

## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of  
CARDINAL ENERGY AND INFRASTRUCTURE LIMITED**

### **Report on the Financial Statements**

1. We have audited the accompanying financial statements of **CARDINAL ENERGY AND INFRASTRUCTURE PRIVATE LIMITED** ("the Company"), which comprise the Balance sheet as at March 31, 2015, the Statement of profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of Act and the Rules made there under including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control systems over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting polices used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

## **Opinion**

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its loss and its cash flows for the year ended on that date.

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

9. As required by ‘the Companies (Auditor’s Report) Order, 2015 (“the Order”) issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014;
- e) On the basis of the written representations received from the Directors as on March 31, 2015 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2015 from being appointed as a Director in terms of Section 164 (2) of the Act;
- f) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
- i. The Company does not have any pending litigations as at March 31, 2015;
  - ii. The Company did not have any long term contracts, including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no amount due as at March 31, 2015 which was required to be transferred to the Investor Education and Protection Fund by the Company.

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

(Sd/-)

V. R. Renuka  
Proprietor

M. No. 032263

Mumbai, May 29, 2015

Annexure to Independent Auditors Report:

**Referred to in Paragraph 9 of the Independent Auditors' Report of even date to the members of Cardinal Energy and Infrastructure Private Limited on the financial statements as of and for the year ended March 31, 2015**

- (i) a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) As explained to us, all the fixed assets have been physically verified by the management in accordance with a phased programme of verification, which in our opinion is reasonable, considering the size and the nature of business. The frequency of verification is reasonable and no discrepancies have been noticed on such physical verification.
- (ii) a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b) In our opinion, the procedures of physical verification of the inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- (iii) The Company has granted unsecured loans to one company covered in the register maintained under section 189 of the Act. The Company has not granted any secured/unsecured loans to firms or other parties covered in the register maintained under section 189 of the Act.
- (a) In respect of the aforesaid loans, the parties are repaying the principal amounts, as stipulated. However, as explained by the management, no interest has been charged on the same.

- (b) In respect of the aforesaid loans, there is no overdue amount more than Rupees One Lakh.
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories, fixed assets and the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.
- (v) The Company has not accepted any deposits from the public within the meaning of sections 73 to 76 of the Act and the Rules framed there under to the extent notified.
- (vi) As per information & explanations given to us, the Central Government has not prescribed for the maintenance of cost records as required under section 148 (1) of the Companies Act, 2013.
- (vii)
  - (a) According to the information and explanation given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including Provident Fund, Employee State Insurance Fund, Income tax, Sales Tax, Service tax, Wealth Tax, Duty of Customs, Duty of Excise, Value Added Tax and other statutory dues with the appropriate authorities.
  - (b) According to the information and explanations given to us, there are no disputed amounts which are payable in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax and Cess.
  - (c) As explained to us and on the basis of examination of the records, there was no amount due as at March 31, 2015 which was required to be transferred to the Investor Education and Protection Fund by the Company.
- (viii) The company has accumulated losses as at the end of the financial year and it has not incurred any cash losses in the current financial year and in the immediately preceding financial year.

- (ix) In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of its dues to banks and financial institutions during the year.
- (x) In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loan.
- (xi) In our opinion and according to the information and explanations given to us, the term loans have been applied, on an overall basis, for the purpose for which they were obtained.
- (xii) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted Auditing practices in India and according to the information and explanations given to us, we have neither come across any instances of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such cases by the management.

