

INDEPENDENT AUDITOR'S REPORT

**To the Members of
CARDINAL ENERGY AND INFRASTRUCTURE PRIVATE 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, 2016, the Statement of profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control systems over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its loss and its cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the 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, 2016 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2016 from being appointed as a Director in terms of Section 164 (2) of the Act;

- f) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i. The Company does not have any pending litigations as at March 31, 2016;

 - ii. The Company did not have any long term contracts, including derivative contracts for which there were any material foreseeable losses;

 - iii. There has been no amount due as at March 31, 2016 which was required to be transferred to the Investor Education and Protection Fund by the Company.

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

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

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, 2016

- (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 explanations 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, 2016 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 explanations 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 30, 2016

Cardinal Energy and Infrastructure Private Limited

Balance Sheet as at March 31, 2016

(₹ in Lacs)

Particulars	Note No.	As at March 31, 2016	As at March 31, 2015
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	1	1,501.00	1,501.00
Reserves and Surplus	2	(1,469.62)	(1,105.80)
Non-Current Liabilities			
Long-Term Borrowings	3	31,157.05	33,733.34
Other Long Term Liabilities	4	1,475.16	1,475.16
Current Liabilities			
Short-Term Borrowings	5	22,893.40	18,817.11
Trade Payables	6	150.09	986.74
Other Current Liabilities	7	4,559.17	800.72
TOTAL		60,266.25	56,208.27
ASSETS			
Non-Current Assets			
Fixed Assets			
- Tangible	8	21,445.78	21,937.68
- Capital work in progress	8	30,533.15	26,367.14
Non-Current Investments	9	1,374.07	1,374.07
Long Terms Loans and Advances	10	1,090.57	1,090.57
Other Non Current Assets	11	-	7.17
Current Assets			
Trade Receivables	12	0.18	0.18
Cash and Cash Equivalents	13	1,735.15	122.58
Short-Term Loans and Advances	14	4,080.21	5,301.54
Other Current Assets	15	7.14	7.33
TOTAL		60,266.25	56,208.27
Significant Accounting Policies	21		
Notes on Financial Statements	1 to 25		
As per our Report of even date			
For V.R.Renuka & Co.		For and on behalf of the Board of Directors	
Chartered Accountants			
Firm Registration No. 108826W			
Sd/-		Sd/-	Sd/-
V.R. Renuka		Paresh V. Merchant	Nikhil V. Merchant
Proprietor		Director	Director
M No. 032263			
Mumbai, May 30, 2016			Mumbai, May 30, 2016

Cardinal Energy and Infrastructure Private Limited
Statement of Profit and Loss for the year ended March 31, 2016

(₹ in Lacs)

Particulars	Note No.	Year Ended March 31, 2016	Year Ended March 31, 2015
Income:			
Revenue from Operations	16	1,448.57	1,419.36
Other Income	17	52.95	27.03
Total Revenue		1,501.52	1,446.39
Expenses:			
Employee Benefit Expenses	18	57.40	41.69
Finance Costs	19	1,106.16	1,028.40
Depreciation and Amortization Expense	8	492.59	483.81
Other Expenses	20	209.19	98.97
Total Expenses		1,865.34	1,652.87
Profit/(Loss) before Tax		(363.82)	(206.48)
Tax Expense:			
(1) Current tax		-	-
(2) Deferred Tax		-	-
Profit/(Loss) for the year		(363.82)	(206.48)
Earnings Per Equity Share			
Basic and diluted (in ₹)		(2.42)	(1.38)
Significant Accounting Policies	21		
Notes on Financial Statements	1 to 25		
As per our Report of even date			
For V.R.Renuka & Co.		For and on behalf of the Board of Directors	
Chartered Accountants			
Firm Registration No. 108826W			
Sd/-		Sd/-	Sd/-
V.R. Renuka		Paresh V. Merchant	Nikhil V. Merchant
Proprietor		Director	Director
M No. 032263			
Mumbai, May 30, 2016		Mumbai, May 30, 2016	

Cardinal Energy and Infrastructure Private Limited**Cash Flow Statement for the year ended March 31, 2016****(₹ in Lacs)**

