

# Cardinal Energy and Infrastructure Private Limited

Audited Accounts

For the year ended March 31, 2014

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

## **Independent Auditors' Report**

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

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

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, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit

procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

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

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

- 1) As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2) As required by section 227(3) of the Act, we report that:
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

- c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards, referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**For V. R. Renuka &Co.**

Firm Registration No.108826W

Chartered Accountants

(Sd/-)

**V R Renuka**

Proprietor

Membership No. 032263

Mumbai, May 30, 2014

## **Annexure to the Independent Auditors' Report**

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

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

- 1) In respect of its fixed assets:
  - a. The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
  - b. According to the information and explanation given to us, the Company has formulated the regular program of verification by which all the assets of the Company are verified in a phase manner, which in our opinion, is reasonable having regard to the size of the Company and nature of its assets and no material discrepancies were noticed.
  - c. In our opinion and according to the information and explanations given to us, no fixed asset has been disposed off by the Company during the year and hence does not affect the going concern status of the Company.

- 2) In respect of its inventories:

According to the information and explanations given to us and on the basis of our examination of the books of accounts there are no inventory held by the company and therefore the provisions of clause (ii) of the order are not applicable to the Company.

- 3) In respect of the loans, secured or unsecured, granted or taken by the company to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act,1956:
  - a. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has granted loan to one related party. In respect of the said loans, the

maximum amount outstanding at any time during the year and year-end balance is ₹ 6,188.52 Lacs & ₹ 2,674.65 Lacs.

- b. In our opinion and according to the information and explanation given to us, the rate of interest and other terms and conditions of the loans given by the company, are not prima facie prejudicial to the interest of the company. Repayment is regular.
  - c. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has taken loans from one related party, in respect of the same loans, the maximum amount outstanding at any time during the and the year-end balance is ₹ 23,953.42 Lacs & ₹ 16,381.07 Lacs.
- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of materials and fixed assets. Further on the basis of our examination of books and records of the Company and according to the information and explanation given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control procedures.
  - 5) In our opinion and according to the information and explanations given to us, there are no transactions of purchase of goods and materials and sale of goods, materials and services aggregating during the period to ₹ 5,00,000 or more in respect of each party, in pursuance of contracts or arrangements entered in the register maintained Under Section 301 of the Companies Act, 1956.
  - 6) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the Public to which the directives issued by the Reserve Bank of India and provisions of Section 58A and Section 58AA of the Companies Act 1956 and the rules made there under are applicable.
  - 7) As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.

- 8) As informed to us, for the present business activity of the company, the maintenance of cost records under Section 209 (1)(d) of the companies Act, 1956 is not required.
- 9) In respect of Statutory dues:
- a. According to the information and explanation provided to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Value Added Tax, Wealth tax, Excise duty, Cess and other material statutory dues applicable to it.
  - b. According to the information and explanations given to us, there are no dues of Sales Tax, Service tax, Custom Duty, Wealth Tax, Excise duty or cess outstanding on account of any dispute.
- 10) The company has accumulated losses at the end of the financial year are not less than fifty percent of its net worth. The company has incurred cash losses in such financial year and in the immediate preceding financial year.
- 11) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks and financial institutions during the year.
- 12) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debenture and other securities.
- 13) According to the information and explanations given to us and in our opinion, the Company is not a chit fund or nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the order are not applicable to the Company.
- 14) According to the information and explanations given to us, the Company has not dealt in and/or traded in shares, securities, debentures and other investments during the year.

- 15) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 4(xv) of the Order are not applicable to the Company.
- 16) In our opinion and according to the information and explanation given to us, the Company had applied the term loans for the purpose for which the loan was obtained.
- 17) The Company has not raised any loans on short term basis. Accordingly, the provisions of Clause 4(xvii) of the Order are not applicable to the Company.
- 18) According to the information and explanations given to us, the Company had not made any preferential allotment of shares to parties and companies covered in the register maintained U/s. 301 of the Companies act 1956
- 19) According to the information and explanations given to us, the Company has not issued any secured debentures; therefore the provisions of clause (xix) of the order are not applicable to the Company.
- 20) During the year covered by our audit report, the Company has not raised any money by way of public issue; therefore the provisions of clause (xx) of the order are not applicable to the Company.
- 21) To the best of our knowledge and belief, according to the information and explanation given to us and based on the audit procedures performed, we report that no material fraud on or by the Company has been noticed or reported during the course of our audit.