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

(Sd/-)  
V. R. Renuka  
Proprietor  
M. No. 032263  
Mumbai, May 29, 2015

**Cardinal Energy and Infrastructure Private Limited**

Balance Sheet as at March 31, 2015

(₹ in Lacs)

Particulars	Note No.	As at March 31, 2015	As at March 31, 2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
Share Capital	1	1,501.00	1,501.00
Reserves and Surplus	2	(1,105.80)	(899.32)
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	3	33,733.34	25,371.34
Other Long Term Liabilities	4	1,475.16	1,475.16
<b>Current Liabilities</b>			
Short-Term Borrowings	5	18,817.11	21,732.58
Trade Payables	6	986.74	964.93
Other Current Liabilities	7	800.72	1,136.49
<b>TOTAL</b>		<b>56,208.27</b>	<b>51,282.18</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets			
- Tangible	8	21,937.68	21,988.70
- Capital work in progress	8	26,367.14	22,581.31
Non-Current Investments	9	1,374.07	1,128.98
Long Terms Loans and Advances	10	1,090.57	1,090.57
Other Non Current Assets	11	7.17	14.45
<b>Current Assets</b>			
Trade Receivables	12	0.18	0.57
Cash and Cash Equivalents	13	122.58	171.67
Short-Term Loans and Advances	14	5,301.54	4,252.30
Other Current Assets	15	7.33	53.63
<b>TOTAL</b>		<b>56,208.27</b>	<b>51,282.18</b>
Significant Accounting Policies	21		
<b>Notes on Financial Statements</b>	1 to 25		
As per our report of even date			
<b>For V.R.Renuka &amp; Co.</b>		<b>For and on behalf of the Board of Directors</b>	
Chartered Accountants			
Firm Registration No. 108826W			
Sd/-		Sd/-	Sd/-
<b>V.R. Renuka</b>		<b>Paresh V. Merchant</b>	<b>Nikhil V. Merchant</b>
Proprietor		Director	Director
M No. 032263			
<b>Mumbai, May 29, 2015</b>			<b>Mumbai, May 29, 2015</b>

**Cardinal Energy and Infrastructure Private Limited**  
**Statement of Profit and Loss for the year ended March 31, 2015**

(₹ in Lacs)

Particulars	Note No.	Year Ended March 31, 2015	Year Ended March 31, 2014
<b>Income:</b>			
Revenue from Operations	16	1,419.36	1,419.36
Other Income	17	27.03	16.27
<b>Total Revenue</b>		<b>1,446.39</b>	<b>1,435.63</b>
<b>Expenses:</b>			
Employee Benefit Expenses	18	41.69	67.86
Finance Costs	19	1,028.40	1,020.95
Depreciation and Amortization Expense	8	483.81	727.97
Other Expenses	20	98.97	312.18
<b>Total Expenses</b>		<b>1,652.87</b>	<b>2,128.96</b>
<b>Profit/(Loss) before Tax</b>		<b>(206.48)</b>	<b>(693.33)</b>
<b>Tax Expense:</b>			
(1) Current tax		-	-
(2) Deferred Tax		-	-
<b>Profit/(Loss) for the year</b>		<b>(206.48)</b>	<b>(693.33)</b>
<b>Earnings Per Equity Share</b>			
Basic and diluted ( in ₹)		(1.38)	(4.62)
Significant Accounting Policies	21		
<b>Notes on Financial Statements</b>	1 to 25		
As per our report of even date			
<b>For V.R.Renuka &amp; Co.</b>		<b>For and on behalf of the Board of Directors</b>	
Chartered Accountants			
Firm Registration No. 108826W			
Sd/-		Sd/-	Sd/-
<b>V.R. Renuka</b>		<b>Paresh V. Merchant</b>	<b>Nikhil V. Merchant</b>
Proprietor		Director	Director
M No. 032263			
<b>Mumbai, May 29, 2015</b>		<b>Mumbai, May 29, 2015</b>	

# Cardinal Energy and Infrastructure Private Limited

Notes to the Financial Statement for the year ended March 31, 2015

## 1 Share Capital

### (a) Authorised Share Capital:

Particulars	March 31, 2015	March 31, 2014
	₹ in Lacs	₹ in Lacs
5,00,00,000 ( 2013-2014 : 5,00,00,000) Equity shares of ₹ 10/- each	5,000.00	5,000.00
<b>Total</b>	<b>5,000.00</b>	<b>5,000.00</b>

