

Pegasus Ventures Private Limited

Audited Accounts

For the year ended March 31, 2016

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

INDEPENDENT AUDITOR'S REPORT

To the Members of
PEGASUS VENTURES PRIVATE LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of **PEGASUS VENTURES 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 PEGASUS VENTURES 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 not granted unsecured loans to any 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 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

Pegasus Ventures 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 | 1,001.00 | 1,001.00 |
| Reserves and Surplus | 2 | (18.83) | (11.79) |
| Non-Current Liabilities | | | |
| Long-Term Borrowings | 3 | 14,373.93 | 25,153.37 |
| Current Liabilities | | | |
| Short-Term Borrowings | 4 | 7,890.28 | 3,155.82 |
| Other Current Liabilities | 5 | 8,036.93 | 40.92 |
| TOTAL | | 31,283.31 | 29,339.32 |
| ASSETS | | | |
| Non-Current Assets | | | |
| Fixed Assets | | | |
| - Tangible | 6 | 6,249.48 | 6,249.48 |
| - Capital work in progress | 6 | 24,580.03 | 22,690.73 |
| Other Non-Current Assets | 7 | 1.64 | 3.28 |
| Current Assets | | | |
| Cash and Cash Equivalents | 8 | 59.50 | 3.17 |
| Short-Term Loans and Advances | 9 | 392.66 | 392.66 |
| TOTAL | | 31,283.31 | 29,339.32 |
| Significant Accounting Policies | 15 | | |
| Notes on Financial Statements | 1 to 20 | | |
| 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 | | Vilas A. Gangan | Nikhil V. Merchant |
| Proprietor | | Director | Director |
| M No. 032263 | | | |
| Mumbai, May 30, 2016 | | | Mumbai, May 30, 2016 |

Pegasus Ventures 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: | | | |
| Other Income | 10 | - | 0.03 |
| Total Revenue | | - | 0.03 |
| Expenses: | | | |
| Employee Benefit Expenses | 11 | 3.84 | 3.84 |
| Other Expenses | 12 | 3.20 | 4.35 |
| Total Expenses | | 7.04 | 8.19 |
| Profit/(Loss) before Tax | | (7.04) | (8.16) |
| Tax Expense: | | | |
| (1) Current tax | | - | - |
| (2) Deferred Tax | | - | - |
| Profit/(Loss) for the year | | (7.04) | (8.16) |
| Earnings Per Equity Share | | | |
| Basic and diluted (in ₹) | | (0.07) | (0.08) |
| Significant Accounting Policies | 15 | | |
| Notes on Financial Statements | 1 to 20 | | |

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/-

Vilas A. Gangan

Director

Sd/-

Nikhil V. Merchant

Director

Mumbai, May 30, 2016**Mumbai, May 30, 2016**

Pegasus Ventures 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 | (7.04) | (8.16) |
| Adjustments for : | | |
| Preliminary Expenses | 1.64 | 1.64 |
| Interest Income | - | (0.03) |
| Considered Separately: | | |
| Operating Profit before Working Capital Changes | (5.40) | (6.56) |
| Adjustments for : | | |
| Trade & Other Receivables | - | 0.32 |
| Trade Payables and Other Liabilities | 7,996.01 | (5,997.60) |
| Cash generated from operations | 7,990.61 | (6,003.83) |
| Direct Taxes (Paid)/Received | - | - |
| Net Cash from Operating Activities (A) | 7,990.61 | (6,003.83) |
| B Cash Flow from Investing Activities | | |
| Interest Income | - | 0.03 |
| Purchase of Fixed Assets | (1,889.30) | (2,030.33) |
| Net Cash from Investing Activities (B) | (1,889.30) | (2,030.31) |
| C Cash Flow from Financing Activities | | |
| Long Term & Short Term Funds Borrowed/(Repaid) | (6,044.98) | 8,024.04 |
| Net Cash from Financing Activities (C) | (6,044.98) | 8,024.04 |
| Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C) | 56.33 | (10.10) |
| Opening Balance of Cash & Cash Equivalents | 3.17 | 13.27 |
| Closing Balance of Cash & Cash Equivalents | 59.50 | 3.17 |
| 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 | Vilas A. Gangan | Nikhil V. Merchant |
| Proprietor | Director | Director |
| M No. 032263 | | |
| Mumbai, May 30, 2016 | Mumbai, May 30, 2016 | |