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
A Cash Flow from Operating Activities		
Profit/(Loss) before tax	(363.82)	(206.48)
Adjustments for :		
Depreciation	492.59	483.81
Preliminary Expenses	7.17	7.28
Interest Income	(17.15)	(10.56)
Finance Cost	1,106.16	1,028.40
Considered Separately:		
Operating Profit before Working Capital Changes	1,224.95	1,302.45
Adjustments for :		
Trade & Other Receivables	1,220.77	(903.50)
Trade Payables and Other Liabilities	(424.40)	(313.96)
Cash generated from operations	2,021.32	84.99
Direct Taxes (Paid)/Received	0.75	(99.06)
Net Cash from Operating Activities (A)	2,022.07	(14.07)
B Cash Flow from Investing Activities		
Interest Income from bank	17.15	10.56
Purchase of investments	-	(245.09)
Purchase of Fixed Assets	(4,166.70)	(4,218.61)
Net Cash from Investing Activities (B)	(4,149.55)	(4,453.14)
C Cash Flow from Financing Activities		
Finance Cost	(1,106.16)	(1,028.40)
Long Term & Short Term Funds Borrowed/(Repaid)	4,846.21	5,446.52
Net Cash from Financing Activities (C)	3,740.05	4,418.12
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	1,612.57	(49.09)
Opening Balance of Cash & Cash Equivalents	122.58	171.67
Closing Balance of Cash & Cash Equivalents	1,735.15	122.58
As per our Report of even date		
For V.R.Renuka & Co. Chartered Accountants Firm Registration No. 108826W	For and on behalf of the Board of Directors	
Sd/- V.R. Renuka Proprietor M No. 032263	Sd/- Paresh V. Merchant Director	Sd/- Nikhil V. Merchant Director
Mumbai, May 30, 2016	Mumbai, May 30, 2016	

Cardinal Energy and Infrastructure Private Limited

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

1 Share Capital

(a) Authorised Share Capital:

Particulars	March 31, 2016	March 31, 2015
	₹ in Lacs	₹ in Lacs
5,00,00,000 (2014-2015 : 5,00,00,000) Equity shares of ₹ 10/- each	5,000.00	5,000.00
Total	5,000.00	5,000.00

(b) Issued, subscribed and paid up:

Particulars	March 31, 2016	March 31, 2015
	₹ in Lacs	₹ in Lacs
1,50,10,000 (2014-2015 : 1,50,10,000) Equity shares of ₹ 10/- each fully paid up	1,501.00	1,501.00
Total	1,501.00	1,501.00

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

Particulars	March 31, 2016		March 31, 2015	
	Number of shares	₹ in Lacs	Number of shares	₹ in Lacs
Outstanding At the beginning of the year	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, 2016		March 31, 2015	
	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, 2016		March 31, 2015	
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
Surplus i.e. balance in Statement of Profit & Loss				
At the beginning of the year	(1,105.80)		(899.32)	
Add: Profit/(Loss) during the year	(363.82)		(206.48)	
At the end of the year		(1,469.62)		(1,105.80)
Total		(1,469.62)		(1,105.80)

Cardinal Energy and Infrastructure Private Limited

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

3 Long Term Borrowings

Particulars	March 31, 2016	March 31, 2015
	₹ in Lacs	₹ in Lacs
(a)Term loans		
From banks (Secured)	25,670.73	23,980.88
(b)Other loans and advances		
From related party (Unsecured)		
Swan Energy Limited - Holding Company	5,486.32	9,752.46
Total	31,157.05	33,733.34

Term loan from banks include:

i) PNB Housing Finance Limited loan: ₹ 12160.56 Lacs (2014-2015: ₹ NIL) is secured by the Whitefield property at Bengaluru.

ii) Vijaya Bank loan: ₹ NIL Lacs (2014-2015: ₹ 8239.07) was secured by the Whitefield property at Bengaluru.

iii) Indian Overseas Bank: ₹ 13510.17 Lacs (2014-2015: ₹ 15741.81) is secured by the property at Hyderabad.

4 Other Long Term Liabilities

Particulars	March 31, 2016	March 31, 2015
	₹ in Lacs	₹ in Lacs
(a) Trade payables		
Others		
Security Deposit	1,475.16	1,475.16
Total	1,475.16	1,475.16

5 Short-term borrowings

Particulars	March 31, 2016	March 31, 2015
	₹ in Lacs	₹ in Lacs
Working Capital Loans		
From banks (Secured)	-	-
Loans repayable on demand		
From other parties (Unsecured)	22,893.40	18,817.11
Total	22,893.40	18,817.11

6 Trade Payables

Particulars	March 31, 2016	March 31, 2015
	₹ in Lacs	₹ in Lacs
Micro, Small & Medium Enterprises		
Others	150.09	986.74
Total	150.09	986.74

7 Other current liabilities

Particulars	March 31, 2016	March 31, 2015
	₹ in Lacs	₹ in Lacs
(a) Current maturities of long-term debt;		
Term loan from banks	4,140.48	756.57
(b) Interest accrued but not due on borrowings;	378.38	2.92
(c) Other payables		
Duties & taxes	36.03	37.21
Creditors for expenses	3.76	3.51
Outstanding Expenses	0.52	0.51
Total	4,559.17	800.72

Current maturities of long-term debt includes:

i) PNB Housing Finance Limited Loan: ₹ 760.48 lacs (2014-2015: ₹ NIL Lacs) is secured by the Whitefield property at Bengaluru.

ii) Indian Overseas Bank: ₹ 3380 Lacs (2014-2015: ₹ NIL) is secured by the property at Hyderabad.

iii) ICICI Bank Loan: NIL Lacs (2014-2015: ₹ 440 Lacs) was secured by the BTM Layout property at Bengaluru.

iv) Vijaya Bank loan: ₹ NIL Lacs (2014-2015: ₹ 316.57) was secured by the Whitefield property at Bengaluru.