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

Particulars	March 31, 2015	March 31, 2014
	₹ in Lacs	₹ in Lacs
1,50,10,000 ( 2013-2014 : 1,50,10,000) Equity shares of ₹ 10/- each fully paid up	1,501.00	1,501.00
<b>Total</b>	<b>1,501.00</b>	<b>1,501.00</b>

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

Particulars	March 31, 2015		March 31, 2014	
	Number of shares	₹ in Lacs	Number of shares	₹ in Lacs
Outstanding At the beginning of the year	15,010,000	1,501.00	15,010,000	1,501.00
Outstanding At the end of the year	15,010,000	1,501.00	15,010,000	1,501.00

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

Name of the Shareholder	March 31, 2015		March 31, 2014	
	Number of shares	% holding	Number of shares	% holding
Swan Energy Limited	15,010,000	100.00	15,010,000	100.00

## 2 Reserves and Surplus

Particulars	March 31, 2015		March 31, 2014	
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
<b>Surplus i.e. balance in Statement of Profit &amp; Loss</b>				
At the beginning of the year	(899.32)		(205.99)	
Add: Profit/(Loss) during the year	(206.48)		(693.33)	
At the end of the year		(1,105.80)		(899.32)
<b>Total</b>		<b>(1,105.80)</b>		<b>(899.32)</b>

# Cardinal Energy and Infrastructure Private Limited

## Notes to the Financial Statement for the year ended March 31, 2015

### 3 Long Term Borrowings

Particulars	March 31, 2015	March 31, 2014
	₹ in Lacs	₹ in Lacs
<b>(a)Term loans</b>		
From banks (Secured)	23,980.88	8,990.27
<b>(b)Other loans and advances</b>		
From related party ( Unsecured )		
Swan Energy Limited - Holding Company	9,752.46	16,381.07
<b>Total</b>	<b>33,733.34</b>	<b>25,371.34</b>

#### Term loan from banks include:

- i) Vijaya Bank loan: ₹ 8,239.07 Lacs (2013-2014: ₹ 8550.27) is secured by the property at Bengaluru.
- ii) ICICI Bank Loan: ₹ NIL lacs (2013-2014: ₹ 440 Lacs ) are secured by way of equitable mortgage by means of deposit of title of the Property, Exclusive charge on the scheduled receivables of the projects, Second charge by way of hypothecation on scheduled receivables of Other property, personal guarantees of Directors.
- iii) Indian Overseas Bank: ₹ 15,741.81 Lacs (2013-2014: ₹ NIL) is secured by the property at Hyderabad.

### 4 Other Long Term Liabilities

Particulars	March 31, 2015	March 31, 2014
	₹ in Lacs	₹ in Lacs
(a) Trade payables		
<b>Others</b>		
Security Deposit	1,475.16	1,475.16
<b>Total</b>	<b>1,475.16</b>	<b>1,475.16</b>

### 5 Short-term borrowings

Particulars	March 31, 2015	March 31, 2014
	₹ in Lacs	₹ in Lacs
<b>Working Capital Loans</b>		
From banks (Secured)	-	14,632.12
<b>Loans repayable on demand</b>		
From other parties (Unsecured)	18,817.11	7,100.46
<b>Total</b>	<b>18,817.11</b>	<b>21,732.58</b>

Indian Overseas Bank: ₹ NIL (2013-2014: ₹ 14632.12 Lacs) is secured by the property at Hyderabad.

