,794.18
(vi) Other Financial Assets	-	-	54.66	54.66	-	-	54.66	54.66
Total	20.89	-	21,777.27	21,798.16	-	20.89	21,777.27	21,798.16
Financial Liabilities								
(i) Borrowings	-	-	1,04,942.08	1,04,942.08	-	-	1,04,942.08	1,04,942.08
(ii) Trade Payables	-	-	3,293.96	3,293.96	-	-	3,293.96	3,293.96
(iii) Other Financial Liabilities	-	-	41,223.18	41,223.18	-	-	41,223.18	41,223.18
Total	-	-	1,49,459.22	1,49,459.22	-	-	1,49,459.22	1,49,459.22

With respect to disclosure of fair value of financial instruments such as cash and cash equivalents, other bank balances, trade receivables and other receivables, other current and non current financial assets, borrowings and other current financial liabilities at March 31, 2022 and March 31, 2021 are similar to carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short term nature.

Notes to the Consolidated Financial Statement for the year ended March 31, 2022

Financial Instruments - Fair Values and Risk Management (continued....)

B Financial Risk Management

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

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

The source of risk are as follows -

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

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

a Credit Risk

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

The Company's maximum exposure to credit risk as at March 31, 2022 is the carrying value of each class of financial assets.

i Trade and other receivables

Credit risk on trade receivables is limited based on past experience and management's estimate.

Ageing of trade and other receivables that were not impaired is as follows.

Particulars	Carrying Amount	
	March 31, 2022	March 31, 2021
Neither Past due nor impaired	20,954.65	2,118.46
Past due more than 180 days	421.29	748.35

(₹ in Lakhs)

ii Loans

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

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

Particulars (Current & Non Current)	Carrying Amount	
	March 31, 2022	March 31, 2021
Loan To Other Related Parties	987.27	146.59
Loan to employees	39.10	71.17
Loan to Others	7,576.42	7,576.42

(₹ in Lakhs)

iii Loans (Project Advances)

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

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

Particulars	Carrying Amount	
	March 31, 2022	March 31, 2021
Capital Advance (Project)- Other Non Current Assets	9,896.84	12,638.21

(₹ in Lakhs)

iv Cash and Cash Equivalents

The Company held cash and bank balance with credit worthy banks of ₹ 95,406.38 Lakhs at March 31, 2022 (March 31, 2021: ₹ 11,061.62 Lakhs). The credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks where credit risk is largely perceived to be extremely insignificant. Further the Company has an interest accrued but not due on above fixed deposits of ₹ 508.84 Lakhs at March 31, 2022 (March 31, 2021: ₹ 54.66 Lakhs).

Swan Energy Limited

Notes to the Consolidated Financial Statement for the year ended March 31, 2022

Financial Instruments - Fair Values and Risk Management (continued....)

b Liquidity Risk

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

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

i Exposure to Liquidity Risk

The company has outstanding borrowing through Current and Non-Current borrowings from Banks / NBFCs and third parties.

Carrying amounts are as below

(₹ in Lakhs)

Particulars	March 31, 2022			
	Carrying Amount	Within 1 Year	Between 1-5 years	More than 5 Years
Borrowings - (Non-Current)	3,53,997.95	-	78,272.66	2,75,725.29
Other Financial Liabilities (Non-Current)	2,381.55	-	2,381.55	-
Borrowings* - (Current)	55,513.69	55,513.69	-	-
Trade Payables	20,690.81	20,690.81	-	-
Other Financial Liabilities (Current)	34,603.99	34,603.99	-	-
Total	4,67,188.00	1,10,808.49	80,654.22	2,75,725.29

Carrying amounts are as below

(₹ in Lakhs)

Particulars	March 31, 2021			
	Carrying Amount	Within 1 Year	Between 1-5 years	More than 5 Years
Borrowings - (Non-Current)	1,99,642.73	-	34,538.85	1,65,103.88
Other Financial Liabilities (Non-Current)	2,979.65	-	2,979.65	-
Borrowings* - (Current)	1,04,942.08	1,04,942.08	-	-
Trade Payables	3,293.96	3,293.96	-	-
Other Financial Liabilities (Current)	41,223.18	41,223.18	-	-
Total	3,52,081.60	1,49,459.22	37,518.50	1,65,103.88

* The amount shown under 'Borrowings - (Current)' includes advances received from other related parties and other parties. These have been received in the ordinary course of business and are repayable on demand.

c Market Risk

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

Swan Energy Limited

Notes to the Consolidated Financial Statement for the year ended March 31, 2022

Financial Instruments - Fair Values and Risk Management (continued....)

i Currency Risk

The Company is exposed to currency risk on account of its trade and other payables in foreign currency. The functional currency of the Company is Indian Rupee. Currency risk is not material, as the Company does not have any exposure in foreign currency.

Particulars	Currency	As at March 31, 2022
Financial Assets - Trade Receivables	₹ in Lakhs	587.14
	US \$ in millions	0.77
Trade Payables	₹ in Lakhs	60.01
	US \$ in millions	0.08
Other Financial Liability	₹ in Lakhs	28.81
	US \$ in millions	0.04

Particulars	Currency	As at March 31, 2021
Financial Assets - Trade Receivables	₹ in Lakhs	410.18
	US \$ in millions	0.56
Trade Payables	₹ in Lakhs	15.30
	US \$ in millions	0.02
Other Financial Liability	₹ in Lakhs	276.22
	US \$ in millions	0.38

As on March 31, 2022, for conversion of US \$ liabilities into INR the Company has consider an exchange rate USD/INR ₹ 75.81 (PY : March 31 2021 USD/INR ₹ 73.50)

The following table details the Company's sensitivity to a 5% increase and decrease in the functional currency against the relevant foreign currencies of all the currencies in the Company. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit and other equity where the respective functional currency strengthens by 5% against the relevant foreign currency. For a 5% weakening of the functional currency against the relevant currency, there would be an equal and opposite impact on the profit and other equity, and the balances below would be negative.

ii (₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
	Impact on profit before tax	
US\$ impact	24.92	5.93

iii Price Risk

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

a Fair value sensitivity analysis for fixed rate Instruments

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

b Cash flow sensitivity analysis for variable rate Instruments

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

Swan Energy Limited

Notes to the Standalone Financial Statement for the Year ended March 31, 2022

38 Employee Benefits - Gratuity

	Current Period	Previous Period
Type of Benefit	Gratuity	Gratuity
Country	India	India
Reporting Currency	INR	INR
Reporting Standard	Indian Accounting Standard 19 (Ind AS 19)	Indian Accounting Standard 19 (Ind AS 19)
Funding Status	Unfunded	Unfunded
Starting Period	01-Apr-21	01-Apr-20
Date of Reporting	31-Mar-22	31-Mar-21
Period of Reporting	12 Months	12 Months
Reference ID	642018	523281

Assumptions (Previous Period)

Expected Return on Plan Assets	N.A.	N.A.
Rate of Discounting	6.86%	6.84%
Rate of Salary Increase	8.33%	8.33%
Rate of Employee Turnover	5.00%	5.00%
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

Assumptions (Current Period)

Expected Return on Plan Assets	N.A.	N.A.
Rate of Discounting	7.15%	6.86%
Rate of Salary Increase	8.33%	8.33%
Rate of Employee Turnover	5.00%	5.00%
Mortality Rate During Employment	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality (2006-08) Ultimate

Swan Energy Limited

Current Period

Previous Period

Table Showing Change in the Present Value of Defined Benefit Obligation

Present Value of Benefit Obligation at the Beginning of the Period	156.28	170.19
Interest Cost	10.58	11.64
Current Service Cost	13.11	13.84
Past Service Cost	-	-
Liability Transferred In/ Acquisitions	-	-
(Liability Transferred Out/ Divestments)	-	-
(Gains)/ Losses on Curtailment	-	-
(Liabilities Extinguished on Settlement)	-	-
(Benefit Paid Directly by the Employer)	(5.41)	(25.29)
(Benefit Paid From the Fund)	-	-
The Effect Of Changes in Foreign Exchange Rates	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	(0.01)	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(2.25)	(0.15)
Actuarial (Gains)/Losses on Obligations - Due to Experience	(9.07)	(13.96)
Present Value of Benefit Obligation at the End of the Period	163.24	156.28

Table Showing Change in the Fair Value of Plan Assets

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

Swan Energy Limited

	Current Period	Previous Period
Amount Recognized in the Balance Sheet		
(Present Value of Benefit Obligation at the end of the Period)	(163.24)	(156.28)
Fair Value of Plan Assets at the end of the Period	-	-
Funded Status (Surplus/ (Deficit))	(163.24)	(156.28)
Net (Liability)/Asset Recognized in the Balance Sheet	(163.24)	(156.28)

Net Interest Cost for Current Period		
Present Value of Benefit Obligation at the Beginning of the Period	156.28	170.19
(Fair Value of Plan Assets at the Beginning of the Period)	-	-
Net Liability/(Asset) at the Beginning	156.28	170.19
Interest Cost	10.50	11.64
(Interest Income)	-	-
Net Interest Cost for Current Period	10.58	11.64

Expenses Recognized in the Statement of Profit or Loss for Current Period		
Current Service Cost	13.11	13.84
Net Interest Cost	10.58	11.64
Past Service Cost	-	-
(Expected Contributions by the Employees)	-	-
(Gains)/Losses on Curtailments And Settlements	-	-
Net Effect of Changes in Foreign Exchange Rates	-	-
Expenses Recognized	23.69	25.48

Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period		
Actuarial (Gains)/Losses on Obligation For the Period	(11.32)	(14.11)
Return on Plan Assets, Excluding Interest Income	-	-
Change in Asset Ceiling	-	-
Net (Income)/Expense For the Period Recognized in OCI	(11.32)	(14.11)

Swan Energy Limited

	Current Period	Previous Period
Balance Sheet Reconciliation		
Opening Net Liability	156.28	170.19
Expenses Recognized in Statement of Profit or Loss	23.69	25.48
Expenses Recognized in OCI	(11.32)	(14.11)
Net Liability/(Asset) Transfer In	-	-
Net (Liability)/Asset Transfer Out	-	-
(Benefit Paid Directly by the Employer)	(5.41)	(25.29)
(Employer's Contribution)	-	-
Net Liability/(Asset) Recognized in the Balance Sheet	163.24	156.28

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

Other Details		
No of Members in Service	133	111
Per Month Salary For Members in Service	50.26	43.08
Weighted Average Duration of the Defined Benefit Obligation	6	6
Average Expected Future Service	11	11
Defined Benefit Obligation (DBO) - Total	163.24	156.28
Defined Benefit Obligation (DBO) - Due but Not Paid	0	2.04784
Expected Contribution in the Next Year	0	0

Swan Energy Limited

	Current Period	Previous Period
Net Interest Cost for Next Year		
Present Value of Benefit Obligation at the End of the Period	163.24	156.28
(Fair Value of Plan Assets at the End of the Period)	-	-
Net Liability/(Asset) at the End of the Period	163.24	156.28
Interest Cost	11.67	10.58
(Interest Income)	-	-
Net Interest Cost for Next Year	11.67	10.58

Expenses Recognized in the Statement of Profit or Loss for Next Year		
Current Service Cost	15.38	13.11
Net Interest Cost	11.67	10.58
(Expected Contributions by the Employees)	-	-
Expenses Recognized	27.06	23.69

Maturity Analysis of the Benefit Payments		
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	66.15	65.74
2nd Following Year	22.93	4.91
3rd Following Year	4.31	21.54
4th Following Year	20.15	4.06
5th Following Year	5.31	18.90
Sum of Years 6 To 10	26.24	28.30
Sum of Years 11 and above	126.68	113.06

	Current Period	Previous Period
Sensitivity Analysis		
Defined Benefit Obligation on Current Assumptions	163.24	156.28
Delta Effect of +1% Change in Rate of Discounting	(7.02)	(6.95)
Delta Effect of -1% Change in Rate of Discounting	8.20	8.12
Delta Effect of +1% Change in Rate of Salary Increase	6.19	6.13
Delta Effect of -1% Change in Rate of Salary Increase	(5.59)	(5.54)
Delta Effect of +1% Change in Rate of Employee Turnover	(0.21)	(0.60)
Delta Effect of -1% Change in Rate of Employee Turnover	0.13	0.63
The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.		
The sensitivity analysis presented above may not be representative of the actual change in the Defined Benefit Obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.		
Furthermore, in presenting the above sensitivity analysis, the present value of the Defined Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the Defined Benefit Obligation as recognised in the balance sheet.		
There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.		

Notes

Gratuity is payable as per entity's scheme as detailed in the report.

Actuarial gains/losses are recognized in the period of occurrence under Other Comprehensive Income (OCI).

All above reported figures of OCI are gross of taxation.

Salary escalation & attrition rate are considered as advised by the entity; they appear to be in line with the industry practice considering promotion and demand & supply of the employees.

Maturity Analysis of Benefit Payments is undiscounted cashflows considering future salary, attrition & death in respective year for members as mentioned above.

Average Expected Future Service represents Estimated Term of Post - Employment Benefit Obligation.

Weighted Average Duration of the Defined Benefit Obligation is the weighted average of cash flow timing, where weights are derived from the present value of each cash flow to the total present value.

Any benefit payment and contribution to plan assets is considered to occur end of the year to depict liability and fund movement in the disclosures.

Swan Energy Limited

Notes to the Consolidated Financial Statement for the year ended March 31, 2022

39 Earning Per Share

Sr. No.	Particulars	Apr'21-March'22	Apr'20-Mar'21
i)	Net profit (Loss) after tax as per Statements of Profit & Loss attributable to Equity Shareholders (₹ In Lakhs)	(15,777.97)	(6,847.32)
ii)	Weighted average number of shares used as denomination for calculating Basic and Diluted earning per share	24,43,10,863	24,42,57,000
iii)	Face value of shares (₹ Per Share)	1.00	1.00
iv)	Basic/Diluted earning per share (in ₹)	(6.46)	(2.80)

40 Contingent Liabilities

(₹ in Lakhs)

Sr. No.	Particulars	March 31, 2022	March 31, 2021
i)	Income Tax	3,172.14	3,172.14
ii)	Corporate Guarantee	5,20,044.00	2,14,278.00
iii)	Bank guarantee	14,771.00	7,271.00

41 Payment to Auditors

(₹ in Lakhs)

Sr. No.	Particulars	Apr'21-March'22	Apr'20-Mar'21
i)	Statutory Audit Fees	5.00	6.56
ii)	Tax Audit Fees	1.50	1.50
iii)	Other Capacity	1.39	1.83

42 Related Party Disclosures, as required by Ind AS 24 are given below:

A List of Related Parties

Sr No.	Name of the parties	Relationship
i)	Mr.Navinbhai C. Dave - Chairman	Key Management Personnel
ii)	Mr. Nikhil V. Merchant - Managing Director	
iii)	Mr. Paresh V. Merchant - Executive Director	
iv)	Mr. Padmanabhan Sugavanam - Director	
v)	Mr.Chetan Selarka - Chief Financial Officer	
vi)	Mr.Arun Agarwal - Company Secretary	
vii)	Mr.Nirav Arvindkumar Shah - Company Secretary, Swan LNG Pvt Ltd.	
viii)	Mr.Rahul Sharma- CEO, Swan LNG Pvt Ltd.	
ix)	Mr. Bhavik N. Merchant	Relative of Key Management Personnel
x)	Mr. Vivek P. Merchant	
xi)	Ms. Vinita Naman Patel	
xii)	Mr. Naman Patel	Enterprise over which Key Management Personnel is able to exercise significant influence
xiii)	Good Earth Commodities (India) Private Limited	
xiv)	Feltham Trading Pvt Ltd	
xv)	Ami Tech (India) Private Limited	
xvi)	Altamount Estates Private Limited	
xvii)	Swan Constructions Private Limited	
xviii)	Dave Impex India Pvt. Ltd	
xix)	Dave Leasing And Holding Private Limited	
xx)	Swan Engitech Works Pvt. Ltd.	
xxi)	Swan Realtors Pvt. Ltd.	
xxii)	Swan International Private Limited	
xxiii)	Gazdar Bandh Developers Private Limited	
xxiv)	Sadavir Trading Private Limited	
xxv)	Swan Mills Limited	
xxvi)	Stormsoft Technologies Private Limited	
xxvii)	Varun Real Properties and Investments Pvt. Ltd.	
xxviii)	Gujarat Maritime Board ("GMB")	
xxix)	Sahajanand Soaps & Chemicals Private Limited	
xxx)	Hazel Mercantile Ltd	
xxxi)	Swan Desilting Private Limited	

Notes to the Consolidated Financial Statement for the year ended March 31, 2022

42 B (i) Transaction during the year Apr'21-Mar'22 with related parties

Sr No.	Name of the Company	Opening Balance Dr	Opening Balance Cr	Sale	Purchases	Remuneration Paid	Expenses/ Paid/ Booked	Advance Given	Advance received back	Advance taken	Advance paid back	Closing Balance Dr	Closing Balance Cr
i)	Mr. Nikhil Merchant	-	-	-	-	114.29	-	-	-	-	-	-	-
ii)	Mr. Paresh Merchant	-	-	-	-	114.29	3.00	-	-	-	-	-	0.68
iii)	Mr. Sugavanam Padmanabhan	-	-	-	-	35.24	-	-	-	-	-	-	-
iv)	Mr. Chetan Selarka - Chief Financial Officer	-	-	-	-	76.57	-	-	-	-	-	-	-
v)	Mr. Arun Agarwal - Company Secretary	-	-	-	-	26.74	-	-	-	-	-	-	-
vi)	Mr. Nirav Arvindkumar Shah - Company Secretary, Swan LNG Pvt Ltd.	-	-	-	-	7.56	-	-	-	-	-	-	-
vii)	Mr. Rahul Sharma- CEO, Swan LNG Pvt Ltd.	-	-	-	-	50.00	-	-	-	-	-	-	-
viii)	Mr. Bhavik Merchant	-	-	-	-	21.29	-	-	-	-	-	-	-
ix)	Mr. Vivek Merchant	-	-	-	-	21.29	-	-	-	-	-	-	-
x)	Ms. Vinita Naman Patel	-	-	-	-	-	16.94	-	-	-	-	-	-
xi)	Mr. Naman Patel	-	-	-	-	-	16.94	-	-	-	-	-	-
xii)	Good Earth Commodities (India) Private Limited	-	670.80	-	-	-	-	-	-	444.31	522.68	-	592.43
xiii)	Feltham Trading Pvt Ltd	0.82	-	-	-	-	1.80	-	0.82	50.62	0.76	-	50.30
xiv)	Ami Tech (India) Private Limited	-	1,465.00	-	-	-	-	-	-	1,426.76	745.51	-	2,146.25
xv)	Dave Impex India Pvt. Ltd	-	443.00	-	-	-	-	-	-	59.96	73.97	-	428.99
xvi)	Dave Leasing And Holding Private Limited	-	57.00	-	-	-	-	-	-	-	0.85	-	56.15
xvii)	Altamount Estates Private Limited	-	-	-	-	-	69.46	-	-	37.84	7.84	-	45.63
xviii)	Swan Constructions Private Limited	30.34	-	-	-	-	-	-	-	-	-	30.34	-
xix)	Swan Engitech Works Pvt. Ltd.	-	222.27	-	-	-	-	-	-	568.00	450.27	-	340.00
xx)	Swan Realtors Pvt. Ltd.	-	492.38	-	-	-	-	-	-	841.38	724.38	-	609.38
xxi)	Swan International Private Limited	-	-	-	-	-	-	-	-	57.50	0.61	-	56.89
xxii)	Gazdar Bandh Developers Private Limited	93.49	-	-	-	-	-	176.53	-	1.00	-	269.02	-
xxiii)	Sadavir Trading Private Limited	-	-	-	-	-	6.00	-	-	-	-	-	-
xxiv)	Swan Mills Limited	4.69	-	-	-	-	-	4.70	4.69	-	-	4.70	-
xxv)	Stormsoft Technologies Private Limited	-	1,606.00	-	-	-	-	-	-	1,420.00	1,247.53	-	1,778.47
xxvi)	Varun Real Properties and Investments Pvt. Ltd.	-	-	-	-	-	-	17.50	-	-	-	17.50	-
xxvii)	Gujarat Maritime Board	-	-	-	-	-	1,173.91	-	-	-	-	-	-
xxviii)	Sahajanand Soaps & Chemicals Private Limited	-	-	-	-	-	-	1.12	-	-	-	1.12	-
xxix)	Hazel Mercantile Ltd	-	3.38	2,079.72	18,255.13	-	-	2,000.00	1,500.00	0.95	3.35	499.02	16,159.24
xxx)	Swan Desilting Private Limited	24.37	-	-	-	-	-	-	-	0.06	-	24.43	-
	Total	153.71	4,959.83	2,079.72	18,255.13	467.27	1,288.05	2,199.85	1,505.51	4,908.38	3,777.75	846.13	22,264.41