**For V. R. Renuka & Co.**

Firm Registration No. 108826W

Chartered Accountants

(Sd/-)

**V R Renuka**

Proprietor

Membership No. 032263

Mumbai, May 30, 2014



**Cardinal Energy and Infrastructure Private Limited**

Balance Sheet as at March 31, 2014

(₹ in Lacs)

Particulars	Note No.	As at March 31, 2014	As at March 31, 2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
Share Capital	1	1,501.00	1,501.00
Reserves and Surplus	2	(899.32)	(205.99)
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	3	25,371.34	31,437.55
Other Long Term Liabilities	4	1,475.16	1,475.16
<b>Current Liabilities</b>			
Short-Term Borrowings	5	21,732.58	10,231.62
Trade Payables	6	964.93	874.58
Other Current Liabilities	7	1,136.49	2,096.15
<b>TOTAL</b>		<b>51,282.18</b>	<b>47,410.07</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets			
- Tangible	8	21,988.70	19,771.73
- Capital work in progress	8	22,581.31	16,458.56
Non-Current Investments	9	1,128.98	534.14
Long Terms Loans and Advances	10	1,090.57	38.62
Other Non Current Assets	11	14.45	21.72
<b>Current Assets</b>			
Trade Receivables	12	0.57	339.48
Cash and Cash Equivalents	13	171.67	221.93
Short-Term Loans and Advances	14	4,252.30	9,511.28
Other Current Assets	15	53.63	512.61
<b>TOTAL</b>		<b>51,282.18</b>	<b>47,410.07</b>
Significant Accounting Policies	21		
<b>Notes on Financial Statements</b>	1 to 25		
As per our report of even date attached hereto			
<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 30, 2014</b>		<b>Mumbai, May 30, 2014</b>	

**Cardinal Energy and Infrastructure Private Limited**  
**Statement of Profit and Loss for the year ended March 31, 2014**

(₹ in Lacs)

Particulars	Note No.	Year Ended March 31, 2014	Year Ended March 31, 2013
<b>Income:</b>			
Revenue from Operations	16	1,419.36	302.14
Other Income	17	16.27	22.16
<b>Total Revenue</b>		<b>1,435.63</b>	<b>324.30</b>
<b>Expenses:</b>			
Employee Benefit Expenses	18	67.86	13.76
Finance Costs	19	1,020.95	272.14
Depreciation and Amortization Expense	8	727.97	160.32
Other Expenses	20	312.18	79.14
<b>Total Expenses</b>		<b>2,128.96</b>	<b>525.36</b>
<b>Profit before Tax</b>		<b>(693.33)</b>	<b>(201.06)</b>
<b>Tax Expense:</b>			
(1) Current tax		-	-
(2) Deferred Tax		-	-
<b>Profit for the year</b>		<b>(693.33)</b>	<b>(201.06)</b>
<b>Earnings Per Equity Share</b>			
Basic and diluted ( in ₹)		(4.62)	(1.34)
<b>Notes on Financial Statements</b>	1 to 25		
As per our report of even date attached hereto			
<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 30, 2014</b>		<b>Mumbai, May 30, 2014</b>	

**Cardinal Energy and Infrastructure Private Limited****Cash Flow Statement for the year ended March 31, 2014****(₹ in Lacs)**

<b>Particulars</b>	<b>Year Ended March 31, 2014</b>	<b>Year Ended March 31, 2013</b>
<b>A Cash Flow from Operating Activities</b>		
<b>Profit/(Loss) before tax</b>	(693.33)	(201.06)
<b>Adjustments for :</b>		
Depreciation	727.97	160.32
Preliminary Expenses	7.28	10.96
Interest Income	(16.27)	(22.16)
Finance Cost	1,020.95	272.14
<b>Considered Separately:</b>		
<b>Operating Profit before Working Capital Changes</b>	<b>1,046.60</b>	<b>220.20</b>
<b>Adjustments for :</b>		
Trade & Other Receivables	5,096.16	(7,320.81)
Trade Payables and Other Liabilities	(869.31)	4,361.02
<b>Cash generated from operations</b>	<b>5,273.45</b>	<b>(2,739.59)</b>
Direct Taxes (Paid)/Received	(91.25)	(20.22)
<b>Net Cash from Operating Activities ( A )</b>	<b>5,182.20</b>	<b>(2,759.81)</b>
<b>B Cash Flow from Investing Activities</b>		
Interest Income from bank	16.27	22.16
Purchase of investments	(594.84)	(534.14)
Purchase of Fixed Assets	(9,067.69)	(8,197.31)
<b>Net Cash from Investing Activities ( B )</b>	<b>(9,646.26)</b>	<b>(8,709.29)</b>
<b>C Cash Flow from Financing Activities</b>		
Finance Cost	(1,020.95)	(272.14)
Long Term & Short Term Funds Borrowed/(Repaid)	5,434.75	10,988.85
<b>Net Cash from Financing Activities ( C )</b>	<b>4,413.80</b>	<b>10,716.71</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(50.26)</b>	<b>(752.39)</b>
<b>Opening Balance of Cash &amp; Cash Equivalents</b>	<b>221.93</b>	<b>974.32</b>
<b>Closing Balance of Cash &amp; Cash Equivalents</b>	<b>171.67</b>	<b>221.93</b>