Pegasus Ventures Private Limited

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

1 Share Capital

(a) Authorised Share Capital:

| Particulars | March 31, 2016 | March 31, 2015 |
|-------------------------------------------------------------------------|-----------------|-----------------|
| | ₹ in lacs | ₹ in lacs |
| 1,00,10,000 (March 31, 2015: 1,00,10,000) Equity shares of ₹ 10/- each | 1,001.00 | 1,001.00 |
| Total | 1,001.00 | 1,001.00 |

(b) Issued, subscribed and paid up:

| Particulars | March 31, 2016 | March 31, 2015 |
|----------------------------------------------------------------------------------------|-----------------|-----------------|
| | ₹ in lacs | ₹ in lacs |
| 1,00,10,000 (March 31, 2015: 1,00,10,000) Equity shares of ₹ 10/- each, fully paid up | 1,001.00 | 1,001.00 |
| Total | 1,001.00 | 1,001.00 |

(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 | 10,010,000 | 1,001.00 | 10,010,000 | 1,001.00 |
| Outstanding at the end of the period | 10,010,000 | 1,001.00 | 10,010,000 | 1,001.00 |

(d) Details of shares held by Controlling entity:

| Particulars | March 31, 2016 | | March 31, 2015 | |
|------------------------|------------------|-----------|------------------|-----------|
| | Number of shares | ₹ in lacs | Number of shares | ₹ in lacs |
| Holding Company | | | | |
| Swan Energy Limited | 10,010,000 | 1,001.00 | 10,010,000 | 1,001.00 |

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

| Particulars | March 31, 2016 | | March 31, 2015 | |
|------------------------|------------------|-----------|------------------|-----------|
| | Number of shares | % holding | Number of shares | % holding |
| Holding Company | | | | |
| Swan Energy Limited | 10,010,000 | 100.00 | 10,010,000 | 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 | (11.79) | | (3.62) | |
| Add: Profit/(Loss) during the year | (7.04) | | (8.17) | |
| At the end of the year | | (18.83) | | (11.79) |
| Grand Total | | (18.83) | | (11.79) |

Pegasus Ventures Private Limited

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

3 Long Term Borrowings

| Particulars | March 31, 2016 | March 31, 2015 |
|----------------------------------------------------------------------|------------------|------------------|
| | ₹ in lacs | ₹ in lacs |
| Secured Loan from Bank/FI's | | |
| ECL Finance Limited | - | 8,000.00 |
| Unsecured Loan from related party | | |
| Swan Energy Limited - Holding Company | 12,840.82 | 13,907.41 |
| Cardinal Energy & Infrastructure Private Limited - Fellow Subsidiary | 1,533.11 | 3,245.96 |
| Total | 14,373.93 | 25,153.37 |

Term loan from banks/FI include:

ECL Finance Limited Loan of ₹ NIL Lacs (March 31, 2015 : ₹ 8000 lacs) is secured by pledge of unencumbered dematerialized equity shares of Swan Energy Limited.

4 Short Term Borrowings

| Particulars | March 31, 2016 | March 31, 2015 |
|----------------------------------------------|-----------------|-----------------|
| | ₹ in lacs | ₹ in lacs |
| Unsecured Loan | | |
| Loans repayable on demand from other parties | 7,890.28 | 3,155.82 |
| Total | 7,890.28 | 3,155.82 |

5 Other current liabilities

| Particulars | March 31, 2016 | March 31, 2015 |
|-------------------------------------------|-----------------|----------------|
| | ₹ in lacs | ₹ in lacs |
| Current maturity of long term debt | | |
| From other party (Secured) | | |
| ECL Finance Limited | 8,000.00 | - |
| Other payables | | |
| Outstanding Expenses | 0.29 | 0.28 |
| Duties & Taxes | 17.74 | 22.05 |
| Creditors for Expenses | 18.90 | 18.59 |
| Total | 8,036.93 | 40.92 |

Term loan from banks/FI include:

ECL Loan of ₹ 8000.00 (March 31, 2014 : ₹ NIL lacs) secured by pledge of unencumbered dematerialized equity shares of Swan Energy Limited.

Pegasus Ventures Private Limited

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

Schedule 6:

Fixed Assets - Capital Work in Progress

(₹ 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 - Bangalore | 2,559.61 | - | - | 2,559.61 | - | - | - | - | 2,559.61 | 2,559.61 |
| Land - Mangalore | 3,689.87 | - | - | 3,689.87 | - | - | - | - | 3,689.87 | 3,689.87 |
| | | | | | | | | | | |
| Current Year Total | 6,249.48 | - | - | 6,249.48 | - | - | - | - | 6,249.48 | 6,249.48 |
| Previous Year Total | 6,249.48 | - | - | 6,249.48 | - | - | - | - | 6,249.48 | 6,249.48 |
| | | | | | | | | | | |
| Capital Work in Progress/advances | 22,690.73 | 1,889.30 | - | 24,580.03 | - | - | - | - | 24,580.03 | 22,690.73 |
| Previous year - CWIP | 20,660.40 | 2,030.33 | - | 22,690.73 | - | - | - | - | 22,690.73 | - |