(₹ in Lakhs)

42 B (ii) Transaction during the year Apr'20-Mar'21 with related parties												(₹ in Lakhs)
Sr No.	Name of the Company	Opening Balance Dr	Opening Balance Cr	Remuneration Paid	Rent Paid/ Booked	Advance Given	Advance received back	Advance taken	Advance paid back	Closing Balance Dr	Closing Balance Cr	
i)	Mr. Nikhil Merchant	-	-	91.57	-	-	-	-	-	-	-	
ii)	Mr. Paresb Merchant	0.15	-	91.57	3.00	-	-	-	-	-	-	
iii)	Mr. Padmanabhan Sugavanam	-	-	35.24	-	-	-	-	-	-	-	
iv)	Mr.Chetan Selarka - Chief Financial Officer	-	-	68.44	-	-	-	-	-	-	-	
v)	Mr-Arun Agarwal - Company Secretary	-	-	26.63	-	-	-	-	-	-	-	
vi)	Mr.Nirav Arvindkumar Shah - Company Secretary, Swan LNG Pvt Ltd.	-	-	7.20	-	-	-	-	-	-	-	
vii)	Mr. Bhavik Merchant	-	-	17.02	-	-	-	-	-	-	-	
viii)	Mr. Vivek Merchant	-	-	17.02	-	-	-	-	-	-	-	
ix)	Good Earth Commodities (India) Private Limited	-	364.55	-	-	-	-	370.00	63.75	-	670.80	
x)	Feltham Trading Pvt Ltd	-	0.89	-	1.80	0.10	-	-	-	0.82	-	
xi)	Ami Tech (India) Private Limited	-	1,657.46	-	-	552.21	594.75	-	235.00	-	1,465.00	
xii)	Dave Impex India Pvt. Ltd	-	400.00	-	-	-	-	43.00	-	-	443.00	
xiii)	Dave Leasing And Holding Private Limited	-	-	-	-	-	-	57.00	-	-	57.00	
xiv)	Altamount Estates Private Limited	-	26.90	-	69.14	104.68	104.78	-	-	-	-	
xv)	Swan Constructions Private Limited	30.34	-	-	-	-	-	-	-	30.34	-	
xvi)	Swan Engitech Works Pvt. Ltd.	-	301.27	-	-	-	-	121.00	200.00	-	222.27	
xvii)	Swan Realtors Pvt. Ltd.	-	377.38	-	-	-	-	115.00	-	-	492.38	
xviii)	Swan International Limited	0.40	-	-	-	0.10	0.50	-	-	-	-	
xix)	Gazdar Bandh Developers Private Limited	18.10	-	-	-	75.39	-	-	-	93.49	-	
xx)	Sadavir Trading Private Limited	0.58	-	-	22.00	2.03	2.61	-	-	-	-	
xxi)	Swan Mills Limited	4.64	-	-	-	0.05	-	-	-	4.69	-	
xxii)	Stormsoft Technologies Private Limited	-	1,200.00	-	-	-	-	800.00	394.00	-	1,606.00	
xxiii)	Gujarat Maritime Board	-	-	-	295.60	-	-	-	-	-	-	
	Total	54.21	4,328.45	354.69	391.54	734.56	702.64	1,506.00	892.75	129.34	4,956.45	

Notes to the Consolidated Financial Statement for the year ended March 31, 2022

43 Corporate Social Responsibility

For detailed information on Corporate Social Responsibility, refer point no.8.5 of Director's Report.

44 Segment Reporting

Based on the "Management Approach" as defined in Ind AS 108 - Operating Segments, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators of business, the segments in which the Company operates. The Company is primarily engaged in textile and Property development/others which the Management and CODM recognise as the business segments and accordingly the following information is given.

Particulars	Apr'21-March'22	Apr'20-Mar'21
	₹ In Lakhs	₹ In Lakhs
Segment Revenue		
Textiles	17,075.50	21,474.81
Energy	5,151.63	3,490.19
Property development/Others	27,181.98	7,476.28
Total	49,409.11	32,441.28
Segment Results (Before Interest & Tax)		
Textiles	435.20	491.68
Energy	(4,414.66)	(1,563.60)
Property development/Others	4,471.53	4,070.69
Total	492.07	2,998.77

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
	₹ In Lakhs	₹ In Lakhs
Segment Assets		
Textiles	17,920.22	15,508.41
Energy	4,93,810.73	3,72,943.82
Property development/*Others	1,23,461.98	1,03,926.28
Total	6,35,192.93	4,92,378.51
Segment Liabilities		
Textiles	8,994.73	8,284.79
Energy	3,60,426.61	2,22,071.55
Property development/*Others	1,00,467.96	1,23,485.11
Total	4,69,889.30	3,53,841.45

Note:

All development and Trading activity have been undertaken in India only, hence Geographical segment reporting is not required.

Notes to the Consolidated Financial Statement for the year ended March 31, 2022

45 Standards issued but not effective

As at the date of issue of financial statements, there are no new standards or amendments which have been notified by the MCA but not yet adopted by the Company. Hence, the disclosure is not applicable.

46 Capital management

For the purposes of the company's capital management, capital includes issued capital and all other equity. The primary objective of the company's capital management is to maximize shareholder value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year. No changes were made in the objectives, policies, or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.

47 Commitments

(₹ in Lakhs)		
Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for	1,73,487.00	2,36,778.00

48 Proceedings under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder:

There are no proceedings initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder

49 The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. The quarterly returns or statements filed by the Company with the banks or financial institutions are in agreement with the books of accounts.

50 The Company is not declared as wilful defaulter by any bank or financial Institution or other lenders.

51 Relationship with Struck off Companies:

The Company did not have any transactions with Companies struck off under Section 248 of Companies Act, 2013 or Section 560 of Companies Act, 1956 considering the information available with the Company.

52 Scheme of arrangements :

There are no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the year.

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

As per our report of even date

For N. N. Jambusaria & Co.
Chartered Accountants
Firm Registration No. 104030W

For and on behalf of the Board of Directors

Nimesh N. Jambusaria
Partner
M No. 038979



Navinbhai C. Dave
Chairman
DIN: 01787259

Paresh V. Merchant
Executive Director
DIN: 00660027

Nikhil V. Merchant
Managing Director
DIN: 00614790

Chetan K. Selarka
Chief Financial Officer

Arun S. Agarwal
Company Secretary

Cont. 0

Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	% Variation	Reason for variation
Current Ratio	Current Assets	Current Liabilities	1.41	0.35	299%	Repayment of short term borrowings during the year.
Debt-Equity Ratio	Total Debt	Shareholder's Equity	2.42	2.20	10%	
Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	0.54	0.75	-28%	Sub optimal earning realisations in Triumph Offshore Pvt. Ltd. after recent commissioning of vessel
Return on Equity Ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	-10.19%	-4.78%	113%	Majorly due to lower profitability in Triumph Offshore Pvt. Ltd. due to commissioning of the vessel and sub optimal earnings realisation
Inventory turnover ratio	Sales	Average Inventory	3.08	2.37	30%	YoY higher sales without much variation in inventory levels.
Trade Receivables turnover ratio	Sales	Avg. Accounts Receivable	4.02	7.74	-48%	Increase in receivables in correlation with improvement in operations and sales
Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	2.91	5.15	-43%	Increase in payables in correlation with with improvement in operations and purchases
Net capital turnover ratio	Sales	Working Capital	1.04	(0.33)	-415%	Increase in working capital due to higher volumes and repayment of short term borrowings.
Net profit ratio	Net Profit	Net Sales	-32.39%	-21.37%	52%	Sub optimal earning realisations in Triumph Offshore Pvt. Ltd. after recent commissioning of vessel
Return on Capital employed	Earning before interest and taxes	Capital Employed	0.09%	0.67%	-87%	Lower profitability during the year majorly due to Sub optimal earning realisations in Triumph Offshore Pvt. Ltd. after recent commissioning of vessel



Swan Energy Limited

Consolidated Audited Accounts

For the year ended March 31, 2021

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

INDEPENDENT AUDITORS' REPORT

To the Members of
SWAN ENERGY LIMITED

Report on the Audit of the 'Consolidated Financial Statements' (CFS)

I. Opinion

We have audited the accompanying Consolidated Financial Statements of Swan Energy Limited ('the Holding Company') and its subsidiaries (together referred to as 'the Group'), which comprise the consolidated Balance sheet as at 31st March, 2021 and the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the CFS").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditor on separate financial statements of four subsidiaries, the aforesaid CFS give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, read with relevant Rules, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2021, of its consolidated loss (including other comprehensive income), consolidated changes in equity and consolidated cash flows for the year ended on that date.

II. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs), as specified under Section 143 (10) of the Act. Our responsibilities under those SAs are further described in the 'Auditor's Responsibilities for the Audit of the CFS' section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the CFS under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

III. EMPHASIS OF MATTER

We draw your attention to the following matter.

Note 49 & 50 to the Consolidated Financial Statements which explains the management's assessment of the financial impact due to cyclone / lockdown & restrictions related to the COVID-19 pandemic imposed by the Governments, for which a definitive assessment of the impact is dependent upon future economic conditions.

Our opinion is not modified in respect of the above matter.



IV. Key Audit Matters

Key audit matters (KAM) are those matters that, in our professional judgement and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries were of most significance in our audit of the CFS of the current period. These matters were addressed in the context of our audit of the CFS as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1 Key Audit Matter

***Revenue recognition
(Refer Note no. 2.15 of the consolidated financial statements)***

Revenue is one of the key profit drivers and is therefore susceptible to misstatement. Cut-off is the key assertion in so far as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of results for the year.

Auditor's Response

We assessed the appropriateness of the revenue recognition accounting policies and applicable accounting standards. Our audit procedures with regard to revenue recognition included testing controls in place (both automated/manual) for dispatches/deliveries, inventory reconciliations, circularization of receivable balances, substantive testing for cut-offs and analytical review procedures.

2 Key Audit Matter

***Provision for taxation, litigation and other significant provisions
(Refer Note no. 2.21 and 24 of the consolidated financial statements)***

These provisions require the management to make judgements and estimates in relation to the issues and exposures arising from a range of matters in the regular course of business. The key judgement lies in the estimation of provisions which may differ from future obligations. Additionally, there is a risk that provisions could be provided inappropriately that are not yet committed.

Auditor's Response

We discussed with the management and tested the effectiveness of the controls in place for recognition of the provisions.

We used our subject experts to perform retrospective review of prior year provisions and to assess the value of material provisions and assessing whether there was an indication of management bias.

3 Key Audit Matter

***Assessment of contingent liabilities relating to litigations and claims
(Refer Note no. 2.20 and 41 of the consolidated financial statements)***

The company is subject to challenges/scrutiny on range of matters relating to direct/indirect taxes, legal proceedings etc. Assessment of contingencies requires management to make judgements and estimates, which is inherently subjective.



Auditor's Response

We discussed with the management and performed retrospective review of prior year judgements/estimates. We tested the effectiveness of the controls in place for recording the contingencies. We used our subject experts to assess the value of material contingencies and discussed the status and potential exposures with the company's advisors.

4 Key Audit Matter

Capital work-in progress/Property Plant and Equipment (PPE)
(Refer Note no. 3 (iii) of the consolidated financial statements)

The Group has embarked on various projects through its four subsidiary companies. The expenditures incurred on projects need to be capitalized and depreciated once the assets are ready for use. Inappropriate timing of capitalization could result in material misstatement due to consequent impact on depreciation and results for the year.

Auditor's Response

We tested design, implementation and operating effectiveness of controls with source documentation for various categories of PPE, to determine the capital nature of the expenditure and its segregation into appropriate categories. We reviewed operating expenses to determine appropriateness of accounting.

5 Key Audit Matter

Implementation of Ind AS 116 - Leases
(Refer Note no. 2.3 and 3 (ii) of the consolidated financial statements)

The auditors of Swan LNG Private Limited (SLPL), a subsidiary of the Holding Company have applied Ind AS 116- Leases (the 'Standard').

Implementation of the Standard has a significant impact on the asset and liability position of SLPL and involves review of significant contractual arrangements to determine those which fall under the purview of the Standard. Judgement is also involved in determining the application of the Standard to the relevant contractual arrangements about whether an arrangement is scoped out of the purview of the Standard by virtue of it not involving an identified asset, composite arrangements which involves an element of service and identified asset and variable leasing arrangements which do not require recognition of a right of use asset and a corresponding lease liability.

Auditor's Response

Obtained and read the financial statements of SLPL to identify whether Ind AS 116 accounting policies are included in the consolidated financial statement of the Group.

Following procedures have been performed by the auditors of SLPL:-

- i. evaluation and testing of the design and operating effectiveness of controls in respect of review of subsidiary's contractual agreements to identify those which fall under the purview of the Standard, determining the application of the Standard to the relevant contractual agreements;
- ii. review of accounting policies on Ind AS 116- leases included in the financial statements and testing of the disclosures made in the financial statements mandated by the Standard.



V. Other Information

The Holding Company's Board of Directors is responsible for the other information, which comprise the information included in the Holding Company's annual report but does not include the CFS and our report thereon.

Our opinion on the CFS does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of CFS, our responsibility is to read the other information and, in doing so, consider, whether the other information is materially inconsistent with the CFS or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed and based on the audit report of other auditor, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

VI. Responsibility of Management for the CFS

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these CFS that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the CFS that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the CFS, the respective Board of Directors of companies included in the Group are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of companies included in the Group is responsible for overseeing the financial reporting process of each company.

VII. Auditor's Responsibility for the Audit of the CFS

Our objectives are to obtain reasonable assurance about whether the CFS as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our



opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these CFS.

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

- Identify and assess the risks of material misstatement of the CFS, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the CFS or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the CFS, including the disclosures, and whether the CFS represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the CFS that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the CFS may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the CFS.

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

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



From the matters communicated with TCWG, we determine those matters that were of most significance in the audit of the CFS of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

VIII. Other Matters

1. On account of lockdown consequent to outbreak of Covid-19 pandemic, we were unable to participate in the year end physical verification of inventory that was carried out by the Management. Consequently, we have performed alternate procedures as per the guidance provided in SA 501 "Audit Evidence - Specific Consideration for Selected Items" to audit the existence of inventory as at the year end and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on the CFS. The entire audit finalization process was carried from remote locations i.e. other than the office/factory of the Company where books of account and other records are kept, based on data/ details of financials information provided to us through digital medium, owing to COVID-19.
2. We did not audit the financial statements of following four subsidiaries, whose financial statements as at 31st March, 2021, as considered in the CFS, reflect:
 - i- Total assets of Rs. 1,94,854.84 lacs, total revenue of Rs. 144.73 lacs, total net loss (including total comprehensive income) of Rs. 53.84 lacs and net cash outflows amounting to Rs. 2,572.90 lacs for Swan LNG Private Limited (SLPL);
 - ii- Total assets of Rs. 17,92,46.28 lacs, total revenue of Rs. 3,345.46 lacs, total net loss (including total comprehensive income) of Rs. 6,265.77 lacs and net cash outflows amounting to Rs. 3,538.27 lacs for Triumph Offshore Private Limited (TOPL);
 - iii- Total assets of Rs. 42.43 lacs, total revenue of Rs. NIL, total net loss (including total comprehensive income) of Rs. 2.21 lacs and net cash outflows amounting to Rs. (0.29) lacs for Swan Desilting Private Limited (SDPL);
 - iv- Total assets of Rs. 2.89 lacs, total revenue of Rs. NIL, total net loss (including total comprehensive income) of Rs. 3.07 lacs and net cash outflows amounting to Rs. 1.09 lacs for Swan Global PTE Limited.

These financial statements have been audited by other auditors whose report has been furnished to us by the Management and our opinion on the CFS, in so far as it relates to the amounts and disclosures in respect of these four subsidiaries, and our report in terms of Section 143(3) of the Act, in so far it relates to the aforesaid subsidiaries, is based solely on the audit report of the other auditors.

Our opinion on the CFS, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

IX. Report on Other Legal and Regulatory Requirements



- (A) As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements of such subsidiary as was audited by other auditor, as noted in the 'Other Matters' paragraph, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid CFS comply with the Ind AS specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors of the Group as on 31st March, 2021 taken on record by the Board of Directors of the Holding company and subsidiary companies, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".¹
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The impact of the pending litigation as on 31 March, 2021 is not expected to be material on the financial position of the company.
 - ii. The Company did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. No disclosure is required in the SFS regarding holdings as well as dealings in Specified Bank Notes (SBN) for the period from 8 November, 2016 to 30 December, 2016.
- (C) With respect to matter to be included in the Auditor's Report under Section 197 (16):



In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act.



For N. N. Jambusaria & Co.
Chartered Accountants
Firm Registration No. 104030W

Nimesh N. Jambusaria
Partner

M. No. 038979

UDIN: 21038979AAAAGW1047

Mumbai, June, 30 2021

Annexure A

To the Independent Auditor's Report on the CFS of Swan Energy Limited for the year ended 31st March, 2021

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

Report on the Internal Financial Controls under Section 143(3)(i) of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the CFS of the Company as of and for the year ended 31st March, 2021, we have audited the internal financial controls over financial reporting of Swan Energy Limited ('the Company') and its subsidiaries companies, which are incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Company's Board of Directors of the Company and its subsidiaries, which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal financial control over financial reporting criteria established by the respective Companies considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting, issued by the Institute of Chartered Accountants of India (the 'Guidance Note'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company and its subsidiaries, which are incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of such internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company and its subsidiaries, which are incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting include those policies and procedures that



(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company and its subsidiaries, which are incorporated in India, have, in all material aspects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2021, based on the internal financial controls over financial reporting criteria established by the respective Companies considering the essential components of internal controls stated in the 'Guidance Note'.