### 6 Trade Payables

Particulars	March 31, 2015	March 31, 2014
	₹ in Lacs	₹ in Lacs
Micro, Small & Medium Enterprises		
Others	986.74	964.93
<b>Total</b>	<b>986.74</b>	<b>964.93</b>

# Cardinal Energy and Infrastructure Private Limited

## Notes to the Financial Statement for the year ended March 31, 2015

### 7 Other current liabilities

Particulars	March 31, 2015	March 31, 2014
	₹ in Lacs	₹ in Lacs
<b>(a) Current maturities of long-term debt;</b>		
Term loan from banks	756.57	641.64
(b) Interest accrued but not due on borrowings;	2.92	401.54
<b>(c) Other payables</b>		
Short term deposits	-	-
Duties & taxes	37.21	48.58
Creditors for expenses	3.51	44.22
Outstanding Expenses	0.51	0.51
<b>Total</b>	<b>800.72</b>	<b>1,136.49</b>

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

- ICICI Bank Loan: ₹ 440 lacs (2013-2014: ₹ 360 Lacs ) are secured by way of equitable mortgage by means of deposit of title of the Property, Exclusive charge on the scheduled receivables of the projects, Second charge by way of hypothecation on scheduled receivables of Other property, personal guarantees of Directors.
- Vijaya Bank loan: ₹ 316.57 Lacs (2013-2014: ₹ 281.64) is secured by the property at Bengaluru.

### 9 Non-current investments

Particulars	March 31, 2015	March 31, 2014
	₹ in Lacs	₹ in Lacs
<b>Investment in Equity Instruments</b>		
<b>Subsidiary Company - Unquoted</b>		
Ceau Limited	1,374.07	1,128.98
<b>Total</b>	<b>1,374.07</b>	<b>1,128.98</b>

### 10 Long Term Loans and Advances

Particulars	March 31, 2015	March 31, 2014
	₹ in Lacs	₹ in Lacs
Security Deposit	416.42	416.42
<b>Other Advances</b>		
Capital Advance for Capital goods	674.15	674.15
<b>Total</b>	<b>1,090.57</b>	<b>1,090.57</b>

### 11 Other Non current Assets

Particulars	March 31, 2015	March 31, 2014
	₹ in Lacs	₹ in Lacs
<b>Others</b>		
Unamortised Expenses	7.17	14.45
<b>Total</b>	<b>7.17</b>	<b>14.45</b>

### 12 Trade Receivables

Particulars	March 31, 2015	March 31, 2014
	₹ in Lacs	₹ in Lacs
<b>Unsecured, Considered good</b>		
Debts due for more than 6 months		
Less: Provision for Doubtful Debts		
Other Debts	0.18	0.57
<b>Total</b>	<b>0.18</b>	<b>0.57</b>

# Cardinal Energy and Infrastructure Private Limited

Notes to the Financial Statement for the year ended March 31, 2015

## 13 Cash and cash equivalents

Particulars	March 31, 2015	March 31, 2014
	₹ in Lacs	₹ in Lacs
<b>(a) Balances with banks;</b>		
In Current Accounts	34.32	83.84
<b>(b) Cash on hand;</b>	26.55	26.12
<b>(c) Others</b>		
Security against borrowing	61.71	61.71
<b>Total</b>	<b>122.58</b>	<b>171.67</b>

## 14 Short-term loans and advances

Particulars	March 31, 2015	March 31, 2014
	₹ in Lacs	₹ in Lacs
<b>(a) Loans and advances to related parties</b>		
Pegasus Ventures Private Limited - Fellow Sub	3,245.96	2,674.65
<b>Other Loans &amp; Advances</b>		
Cenvat Credit	0.40	5.38
Advance Tax	12.41	111.46
Loans & advance to Others	1,622.77	1,202.60
Advance paid to suppliers	420.00	258.17
Advances to Employee		0.03
<b>Total</b>	<b>5,301.54</b>	<b>4,252.30</b>

## 15 Other current assets

Particulars	March 31, 2015	March 31, 2014
	₹ in Lacs	₹ in Lacs
Interest Receivable	3.93	3.93
Receivables from Parties	-	46.30
Security Deposit	3.40	3.40
<b>Total</b>	<b>7.33</b>	<b>53.63</b>