Pegasus Ventures Private Limited

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

7 Other non-current assets

| Particulars | March 31, 2016 | March 31, 2015 |
|----------------------|----------------|----------------|
| | ₹ in lacs | ₹ in lacs |
| Others | | |
| Unamortised Expenses | 1.64 | 3.28 |
| Total | 1.64 | 3.28 |

8 Cash and cash equivalents

| Particulars | March 31, 2016 | March 31, 2015 |
|----------------------------|----------------|----------------|
| | ₹ in lacs | ₹ in lacs |
| Balances with banks | | |
| In Current Accounts | 59.50 | 3.17 |
| Total | 59.50 | 3.17 |

9 Short-term loans and advances

| Particulars | March 31, 2016 | March 31, 2015 |
|-----------------------------------|----------------|----------------|
| | ₹ in lacs | ₹ in lacs |
| Other Loans & Advances | | |
| Advance to other parties | 392.46 | 392.46 |
| Advance Tax | 0.20 | 0.20 |
| Total | 392.66 | 392.66 |

Pegasus Ventures Private Limited

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

10 Other income

| Particulars | Apr'15-Mar'16 | Apr'14-Mar'15 |
|-----------------|---------------|---------------|
| | ₹ in lacs | ₹ in lacs |
| Interest Income | - | 0.03 |
| Total | - | 0.03 |

11 Employee benefit expenses

| Particulars | Apr'15-Mar'16 | Apr'14-Mar'15 |
|--------------------------|---------------|---------------|
| | ₹ in lacs | ₹ in lacs |
| Salaries Wages and bonus | 3.84 | 3.84 |
| Total | 3.84 | 3.84 |

12 Other Expenses

| Particulars | Apr'15-Mar'16 | Apr'14-Mar'15 |
|----------------------------------|---------------|---------------|
| | ₹ in lacs | ₹ in lacs |
| Audit Fees | 0.29 | 0.28 |
| Preliminary Expenses Written Off | 1.64 | 1.64 |
| Printing & Stationery | - | 0.04 |
| Legal/Professional Fees | 0.68 | 0.11 |
| Miscellaneous Expenses | 0.36 | 0.52 |
| Rates & Taxes | 0.23 | 1.55 |
| Travelling Expenses | - | 0.21 |
| Total | 3.20 | 4.35 |

13 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 Revenue Recognition

Interest income is recognised on time basis determined by the amount outstanding and the rate applicable.

D 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

E 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.

F 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

G 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.

H 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.

Pegasus Ventures Private Limited

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

| 14 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) | (7.04) | (8.16) |
| ii) Weighted average number of shares used as denomination for calculating Basic and Diluted earning per share | 10,010,000 | 10,010,000 |
| iii) Face value of shares (₹ Per Share) | 10.00 | 10.00 |
| iv) Basic/Diluted earning per share (in ₹) | (0.07) | (0.08) |
| 15 Contingent Liabilities | | |
| i) Corporate Gurantee (₹ in Lacs) | 15,000.00 | 15,000.00 |
| 16 Payment to Auditors (Excluding Service Tax) | | |
| i) Statutory Audit Fees (₹ In Lacs) | 0.25 | 0.25 |
| ii) Other Capacity (₹ In Lacs) | 0.05 | - |

17 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) | Cardinal Energy and Infrastructure Private Limited | Fellow - Subsidiary |

B Transaction during the year with Related Parties

| | | |
|--------------------------------------------------------|-----------|-----------|
| i) Swan Energy Limited | | |
| Loans & Advance taken (₹ In lacs) | 1,093.41 | 1,431.80 |
| Loans & Advance paid back (₹ In lacs) | 2,160.00 | 4,318.25 |
| Payable (₹ In Lacs) | 12,840.82 | 13,907.41 |
| ii) Cardinal Energy and Infrastructure Private Limited | | |
| Loans & Advance taken (₹ In lacs) | 857.16 | 671.31 |
| Loans & Advance paid back (₹ In lacs) | 2,570.00 | 100.00 |
| Payable (₹ In Lacs) | 1,533.11 | 3,245.96 |

18 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

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

For and on behalf of the Board of Directors

Sd/-
Vilas A. Gangan
Director

Sd/-
Nikhil V. Merchant
Director

Mumbai, May 30, 2016

Mumbai, May 30, 2016