Mumbai, June, 30 2021



For N. N. Jambusaria & Co.
Chartered Accountants
Firm Registration No. 104030W

N. N. Jambusaria

Nimesh N. Jambusaria
Partner
M. No. 038979
UDIN: 21038979AAAAGW1047

Swan Energy Limited
Consolidated Balance Sheet as at March 31, 2021

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
I ASSETS			
A Non-Current Assets			
a Property, Plant and Equipment	3(i)	1,86,695.84	13,237.90
b Right of use Assets	3(ii)	127.76	162.61
c Capital Work in Progress	3(iii)	1,92,728.71	1,68,523.06
d Other Intangible Assets	3(iv)	0.46	0.87
e Investment Property	4	41,423.77	42,235.22
f Financial Assets			
(i) Investments	5	36.00	36.00
(ii) Loans	6	12.81	5.26
(iii) Other Financial Assets	7	711.68	-
g Non Current Tax Assets	8	545.55	697.55
h Deferred Tax Assets (Net)	9	686.16	-
i Other Non Current Assets	10	17,081.22	80,230.66
Total Non Current Asstes (A)		4,40,049.96	3,05,129.13
B Current Assets			
a Inventories	11	14,472.36	12,622.80
b Financial Assets			
(i) Investments	12	20.89	767.85
(ii) Trade Receivables	13	2,866.81	5,413.22
(iii) Cash and Cash Equivalents	14	7,323.65	2,746.05
(iv) Bank Balances Other Than (iii) above	15	3,737.97	2,126.78
(v) Loans	16	7,794.18	7,785.60
(vi) Other Financial Assets	17	54.66	16.40
c Other Current Assets	18	17,289.75	12,294.74
Total Current Assets (B)		53,560.27	43,773.44
TOTAL ASSETS (A+B)		4,93,610.23	3,48,902.57
II EQUITY AND LIABILITIES			
A Equity			
a Equity Share Capital	19	2,442.57	2,442.57
b Other Equity	20	84,985.25	89,039.07
c Non-Controlling Interest		52,340.97	55,378.90
Total Equity (A)		1,39,768.79	1,46,860.54
Liabilities			
B Non-Current Liabilities			
a Financial Liabilities			
(i) Borrowings	21	1,99,642.73	18,469.39
(ii) Other Financial Liabilities	22	2,979.65	2,789.92
b Deferred Tax Liability (Net)	23	-	397.94
c Provisions	24	116.81	129.20
Total Non-Current Liabilities (B)		2,02,739.19	21,786.45
C Current Liabilities			
a Financial Liabilities			
(i) Borrowings	25	1,04,942.08	99,061.12
(ii) Trade Payables	26	3,293.96	5,632.95
(iii) Other Financial Liabilities	27	41,223.18	74,049.23
b Other Current Liabilities	28	1,576.43	1,452.28
c Provisions	29	66.60	60.00
Total Current Liabilities (C)		1,51,102.25	1,80,255.58
TOTAL EQUITY & LIABILITIES (A+B+C)		4,93,610.23	3,48,902.57

The accompanying notes 1 & 2 are an integral part of the Standalone financial statements

As per our Report of even date

For N. N. Jambusaria & Co.
Chartered Accountants
Firm Registration No. 104030W

For and on behalf of the Board of Directors

Nimesh N. Jambusaria
Partner
M No. 038979



Navinbhai C. Dave
Chairman
DIN: 01787259

Nikhil V. Merchant
Managing Director
DIN: 00614790

Parish V. Merchant
Executive Director
DIN: 00660027

Chetan K. Selarka
Chief Financial Officer

Arun S. Agarwal
Company Secretary

Swan Energy Limited
Consolidated Statement of Profit and Loss for Year ended March 31, 2021

(₹ in Lakhs)

Particulars	Note No.	Year Ended March 31, 2021	Year Ended March 31, 2020
Income:			
Revenue from Operations	30	32,046.88	34,081.58
Other Income	31	394.40	854.17
Total Income		32,441.28	34,935.75
Expenses:			
Cost of Materials Consumed	32	21,031.04	19,952.84
(Increase)/Decrease in Finished Goods and Work-in-Progress	33	(2,973.67)	2,433.77
Employee Benefit Expenses	34	1,809.26	1,221.60
Finance Costs	35	10,803.55	5,032.97
Depreciation and Amortization Expense	3 & 4	4,166.38	1,452.43
Other Expenses	36	5,409.50	5,267.07
Total Expenses		40,246.06	35,360.68
Profit/(Loss) before Tax		(7,804.78)	(424.93)
Tax Expense:	37		
(1) Current tax		141.58	212.99
(2) Short/(Excess) Provisions of Previous Years		(0.83)	-
(3) Deferred Tax		(1,084.10)	(154.61)
Profit/(Loss) for the year		(6,861.43)	(483.31)
Other Comprehensive Income for the year		14.11	-
Total Comprehensive Income for the year		(6,847.32)	(483.31)
Attributable to			
Owners of the Company		(3,809.39)	(584.53)
Non-Controlling Interest		(3,037.93)	101.22
Earnings Per Equity Share	40		
Basic and diluted (in ₹)		(2.80)	(0.20)

The accompanying notes 1 & 2 are an integral part of the Standalone financial statements

As per our Report of even date

For N. N. Jambusaria & Co.

Chartered Accountants

Firm Registration No. 104030W

Nimesh N. Jambusaria

Partner

M No. 038979


Navinbhai C. Dave

Chairman

DIN: 01787259

Paresh V. Merchant

Executive Director

DIN: 00660027

Nikhil V. Merchant

Managing Director

DIN: 00614790

Chetan K. Selarka

Chief Financial Officer

Arun S. Agarwal

Company Secretary

Swan Energy Limited

Consolidated Statement of Changes in Equity for Year ended March 31, 2021 (SOCIE)

(a) Equity Share Capital (Refer Note No.19)

Particulars	No. of Shares	(₹ in Lakhs)
Balance as at April 01, 2019	24,42,57,000	2,442.57
Changes in Equity Share Capital during the year	-	-
Balance as at March 31, 2020	24,42,57,000	2,442.57
Changes in Equity Share Capital during the year	-	-
Balance as at March 31, 2021	24,42,57,000	2,442.57

(b) Other Equity (Refer Note No.20)

(₹ in Lakhs)

Particulars	Capital Reserve	Capital Redemption Reserve	Securities Premium Reserve	General Reserve	Foreign Currency Translation Reserve	Retained Earnings	Total
Balance as at April 01, 2019	5,811.32	14.25	67,842.58	372.00	-	15,883.11	89,923.26
Add:- Opening balance of new subsidiaries	-	-	-	-	-	(5.71)	(5.71)
Add:- Change during the year	-	-	-	-	0.52	-	0.52
Profit/(Loss) for the year	-	-	-	-	-	(584.53)	(584.53)
Other Comprehensive Income for the year	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	(584.53)	(584.53)
Transaction with the owners in their capacity as owners:							
Dividend on Equity shares	-	-	-	-	-	(244.26)	(244.26)
Dividend Distribution Tax	-	-	-	-	-	(50.21)	(50.21)
Balance as at March 31, 2020	5,811.32	14.25	67,842.58	372.00	0.52	14,998.40	89,039.07
Add:- Change during the year	-	-	-	-	(0.17)	-	(0.17)
Profit/(Loss) for the year	-	-	-	-	-	(3,823.50)	(3,823.50)
Other Comprehensive Income for the year	-	-	-	-	-	14.11	14.11
Total Comprehensive Income for the year	-	-	-	-	-	(3,809.39)	(3,809.39)
Transaction with the owners in their capacity as owners:							
Dividend on Equity shares	-	-	-	-	-	(244.26)	(244.26)
Dividend Distribution Tax	-	-	-	-	-	-	-
Balance as at March 31, 2021	5,811.32	14.25	67,842.58	372.00	0.35	10,944.75	84,985.25

The accompanying notes 1 & 2 are an integral part of the Standalone financial statements

As per our Report of even date

For N. N. Jambusaria & Co.
Chartered Accountants
Firm Registration No. 104030W

Nimesh N. Jambusaria
Partner
M No. 038979



For and on behalf of the Board of Directors

Navinbhai C. Dave
Chairman
DIN: 01787259

Parash V. Merchant
Executive Director
DIN: 00660027

Nikhil V. Merchant
Managing Director
DIN: 00614790

Chetan K. Selarka
Chief Financial Officer







Arün S. Agarwal
Company Secretary

Mumbai, June 30, 2021

Mumbai, June 30, 2021

Swan Energy Limited
Consolidated Cash Flow Statement for Year ended March 31, 2021

(₹ in Lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
A Cash Flow from Operating Activities		
Profit/(Loss) before tax	(7,790.67)	(424.93)
Adjustments for :		
Depreciation	4,166.38	1,452.43
Foreign Currency Translation Reserve	(0.17)	0.52
(Profit) / Loss on sale of Investments	(33.73)	(434.78)
(Profit) / Loss on sale of Assets	36.13	-
Considered Separately:		
Interest Expenses	10,803.55	5,032.97
Interest Income	(349.88)	(413.99)
Dividend Income	-	(5.40)
Operating Profit before Working Capital Changes	6,831.61	5,206.82
Adjustments for :		
Decrease/ (Increase) in Other Non Current Assets	63,149.43	(1,470.73)
Decrease/ (Increase) in Non Current Loans	(7.55)	(5.26)
Decrease/ (Increase) in Non Current Other Financial Assets	(711.68)	-
Decrease / (Increase) in Inventory	(1,849.57)	2,579.95
Decrease / (Increase) in Trade and Other Receivables	2,546.41	(1,194.85)
Decrease / (Increase) in Other Financial Assets	(38.26)	3,259.18
Decrease / (Increase) in Other Current Assets	(4,995.01)	(2,107.59)
Decrease / (Increase) in Investment Property	171.23	-
(Decrease) / Increase in Other Non-Current Financial Liabilities	189.73	404.62
(Decrease) / Increase in Other Current Financial Liabilities	(32,828.88)	(17,023.11)
(Decrease) / Increase in Other Current Liabilities	124.17	(243.60)
(Decrease) / Increase in Provisions	(4.64)	13.64
(Decrease) / Increase in Trade and Other Payables	(2,338.99)	1,609.20
Cash generated from operations	30,238.00	(8,971.73)
Direct Taxes (Paid)/Received	10.10	(539.85)
Net Cash from Operating Activities (A)	30,248.10	(9,511.58)
B Cash Flow from Investing Activities		
Purchase of Property, Plant and Equipment	(1,77,058.98)	(597.17)
Proceeds from Sale of Fixed Assets	8.45	-
Increase in Capital Work In Progress (Net)	(24,140.10)	(46,213.28)
Retained Earnings of new subsidiaries acquired during the year	-	(5.71)
Purchase of Investments	(2,394.00)	(47,602.00)
Proceeds from Sale of Investments	3,174.69	62,143.58
Loan to Others	(8.58)	(533.58)
Interest Income	349.88	413.99
Dividend Income	-	5.40
Net Cash from Investing Activities (B)	(2,00,068.64)	(32,388.77)
C Cash Flow from Financing Activities		
Proceeds from Issue of Equity Shares	-	35,189.36
Loan from / (Refund) of Loan to Related Parties	1,835.89	2,468.44
(Refund) of / Loan from Other Parties	3,664.76	19,999.01
(Repayment) / Proceed of Loan from Banks	1,81,556.48	(9,584.69)
Interest Expenses	(10,803.55)	(5,032.97)
Dividend Paid	(244.26)	(244.26)
Tax on Dividend	-	(50.21)
Net Cash from Financing Activities (C)	1,76,009.32	42,744.68
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	6,188.78	844.33
Opening Balance of Cash & Cash Equivalents	4,872.84	4,028.51
Closing Balance of Cash & Cash Equivalents	11,061.62	4,872.84
As per our Report of even date		
For N. N. Jambusaria & Co. Chartered Accountants Firm Registration No. 104030W	For and on behalf of the Board of Directors	
 Nimesh N. Jambusaria Partner M No. 038979	 Navinbhai C. Dave Chairman DIN: 01787259	 Nikhil V. Merchant Managing Director DIN: 00614790
	 Paresv V. Merchant Executive Director DIN: 00660027	 Chetan K. Selarka Chief Financial Officer
		 Arun S. Agarwal Company Secretary

Swan Energy Limited

Notes to the Consolidated Financial Statement for Year ended March 31, 2021

1. CORPORATE INFORMATION:

Swan Energy Limited (SEL) is a public limited company incorporated on 22/02/1909 at Bombay, under the erstwhile Indian Companies Act, VI of 1882, as 'Swan Mills Limited' and is listed on BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE) in India.

The registered office of the company is situated at 6, Feltham House, 2nd Floor, 10, J. N. Heredia Marg, Ballard Estate, Mumbai - 400 001.

The Company has three verticles of business, i.e., Textiles, Real Estate and Energy. The Company has 6 subsidiary companies. 2 subsidiaries are engaged in Real estate business, 2 subsidiaries are engaged in construction of LNG Port Project at Gujarat, 1 subsidiary is engaged in mining and 1 subsidiary is engaged in trading of gas commodities etc. Out of 6, 1 is a foreign subsidiary registered in Singapore and balance 5 are indian subsidiaries.

2. BASIS OF COMPLIANCE, BASIS OF PREPARATION, CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS AND SIGNIFICANT ACCOUNTING POLICIES:

2.1. Basis of compliance:

The financial statements comply in all material aspects with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('Act') read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act.

2.2. Basis of preparation and presentation:

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

Current and Non – Current Classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

The financial statements of the Company for the year ended March 31, 2021 were approved for issue in accordance with a resolution of the Board of Directors in its meeting held on June 30, 2021.



Swan Energy Limited

Notes to the Consolidated Financial Statement for Year ended March 31, 2021

2.3. Application of new Accounting Standard:

New Standards adopted by the Company

Ind AS 116 Leases

This is first set of the Company's financial statements to which Ind AS 116 Leases has been applied. The Company has adopted Ind AS 116 Leases using the modified retrospective method of adoption from April 01, 2019 (transition date for Ind AS 116). As permitted under transitional provisions of Ind AS, previous year comparatives are not restated. The Company has elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets'). The Company has also elected not to reassess whether a contract is or contains a lease at the date of initial application of Ind AS 116. The Company recognized lease liabilities in relation to only those leases for which company had signed lease agreement and has been classified as operating leases under the principal of Ind AS 17 Leases. These liabilities were measured at the present value of the 'lease term together with estimated period of extension (lease period)', discounted using the lessee's incremental borrowing rate as on April 01, 2019.

The impact of the adoption of the standard on the financial statements of the Company is insignificant.

2.4. Use of Judgements and Estimates:

The preparation of the financial statements requires management to make estimates, assumptions and judgments that affect the reported balances of assets and liabilities and disclosures as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates considering different assumptions and conditions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Impact on account of revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are discussed below:

- a. Estimates of useful lives and residual value of property, plant and equipment and intangible assets;
- b. Measurement of defined benefit obligations;
- c. Measurement and likelihood of occurrence of provisions and contingencies;
- d. Impairment of investments;
- e. Recognition of deferred tax assets; and
- f. Measurement of recoverable amounts of cash-generating units.



Swan Energy Limited

Notes to the Consolidated Financial Statement for Year ended March 31, 2021

2.5. Property, plant and equipment:

2.5.1. Property, plant and equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any;

2.5.2. The initial cost of an asset comprises its purchase price (including import duties and non-refundable taxes), any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any, and, borrowing cost for qualifying assets (i.e. assets that necessarily take a substantial period of time to get ready for their intended use);

2.5.3. Machinery spares that meet the definition of property, plant and equipment are capitalised;

2.5.4. Property, plant and equipment which are not ready for intended use as on date of Balance Sheet are disclosed as "Capital work-in-progress";

2.5.5. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred;

2.5.6. An item of property, plant and equipment and any significant part initially recognised separately as part of property, plant and equipment is derecognised upon disposal; or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the Statement of Profit and Loss when the asset is derecognised;

2.5.7. Depreciation is provided on a pro-rata basis on the straight line method based on estimated useful life prescribed under Schedule II to the Act. Assets costing ₹ 5,000/- or less are charged to the Statement of Profit & Loss in the year of purchase;

2.5.8. Components of the main asset that are significant in value and have different useful lives as compared to the main asset are depreciated over their estimated useful life. Useful life of such components has been assessed based on historical experience and internal technical assessment;

2.5.9. Depreciation on spare parts specific to an item of property, plant and equipment is based on life of the related property, plant and equipment. In other cases, the spare parts are depreciated over their estimated useful life based on the technical assessment;

2.5.10. Leasehold land is amortised over the primary lease period. Other assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and useful lives;

2.5.11. Freehold land is not depreciated;

2.5.12. The residual values and useful lives of property, plant and equipment are reviewed at each financial year end and changes, if any, are accounted in the line with revisions to accounting estimates;



Swan Energy Limited

Notes to the Consolidated Financial Statement for Year ended March 31, 2021

2.6. Intangible Assets:

2.6.1. Intangible assets are recognised only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably;

2.6.2. Intangible assets are carried at cost net of accumulated amortization and accumulated impairment losses, if any;

2.6.3. The intangible assets with a finite useful life are amortised using straight line method over their estimated useful lives.

2.6.4. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses on de-recognition are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses);

2.6.5. The estimated useful life is reviewed at each financial year end and changes, if any, are accounted in the line with revisions to accounting estimates;

2.7. Investment property:

2.7.1. Investment property is property (land or a building — or part of a building — or both) held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in production or supply of goods or services or for administrative purposes. Investment properties are stated at cost net of accumulated depreciation and accumulated impairment losses, if any;

2.7.2. Any gain or loss on disposal of investment property is calculated as the difference between the net proceeds from disposal and the carrying amount of the investment property is recognised in Statement of Profit and Loss;

2.8. Non-currents assets held for sale:

2.8.1. Non-current assets are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets;

2.8.2. Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell;

2.8.3. Non – current assets classified as held for sale are not depreciated or amortized from the date when they are classified as held for sale.



Swan Energy Limited

Notes to the Consolidated Financial Statement for Year ended March 31, 2021

2.9. Leases:

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset to lessee for a period of time in exchange for consideration. The Company shall reassess whether a contract is, or contains, a lease only if the terms and conditions of the contract are changed.

As a Lessee

At the commencement date, company recognises a right-of-use (RoU) asset at cost and a lease liability at present value of the lease payments that are not paid at commencement date. The Lease Payments shall be discounted using Company's incremental borrowing rate on periodic basis. Subsequently, RoU asset is depreciated over lease term and lease liability is reduced as payments are made and an imputed finance cost on lease liability is recognised in Statement of Profit and Loss using the Company's incremental borrowing rate.

If a lease, at the commencement date, has a lease term of 12 months or less, it is treated as Short term lease. Lease payments associated with short term leases are treated as an expense on systematic basis.

As a Lessor

A lessor shall classify each of its leases as either an operating lease or a finance lease.

Finance leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Company shall recognise assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

Operating leases

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. Company shall recognise lease payments from operating leases as income on systematic basis in the pattern in which benefit from the use of the underlying asset is diminished.

2.10. Impairment of Non-financial Assets:

2.10.1. Non-financial assets other than inventories, deferred tax assets and non-current assets classified as held for sale are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any indication of such impairment exists, the recoverable amount of such assets / cash generating unit is estimated and in case the carrying amount of these assets exceeds their recoverable amount, an impairment is recognised;

2.10.2. The recoverable amount is the higher of the fair value less costs of disposal and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. Assessment is also done at each Balance Sheet date as to whether there is indication that an impairment loss recognised for an asset in prior accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss.



Swan Energy Limited

Notes to the Consolidated Financial Statement for Year ended March 31, 2021

2.11. Inventories:

2.11.1. Inventories comprising Closing stock of finished goods, raw material and consumables and spares are valued at lower of cost (on weighted average) and net realisable value after providing for obsolescence and other losses, where considered necessary;

2.11.2. Cost includes all charges in bringing the goods to their present location and condition. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty;

2.11.3. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

2.12. Investment in Subsidiaries:

Investments in equity shares of Subsidiaries are recorded at cost and reviewed for impairment at each reporting date.

2.13. Fair Value measurement:

2.13.1. The Company measures certain financial instruments at fair value at each reporting date;

2.13.2. Certain accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities;

2.13.3. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability also reflects its non-performance risk;

2.13.4. The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently that difference is recognised in Statement of Profit and Loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out;



Swan Energy Limited

Notes to the Consolidated Financial Statement for Year ended March 31, 2021

2.13.5. While measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation technique as follows:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities
- **Level 2:** inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- **Level 3:** inputs for the assets or liability that are not based on observable market data (unobservable inputs);

2.13.6. When quoted price in active market for an instrument is available, the Company measures the fair value of the instrument using that price. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis;

2.13.7. If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction;

2.13.8. The Company regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the Company assesses the evidence obtained from third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

2.14. Financial Instruments:

2.14.1. Financial Assets:

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognised at fair value, in case of financial assets which are recognised at fair value through profit and loss, its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

Financial assets are subsequently classified as measured at

- amortised cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets.