As per our report of even date attached hereto

**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, 2014****Mumbai, May 30, 2014**

# Cardinal Energy and Infrastructure Private Limited

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

## 1 Share Capital

### (a) Authorised Share Capital:

Particulars	March 31, 2014	March 31, 2013
	₹ in Lacs	₹ in Lacs
5,00,00,000 ( 2012-2013 : 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, 2014	March 31, 2013
	₹ in Lacs	₹ in Lacs
1,50,10,000 ( 2012-2013 : 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, 2014		March 31, 2013	
	Number of shares	₹ in Lacs	Number of shares	₹ in Lacs
Outstanding At the beginning of the year	15,010,000.00	1,501.00	15,010,000.00	1,501.00
Outstanding At the end of the year	15,010,000.00	1,501.00	15,010,000.00	1,501.00

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

Name of the Shareholder	March 31, 2014		March 31, 2013	
	Number of shares	% holding	Number of shares	% holding
Swan Energy Limited	15,010,000.00	100.00	15,010,000.00	100.00

## 2 Reserves and Surplus

Particulars	March 31, 2014		March 31, 2013	
	₹ 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	(205.99)		(4.93)	
Add: Profit during the year	(693.33)		(201.06)	
At the end of the year		(899.32)		(205.99)
<b>Total</b>		<b>(899.32)</b>		<b>(205.99)</b>

# Cardinal Energy and Infrastructure Private Limited

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

### 3 Long Term Borrowings

Particulars	March 31, 2014	March 31, 2013
	₹ in Lacs	₹ in Lacs
<b>(a)Term loans</b>		
From banks (Secured)	8,990.27	7,693.95
<b>(b)Other loans and advances</b>		
From related party ( Unsecured )		
Swan Energy Limited - Holding Company	16,381.07	23,743.60
<b>Total</b>	<b>25,371.34</b>	<b>31,437.55</b>

#### Term loan from banks include:

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

ii) Vijaya Bank loan: ₹ 8,550.27 Lacs (2012-2013: ₹ NIL) is secured by the property at Bengaluru.

iii) Standard Chartered Bank loan: ₹ NIL Lacs (2012-2013: ₹ 6,893.95 Lacs) is secured by the property at Bengaluru.

### 4 Other Long Term Liabilities

Particulars	March 31, 2014	March 31, 2013
	₹ in Lacs	₹ in Lacs
<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, 2014	March 31, 2013
	₹ in Lacs	₹ in Lacs
<b>Working Capital Loans</b>		
From banks (Secured)	14,632.12	10,030.97
<b>Loans repayable on demand</b>		
From other parties (Unsecured)	7,100.46	200.65
<b>Total</b>	<b>21,732.58</b>	<b>10,231.62</b>

Indian Overseas Bank: ₹ 14,632.12 Lacs (2012-2013: ₹ 10,030.97 Lacs) is secured by the property at Hyderabad.

### 6 Trade Payables

Particulars	March 31, 2014	March 31, 2013
	₹ in Lacs	₹ in Lacs
Others	964.93	874.58
<b>Total</b>	<b>964.93</b>	<b>874.58</b>

# Cardinal Energy and Infrastructure Private Limited

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

### 7 Other current liabilities

Particulars	March 31, 2014	March 31, 2013
	₹ in Lacs	₹ in Lacs
<b>(a) Current maturities of long-term debt;</b>		
Term loan from banks	641.64	390.05
<b>(b) Interest accrued but not due on borrowings;</b>	401.54	40.34
<b>(c) Other payables</b>		
Short term deposits	-	1,594.00
Duties & taxes	48.58	69.92
Creditors for expenses	44.22	-
Outstanding Expenses	0.51	1.84
<b>Total</b>	<b>1,136.49</b>	<b>2,096.15</b>

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

- i) Standard Chartered Bank loan: ₹ NIL Lacs (2012-2013: ₹ 390.05 Lacs) is secured by the property at Bengaluru.
- ii) ICICI Bank Loan: ₹ 360 lacs (2012-2013: ₹ NIL) are secured by way of equitable mortgage by means of deposit of title of the Property, Exclusive charge on the scheduled receivables of the projects, Second charge by way of hypothecation on scheduled receivables of Other property, personal guarantees of Directors.
- iii) Vijaya Bank loan: ₹ 281.64 Lacs (2012-2013: ₹ NIL) is secured by the property at Bengaluru.