Cardinal Energy and Infrastructure Private Limited

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

Schedule 8:

Fixed Assets

(₹ in Lacs)

Description of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01/04/2015	Additions for the Year	Deductions for the Year	As at 31/03/2016	As at 01/04/2015	For the Year	Adjustments for the Year	As at 31/03/2016	As at 31/03/2016	As at 31/03/2015
Tangible assets										
Land	2,573.06			2,573.06	-	-		-	2,573.06	2,573.06
Buildings	17,822.31			17,822.31	984.66	275.80		1,260.46	16,561.85	16,837.65
Plant & Machinery	649.63			649.63	75.79	42.13		117.92	531.71	573.84
Furniture & fixtures	809.96			809.96	132.87	80.17		213.04	596.92	677.09
Office Equipments	1,452.27			1,452.27	177.17	93.48		270.65	1,181.62	1,275.10
Computers	2.55	0.69		3.24	1.61	1.01		2.62	0.62	0.94
Total - Current Year	23,309.78	0.69	-	23,310.47	1,372.10	492.59	-	1,864.69	21,445.78	21,937.68
Previous year - Tangible Assests	22,877.00	439.50	6.72	23,309.78	888.29	483.81	-	1,372.10	21,937.68	-
Capital work-in-progress/Advances	26,367.14	4,166.01	-	30,533.15	-	-	-	-	30,533.15	1,275.10
Previous year - CWIP	22,581.31	3,785.83		26,367.14	-	-	-	-	26,367.14	

Cardinal Energy and Infrastructure Private Limited

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

9 Non-current investments

Particulars	March 31, 2016	March 31, 2015
	₹ in Lacs	₹ in Lacs
Investment in Equity Instruments		
Subsidiary Company - Unquoted		
Ceau Limited	1,374.07	1,374.07
Total	1,374.07	1,374.07

10 Long Term Loans and Advances

Particulars	March 31, 2016	March 31, 2015
	₹ in Lacs	₹ in Lacs
Security Deposit	416.42	416.42
Other Advances		
Capital Advance for Capital goods	674.15	674.15
Total	1,090.57	1,090.57

11 Other Non current Assets

Particulars	March 31, 2016	March 31, 2015
	₹ in Lacs	₹ in Lacs
Others		
Unamortised Expenses	-	7.17
Total	-	7.17

12 Trade Receivables

Particulars	March 31, 2016	March 31, 2015
	₹ in Lacs	₹ in Lacs
Unsecured, Considered good		
Debts due for more than 6 months		
Less: Provision for Doubtful Debts		
Other Debts	0.18	0.18
Total	0.18	0.18

13 Cash and cash equivalents

Particulars	March 31, 2016	March 31, 2015
	₹ in Lacs	₹ in Lacs
(a) Balances with banks;		
In Current Accounts	48.29	34.32
In Deposit Accounts	1,655.00	61.71
(b) Cash on hand;		
	31.86	26.55
Total	1,735.15	122.58

14 Short-term loans and advances

Particulars	March 31, 2016	March 31, 2015
	₹ in Lacs	₹ in Lacs
(a) Loans and advances to related parties		
Pegasus Ventures Private Limited - Fellow Subsidiary	1,533.11	3,245.96
Other Loans & Advances		
Cenvat Credit	0.36	0.40
Advance Tax	37.75	12.41
Loans & advance to Others	2,438.89	1,622.77
Advance paid to suppliers	70.00	420.00
Advances to Employee	0.10	-
Total	4,080.21	5,301.54

15 Other current assets

Particulars	March 31, 2016	March 31, 2015
	₹ in Lacs	₹ in Lacs
Interest accrued on Fixed Deposits	3.74	3.93
Security Deposit	3.40	3.40
Total	7.14	7.33

Cardinal Energy and Infrastructure Private Limited

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

16 Revenue from Operations

Particulars	Apr'15-Mar'16	Apr'14-Mar'15
	₹ in Lacs	₹ in Lacs
Sale of services		
Lease Rent Income	1,448.57	1,419.36
Total	1,448.57	1,419.36