Swan Energy Limited

Notes to the Consolidated Financial Statement for Year ended March 31, 2021

Trade Receivables and Loans:

Trade receivables and loans are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

Debt instruments:

Debt instruments are subsequently measured at amortised cost, FVOCI or FVTPL till de-recognition on the basis of:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

Measured at amortised cost:

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

Measured at FVOCI:

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at FVOCI. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On de-recognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

Measured at FVTPL:

A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.



Swan Energy Limited

Notes to the Consolidated Financial Statement for Year ended March 31, 2021

Equity Instruments:

All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL.

The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

De-recognition:

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset;

Redeemable Preference shares:

Redeemable preference share are separated into liability and equity components based on the terms of the contract.

On issuance of the redeemable preference shares, the fair value of the liability component is determined using a market rate for an equivalent non convertible instrument. This amount is classified as financial liability measured at amortized cost (net of transaction cost) until it is extinguished on redemption.

Transaction cost are apportioned between the liability and equity component of the redeemable preference share based on the allocation of the proceed to the liability and equity component when the instrument are initially recognized.



Swan Energy Limited

Notes to the Consolidated Financial Statement for Year ended March 31, 2021

2.14.2. Financial Liabilities:

Initial recognition and measurement:

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as FVTPL. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest method.

Subsequent measurement:

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at FVTPL are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

De-recognition:

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires;

2.14.3. Financial guarantees:

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of the debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the fair value initially recognised less cumulative amortisation;

2.14.4. Derivative financial instruments:

The Company uses derivative financial instruments to manage the exposure on account of fluctuation in interest rate and foreign exchange rates. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value with the changes being recognised in the Statement of Profit and Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative;

2.14.5. Embedded derivatives:

If the hybrid contract contains a host that is a financial asset within the scope of Ind-AS 109, the classification requirements contained in Ind AS 109 are applied to the entire hybrid contract. Derivatives embedded in all other host contracts, including financial liabilities are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at FVTPL. These embedded derivatives are measured at fair value with changes in fair value recognised in Statement of Profit and Loss, unless designated as effective hedging instruments. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows;



Swan Energy Limited

Notes to the Consolidated Financial Statement for Year ended March 31, 2021

2.14.6. Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.15. Revenue Recognition:

2.15.1. Sale of goods:

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.

Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods.

Revenue from the sale of regassification services is recognised at a point in time when the control of RLNG is transferred to the customers at the point of dispatch.

The Company is engaged in the Business of desilting and mining and recognises revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

Further Sales from real estate are net of cancellation of sale and amount payable to the developer and taxes, if any.

Trade Receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities

A contract liability is the obligation to transfer goods to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

2.15.2. Rendering of Services

Revenue is recognized from rendering of services when the performance obligation is satisfied and the services are rendered in accordance with the terms of customer contracts. Revenue is measured based on the transaction price, which is the consideration, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.



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Notes to the Consolidated Financial Statement for Year ended March 31, 2021

2.15.3. Income from export incentives such as duty drawback and premium on sale of import licenses are recognised on accrual basis;

2.15.4. Income from sale of scrap is accounted for on realisation;

2.15.5. Interest income is recognized using the effective interest rate (EIR) method;

2.15.6. Dividend income on investments is recognised when the right to receive dividend is established;

2.15.7. Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

2.15.8. Rent for the immovable properties is recognised on accrual basis as per the respective agreements with the parties.

2.16. Employee Benefits:

2.16.1. Short-term employee benefits:

Short-term employee benefits (including leave) are recognized as an expense at an undiscounted amount in the Statement of Profit and Loss of the year in which the related services are rendered;

2.16.2. Post-employment benefits:

The Company operates the following post – employment schemes:

- Defined contribution plans such as provident fund; and
- Defined benefit plans such as gratuity

Defined Contribution Plans:

Obligations for contributions to defined contribution plans such as provident fund are recognised as an expense in the Statement of Profit and Loss as the related service is provided.



Swan Energy Limited

Notes to the Consolidated Financial Statement for Year ended March 31, 2021

Defined Benefit Plans:

The Company's net obligation in respect of defined benefit plans such as gratuity is calculated by estimating the amount of future benefit that the employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed at each reporting period end by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of the economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

The current service cost of the defined benefit plan, recognized in the Statement of Profit and Loss as part of employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognized immediately in the Statement of Profit and Loss. The net interest is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This net interest is included in employee benefit expense in the Statement of Profit and Loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

2.17. Borrowing costs:

2.17.1. Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs;

2.17.2. Borrowing costs that are attributable to the acquisition or construction of qualifying assets (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use) are capitalized as a part of the cost of such assets. All other borrowing costs are charged to the Statement of Profit and Loss;

2.17.3. Investment Income earned on the temporary investment of funds of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

2.18. Foreign Currency Transactions:

2.18.1. The financial statements are presented in INR, the functional currency of the Company (i.e. the currency of the primary economic environment in which the Company operates);



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Notes to the Consolidated Financial Statement for Year ended March 31, 2021

2.18.2. Monetary items:

Transactions in foreign currencies are initially recorded at their respective exchange rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at exchange rates prevailing on the reporting date.

Exchange differences arising on settlement or translation of monetary items (except for long term foreign currency monetary items outstanding as of March 31, 2021 which are accumulated in "Foreign Currency Monetary Item Translation Difference Account" and amortised over balance period of liability) are recognised in Statement of Profit and Loss either as profit or loss on foreign currency transaction and translation or as borrowing costs to the extent regarded as an adjustment to borrowing costs.

2.18.3. Non – Monetary items:

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

2.19. Government Grants:

2.19.1. Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with;

2.19.2. When the grant relates to an expense item, it is recognized in Statement of Profit and Loss on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed;

2.19.3. Government grants relating to property, plant and equipment are presented as deferred income and are credited to the Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset.

2.20. Provisions and Contingent Liabilities:

2.20.1. Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation;

2.20.2. The expenses relating to a provision is presented in the Statement of Profit and Loss net of reimbursements, if any;

2.20.3. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost;



Swan Energy Limited

Notes to the Consolidated Financial Statement for Year ended March 31, 2021

2.20.4. Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Company, or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability;

2.20.5. Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.

2.21. Taxes on Income

2.21.1. Current Tax

Income-tax Assets and Liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the end of reporting period.

Current Tax items are recognised in correlation to the underlying transaction either in the Statement of Profit and Loss, other comprehensive income or directly in equity;

2.21.2. Deferred tax

Deferred tax is provided using the Balance Sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred Tax items are recognised in correlation to the underlying transaction either in the Statement of Profit and Loss, other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.



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Notes to the Consolidated Financial Statement for Year ended March 31, 2021

2.22. Earnings per share

2.22.1. Basic earnings per share are calculated by dividing the profit or loss for the period attributable to equity shareholders (after deducting preference dividends, if any, and attributable taxes) by the weighted average number of equity shares outstanding during the period;

2.22.2. For the purpose of calculating diluted earnings per share, the profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effect of all dilutive potential equity shares.

2.23. Cash and Cash equivalents:

Cash and cash equivalents in the Balance Sheet include cash at bank, cash, cheque, draft on hand and demand deposits with an original maturity of less than three months, which are subject to an insignificant risk of changes in value.

For the purpose of Statement of Cash Flows, Cash and cash equivalents include cash at bank, cash, cheque and draft on hand. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

2.24. Cash Flows:

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

2.25. Dividend:

Final dividend on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.



3(i) Property, Plant and Equipment

(₹ in Lakhs)

Particulars	Freehold Land	Buildings	Plant & Machinery	Computers	Furniture & Fixtures	Office Equipments	Vessel	Motor Vehicles	Tangibles Total
Gross Carrying Value									
As at April 01, 2019	6,839.91	1,233.18	7,422.73	128.01	1,189.88	1,370.99	-	717.91	18,902.61
Additions	85.00	-	184.84	13.62	171.87	17.67	-	122.89	595.89
Deductions	-	-	-	-	-	-	-	-	-
As at March 31, 2020	6,924.91	1,233.18	7,607.57	141.63	1,361.75	1,388.66	-	840.80	19,498.50
Additions	343.48	210.56	1,350.96	6.31	6.22	13.39	1,75,062.80	65.26	1,77,058.98
Deductions	-	-	113.96	-	-	-	-	16.37	130.33
As at March 31, 2021	7,268.39	1,443.74	8,844.57	147.94	1,367.97	1,402.05	1,75,062.80	889.69	1,96,427.15
Accumulated depreciation									
As at April 01, 2019	-	318.78	3,190.94	89.84	759.59	522.34	-	542.38	5,423.87
Depreciation expense	-	38.49	504.53	20.06	126.75	91.57	-	55.33	836.73
Deductions	-	-	-	-	-	-	-	-	-
As at March 31, 2020	-	357.27	3,695.47	109.90	886.34	613.91	-	597.71	6,260.60
Depreciation expense	-	42.83	536.75	14.97	113.21	91.70	2,718.67	38.32	3,556.45
Deductions	-	-	70.19	-	-	-	-	15.55	85.74
As at March 31, 2021	-	400.10	4,162.03	124.87	999.55	705.61	2,718.67	620.48	9,731.31
Carrying Amount									
As at March 31, 2021	7,268.39	1,043.64	4,682.54	23.07	368.42	696.44	1,72,344.13	269.21	1,86,695.84
As at March 31, 2020	6,924.91	875.91	3,912.10	31.73	475.41	774.75	-	243.09	13,237.90



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Notes to the Consolidated Financial Statement for Year ended March 31, 2021

3(ii) Right of use Assets

(₹ in Lakhs)		
Particulars	Office	Total
Cost		
Recognition on initial application of IND AS 116 (Refer Note Below)	197.46	197.46
As at March 31, 2020	197.46	197.46
Additions	-	-
Deductions	-	-
As at March 31, 2021	197.46	197.46
Accumulated depreciation		
Depreciation for the year	34.85	34.85
As at March 31, 2020	34.85	34.85
Depreciation expense	34.85	34.85
Deductions	-	-
As at March 31, 2021	69.70	69.70
Net Block		
As at March 31, 2021	127.76	127.76
As at March 31, 2020	162.61	162.61

Ind AS 116 Leases

- A) The Company has taken office building on lease for 5 years. Such lease is renewable by mutual consent. The Company recognized lease liabilities in relation to leases which had previously been classified as operating leases under the principal of Ind AS 17 Leases. These liabilities were measured at the present value of the 'lease term (lease period)', discounted using the lessee's incremental borrowing rate as on 1 April 2019. The impact on financial position of the Company on adoption of Ind AS 116 as on April 01, 2019:

Particulars	₹ in Lakhs
Operating lease commitments as on March 31, 2019*	243.91
Discounted using incremental borrowing rate as on April 01, 2019	6.25%
Right-of-use obligation recognized as on April 01, 2019	197.46

As permitted in Ind AS 116, the associated Right-of-use (RoU) asset recognized at ₹ 197.46 Lakhs equal to Right-of-use obligation as on April 01, 2019. The recognized right-of-use asset relates to Company's Registered office situated at 9th Avenue, Ground Floor, B/h Rajpath club, S. G. Highway, Bodakdev, Ahmedabad : 380059.

B) Maturity Analysis of Lease liabilities

(₹ in Lakhs)

Maturity analysis –contractual undiscounted cash flows	Apr'20-Mar'21	Apr'19-Mar'20
Less than one year (Excluding GST)	42.44	41.40
One to five years (Excluding GST)	118.68	161.12
More than five years	-	-
Total undiscounted lease liabilities for the period ended	161.12	202.52
Lease liabilities included in the statement of financial position		
Current	33.01	29.66
Non-current	107.26	140.27

C) Amounts recognised in the statement of profit or loss

(₹ in Lakhs)

Particulars	Apr'20-Mar'21	Apr'19-Mar'20
Depreciation	34.85	34.85
Interest on lease liabilities	11.74	13.88
Variable lease payments not included in the measurement of lease liabilities	-	-
Expenses relating to short-term leases	31.49	24.74
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	-	-
Total	78.07	73.47

Since the project is yet to commence its commercial operations, hence during the year ended March 31, 2021, the entire amount aggregating to ₹ 78.07 Lakhs (March 31, 2020 ₹ 73.47 Lakhs) have been transferred to pre & pre-operative expenses as part of CWIP.

D) Amount recognised in the statement of cash flows

(₹ in Lakhs)

Particulars	Apr'20-Mar'21	Apr'19-Mar'20
Total cash outflow for leases	427	66.14

Swan Energy Limited

Notes to the Consolidated Financial Statement for Year ended March 31, 2021

3(iii) Capital Work in Progress

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	1,68,523.06	1,22,442.13
Addition during the year	2,00,722.12	46,934.86
Adjustment during the year	(1,76,516.47)	(853.93)
Balance at the end of the year	1,92,728.71	1,68,523.06

3(iv) Other Intangible Assets

(₹ in Lakhs)

Particulars	Computer Software	Total Intangible Assets
Gross Carrying Value		
As at April 01, 2019	-	-
Additions	1.28	1.28
Deductions	-	-
As at March 31, 2020	1.28	1.28
Additions	-	-
Deductions	-	-
As at March 31, 2021	1.28	1.28
Accumulated depreciation		
As at April 01, 2019	-	-
Depreciation expense	0.41	0.41
Deductions	-	-
As at March 31, 2020	0.41	0.41
Depreciation expense	0.41	0.41
Deductions	-	-
As at March 31, 2021	0.82	0.82
Carrying Amount		
As at March 31, 2021	0.46	0.46
As at March 31, 2020	0.87	0.87

Note on Depreciation for Swan LNG Private Limited - Subsidiary:

During the year, the Company has provided total depreciation aggregating to ₹ 65.54 Lakhs (FY 19-20 ₹ 65.82 Lakhs) (including Dep. of ₹ 0.41 Lakhs on Intangible assets) (FY 19-20 ₹ 0.41 Lakhs), out of which depreciation amounting to ₹ 65.54 Lakhs (FY 19-20 ₹ 65.12 Lakhs) has been transferred to pre-operative expenses and balance amount of NIL (FY 19-20 ₹ 0.70 Lakhs) has been charged to the statement of profit & Loss A/c.



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Notes to the Consolidated Financial Statement for the Year ended March 31, 2021

4 Investment Property

(₹ in Lakhs)

Particulars	Land	Buildings	Total
Gross Carrying Value			
As at April 01, 2019	2,573.06	43,203.40	45,776.46
Additions	-	-	-
Deductions	-	-	-
As at March 31, 2020	2,573.06	43,203.40	45,776.46
Additions	-	-	-
Deductions	-	171.23	171.23
As at March 31, 2021	2,573.06	43,032.17	45,605.23
Accumulated depreciation			
As at April 01, 2019	-	2,895.68	2,895.68
Depreciation expense	-	645.56	645.56
Deductions	-	-	-
As at March 31, 2020	-	3,541.24	3,541.24
Depreciation expense	-	640.22	640.22
Deductions	-	-	-
As at March 31, 2021	-	4,181.46	4,181.46
Carrying Amount			
As at March 31, 2021	2,573.06	38,850.71	41,423.77
As at March 31, 2020	2,573.06	39,662.16	42,235.22



Swan Energy Limited

Notes to the Consolidated Financial Statement for Year ended March 31, 2021

5 Investments

Particulars	March 31, 2021	March 31, 2020
	₹ in Lakhs	₹ in Lakhs
(i) Investment in Subsidiary (At Cost)		
Other Equity Shares - Unquoted *	36.00	36.00
Total	36.00	36.00

* The fair value of Other Equity Shares Investments are similar to carrying amounts as carrying amounts are a reasonable approximation of the fair values due to its unquoted nature.

6 Loans

Particulars	March 31, 2021	March 31, 2020
	₹ in Lakhs	₹ in Lakhs
Security Deposit	12.81	5.26
Total	12.81	5.26

7 Other Financial Assets

Particulars	March 31, 2021	March 31, 2020
	₹ in Lakhs	₹ in Lakhs
In Deposit Accounts (where maturity exceed twelve months)	711.68	-
Total	711.68	-

8 Non Current Tax Assets

Particulars	March 31, 2021	March 31, 2020
	₹ in Lakhs	₹ in Lakhs
Advance Tax /TDS Receivable (Net of Provision)	545.55	697.55
Total	545.55	697.55

9 Deferred Tax Assets (Net)

Particulars	March 31, 2021	March 31, 2020
	₹ in Lakhs	₹ in Lakhs
Related to Fixed Assets, Unabsorbed Losses & Gratuity	686.16	-
Total	686.16	-

10 Other Non Current Assets

Particulars	March 31, 2021	March 31, 2020
	₹ in Lakhs	₹ in Lakhs
Capital Advance(Project)	12,638.21	77,061.19
Security Deposits	733.02	702.22
Moratorium Interest	330.76	-
Unammortised Processing / Upfront Fees	3,379.23	2,467.25
Total	17,081.22	80,230.66



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Notes to the Consolidated Financial Statement for Year ended March 31, 2021

11 Inventories

Particulars	March 31, 2021	March 31, 2020
	₹ in Lakhs	₹ in Lakhs
Work-in-progress and Advances	6,595.14	5,546.65
Textiles		
(a)Raw materials	2,237.57	3,374.37
(b)Work-in-process	2,567.13	1,774.90
(c)Finished goods	2,972.08	1,839.14
(d)Stores and spares	100.44	87.74
Total	14,472.36	12,622.80

12 Investments

Particulars	March 31, 2021	March 31, 2020
	₹ in Lakhs	₹ in Lakhs
Investment in Mutual Funds	20.89	767.85
	20.89	767.85

13 Trade Receivable

Particulars	March 31, 2021	March 31, 2020
	₹ in Lakhs	₹ in Lakhs
Trade Receivable -Considered Good	2,866.81	5,413.22
	2,866.81	5,413.22

14 Cash and cash equivalents

Particulars	March 31, 2021	March 31, 2020
	₹ in Lakhs	₹ in Lakhs
Cash in hand	21.66	23.11
Balances with banks		
In Current Accounts	2,690.07	1,640.96
In Deposit Accounts	4,611.92	1,081.98
Total	7,323.65	2,746.05

15 Bank Balances Other Than Cash and cash equivalents

Particulars	March 31, 2021	March 31, 2020
	₹ in Lakhs	₹ in Lakhs
Balances with banks		
In Deposit Accounts (where maturity does not exceed twelve months)	3,730.97	2,118.10
In Unpaid Dividend Accounts	7.00	8.68
Total	3,737.97	2,126.78



Swan Energy Limited

Notes to the Consolidated Financial Statement for Year ended March 31, 2021

16 Loans

Particulars	March 31, 2021	March 31, 2020
	₹ in Lakhs	₹ in Lakhs
Loans to Related Parties		
Loan To Other Related Parties	146.59	114.09
Loans to other than Related Parties		
Loan to employees	71.17	85.64
Loan to Others	7,576.42	7,585.87
Total	7,794.18	7,785.60

17 Other Financial Assets

Particulars	March 31, 2021	March 31, 2020
	₹ in Lakhs	₹ in Lakhs
Balances with banks		
Interest Accrued on Fixed Deposit	54.66	16.40
Total	54.66	16.40

18 Other Current Assets

Particulars	March 31, 2021	March 31, 2020
	₹ in Lakhs	₹ in Lakhs
Prepaid Expenses	1,426.90	172.36
Security Deposit	32.85	28.58
Unammortised Processing / Upfront Fees	273.24	145.13
Advance to Suppliers	970.85	1,043.35
Other Receivable	339.18	972.98
Other Advances	40.86	4.65
Input Tax Credit	14,205.87	9,927.69
Total	17,289.75	12,294.74