## Cardinal Energy and Infrastructure Private Limited

Notes to the Financial Statement for the year ended March 31, 2015

### 16 Revenue from Operations

Particulars	Apr'14-Mar'15	Apr'13-Mar'14
	₹ in Lacs	₹ in Lacs
<b>Sale of services</b>		
Lease Rent Income	1,419.36	1,419.36
<b>Total</b>	<b>1,419.36</b>	<b>1,419.36</b>

### 17 Other income

Particulars	Apr'14-Mar'15	Apr'13-Mar'14
	₹ in Lacs	₹ in Lacs
Interest Income	5.60	16.27
Insurance Claim Received	16.47	-
Interest on Income Tax Refund	4.96	-
<b>Total</b>	<b>27.03</b>	<b>16.27</b>

### 18 Employee benefit expenses

Particulars	Apr'14-Mar'15	Apr'13-Mar'14
	₹ in Lacs	₹ in Lacs
Salaries Wages and bonus	41.05	65.99
Staff Welfare Expenses	0.64	1.87
<b>Total</b>	<b>41.69</b>	<b>67.86</b>

### 19 Finance Costs

Particulars	Apr'14-Mar'15	Apr'13-Mar'14
	₹ in Lacs	₹ in Lacs
Interest expense	1,028.40	1,020.95
<b>Total</b>	<b>1,028.40</b>	<b>1,020.95</b>

### 20 Other Expenses

Particulars	Apr'14-Mar'15	Apr'13-Mar'14
	₹ in Lacs	₹ in Lacs
Audit Fees	0.50	0.75
Communication cost	4.08	3.96
Insurance Charges	0.50	21.72
Lease Rent	38.54	36.90
Legal & Professional fees	5.41	6.41
Power & Fuel	3.47	4.31
Preliminary Expenses Written Off	7.28	7.28
Printing & Stationery	0.40	0.22
Rates & Taxes	3.16	1.73
Repairs & Maintenance other	3.94	43.10
Security Charges	-	0.47
Travelling & Conveyance Charges	3.11	-
Miscellaneous Expenses	28.58	185.33
<b>Total</b>	<b>98.97</b>	<b>312.18</b>

## Cardinal Energy and Infrastructure Private Limited

Notes to the Financial Statement for the year ended March 31, 2015

### Schedule 8:

#### Fixed Assets

(₹ in Lacs)

Description of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01/04/2014	Additions for the Year	Deductions for the Year	As at 31/03/2015	As at 01/04/2014	For the Year	Adjustments for the Year	As at 31/03/2015	As at 31/03/2015	As at 31/03/2014
<b>Tangible assets</b>										
Land	2,573.06			2,573.06	-	-		-	2,573.06	2,573.06
Buildings	17,382.81	439.50		17,822.31	711.02	273.64		984.66	16,837.65	16,671.78
Plant & Machinery	654.01		4.38	649.63	38.04	37.75		75.79	573.84	615.97
Furniture & fixtures	812.30		2.34	809.96	55.04	77.83		132.87	677.09	757.26
Office Equipments	1,452.27			1,452.27	83.69	93.48		177.17	1,275.10	1,368.62
Computers	2.55			2.55	0.50	1.11		1.61	0.94	2.01
<b>Total - Current Year</b>	<b>22,877.00</b>	<b>439.50</b>	<b>6.72</b>	<b>23,309.78</b>	<b>888.29</b>	<b>483.81</b>	<b>-</b>	<b>1,372.10</b>	<b>21,937.68</b>	<b>21,988.70</b>
Previous year - Tangible Assests	19,932.05	2,944.94	-	22,876.99	160.32	727.97	-	888.29	21,988.70	-
<b>Capital work-in-progress/Advances</b>	<b>22,581.31</b>	<b>3,785.83</b>		<b>26,367.14</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26,367.14</b>	<b>22,581.31</b>
Previous year - CWIP	16,458.56	8,695.81	2,573.06	22,581.31					22,581.31	