17 Other income

Particulars	Apr'15-Mar'16	Apr'14-Mar'15
	₹ in Lacs	₹ in Lacs
Interest Income	17.15	10.56
Insurance Claim Received	-	16.47
Other Income	35.80	-
Total	52.95	27.03

18 Employee benefit expenses

Particulars	Apr'15-Mar'16	Apr'14-Mar'15
	₹ in Lacs	₹ in Lacs
Salaries Wages and bonus	56.73	41.05
Staff Welfare Expenses	0.67	0.64
Total	57.40	41.69

19 Finance Costs

Particulars	Apr'15-Mar'16	Apr'14-Mar'15
	₹ in Lacs	₹ in Lacs
Interest expense	995.40	1,028.40
Other Borrowing cost	110.76	-
Total	1,106.16	1,028.40

20 Other Expenses

Particulars	Apr'15-Mar'16	Apr'14-Mar'15
	₹ in Lacs	₹ in Lacs
Audit Fees	0.50	0.50
Communication cost	3.10	4.08
Insurance Charges	0.56	0.50
Lease Rent	36.82	38.54
Legal & Professional fees	24.09	5.41
Power & Fuel	3.83	3.47
Preliminary Expenses Written Off	7.17	7.28
Printing & Stationery	0.51	0.40
Rates & Taxes	0.78	3.16
Repairs & Maintenance other	5.09	3.94
Travelling & Conveyance Charges	5.60	3.11
Miscellaneous Expenses	121.14	28.58
Total	209.19	98.97

Cardinal Energy and Infrastructure Private Limited

21 SIGNIFICANT ACCOUNTING POLICIES

A Basis of Preparation of Financial Statements

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

B Use of Estimates

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

C Fixed Assets

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

D Depreciation and Amortisation

Effective 1st April 2014, the Company depreciates its fixed assets over the useful life in the manner prescribed in Schedule II of the Companies Act 2013, as against the earlier practice of depreciation at the rates prescribed in Schedule XIV of the Companies Act 1956.

E Capital Work in Progress

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

F Investments

Investments are classified into Non-Current and Current Investments.

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

Cardinal Energy and Infrastructure Private Limited

21 SIGNIFICANT ACCOUNTING POLICIES

G Revenue Recognition

- a) Rent for Immovable properties is recognised on accrual basis as per the respective agreements with the parties.
- b) Interest income is recognised on time basis determined by the amount outstanding and the rate applicable.

H Foreign Currency Transactions

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

I Taxation

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

a) Current Tax

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

b) Deferred Tax

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

J Borrowing Costs

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

K Provisions, Contingent Liabilities and Contingent Assets

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

L Cash & Cash Equivalents

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

Cardinal Energy and Infrastructure Private Limited

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

22 Earning Per Share	Apr'15-Mar'16	Apr'14-Mar'15
i) Net profit/(Loss) after tax as per Statements of Profit & Loss attributable to Equity Shareholders (₹ In Lacs)	(363.82)	(206.48)
ii) Weighted average number of shares used as denomination for calculating Basic and Diluted earning per share	15,010,000	15,010,000
iii) Face value of shares (₹ Per Share)	10.00	10.00
iv) Basic/Diluted earning per share (in ₹)	(2.42)	(1.38)

23 Payment to Auditors (Excluding Service Tax)	Apr'15-Mar'16	Apr'14-Mar'15
i) Statutory Audit Fees (₹ In Lacs)	0.35	0.35
ii) Tax Audit Fees (₹ In Lacs)	0.15	0.15
iii) In Other Capacity (₹ In Lacs)	0.45	-

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

A List of Related Parties

Sr No.	Name of the parties	Relationship
i)	Swan Energy Limited	Holding Company
ii)	Pegasus Ventures Private Limited	Fellow Subsidiary
iii)	Ceau Limited	Subsidiary

B Transaction during the year with Related Parties

i) Swan Energy Limited		
Loans & Advance taken (₹ In Lacs)	3,333.94	3,731.06
Loans & Advances paid back (₹ In Lacs)	7,600.64	10,359.67
Payable (₹ In Lacs)	5,485.76	9,752.46
ii) Pegasus Ventures Private Limited.		
Loans & Advance given (₹ In Lacs)	859.16	671.31
Loans & Advance received back (₹ In Lacs)	2,572.00	100.00
Receivable (₹ In Lacs)	1,533.11	3,245.96
iii) Ceau Limited		
Purchase of Shares (₹ In Lacs)	-	245.09

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

As per our Report of even date

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

For and on behalf of the Board of Directors

Sd/-
V.R. Renuka
Proprietor
M No. 032263

Sd/-
Paresh V. Merchant
Director

Sd/-
Nikhil V. Merchant
Director

Mumbai, May 30, 2016

Mumbai, May 30, 2016