Swan Energy Limited

Notes to the Consolidated Financial Statement for Year ended March 31, 2021

19 Share Capital

(a) Authorised Share Capital:

Particulars	March 31, 2021	March 31, 2020
	₹ in Lakhs	₹ in Lakhs
15,000 11% Cumulative Redeemable Preference Shares of ₹ 100/- each	15.00	15.00
10,000 11% Cumulative Preference Shares of ₹ 100/- each	10.00	10.00
1,00,00,00,000 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, 2021	March 31, 2020
	₹ in Lakhs	₹ in Lakhs
24,42,57,000 Equity Shares of ₹ 1/- each fully paid up.	2,442.57	2,442.57
Total	2,442.57	2,442.57

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

Particulars	March 31, 2021		March 31, 2020	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
Outstanding At the beginning of the year (Face Value ₹ 1/- per share)	24,42,57,000	2,442.57	24,42,57,000	2,442.57
Outstanding At the end of the year (Face Value ₹ 1/- per share)	24,42,57,000	2,442.57	24,42,57,000	2,442.57

Terms/rights attached to Equity shares :

The Company has only one class of issued Equity Shares having a par value of ₹ 1 per share. Each Shareholder is eligible for one vote per share held. The dividend subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of Interim Dividend. In the event of liquidation, the equity sharehold assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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

Name of the Shareholder	March 31, 2021		March 31, 2020	
	No. of Shares	% holding	No. of Shares	% holding
Dave Impex Private Limited	4,60,30,400	18.85	4,60,30,400	18.85
Swan Engitech Works Private Limited	3,84,02,858	15.72	3,84,02,858	15.72
Swan Realtors Private Limited	4,15,89,000	17.03	4,15,89,000	17.03
2i Capital PCC	2,30,77,000	9.45	2,30,77,000	9.45

20 Other Equity

Particulars	March 31, 2021		March 31, 2020	
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Capital Reserve		5,811.32		5,811.32
Capital Redemption Reserve		14.25		14.25
Securities Premium Reserve		67,842.58		67,842.58
General Reserve		372.00		372.00
Foreign Currency Translation Reserve				
At the beginning of the year	0.52		-	
Add:- Change during the year	(0.17)		0.52	
At the end of the year		0.35		0.52
Retained Earnings				
At the beginning of the year	14,998.40		15,883.11	
Add:- Opening balance of new subsidiaries	-		(5.71)	
Add: Profit/(Loss) for the year	(3,809.39)		(584.53)	
Less:- Dividend on equity shares Paid	(244.26)		(244.26)	
Less:- Tax on equity dividend Paid	-		(50.21)	
At the end of the year		10,944.75		14,998.40
Total		84,985.25		89,039.07



Swan Energy Limited

Notes to the Consolidated Financial Statement for Year ended March 31, 2021

21 Borrowings

Particulars	March 31, 2021	March 31, 2020
	₹ in Lakhs	₹ in Lakhs
Secured Loan		
From Banks/NBFC (Term Loan)	1,98,336.55	15,938.71
From Banks (Vehicle Loan)	56.18	30.68
Redeemable Non-Convertible Debentures	1,250.00	2,500.00
Total	1,99,642.73	18,469.39

Term loan from Banks / NBFC in Cardinal Energy & Infrastructure Pvt. Ltd. includes:

- PNB Housing Finance Limited loan: ₹ 7,533.12 Lakhs (as at March 31, 2020: ₹ 7,831.24 Lakhs) is secured by the Whitefield property at Bengaluru.
- HDFC LTD Loan: ₹ 7,562.36 Lakhs (as at March 31, 2020: ₹ 8,107.47 Lakhs) is secured by Gachibowli property at Hyderabad.

Term loan from Banks / NBFC in Swan LNG Pvt. Ltd. is after net off amortized portion of Term Loan processing fees/Financing charges of ₹ 1,741.67 Lakhs as per Ind AS 109 and balance includes:

- State Bank of India Loan: ₹ 12,373.00 Lakhs (as at March 31, 2020: NIL)
- Punjab National Bank Loan: ₹ 16,443.00 Lakhs (as at March 31, 2020: NIL)
- Union Bank of India Loan: ₹ 13,356.13 Lakhs (as at March 31, 2020: NIL)
- India Infrastructure Finance Company Ltd Loan: ₹ 10,278.00 Lakhs (as at March 31, 2020: NIL)
- Syndicate Bank Loan: ₹ 5,138.14 Lakhs (as at March 31, 2020: NIL)
- Indian Bank Loan: ₹ 4,107.97 Lakhs (as at March 31, 2020: NIL)
- Canara Bank Loan: ₹ 3,082.26 Lakhs (as at March 31, 2020: NIL)

Securities and Terms of Repayment for Secured Borrowings in Swan LNG Pvt. Ltd. :

Rupee Term Loans: The Company has been sanctioned Rupee Term Loan by SBI lead consortium Banks. These Term loans are secured by

- first ranking mortgage over the immovable properties (both present and future), except the project land given under lease.
- first ranking mortgage over the leasehold rights on the project land given under lease.
- First charge over the plant and machinery and other moveable assets (both present and future),
- first ranking security interest over all intangible assets, and current assets (both present and future)
- Pledge of 100% Equity and Preference shares of the Company held by the Holding Company.
- first ranking mortgage over the specifically identified immovable properties owned by the Group company called Cardinal Energy and Infrastructure Pvt. Ltd. and Pegasus Ventures Pvt. Ltd.

Term loan from Banks / NBFC in Triumph Offshore Pvt. Ltd. is after net off amortized portion of Term Loan processing fees/Financing charges of ₹ 2,633.18 Lakhs as per Ind AS 109 and balance includes:

- State Bank of India Loan: ₹ 50,670.00 Lakhs (as at March 31, 2020: NIL)
- Indian Bank Loan: ₹ 22,493.77 Lakhs (as at March 31, 2020: NIL)
- Union Bank of India Loan: ₹ 19,483.61 Lakhs (as at March 31, 2020: NIL)
- Punjab National Bank Loan: ₹ 18,499.00 Lakhs (as at March 31, 2020: NIL)
- Syndicate Bank Loan: ₹ 11,691.04 Lakhs (as at March 31, 2020: NIL)



Swan Energy Limited

Notes to the Consolidated Financial Statement for Year ended March 31, 2021

b) Securities and Terms of Repayment for Secured Borrowings in Triumph Offshore Pvt. Ltd. :

Rupee Term Loans (RTL) : The Company has been sanctioned Rupee Term Loan by SBI lead consortium Banks. These Term loans are secured by

- First ranking mortgage/ charge over the Vessel including all the relevant equipment, being legally part of the FSRU;
- First ranking mortgage over the immovable properties (both present and future) of the Company.
- First ranking Security interest over the movable assets of the Company, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles, and all other movable assets both present and future.
- First ranking Security interest or assignment by way of security of all the rights, title, interest, benefits, claims and demands whatsoever of the Company in the project documents or under insurance contracts / policies, procured in relation to the FSRU.
- First ranking Security Interest over the present and future current assets and all intangible assets of the Company.
- Pledge of 100% Equity and Preference shares of the Company held by the Holding Company & IIFCO.
- A Corporate Guarantee from Swan Energy Ltd.

The Loan is repayable in sixty-one quarterly instalments and first instalment shall become due and payable after end of the 4th quarter from March 31, 2023 along with accrued interest for the period.

Redeemable Non-Convertible Debentures in Pegasus Ventures Pvt. Ltd. includes :

Debentures of ₹ 1,250.00 Lakhs (as at March 31, 2020: ₹ 2,500.00 Lakhs) are secured by mortgage of immovable property at Kovilambakkam village, Chennai, HD Kote, Mysore and pledge of unencumbered dematerialized equity shares of Swan Energy Limited.

Vehicle loan: Secured by hypothecation of Vehicle.

22 Other Financial Liabilities

Particulars	March 31, 2021	March 31, 2020
	₹ in Lakhs	₹ in Lakhs
Rental Deposits	2,872.39	2,649.65
Long term maturities of finance lease obligations [Refer Note 3 (ii)]	107.26	140.27
Total	2,979.65	2,789.92

23 Deferred Tax Liability (Net)

Particulars	March 31, 2021	March 31, 2020
	₹ in Lakhs	₹ in Lakhs
Related to Fixed Assets & Gratuity	-	397.94
Total	-	397.94

24 Provisions

Particulars	March 31, 2021	March 31, 2020
	₹ in Lakhs	₹ in Lakhs
Provision for Gratuity	116.81	129.20
Total	116.81	129.20



Swan Energy Limited

Notes to the Consolidated Financial Statement for Year ended March 31, 2021

25 Borrowings

Particulars	March 31, 2021	March 31, 2020
	₹ in Lakhs	₹ in Lakhs
Secured		
From Banks	5,203.57	4,836.26
Interest Accrued but Not Due on Term Loan	13.00	-
Unsecured		
Loan from related parties		
Loan from Other Related Parties	4,979.98	3,144.09
Loan from Other than related parties		
Loan from Other Parties	94,745.53	91,080.77
Total	1,04,942.08	99,061.12

Borrowings from Banks is towards Working Capital as per below details:

- Union Bank of India ₹ 3,188.61 Lakhs (as at March 31, 2020: ₹ 3,626.20 Lakhs).
- Oriental Bank of Commerce ₹ 1,110.70 Lakhs (as at March 31, 2020: ₹ 276.14 Lakhs).
- Bank of Baroda (Dena Bank merged with Bank of Baroda during current financial year) ₹ 505.12 Lakhs (as at March 31, 2020: ₹ 527.99 Lakhs).
- The Mehsana urban Co-op Bank Ltd ₹ 399.14 Lakhs (as at March 31, 2020: ₹ 405.93 Lakhs).

All the above loans are secured by pari passu mortgage of building, plant/machinery & factory land at Ahmedabad. Also, secured against pari passu charge on hypothecation of Inventories and Book debts of the textile division and by pledge of Equity Shares of Swan Energy Limited held by the promoters/group company(s).

26 Trade Payables

Particulars	March 31, 2021	March 31, 2020
	₹ in Lakhs	₹ in Lakhs
Due to Micro, Small and Medium Enterprises	-	-
Others	3,293.96	5,632.95
Total	3,293.96	5,632.95

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



Swan Energy Limited

Notes to the Consolidated Financial Statement for Year ended March 31, 2021

27 Other Financial Liabilities

Particulars	March 31, 2021	March 31, 2020
	₹ in Lakhs	₹ in Lakhs
Current Maturities of Non-Current Borrowings		
From Banks/NBFC (Term Loan)	1,793.58	1,803.14
From Banks (Vehicle Loan)	27.18	14.79
Redeemable Non-Convertible Debentures	1,250.00	1,250.00
Current maturities of finance lease obligations [Refer note 3(ii)]	33.01	29.66
Capital Creditor	34,457.61	49,954.68
Capital Retention money	3,248.68	2,145.13
Provision for Expenses	413.12	18,851.83
Total	41,223.18	74,049.23

Current maturities of Non-Current Borrowings in Cardinal Energy & Infrastructure Pvt. Ltd.

includes:

- PNB Housing Finance Limited Loan: ₹ 1,244.20 Lakhs (as at March 31, 2020: ₹ 1,345.26 Lakhs) is secured by the Whitefield property at Bengaluru.
- HDFC LTD Loan: ₹ 549.38 Lakhs (as at March 31, 2020: ₹ 457.88 Lakhs) is secured by Gachibowli property at Hyderabad.

Redeemable Non-Convertible Debentures Include :

Debentures of ₹ 1,250 (as at March 31, 2020: ₹ 1,250) are secured by mortgage of immovable property at Kovilambakkam village, Chennai, HD Kote, Mysore and pledge of unencumbered dematerialized equity shares of Swan Energy Limited.

Vehicle loan: Secured by hypothecation of Vehicle.

28 Other Current Liabilities

Particulars	March 31, 2021	March 31, 2020
	₹ in Lakhs	₹ in Lakhs
Income Received in Advance	55.75	234.46
Advance from Customers	54.73	46.16
Statutory Dues Payable	1,083.14	783.81
Retention Money	365.55	371.11
Unpaid Dividend	7.00	8.68
Creditors for Expenditure	10.26	8.06
Total	1,576.43	1,452.28

29 Provisions

Particulars	March 31, 2021	March 31, 2020
	₹ in Lakhs	₹ in Lakhs
Provision for Tax (Net of Advance Tax)	-	1.15
Provision for Gratuity	66.60	58.85
Total	66.60	60.00



Swan Energy Limited

Notes to the Consolidated Financial Statement for Year ended March 31, 2021

30 Revenue from Operations

Particulars	Apr'20-Mar'21	Apr'19-Mar'20
	₹ in Lakhs	₹ in Lakhs
Sale of Products		
-Textile Goods	21,453.04	27,196.59
-Construction	2,225.00	-
Other Operating Revenues		
-Rental Income from Investment Property	3,638.24	3,527.34
-Construction (Work Contract Service)	1,422.91	2,407.65
-Revenue from Services	3,307.69	950.00
Total	32,046.88	34,081.58

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 Sale of Products - Construction.

31 Other Income

Particulars	Apr'20-Mar'21	Apr'19-Mar'20
	₹ in Lakhs	₹ in Lakhs
Interest Income	349.88	413.99
Dividend Income	-	5.40
Net Exchange Gain	10.79	-
Profit on sale of Investments	33.73	434.78
Sundry Balances Written Back	-	-
Miscellaneous Income	0.00	0.00
Total	394.40	854.17

32 Cost of Materials consumed

Particulars	Apr'20-Mar'21	Apr'19-Mar'20
	₹ in Lakhs	₹ in Lakhs
Material used in Construction Activities	416.47	266.27
Textile		
Greige	18,439.50	16,691.76
Stores & Spares	204.13	404.13
Dyes, Chemicals and others	1,970.94	2,590.68
Total for Textiles	20,614.57	19,686.57
Total	21,031.04	19,952.84

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

Particulars	Apr'20-Mar'21	Apr'19-Mar'20
	₹ in Lakhs	₹ in Lakhs
Finished Goods		
Opening Stock	1,839.14	3,245.36
Closing Stock	2,972.08	1,839.14
Changes in Inventory of Finished Goods	(1,132.94)	1,406.22
Work in Progress		
Opening Stock	7,321.54	8,349.09
Closing Stock	9,162.27	7,321.54
Changes in Inventory Work in Progress	(1,840.73)	1,027.55
Total	(2,973.67)	2,433.77



Swan Energy Limited

Notes to the Consolidated Financial Statement for Year ended March 31, 2021

34 Employee benefit expenses

Particulars	Apr'20-Mar'21	Apr'19-Mar'20
	₹ in Lakhs	₹ in Lakhs
Salaries Wages and Bonus	1,767.80	1,196.25
Contribution to Provident Fund and Other Funds	10.10	11.64
Gratuity	25.48	8.04
Staff Welfare Expenses	5.88	5.67
Total	1,809.26	1,221.60

35 Finance Costs

Particulars	Apr'20-Mar'21	Apr'19-Mar'20
	₹ in Lakhs	₹ in Lakhs
Interest expense	10,684.83	4,991.23
Other Borrowing cost	118.72	41.74
Total	10,803.55	5,032.97

36 Other Expenses

Particulars	Apr'20-Mar'21	Apr'19-Mar'20
	₹ in Lakhs	₹ in Lakhs
Advertisement Expenses	1.23	1.58
Audit Fees	9.06	9.15
Architect Fees	8.46	7.14
Brokerage & Commission	83.57	55.96
Business Development Expenses	40.22	123.87
Communication cost	17.51	24.81
Donation	48.37	57.15
Freight Charges	62.30	95.48
Insurance	258.61	40.06
Labour Charges	446.91	551.77
Legal & Professional fees	173.31	128.03
Listing and related expenses	10.41	13.30
Loss on sale of Fixed Assets	36.13	-
Lubricants Consumed	436.90	-
Membership & Subscription	14.88	4.82
Net Exchange Loss	59.89	0.12
Other Development Expenses	1,560.60	2,651.99
Printing & Stationery	10.85	14.40
Power & Fuel	467.64	681.80
Preliminary Expenses Written Off	-	0.01
Rates & Taxes	414.84	217.00
Rent	78.91	66.39
Repair & Maintenance - Building	8.07	16.45
Repair & Maintenance - Machinery	75.87	76.52
Repair & Maintenance - Others	349.21	83.32
Security Charges	53.90	46.33
Ship Management Fees	183.56	-
Stores, Spares & Consumables	140.58	-
Vehicle Expenses	15.91	25.09
Miscellaneous Expenses	341.80	274.53
Total	5,409.50	5,267.07



37 Tax Expenses

Particulars	(₹ in Lakhs)	
	Apr'20-Mar'21	Apr'19-Mar'20
The major components of income tax expense for the year are as under:		
(i) Income tax recognised in the Consolidated Statement of Profit and Loss		
Current tax:		
Current Tax Charges	141.58	212.99
Deferred tax:		
In respect of current year	(1,084.10)	(154.61)
Income tax expense recognised in the Consolidated Statement of Profit and Loss	(942.52)	58.38
(ii) Income tax expense recognised in OCI		
Deferred tax expense on remeasurements of defined benefit plans	-	-
Income tax expense recognised in OCI	-	-

B Reconciliation of tax expense and the accounting profit for the year is as under:

Particulars	(₹ in Lakhs)	
	Apr'20-Mar'21	Apr'19-Mar'20
Profit/(Loss) before tax	(7,790.67)	(424.93)
Tax using company's domestic Tax Rate	80.23	199.85
Tax effect Due to lower tax rate	(5.46)	(47.78)
Tax effect due to Expenses Disallowed under income tax	200.45	163.17
Tax effect due to Ind AS Interest Expense	41.43	1.46
Adjustment in respect of previous years	-	11.07
Effect due to Income not considered in P&L A/c but offered for tax	-	-
Tax effect due to claim of Depreciation	(173.95)	(115.42)
Tax effect due to Ind AS Interest Income	(2.14)	(1.56)
Others Adjustment	1.02	2.20
Tax credit C/F and set off u/s 115JAA	-	-
Total	141.58	212.99
Tax expense as per Consolidated Statement of Profit and Loss	141.58	212.99
Note:		
For reconciliation purpose, the Company has considered the following tax rate;		
Corporate tax rate	33.38%	27.82%
Short term capital gain tax	16.69%	16.69%

C The major components of deferred tax (liabilities) / assets arising on account of timing differences are as follows:

Particulars	(₹ in Lakhs)							
	Balance Sheet	Statement of Profit & Loss	OCI	Balance Sheet	Balance Sheet	Statement of Profit & Loss	OCI	Balance Sheet
	March 31, 2020	Apr'20-Mar'21	Apr'20-Mar'21	March 31, 2021	March 31, 2019	Apr'19-Mar'20	Apr'19-Mar'20	March 31, 2020
Difference between written down value/capital work in progress of Property, Plant and Equipment as per the books of accounts and Income Tax Act, 1961.	(442.36)	65.52	-	(507.88)	(609.22)	(166.86)	-	(442.36)
Remeasurement benefit of defined benefit plans through P&L	42.38	(2.23)	-	44.61	56.67	14.28	-	42.38
Unabsorbed business loss	-	(1,145.95)	-	1,145.95	-	-	-	-
Lease Rentals	2.04	(1.44)	-	3.48	-	(2.04)	-	2.04
Deferred tax expense/(income) Net Deferred tax asset/(liabilities)	(397.94)	(1,084.10)	-	686.16	(552.55)	(154.61)	-	(397.94)



38 Financial Instruments - Fair Values and Risk Management

Accounting classification and fair values

A Carrying Value as on reporting date & Fair Value hierarchy:

The following table shows carrying amount and fair values of financial assets and financial liabilities, including their levels in fair value hierarchy. It does not include fair value information of financial assets and liabilities not measured at fair value if the carrying amount is reasonable approximation of fair value.

(₹ in Lakhs)

Particulars	March 31, 2021				Fair Value hierarchy			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
(i) Current Investments	20.89	-	-	20.89	-	20.89	-	20.89
(ii) Trade Receivables	-	-	2,866.81	2,866.81	-	-	2,866.81	2,866.81
(iii) Cash and Cash Equivalents	-	-	7,323.65	7,323.65	-	-	7,323.65	7,323.65
(iv) Bank Balances Other Than (iii) above	-	-	3,737.97	3,737.97	-	-	3,737.97	3,737.97
(v) Loans	-	-	7,794.18	7,794.18	-	-	7,794.18	7,794.18
(vi) Other Financial Assets	-	-	54.66	54.66	-	-	54.66	54.66
Total	20.89	-	21,777.27	21,798.16	-	20.89	21,777.27	21,798.16
Financial Liabilities								
(i) Borrowings	-	-	1,04,942.08	1,04,942.08	-	-	1,04,942.08	1,04,942.08
(ii) Trade Payables	-	-	3,293.96	3,293.96	-	-	3,293.96	3,293.96
(iii) Other Financial Liabilities	-	-	41,223.18	41,223.18	-	-	41,223.18	41,223.18
Total	-	-	1,49,459.22	1,49,459.22	-	-	1,49,459.22	1,49,459.22

(₹ in Lakhs)

Particulars	March 31, 2020				Fair Value hierarchy			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
(i) Current Investments	767.85	-	-	767.85	-	767.85	-	767.85
(ii) Trade Receivables	-	-	5,413.22	5,413.22	-	-	5,413.22	5,413.22
(iii) Cash and Cash Equivalents	-	-	2,746.05	2,746.05	-	-	2,746.05	2,746.05
(iv) Bank Balances Other Than (iii) above	-	-	2,126.78	2,126.78	-	-	2,126.78	2,126.78
(v) Loans	-	-	7,785.60	7,785.60	-	-	7,785.60	7,785.60
(vi) Other Financial Assets	-	-	16.40	16.40	-	-	16.40	16.40
Total	767.85	-	18,088.05	18,855.90	-	767.85	18,088.05	18,855.90
Financial Liabilities								
(i) Borrowings	-	-	99,061.12	99,061.12	-	-	99,061.12	99,061.12
(ii) Trade Payables	-	-	5,632.95	5,632.95	-	-	5,632.95	5,632.95
(iii) Other Financial Liabilities	-	-	74,049.23	74,049.23	-	-	74,049.23	74,049.23
Total	-	-	1,78,743.30	1,78,743.30	-	-	1,78,743.30	1,78,743.30

With respect to disclosure of fair value of financial instruments such as cash and cash equivalents, other bank balances, trade receivables and other receivables, other current and non current financial assets, borrowings and other current financial liabilities at March 31, 2021 and March 31, 2020 are similar to carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short term nature.



Swan Energy Limited

Notes to the Consolidated Financial Statement for Year ended March 31, 2021

Financial Instruments - Fair Values and Risk Management (continued....)

B Financial Risk Management

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

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

The source of risk are as follows -

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

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

a Credit Risk

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

The Company's maximum exposure to credit risk as at March 31, 2021 is the carrying value of each class of financial assets.

i Trade and other receivables

Credit risk on trade receivables is limited based on past experience and management's estimate.

Ageing of trade and other receivables that were not impaired is as follows.

(₹ in Lakhs)

Particulars	Carrying Amount	
	March 31, 2021	March 31, 2020
Neither Past due nor impaired	2,118.46	4,580.20
Past due more than 180 days	748.35	833.02

ii Loans

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

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

(₹ in Lakhs)

Particulars (Current & Non Current)	Carrying Amount	
	March 31, 2021	March 31, 2020
Loan To Other Related Parties	146.59	114.09
Loan to employees	71.17	85.64
Loan to Others	7,576.42	7,585.87

iii Loans (Project Advances)

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

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

(₹ in Lakhs)

Particulars	Carrying Amount	
	March 31, 2021	March 31, 2020
Capital Advance (Project)- Other Non Current Assets	12,638.21	77,061.19

iv Cash and Cash Equivalents

The Company held cash and bank balance with credit worthy banks of ₹ 11,061.62 Lakhs at March 31, 2021 (March 31, 2020: ₹ 4,872.84 Lakhs). The credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks where credit risk is largely perceived to be extremely insignificant. Further, the Company has an interest accrued but not due on above fixed deposits of ₹ 54.66 Lakhs at March 31, 2021 (March 31, 2020: ₹ 16.40 Lakhs).



Notes to the Consolidated Financial Statement for Year ended March 31, 2021

Financial Instruments - Fair Values and Risk Management (continued....)

b Liquidity Risk

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

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

i Exposure to Liquidity Risk

The company has outstanding borrowing through Current and Non-Current borrowings from Banks / NBFCs and third parties.

Carrying amounts are as below

(₹ in Lakhs)

Particulars	March 31, 2021			
	Carrying Amount	Within 1 Year	Between 1-5 years	More than 5 Years
Borrowings - (Non-Current)	1,99,642.73	-	34,538.85	1,65,103.88
Other Financial Liabilities (Non-Current)	2,979.65	-	2,979.65	-
Borrowings* - (Current)	1,04,942.08	1,04,942.08	-	-
Trade Payables	3,293.96	3,293.96	-	-
Other Financial Liabilities (Current)	41,223.18	41,223.18	-	-
Total	3,52,081.60	1,49,459.22	37,518.50	1,65,103.88

Carrying amounts are as below

(₹ in Lakhs)

Particulars	March 31, 2020			
	Carrying Amount	Within 1 Year	Between 1-5 years	More than 5 Years
Borrowings - (Non-Current)	18,469.39	-	18,469.39	-
Other Financial Liabilities (Non-Current)	2,789.92	-	2,789.92	-
Borrowings* - (Current)	99,061.12	99,061.12	-	-
Trade Payables	5,632.95	5,632.95	-	-
Other Financial Liabilities (Current)	74,049.23	74,049.23	-	-
Total	2,00,002.61	1,78,743.30	21,259.31	-

* The amount shown under 'Borrowings - (Current)' includes advances received from third parties. These have been received in the ordinary course of business and are repayable on demand.

c Market Risk

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



Swan Energy Limited

Notes to the Consolidated Financial Statement for Year ended March 31, 2021

Financial Instruments - Fair Values and Risk Management (continued....)

i Currency Risk

The Company is exposed to currency risk on account of its trade and other payables in foreign currency. The functional currency of the Company is Indian Rupee. Currency risk is not material, as the Company does not have any exposure in foreign currency.

Particulars	Currency	As at March 31, 2021
Financial Assets - Trade Receivables	₹ in Lakhs	410.18
	US \$ in millions	0.56
Trade Payables	₹ in Lakhs	15.30
	US \$ in millions	0.02
Other Financial Liability	₹ in Lakhs	276.22
	US \$ in millions	0.38

Particulars	Currency	As at March 31, 2020
Financial Assets - Trade Receivables	₹ in Lakhs	-
	US \$ in millions	-
Trade Payables	₹ in Lakhs	-
	US \$ in millions	-
Other Financial Liability	₹ in Lakhs	18,842.82
	US \$ in millions	25.00

For conversion of US \$ liabilities into INR the Company has consider an exchange rate USD/INR ₹ 73.50 (PY USD/INR ₹ 75.36)

The following table details the Company's sensitivity to a 5% increase and decrease in the functional currency against the relevant foreign currencies of all the currencies in the Company. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit and other equity where the respective functional currency strengthens by 5% against the relevant foreign currency. For a 5% weakening of the functional currency against the relevant currency, there would be an equal and opposite impact on the profit and other equity, and the balances below would be negative.

ii

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
	Impact on profit before tax	
US\$ impact	5.93	(942.14)

iii Price Risk

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

a Fair value sensitivity analysis for fixed rate Instruments

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

b Cash flow sensitivity analysis for variable rate Instruments

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



Swan Energy Limited

Notes to the Consolidated Financial Statement for Year ended March 31, 2021

39 Employee Benefits - Gratuity

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

(₹ in Lakhs)

Gratuity Disclosure Statement as Per Indian Accounting Standard 19 (Ind AS 19)

	Apr'20-Mar'21	Apr'19-Mar'20
Type of Benefit	Gratuity	Gratuity
Country	India	India
Reporting Currency	INR	INR
Reporting Standard	Indian Accounting Standard 19 (Ind AS 19)	Indian Accounting Standard 19 (Ind AS 19)
Funding Status	Unfunded	Unfunded
Starting Period	01-04-20	01-04-19
Date of Reporting	31-03-21	31-03-20
Period of Reporting	12 Months	12 Months
Reference ID	523281	413093
Assumptions (Apr'19-Mar'20)		
Expected Return on Plan Assets	N.A.	N.A.
Rate of Discounting	6.84%	7.69%
Rate of Salary Increase	8.33%	8.33%
Rate of Employee Turnover	5.00%	5.00%
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Assumptions (Apr'20-Mar'21)		
Expected Return on Plan Assets	N.A.	N.A.
Rate of Discounting	6.86%	6.84%
Rate of Salary Increase	8.33%	8.33%
Rate of Employee Turnover	5.00%	5.00%
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate



Swan Energy Limited

Notes to the Consolidated Financial Statement for Year ended March 31, 2021

39 Employee Benefits - Gratuity

	Apr'20-Mar'21	Apr'19-Mar'20
Table Showing Change in the Present Value of Projected Benefit Obligation		
Present Value of Benefit Obligation at the Beginning of the Year	170.19	162.16
Interest Cost	11.64	12.47
Current Service Cost	13.84	13.15
Past Service Cost	-	-
Liability Transferred In/ Acquisitions	-	-
(Liability Transferred Out/ Divestments)	-	-
(Gains)/ Losses on Curtailment	-	-
(Liabilities Extinguished on Settlement)	-	-
(Benefit Paid Directly by the Employer)	(25.29)	(7.11)
(Benefit Paid From the Fund)	-	-
The Effect Of Changes in Foreign Exchange Rates	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(0.15)	7.07
Actuarial (Gains)/Losses on Obligations - Due to Experience	(13.95)	(17.55)
Present Value of Benefit Obligation at the End of the Year	156.28	170.19
Table Showing Change in the Fair Value of Plan Assets		
Fair Value of Plan Assets at the Beginning of the Year	-	-
Interest Income	-	-
Contributions by the Employer	-	-
Expected Contributions by the Employees	-	-
Assets Transferred In/Acquisitions	-	-
(Assets Transferred Out/ Divestments)	-	-
(Benefit Paid from the Fund)	-	-
(Assets Distributed on Settlements)	-	-
(Expenses and Tax for managing the Benefit Obligations- paid from the fund)	-	-
Effects of Asset Ceiling	-	-
The Effect of Changes In Foreign Exchange Rates	-	-
Return on Plan Assets, Excluding Interest Income	-	-
Fair Value of Plan Assets at the End of the Year	-	-
	Apr'20-Mar'21	Apr'19-Mar'20
Amount Recognized in the Balance Sheet		
(Present Value of Benefit Obligation at the end of the Year)	(156.28)	(170.19)
Fair Value of Plan Assets at the end of the Year	-	-
Funded Status (Surplus/ (Deficit))	(156.28)	(170.19)
Net (Liability)/Asset Recognized in the Balance Sheet	(156.28)	(170.19)
Net Interest Cost for Apr'20-Mar'21		
Present Value of Benefit Obligation at the Beginning of the Year	170.19	162.16
(Fair Value of Plan Assets at the Beginning of the Year)	-	-
Net Liability/(Asset) at the Beginning	170.19	162.16
Interest Cost	11.64	12.47
(Interest Income)	-	-
Net Interest Cost for Current Year	11.64	12.47

Swan Energy Limited

Notes to the Consolidated Financial Statement for Year ended March 31, 2021

39 Employee Benefits - Gratuity

Expenses Recognized in the Statement of Profit or Loss for Apr'20-Mar'21		
Current Service Cost	13.84	13.15
Net Interest Cost	11.64	12.47
Past Service Cost	-	-
(Expected Contributions by the Employees)	-	-
(Gains)/Losses on Curtailments And Settlements	-	-
Net Effect of Changes in Foreign Exchange Rates	-	-
Expenses Recognized	25.48	25.62
Expenses Recognized in the Other Comprehensive Income (OCI) for Apr'20-Mar'21		
Actuarial (Gains)/Losses on Obligation For the Year	(14.11)	(10.48)
Return on Plan Assets, Excluding Interest Income	-	-
Change in Asset Ceiling	-	-
Net (Income)/Expense For the Period Recognized in OCI	(14.11)	(10.48)
	Apr'20-Mar'21	Apr'19-Mar'20
Balance Sheet Reconciliation		
Opening Net Liability	170.19	162.16
Expenses Recognized in Statement of Profit or Loss	25.48	25.62
Expenses Recognized in OCI	(14.11)	(10.48)
Net Liability/(Asset) Transfer In	-	-
Net (Liability)/Asset Transfer Out	-	-
(Benefit Paid Directly by the Employer)	(25.28)	(7.11)
(Employer's Contribution)	-	-
Net Liability/(Asset) Recognized in the Balance Sheet	156.28	170.19
Category of Assets		
Government of India Assets	-	-
State Government Securities	-	-
Special Deposits Scheme	-	-
Debt Instruments	-	-
Corporate Bonds	-	-
Cash And Cash Equivalents	-	-
Insurance fund	-	-
Asset-Backed Securities	-	-
Structured Debt	-	-
Other	-	-
Total	-	-
Other Details		
No of Members in Service	111	114
Per Month Salary For Members in Service	43.08	47.44
Weighted Average Duration of the Projected Benefit Obligation	6	7
Average Expected Future Service	11	11
Projected Benefit Obligation (PBO) - Total	156.28	170.19
Projected Benefit Obligation (PBO) - Due but Not Paid	2.05	-
Expected Contribution in the Next Year	-	-



Swan Energy Limited

Notes to the Consolidated Financial Statement for Year ended March 31, 2021

39 Employee Benefits - Gratuity

	Apr'20-Mar'21	Apr'19-Mar'20
Net Interest Cost for Next Year		
Present Value of Benefit Obligation at the End of the Year	156.28	170.19
(Fair Value of Plan Assets at the End of the Year)	-	-
Net Liability/(Asset) at the End of the Year	156.28	170.19
Interest Cost	10.58	11.64
(Interest Income)	-	-
Net Interest Cost for Next Year	10.58	11.64
Expenses Recognized in the Statement of Profit or Loss for Next Year		
Current Service Cost	13.11	13.84
Net Interest Cost	10.58	11.64
(Expected Contributions by the Employees)	-	-
Expenses Recognized	23.69	25.48
Maturity Analysis of the Benefit Payments		
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	65.74	58.51
2nd Following Year	4.91	22.74
3rd Following Year	21.54	5.28
4th Following Year	4.06	20.94
5th Following Year	18.90	4.48
Sum of Years 6 To 10	28.30	46.45
Sum of Years 11 and above	113.06	132.18
	Apr'20-Mar'21	Apr'19-Mar'20
Sensitivity Analysis		
Projected Benefit Obligation on Current Assumptions	156.28	170.19
Delta Effect of +1% Change in Rate of Discounting	(6.95)	(8.23)
Delta Effect of -1% Change in Rate of Discounting	8.12	9.64
Delta Effect of +1% Change in Rate of Salary Increase	6.13	7.33
Delta Effect of -1% Change in Rate of Salary Increase	(5.54)	(6.76)
Delta Effect of +1% Change in Rate of Employee Turnover	(0.60)	(0.81)
Delta Effect of -1% Change in Rate of Employee Turnover	0.63	0.89

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.



Swan Energy Limited

Notes to the Consolidated Financial Statement for Year ended March 31, 2021

39 Employee Benefits - Gratuity

Notes

Gratuity is payable as per entity's scheme as detailed in the report.

Actuarial gains/losses are recognized in the period of occurrence under Other Comprehensive Income (OCI). All above reported figures of OCI are gross of taxation.

Salary escalation & attrition rate are considered as advised by the entity; they appear to be in line with the industry practice considering promotion and demand & supply of the employees.

Maturity Analysis of Benefit Payments is undiscounted cashflows considering future salary, attrition & death in respective year for members as mentioned above.

Average Expected Future Service represents Estimated Term of Post - Employment Benefit Obligation.

Any benefit payment and contribution to plan assets is considered to occur end of the year to depict liability and fund movement in the disclosures.

Qualitative Disclosures

Para 139 (a) Characteristics of defined benefit plan

The entity has a defined benefit gratuity plan in India (unfunded). The entity's defined benefit gratuity plan is a final salary plan for employees.

Gratuity is paid from entity as and when it becomes due and is paid as per entity scheme for Gratuity.

Para 139 (b) Risks associated with defined benefit plan

Gratuity is a defined benefit plan and entity is exposed to the Following Risks:

Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. entity has to manage pay-out based on pay as you go basis from own funds.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Para 139 (c) Characteristics of defined benefit plans

During the year, there were no plan amendments, curtailments and settlements.

Para 147 (a)

Gratuity plan is unfunded.



Swan Energy Limited

Notes to the Consolidated Financial Statement for Year ended March 31, 2021

39 Employee Benefits - Gratuity for Swan LNG Pvt. Ltd.

The Company has a defined benefit gratuity plan and is governed by the Payment of Gratuity Act, 1972. Under the Act, every employee who has completed at least five year of service is entitled to gratuity benefits on departure at 15 days salary (last drawn salary) for each completed year of service. The company's Gratuity plan is unfunded. The following tables summarise the component of the net benefits expense recognised in the statement of profit and loss account and the Net Liability/(Asset) Recognized in the Balance Sheet.

Gratuity Disclosure Statement as Per (Ind AS 19)

The principle assumptions as used in determining gratuity obligation is as follows:

I Assumptions	March 31, 2021	March 31, 2020
Expected Return on Plan Assets	N.A.	N.A.
Rate of Discounting	6.65%	6.84%
Rate of Salary Increase	8.33%	8.33%
Rate of Employee Turnover	5.00%	5.00%
Mortality Rate During Employment	100% of IALM 2012-14	100% of IALM 2006-08
Mortality Rate After Employment	N.A.	N.A.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been significant change in expected rate of return on assets due to change in the market scenario.

Since the company has yet to commence its commercial operation, all Gratuity Exp amounting to ₹ 9.28 Lakhs recognized in the statement of profit and loss and in other comprehensive income for the year have been transferred to CWIP as preliminary and preoperative expenses.



Swan Energy Limited

Notes to the Consolidated Financial Statement for Year ended March 31, 2021

39 Employee Benefits - Gratuity for Swan LNG Pvt. Ltd.

(₹ in Lakhs)

II	Changes in Present Value of the defined benefit obligation are as follows	March 31, 2021	March 31, 2020
	Present Value of Benefit Obligation at the Beginning of the Period	17.85	12.24
	Interest Cost	1.22	0.93
	Current Service Cost	6.57	5.05
	Past Service Cost	-	-
	Liability Transferred In/ Acquisitions	-	-
	(Liability Transferred Out/ Divestments)	-	-
	(Gains)/ Losses on Curtailment	-	-
	(Liabilities Extinguished on Settlement)	-	-
	(Benefit Paid Directly by the Employer)	-	-
	(Benefit Paid From the Fund)	-	-
	The Effect Of Changes in Foreign Exchange Rates	-	-
	Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	0.00	-
	Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	0.56	1.43
	Actuarial (Gains)/Losses on Obligations - Due to Experience	0.93	(1.80)
	Present Value of Benefit Obligation at the End of the Period	27.13	17.85

(₹ in Lakhs)

III	Changes in the Fair Value of Plan Assets are as follows	March 31, 2021	March 31, 2020
	Fair Value of Plan Assets at the Beginning of the year	-	-
	Interest Income	-	-
	Contributions by the Employer	-	-
	Expected Contributions by the Employees	-	-
	Assets Transferred In/Acquisitions	-	-
	(Assets Transferred Out/ Divestments)	-	-
	(Benefit Paid from the Fund)	-	-
	(Assets Distributed on Settlements)	-	-
	Effects of Asset Ceiling	-	-
	The Effect of Changes In Foreign Exchange Rates	-	-
	Return on Plan Assets, Excluding Interest Income	-	-
	Fair Value of Plan Assets at the End of the year	-	-

(₹ in Lakhs)

IV	Net Assets/Liability recognised in the balance sheet	March 31, 2021	March 31, 2020
	Present Value of Benefit Obligation at the end of the Period	27.13	17.85
	Fair Value of Plan Assets at the end of the Period	-	-
	Funded Status (Surplus/ (Deficit))	(27.13)	(17.85)
	Net (Liability)/Asset Recognized in the Balance Sheet	(27.13)	(17.85)



Swan Energy Limited

Notes to the Consolidated Financial Statement for Year ended March 31, 2021

39 Employee Benefits - Gratuity for Swan LNG Pvt. Ltd.

(₹ in Lakhs)

V	Net Interest Cost	March 31, 2021	March 31, 2020
	Present Value of Benefit Obligation at the Beginning of the Period	17.85	12.24
	(Fair Value of Plan Assets at the Beginning of the Period)	-	-
	Net Liability/(Asset) at the Beginning	17.85	12.24
	Interest Cost	1.22	0.93
	(Interest Income)	-	-
	Net Interest Cost for Current Period	1.22	0.93

(₹ in Lakhs)

VI	Expenses Recognized in the Statement of Profit or Loss for the year	March 31, 2021	March 31, 2020
	Current Service Cost	6.57	5.05
	Net Interest Cost	1.22	0.93
	Expenses Recognized	7.79	5.98

(₹ in Lakhs)

VII	Recognized in the Other Comprehensive Income (OCI) for the year	March 31, 2021	March 31, 2020
	Actuarial (Gains)/Losses on Obligation For the Period	1.49	(0.37)
	Return on Plan Assets, Excluding Interest Income	-	-
	Change in Asset Ceiling	-	-
	Net (Income)/Expense For the Period Recognized in OCI	1.49	(0.37)

(₹ in Lakhs)

VIII	Balance Sheet Reconciliation	March 31, 2021	March 31, 2020
	Opening Net Liability	17.85	12.24
	Net Expenses Recognized during the year in CWIP	7.79	5.98
	Expenses Recognized in OCI	1.49	(0.37)
	Net Liability/(Asset) Transfer In	-	-
	Net (Liability)/Asset Transfer Out	-	-
	(Benefit Paid Directly by the Employer)	-	-
	(Employer's Contribution)	-	-
	Net Liability/(Asset) Recognized in the Balance Sheet	27.13	17.85

(₹ in Lakhs)

IX	Other Details	March 31, 2021	March 31, 2020
	No of Active Members	25	22
	Per Month Salary For Active Members	15.47	23.80
	Average Past Service (Years)	1.44	1.14
	Average Age (Years)	37.44	40.50
	Average Remaining Working Life	20.88	NA
	Number of Completed Years Valued	36	25
	Decrement adjusted remaning working life(years)	11.45	11.00



Swan Energy Limited

Notes to the Consolidated Financial Statement for Year ended March 31, 2021

39 Employee Benefits - Gratuity for Swan LNG Pvt. Ltd.

X The Expected cash flows of defined benefit obligation over the future period

(₹ in Lakhs)		
Particular	March 31, 2021	March 31, 2020
1st Following Year	0.87	0.35
2nd Following Year	1.29	0.36
3rd Following Year	1.37	0.69
4th Following Year	1.47	0.89
5th Following Year	1.59	0.99
Sum of Years 6 To 10	9.67	5.45
Sum of Years 11 and above	46.82	34.12

XI Quantitative sensitivity analysis for significant assumption is as below

(₹ in Lakhs)		
Particulars	March 31, 2021	March 31, 2020
Projected Benefit Obligation on Current Assumptions	27.13	17.85
Delta Effect of +1% Change in Rate of Discounting	(2.77)	(1.88)
Delta Effect of -1% Change in Rate of Discounting	3.22	2.18
Delta Effect of +1% Change in Rate of Salary Increase	1.98	1.25
Delta Effect of -1% Change in Rate of Salary Increase	(1.95)	(1.43)
Delta Effect of +1% Change in Rate of Employee Turnover	(0.26)	(0.40)
Delta Effect of -1% Change in Rate of Employee Turnover	0.27	0.41
Delta Effect of +1% Change in Rate of Mortality Rate	0.00	NA
Delta Effect of -1% Change in Rate of Mortality Rate	(0.00)	NA
The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.		
Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.		



Swan Energy Limited

Notes to the Consolidated Financial Statement for Year ended March 31, 2021

40 Earning Per Share

Sr. No.	Particulars	Apr'20-Mar'21	Apr'19-Mar'20
i)	Net profit after tax as per Statements of Profit & Loss attributable to Equity Shareholders (₹ In Lakhs)	(6,847.32)	(483.31)
ii)	Weighted average number of shares used as denomination for calculating Basic and Diluted earning per share	24,42,57,000	24,42,57,000
iii)	Face value of shares (₹ Per Share)	1.00	1.00
iv)	Basic/Diluted earning per share (in ₹)	(2.80)	(0.20)

41 Contingent Liabilities

(₹ in Lakhs)

Sr. No.	Particulars	March 31, 2021	March 31, 2020
i)	Income Tax	3,172.14	3,172.14
ii)	Corporate Guarantee	2,14,278.00	1,97,872.67
iii)	Bank guarantee	7,271.00	7,257.00

42 Payment to Auditors

(₹ in Lakhs)

Sr. No.	Particulars	Apr'20-Mar'21	Apr'19-Mar'20
i)	Statutory Audit Fees	6.56	6.52
ii)	Tax Audit Fees	1.50	1.50
iii)	Other Capacity	1.83	0.95

43 Related Party Disclosures, as required by Ind AS 24 are given below:

A List of Related Parties

Sr No.	Name of the parties	Relationship
i)	Mr.Navinbhai C. Dave - Chairman	Key Management Personnel
ii)	Mr. Nikhil V. Merchant - Managing Director	
iii)	Mr. Paresh V. Merchant - Executive Director	
iv)	Mr. Padmanabhan Sugavanam - Director	
v)	Mr.Chetan Selarka - Chief Financial Officer	
vi)	Mr.Arun Agarwal - Company Secretary	
vii)	Mr. Bhavik N. Merchant	Relative of Key Management Personnel
viii)	Mr. Vivek P. Merchant	
ix)	Good Earth Commodities (India) Private Limited	Enterprise over which Key Management Personnel is able to exercise significant influence
x)	Feltham Trading Pvt Ltd	
xi)	Ami Tech (India) Private Limited	
xii)	Altamount Estates Private Limited	
xiii)	Swan Constructions Private Limited	
xiv)	Dave Impex India Pvt. Ltd	
xv)	Dave Leasing And Holding Private Limited	
xvi)	Swan Engitech Works Pvt. Ltd.	
xvii)	Swan Realtors Pvt. Ltd.	
xviii)	Swan International Limited	
xix)	Gazdar Bandh Developers Private Limited	
xx)	Sadavir Trading Private Limited	
xxi)	Swan Mills Limited	
xxii)	Stormsoft Technologies Private Limited	
xxiii)	Gujarat Maritime Board ('GMB')	

Notes to the Consolidated Financial Statement for Year ended March 31, 2021

43 B (i) Transaction during the year Apr'20-Mar'21 with related parties											(₹ in Lakhs)
Sr No.	Name of the Company	Opening Balance Dr	Opening Balance Cr	Remuneration Paid	Rent Paid/ Booked	Advance Given	Advance received back	Advance taken	Advance paid back	Closing Balance Dr	Closing Balance Cr
i)	Mr. Nikhil Merchant	-	-	91.57	-	-	-	-	-	-	-
ii)	Mr. Paresh Merchant	0.15	-	91.57	3.00	-	-	-	-	-	-
iii)	Mr. Padmanabhan Sugavanam	-	-	35.24	-	-	-	-	-	-	-
iv)	Mr. Chetan Selarka - Chief Financial Officer	-	-	68.44	-	-	-	-	-	-	-
v)	Mr. Arun Agarwal - Company Secretary	-	-	26.63	-	-	-	-	-	-	-
vi)	Mr. Bhavik Merchant	-	-	17.02	-	-	-	-	-	-	-
vii)	Mr. Vivek Merchant	-	-	17.02	-	-	-	-	-	-	-
viii)	Good Earth Commodities (India) Private Limited	-	364.55	-	-	-	-	370.00	63.75	-	670.80
ix)	Feltham Trading Pvt Ltd	-	0.89	-	1.80	0.10	-	-	-	0.82	-
x)	Ami Tech (India) Private Limited	-	1,657.46	-	-	552.21	594.75	-	235.00	-	1,465.00
xi)	Dave Impex India Pvt. Ltd	-	400.00	-	-	-	-	43.00	-	-	443.00
xii)	Dave Leasing And Holding Private Limited	-	-	-	-	-	-	57.00	-	-	57.00
xiii)	Altamount Estates Private Limited	-	26.90	-	69.14	104.68	104.78	-	-	-	-
xiv)	Swan Constructions Private Limited	30.34	-	-	-	-	-	-	-	30.34	-
xv)	Swan Engitech Works Pvt. Ltd.	-	301.27	-	-	-	-	121.00	200.00	-	222.27
xvi)	Swan Realtors Pvt. Ltd.	-	377.38	-	-	-	-	115.00	-	-	492.38
xvii)	Swan International Limited	0.40	-	-	-	0.10	0.50	-	-	-	-
xviii)	Gazdar Bandh Developers Private Limited	18.10	-	-	-	75.39	-	-	-	93.49	-
xix)	Sadavir Trading Private Limited	0.58	-	-	22.00	2.03	2.61	-	-	-	-
xx)	Swan Mills Limited	4.64	-	-	-	0.05	-	-	-	4.69	-
xxi)	Stormsoft Technologies Private Limited	-	1,200.00	-	-	-	-	800.00	394.00	-	1,606.00
xxii)	Gujarat Maritime Board	-	-	-	295.60	-	-	-	-	-	-
	Total	54.21	4,328.45	347.49	391.54	734.56	702.64	1,506.00	892.75	129.34	4,956.45



Notes to the Consolidated Financial Statement for Year ended March 31, 2021

43 B (ii) Transaction during the year Apr'19-Mar'20 with related parties

(₹ in Lakhs)

Sr No.	Name of the Company	Opening Balance Dr	Opening Balance Cr	Remuneration Paid	Rent Paid/ Booked	Advance Given	Advance received back	Advance taken	Advance paid back	Closing Balance Dr	Closing Balance Cr
i)	Mr. Nikhil Merchant	-	-	137.84	-	-	-	-	-	-	-
ii)	Mr. Paresh Merchant	-	-	137.84	3.00	2.85	2.70	-	-	0.15	-
iii)	Mr. Padmanabhan Sugavanam	-	-	35.09	-	-	-	-	-	-	-
iv)	Mr. Chetan Selarka - Chief Financial Officer	-	-	68.44	-	-	-	-	-	-	-
v)	Mr. Arun Agarwal - Company Secretary	-	-	26.63	-	-	-	-	-	-	-
vi)	Mr. Bhavik Merchant	-	-	16.87	-	-	-	-	-	-	-
vii)	Mr. Vivek Merchant	-	-	16.87	-	0.08	0.08	-	-	-	-
viii)	Good Earth Commodities (India) Private Limited	631.31	-	-	-	-	995.86	-	-	-	364.55
ix)	Feltham Trading Pvt Ltd	-	-	-	1.80	7.23	6.50	-	-	-	0.89
x)	Ami Tech (India) Private Limited	-	-	-	-	180.54	138.00	1,700.00	-	-	1,657.46
xi)	Dave Impex India Pvt. Ltd	-	-	-	-	-	-	475.00	75.00	-	400.00
xii)	Altamount Estates Private Limited	-	-	-	60.00	28.15	28.05	-	-	-	26.90
xiii)	Swan Constructions Private Limited	123.92	-	-	-	6.42	100.00	-	-	30.34	-
xiv)	Swan Engitech Works Pvt. Ltd.	-	298.27	-	-	-	-	3.17	0.17	-	301.27
xv)	Swan Realtors Pvt. Ltd.	-	377.38	-	-	-	-	-	-	-	377.38
xvi)	Swan International Limited	-	-	-	-	0.40	-	-	-	0.40	-
xvii)	Gazdar Bandh Developers Private Limited	140.84	-	-	-	82.26	205.00	-	-	18.10	-
xviii)	Sadavir Trading Private Limited	-	-	-	-	0.58	-	-	-	0.58	-
xix)	Swan Mills Limited	4.64	-	-	-	-	-	-	-	4.64	-
xx)	Stormsoft Technologies Private Limited	-	-	-	-	-	-	1,200.00	-	-	1,200.00
xxi)	Gujarat Maritime Board	-	-	-	213.55	-	-	-	-	-	-
	Total	900.71	675.65	439.58	278.35	308.51	1,476.19	3,378.17	75.17	54.21	4,328.45



Notes to the Consolidated Financial Statement for Year ended March 31, 2021

44 Corporate Social Responsibility

For detailed information on Corporate Social Responsibility, refer point no.8.5 of Director's Report.

45 Segment Reporting

Based on the "Management Approach" as defined in Ind AS 108 - Operating Segments, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators of business, the segments in which the Company operates. The Company is primarily engaged in textile and Property development/others which the Management and CODM recognise as the business segments and accordingly the following information is given.

Particulars	Apr'20-Mar'21	Apr'19-Mar'20
	₹ In Lakhs	₹ In Lakhs
Segment Revenue		
Textiles	21,474.81	27,224.57
Property development/Others	10,966.47	7,711.18
Total	32,441.28	34,935.75
Segment Results (Before Interest & Tax)		
Textiles	491.68	1,478.86
Property development/Others	2,507.09	3,129.18
Total	2,998.77	4,608.04

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
	₹ In Lakhs	₹ In Lakhs
Segment Assets		
Textiles	15,542.11	17,033.69
Property development/*Others	4,77,556.26	3,31,171.33
Total	4,93,098.37	3,48,205.02
Segment Liabilities		
Textiles	8,318.49	10,007.53
Property development/*Others	3,45,556.66	1,91,635.41
Total	3,53,875.15	2,01,642.94

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.



Notes to the Consolidated Financial Statement for Year ended March 31, 2021

46 Standards issued but not effective

As at the date of issue of financial statements, there are no new standards or amendments which have been notified by the MCA but not yet adopted by the Company. Hence, the disclosure is not applicable.

47 Capital management

For the purposes of the company's capital management, capital includes issued capital and all other equity. The primary objective of the company's capital management is to maximize shareholder value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year. No changes were made in the objectives, policies, or processes for managing capital during the years ended March 31, 2021 and March 31, 2020.

48 Commitments

(₹ in Lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for	2,36,778.00	3,15,875.49

49 Event occurred after the Balance Sheet Date

Cyclone "Tauktae" had made landfall on 17/05/2021, near company's project site located near Jafrabad, Rajula District, Gujarat which resulted in heavy rainfall along with thunderstorm and high-speed wind leading to prolonged power failure nearby areas, whereby the company's project site work was interrupted. The Insurance survey work and preliminary assessment about the exact amount of damages / loss of assets (both the Company and EPC contractors) due to Cyclone is currently going on. The Company is having adequate insurance policy covering such kind of risk for the Company's properties.

50 Estimation of uncertainties relating to the global health pandemic from COVID-19

The Company has considered the possible effects that may result from the pandemic relating to COVID-19, more particularly the partial lockdown in majority of the states during April and May 2021, due to worsened Covid-19 pandemic's 2nd wave. The Company's business operations were temporarily disrupted and have considered the possible effects, if any, that may result from the pandemic on the carrying amounts of assets after considering internal and external sources of information including the possible future uncertainties in the global economic conditions as at the date of approval of these financial results and has determined that none of these balances require a material adjustment to their carrying value. The Company continues to closely monitor the rapidly changing situation.



Swan Energy Limited

Notes to the Consolidated Financial Statement for Year ended March 31, 2021

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

As per our report of even date

For N. N. Jambusaria & Co.

Chartered Accountants

Firm Registration No. 104030W

For and on behalf of the Board of Directors


Nimesh N. Jambusaria

Partner

M No. 038979




Navinbhai C. Dave

Chairman

DIN: 01787259


Paresh V. Merchant

Executive Director


DIN: 00660027


Nikhil V. Merchant

Managing Director

DIN: 00614790


Chetan K. Selarka
Chief Financial Officer


Arun S. Agarwal
Company Secretary

Mumbai, June 30, 2021

Mumbai, June 30, 2021

DECLARATION

Our Company certifies that all relevant provisions of Chapter VI read with Schedule VII of the SEBI ICDR Regulations have been complied with and no statement made in this Preliminary Placement Document is contrary to the provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations and that all material approvals and permissions required to carry on our Company's business have been obtained or are in the process of being applied for, are currently valid and have been complied with. Our Company further certifies that all the statements in this Preliminary Placement Document are true and correct.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS

Nikhil V. Merchant
Managing Director

DIN: 00614790

Date: February 20, 2024

Place: Mumbai

DECLARATION

We, the Board of Directors of the Company certify that:

- i. the Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;
- ii. the compliance with the Companies Act, 2013 and the rules thereunder, does not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government; and
- iii. the monies received under the Issue shall be used only for the purposes and objects indicated in the Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4).

For and on behalf of the Board, signed by:

Nikhil V. Merchant
Managing Director

DIN: 00614790

Date: February 20, 2024

Place: Mumbai

I am authorized by the Fund Raising Committee of the Company, *vide* resolution dated February 20, 2024, to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed by:

Nikhil V. Merchant
Managing Director

DIN: 00614790

Date: February 20, 2024

Place: Mumbai

ISSUER

SWAN ENERGY LIMITED

Registered Office

6, Feltham House, 2nd Floor,
10 J.N. Heredia Marg,
Ballard Estate, Mumbai City,
Mumbai, Maharashtra, India, 400001

Website: www.swan.co.in

Telephone: +91 22 40587300; **E-mail:** invgrv@swan.co.in

CIN: L17100MH1909PLC000294

Contact Person:

Arun S Agarwal

Company Secretary and Compliance Officer
6, Feltham House, 2nd Floor,
10 J.N. Heredia Marg,
Ballard Estate, Mumbai City,
Mumbai, Maharashtra, India, 400001

Telephone: +91 22 40587300

E-mail: arun@swan.co.in

BOOK RUNNING LEAD MANAGER

Systematix Corporate Services Limited

The Capital, A-Wing No. 603-606
6th Floor, Plot No. C-70,
G-Block, BKC, Bandra (East)
Mumbai- 400 051, Maharashtra, India

DOMESTIC LEGAL COUNSEL TO THE ISSUE

M/s. Crawford Bayley & Co.

State Bank Buildings, 4th Floor
N.G.N. Vaidya Marg, Fort
Mumbai 400 023, Maharashtra, India

INTERNATIONAL LEGAL COUNSEL TO THE BOOK RUNNING LEAD MANAGER

Dentons US LLP

2000 McKinney Avenue,
Suit 1900,
Dallas, Texas 75201-1858
Telephone: +1 214 259 0952

STATUTORY AUDITORS TO OUR COMPANY

N N Jambusaria & Co.

Chartered Accountants

1204, Navjivan Commercial Building
Lamington Road, Mumbai Central
Agripada, Mumbai – 400 008

Telephone: 022-35955329

E-mail: nimesh.jambusaria@nnjambusaria.co.in

Peer review certificate number: 015604

SAMPLE APPLICATION FORM

An indicative format of the Application Form is set forth below:

(Note: The format of the Application Form included herein below is indicative and for the illustrative purposes only and no Bids in this Issue can be made through the sample Application Form. Our Company, in consultation with the Book Running Lead Manager, shall identify Eligible QIBs and circulate serially numbered copies of this Preliminary Placement Document and the Application Form, specifically addressed to such Eligible QIBs. Any application to be made in the Issue should be made only upon receipt of serially numbered copies of this Preliminary Placement Document and the Application Form and not on the basis of the indicative format below.)



SWAN ENERGY LIMITED

APPLICATION FORM

Form No.:

Date: [•]

(Swan Energy Limited was incorporated in the under the provisions of Companies Act, 1882 on February 22, 1909)

Registered Office: 6, Feltham House, 2nd Floor, 10 J.N. Heredia Marg, Ballard Estate, Mumbai – 400001, Maharashtra, India

Tel: +91 22 40587300 | **Website:** www.swan.co.in | **Email:** invgrv@swan.co.in |

CIN: L17100MH1909PLC000294 | **LEI:** 33580075WRDUE6T2RJ43

Name of the Bidder:

QUALIFIED INSTITUTIONS PLACEMENT OF [•] EQUITY SHARES OF FACE VALUE ₹ 1 EACH (THE “EQUITY SHARES”) FOR CASH AT A PRICE OF ₹ [•] PER EQUITY SHARE (“ISSUE PRICE”) INCLUDING A PREMIUM OF ₹ [•] PER EQUITY SHARE AGGREGATING TO APPROXIMATELY ₹ [•] LAKH UNDER CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE “SEBI ICDR REGULATIONS”) AND SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED (THE “COMPANIES ACT”), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE “PAS RULES”), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT AND THE RULES MADE THEREUNDER BY SWAN ENERGY LIMITED (THE “COMPANY”) (HEREINAFTER REFERRED TO AS THE “ISSUE”). THE APPLICABLE FLOOR PRICE OF THE EQUITY SHARES IS ₹ 703.29 AND OUR COMPANY MAY OFFER A DISCOUNT OF UP TO 5% ON THE FLOOR PRICE, AS APPROVED BY THE SHAREHOLDERS.

Only Qualified Institutional Buyers (“QIBs”) as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and which are not: (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; or (b) restricted from participating in the Issue under the SEBI ICDR Regulations and other applicable laws, including foreign exchange related laws; and (c) hold a valid and existing registration under the applicable laws in India (as applicable), and (d) are eligible to invest in the Issue and submit this Application Form. In addition to the above, with respect to the Issue, Eligible QIBs shall consist of (i) QIBs which are resident in India; and (ii) Eligible FPIs (as defined herein below) participating through Schedule II of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 (“FEMA Non-Debt Rules”), can submit this Application Form. The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”) or securities laws any state of the United States and, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. The Equity Shares are being offered and sold only outside the United States in ‘offshore transactions’ as defined in, and in reliance on, Regulation S under the U.S. Securities Act (“Regulation S”) and the applicable laws of the jurisdiction where those offers and sales are made.

The Equity Shares of the Company have not been and will not be registered, listed or otherwise qualified in any jurisdiction except India and may not be offered or sold, and Bids may not be made by persons in any jurisdiction, except in compliance with the applicable laws of such jurisdictions. You should note and observe the solicitation and distribution restrictions contained in the sections titled “*Selling Restrictions*” in the accompanying preliminary placement document dated February 20, 2024 (“PPD”).

ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE THROUGH THE PORTFOLIO INVESTMENT SCHEME UNDER SCHEDULE II OF THE FEMA NON-DEBT RULES IN THE ISSUE. ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE IN THE ISSUE SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF THE ELIGIBLE FPIs DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. ALLOTMENTS MADE TO AIFs AND VCFs IN THE ISSUE SHALL REMAIN SUBJECT TO THE RULES AND REGULATIONS APPLICABLE TO EACH OF THEM RESPECTIVELY. PURSUANT TO PRESS NOTE NO. 3 (2020 SERIES), DATED APRIL 17, 2020, ISSUED BY THE DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE, GOVERNMENT OF INDIA, AND RULE 6 OF THE FEMA NON-DEBT RULES, INVESTMENTS BY AN ENTITY OF A COUNTRY WHICH SHARES LAND BORDER WITH INDIA OR WHERE THE BENEFICIAL OWNER OF SUCH INVESTMENT IS SITUATED IN OR IS A CITIZEN OF SUCH COUNTRY, MAY ONLY BE MADE THROUGH THE GOVERNMENT APPROVAL ROUTE. FVCIs ARE NOT PERMITTED TO PARTICIPATE IN THE ISSUE.

STATUS (Please tick for applicable category)			
FI	Scheduled Commercial Bank and Financial Institutions	IC	Insurance Companies
MF	Mutual Funds	VCF	Venture Capital Funds**
NIF	National Investment Fund	FPI	Foreign Portfolio Investor*
IF	Insurance Funds	AIF	Alternative Investment Funds

To,

The Board of Directors

SWAN ENERGY LIMITED

Registered Office: 6, Feltham House, 2nd Floor
10 J.N. Heredia Marg, Ballard Estate
Mumbai, Maharashtra, India, 400001

Dear Sirs,

On the basis of the serially numbered PPD of the Company and subject to the terms and conditions contained therein, and in this Application Form, we hereby submit our Application Form for the Allotment of the Equity Shares in the Issue, at the terms and price indicated below. We confirm that we are an Eligible QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and are not: (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; and (b) restricted from participating in the Issue under the applicable laws, including SEBI ICDR Regulations. We are not a promoter of the Company (as defined in the SEBI ICDR Regulations), or any person related to the promoters of the Company, directly or indirectly. Further, we confirm that we do not have any right under a shareholders' agreement or voting agreement entered into with promoters or persons related to promoters of the Company, veto rights or right to appoint any nominee director on the board of directors of the Company. We confirm that we are either a QIB which is resident in India, or an Eligible FPI, participating through Schedule II of the FEMA Non-Debt Rules or a multilateral or bilateral development financial institution eligible to invest in India under applicable law. We specifically confirm that our Bid for the Allotment of the Equity Shares is not in violation to the amendment made to Rule 6(a) of the FEMA Rules by the Central Government on April 22, 2020. We confirm that we are not an FVCI. We confirm that the Bid size / aggregate number of the Equity Shares applied for by us, and which may be Allocated to us thereon will not exceed the relevant regulatory or approved limits and further confirm that our Bid will not result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**Takeover Regulations**").

SI-NBFC	Systematically Important Non – Banking Financial Companies	OTH	Others (Please specify)
			<i>*Foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended, other than individuals, corporate bodies and family offices who are not allowed to participate in the Issue. ** Sponsor and Manager should be Indian owned and controlled.</i>

We confirm, that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us in accordance with Chapter VI of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations and the terms and conditions mentioned in the Preliminary Placement Document and this Application Form. We confirm that, in relation to our application, each foreign portfolio investor ("**FPI**") as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended (other than individuals, corporate bodies and family offices), and including persons who have been registered under these regulations (such FPIs, "**Eligible FPIs**"), have submitted a separate Application Form, and asset management companies of mutual funds have specified the details of each scheme for which the application is being made along with the Application Amount and number of shares to be Allotted under each scheme. We undertake that we will sign all such documents, provide such documents and do all such acts, if any, necessary on our part to enable us to be registered as the holder(s) of the Equity Shares that may be Allotted to us. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the relevant authorisations. We note that the Company is entitled, in consultation with Systematix Corporate Services Limited, (the "**Book Running Lead Manager**"), in their sole discretion, to accept or reject this Application Form without assigning any reason thereof.

We hereby agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD, Placement Document and the CAN, when issued and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below, subject to receipt of Application Form and the Application Amount towards the Equity Shares that may be allocated to us. The amount payable by us as Application Amount for the Equity Shares applied for has been/will be remitted to the designated bank account set out in this Application Form through electronic mode, along with this Application Form prior to the Bid/Issue Closing Date and such Application Amount has been /will be transferred from a bank account maintained in our name. We acknowledge and agree that we shall not make any payment in cash or cheque. We are aware that (i) Allocation and Allotment in the Issue shall be at the sole discretion of the Company, in consultation with the Book Running Lead Manager; and (ii) in the event that Equity Shares that we have applied for are not Allotted to us in full or at all, and/or the Application Amount is in excess of the amount equivalent to the product of the Equity Shares that will be Allocated to us and the Issue Price, or the Company is unable to issue and Allot the Equity Shares offered in the Issue or if there is a cancellation of the Issue, or the listing of the Equity Shares does not occur in the manner described in the PPD, the Placement Document, the SEBI ICDR Regulations and other applicable laws, the Application Amount or a portion thereof, as applicable, will be refunded to the same bank account from which the Application Amount was paid by us. Further, we agree to comply with the rules and regulations that are applicable to us, including in relation to the lock-in and transferability requirements. In this regard, we authorize the Company to issue instructions to the depositories for such lock-in and transferability requirements, as may be applicable to us.

We acknowledge and agree that (i) our names, address, contact details, PAN, bank account details and the number of Equity Shares Allotted, along with other relevant information as may be required, will be recorded by the Company in the format prescribed in terms of the PAS Rules; (ii) in the event that any Equity Shares are Allocated to us in the Issue, we are aware pursuant to the requirements under Form PAS-4 of the PAS Rules that our names (as proposed Allottees) and the percentage of our post-Issue shareholding in the Company will be disclosed in the Placement Document, and we are further aware that disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the Book Running Lead Manager; and; and (iii) in the event that Equity Shares are Allotted to us in the Issue, the Company will place our name in the register of members of the Company as a holder of such Equity Shares that may be Allotted to us and in the Form PAS-3 filed by the Company with the Registrar of Companies (the "**RoC**") as required in terms of the PAS Rules. Further, we are aware and agree that if we, together with any other QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in the Issue, the Company shall be required to disclose our name, along with the names of such other Allottees and the number of Equity Shares Allotted to us and to such other Allottees, on the websites of the National Stock Exchange of India Limited and BSE Limited (together, the "**Stock Exchanges**"), and we consent to such disclosures. In addition, we confirm that we are eligible to invest in Equity Shares under the SEBI ICDR Regulations, circulars issued by the RBI and other applicable laws.

By signing and submitting this Application Form, we hereby confirm and agree that the representations, warranties, acknowledgements and agreements as provided in the sections "**Notice to Investors**", "**Representations by Investors**", "**Issue Procedure**", "**Selling Restrictions**" and "**Transfer Restrictions**" sections of the PPD and the terms, conditions and agreements mentioned herein are true and correct and acknowledge and agree that these representations and warranties are given by us for the benefit of the Company and the Book Running Lead Manager, each of whom is entitled to rely on, and is relying on, these representations and warranties in consummating the Issue.

By signing and submitting this Application Form, we hereby represent, warrant, acknowledge and agree as follows: (1) we have been provided with a serially numbered copy of the PPD along with the Application Form, have read it in its entirety including in particular, the section "**Risk Factors**" therein and we have relied only on the information contained in the PPD and not on any other information obtained by us either from the Company, the Book Running Lead Manager or from any other source, including publicly available information; (2) we will abide by the Preliminary Placement Document and the Placement Document, this Application Form, the confirmation of allocation note ("**CAN**"), when issued, and the terms, conditions and agreements contained therein; (3) that if Equity Shares are Allotted to us pursuant to the Issue, we shall not sell such Equity Shares otherwise than on the floor of a recognised stock exchange in India for a period of one year from the date of Allotment (4) we will not have the right to withdraw our Bid or revise our Bid downwards after the Bid/Issue Closing Date; (5) we will not trade in the Equity Shares credited to our beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges; (6) Equity Shares shall be Allocated and Allotted at the discretion of the Company, in consultation with the Book Running Lead Manager, and the submission of this Application Form and payment of the corresponding Application Amount by us does not guarantee any Allocation or Allotment of Equity Shares to us in full or in part; (7) in terms of the requirements of the Companies Act, upon Allocation, the Company will be required to disclose names and percentage of our post-Issue shareholding of the proposed Allottees in the Placement Document; however,

disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the Book Running Lead Manager; (8) the number of Equity Shares Allotted to us pursuant to the Issue, together with other Allottees that belong to the same group or are under common control as us, shall not exceed 50% of the Issue and we shall provide all necessary information in this regard to the Company and the Book Running Lead Manager. For the purposes of this representation: The expression 'belong to the same group' shall derive meaning from Regulation 180(2) of the SEBI ICDR Regulations, i.e., entities where (i) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (ii) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (iii) there is a common director, excluding nominee and independent directors, among the Eligible QIBs, its subsidiary or holding company and any other QIB; and 'control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the Takeover Regulations; (9) We agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the Preliminary Placement Document and the Placement Document when issued, this Application Form, the CAN upon its issuance and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below.

We acknowledge that once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Application Amount has been transferred to the Escrow Account (as detailed below), such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, we confirm that we are authorized to submit this Application Form and provide necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB.

We acknowledge that the Equity Shares have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. By signing this Application Form and checking the applicable box above, we hereby represent that we are located outside the United States and purchasing Equity Shares in an "offshore transaction" as defined in, and in compliance with, Regulation S and the applicable laws of the jurisdictions where such offers and sales are made. We confirm that we have read the representations, warranties and agreements contained in the sections entitled "Selling Restrictions" and "Transfer Restrictions" in the PPP.

We confirm that we are eligible to invest and hold the Equity Shares of the Company in accordance with press note no. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, wherein if the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, foreign direct investments can only be made through the Government approval route, as prescribed in the FEMA Rules.

BIDDER DETAILS (In Block Letters)			
NAME OF BIDDER*			
NATIONALITY			
REGISTERED ADDRESS			
CITY AND CODE			
COUNTRY			
TELEPHONE NO		FAX NO.	
MOBILE NO.			
EMAIL			
FOR ELIGIBLE FPIs**	SEBI FPI REGISTRATION NO.		
FOR MF	SEBI MF REGISTRATION NO.		
FOR AIFs***	SEBI AIF REGISTRATION NO.		
FOR VCFs***	SEBI VCF REGISTRATION NO.		
FOR SI-NBFC	RBI REGISTRATION DETAILS		
FOR INSURANCE COMPANIES	IRDAI REGISTRATION DETAILS.		
FOR PENSION FUNDS	PFRDA REGISTRATION DETAILS		
<p><i>*Name should exactly match with the name in which the beneficiary account is held. Application Amount payable on Equity Shares applied for by joint holders shall be paid from the bank account of the person whose name appears first in the application. Mutual Fund Bidders are requested to provide details of the bids made by each scheme of the Mutual Fund. Each Eligible FPI is required to fill a separate Application Form. Further, any discrepancy in the name as mentioned in this Application Form with the depository records would render the application invalid and liable to be rejected at the sole discretion of the Company and the Book Running Lead Manager.</i></p> <p><i>** In case you are an Eligible FPI holding a valid certificate of registration and eligible to invest in the Issue, please mention your SEBI FPI Registration Number.</i></p> <p><i>*** Allotments made to AIFs and VCFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. AIFs and VCFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.</i></p>			

We are aware that the number of Equity Shares held by us in the Company, together with the number of Equity Shares, if any, Allocated to us in the Issue will be aggregated to disclose the percentage of our post-Issue shareholding in the Company in the Placement Document in line with the requirements under PAS-4 of the PAS Rules. For such information, the Book Running Lead Manager have relied on the information provided by the RoC for obtaining details of our shareholding and we consent and authorize such disclosure in the Placement Document.

NO. OF EQUITY SHARES BID FOR		PRICE PER EQUITY SHARE (RUPEES)		APPLICATION AMOUNT (RUPEES)	
(In Figures)	(In Words)	(In Figures)	(In Words)	(In Figures)	(In Words)

DEPOSITORY ACCOUNT DETAILS															
Depository Name (Please ✓)	National Security Depository Limited Central Depository Services (India) Limited														
Depository Participant Name															
DP – ID	I	N													
Beneficiary Account Number															(16-digit beneficiary account. No. to be mentioned above)

PAYMENT DETAILS REMITTANCE BY WAY OF ELECTRONIC FUND TRANSFER
By 03.30 PM (IST), [●] (“ISSUE CLOSING DATE”)

BANK ACCOUNT DETAILS FOR PAYMENT OF APPLICATION AMOUNT THROUGH ELECTRONIC FUND TRANSFER			
Name of the Account	Swan Energy Limited QIP Escrow Account	Account Type	Current Account
Name of Bank	Axis Bank Limited	Address of the Branch of the Bank	1st Floor, Lokhandwala Complex, Green Ville Chs., Highland Park, Andheri West Mumbai 400053
Account No.	924020009831769	IFSC	UTIB0000020

The demographic details like address, bank account details, etc. will be obtained from the Depositories as per the beneficiary account given above. However, for the purposes of refund, if any, only the bank details as mentioned below, from which the Application Amount has been remitted for the Equity Shares applied for in the Issue will be considered.

The Application Amount should be transferred pursuant to this Application Form only by way of electronic fund transfers, towards the Escrow Account. Payment of the entire Application Amount should be made along with this Application Form on or before the closure of the Issue Period i.e. prior to or on the Bid/Issue Closing Date. All payments must be made in favour of “Swan Energy Limited QIP Escrow Account”. The payment for subscription to the Equity Shares to be allotted in the Issue shall be made only from the bank account of the person subscribing to the Equity Shares and in case of joint holders, from the bank account of the person whose name appears first in this Application Form. **You are responsible for the accuracy of the bank details mentioned below. You are aware that the successful processing of refunds if, any, shall be dependent on the accuracy of the bank details provided by you. The Company and the Book Running Lead Manager shall not be liable in any manner for refunds that are not processed due to incorrect bank details.**

RUPEE BANK ACCOUNT DETAILS (FOR REMITTANCE)			
Bank Account Number		IFSC Code	
Bank Name		Bank Branch Address	

DETAILS OF CONTACT PERSON			
Name:			
Address:			
Tel. No:		Fax No:	
Mobile No.	Email: _____		

OTHER DETAILS	
PAN	
Date of Application	
Signature of Authorised Signatory (may be signed either physically or digitally)	

ENCLOSURES ATTACHED
<input type="checkbox"/> Copy of PAN Card or PAN allotment letter**
<input type="checkbox"/> FIRC
<input type="checkbox"/> Copy of the SEBI registration certificate as a Mutual Fund
<input type="checkbox"/> Copy of the SEBI registration certificate as an Eligible FPI
<input type="checkbox"/> Copy of the SEBI registration certificate as an AIF
<input type="checkbox"/> Copy of the SEBI registration certificate as a VCF
<input type="checkbox"/> Certified copy of certificate of registration issued by the RBI as an SI-NBFC/ a scheduled commercial bank
<input type="checkbox"/> Copy of the IRDA registration certificate
<input type="checkbox"/> Copy of the PFRDA registration certificate
<input type="checkbox"/> Copy of notification as a public financial institution
<input type="checkbox"/> Certified true copy of the power of attorney
<input type="checkbox"/> Other, please specify _____

*A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practicable.

**It is to be specifically noted that the Bidder should not submit the GIR number or any other identification number instead of the PAN, as the applications are liable to be rejected on this ground, unless the Bidder is exempted from requirement of obtaining a PAN under the Income-tax Act, 1961.

Note 1: Capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the PPD, unless specifically defined herein. This Application Form and the PPD sent to you and the Placement Document which will be sent to you in electronic form, are specific to you and you may not distribute

or forward the same and are subject to the disclaimers and restrictions contained or accompanying these documents.

Note 2: This Application Form may be rejected if any information provided is incomplete or inadequate, at the discretion of the Company in consultation with the Book Running Lead Manager.