## Cardinal Energy and Infrastructure Private Limited

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

### Schedule 8:

#### Fixed Assets

(₹ in Lacs)

Description of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01/04/2013	Additions for the Year	Deductions for the Year	As at 31/03/2014	As at 01/04/2013	For the Year	Adjustments for the Year	As at 31/03/2014	As at 31/03/2014	As at 31/03/2013
<b>Tangible assets</b>										
Land	-	2,573.06	-	2,573.06	-	-	-	-	2,573.06	-
Buildings	17,296.11	86.69	-	17,382.80	129.78	581.24	-	711.02	16,671.78	17,166.33
Plant & Machinery	615.89	38.12	-	654.01	6.57	31.47	-	38.04	615.97	609.32
Furniture & fixtures	693.63	118.67	-	812.30	9.76	45.28	-	55.04	757.26	683.87
Office Equipments	1,324.64	127.63	-	1,452.27	14.05	69.60	-	83.65	1,368.62	1,310.55
Computers	1.78	0.77	-	2.55	0.16	0.38	-	0.54	2.01	1.66
<b>Total - Current Year</b>	<b>19,932.05</b>	<b>2,944.94</b>	<b>-</b>	<b>22,876.99</b>	<b>160.32</b>	<b>727.97</b>	<b>-</b>	<b>888.29</b>	<b>21,988.70</b>	<b>19,771.73</b>
Previous year - Tangible Assests	13,441.90	19,932.05	13,441.90	19,932.05	-	160.32	-	160.32	19,771.72	-
<b>Capital work-in-progress</b>	<b>16,458.56</b>	<b>8,695.81</b>	<b>2,573.06</b>	<b>22,581.31</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,581.31</b>	<b>16,458.56</b>
Previous year - CWIP	188.32	2,956.56	13,441.90	16,458.56	-	-	-	-	16,458.56	-

# Cardinal Energy and Infrastructure Private Limited

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

## 9 Non-current investments

Particulars	March 31, 2014	March 31, 2013
	₹ in Lacs	₹ in Lacs
<b>Investment in Equity Instruments</b>		
<b>Subsidiary Company - Unquoted</b>		
Ceau Limited	1,128.98	534.14
<b>Total</b>	<b>1,128.98</b>	<b>534.14</b>

## 10 Long Term Loans and Advances

Particulars	March 31, 2014	March 31, 2013
	₹ in Lacs	₹ in Lacs
Security Deposit	416.42	38.62
<b>Other Advances</b>		
Capital Advance for Capital goods	674.15	-
<b>Total</b>	<b>1,090.57</b>	<b>38.62</b>

## 11 Other Non current Assets

Particulars	March 31, 2014	March 31, 2013
	₹ in Lacs	₹ in Lacs
<b>Others</b>		
Unamortised Expenses	14.45	21.72
<b>Total</b>	<b>14.45</b>	<b>21.72</b>

## 12 Trade Receivables

Particulars	March 31, 2014	March 31, 2013
	₹ in Lacs	₹ in Lacs
<b>Unsecured, Considered good</b>		
Debts due for more than 6 months	-	-
Less: Provision for Doubtful Debts	-	-
Other Debts	0.57	339.48
<b>Total</b>	<b>0.57</b>	<b>339.48</b>

## 13 Cash and cash equivalents

Particulars	March 31, 2014	March 31, 2013
	₹ in Lacs	₹ in Lacs
<b>(a) Balances with banks;</b>		
In Current Accounts	83.84	18.19
<b>(b) Cash on hand;</b>	26.12	17.03
<b>(c) Others</b>		
Security against borrowing	61.71	61.71
Deposits	-	125.00
<b>Total</b>	<b>171.67</b>	<b>221.93</b>

## 14 Short-term loans and advances

Particulars	March 31, 2014	March 31, 2013
	₹ in Lacs	₹ in Lacs
<b>(a) Loans and advances to related parties</b>		
Pegasus Ventures Private Limited - Fellow Su	2,674.65	6,182.50
<b>Other Loans &amp; Advances</b>		
Cenvat Credit	5.38	-
Advance Tax	111.46	20.22
Loans & advance to Others	1,202.60	2,785.49
Advance paid to suppliers	258.17	523.07
Advances to Employee	0.03	-
<b>Total</b>	<b>4,252.30</b>	<b>9,511.28</b>

## 15 Other current assets

Particulars	March 31, 2014	March 31, 2013
	₹ in Lacs	₹ in Lacs
Interest Receivable	3.93	2.59
Receivables from Parties	46.30	-
Security Deposit	3.40	510.02
<b>Total</b>	<b>53.63</b>	<b>512.61</b>



# Cardinal Energy and Infrastructure Private Limited

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

## 16 Revenue from Operations

Particulars	Apr'13-Mar'14	Apr'12-Mar'13
	₹ in Lacs	₹ in Lacs
<b>Sale of services</b>		
Lease Rent Income	1,419.36	302.14
<b>Total</b>	<b>1,419.36</b>	<b>302.14</b>

## 17 Other income

Particulars	Apr'13-Mar'14	Apr'12-Mar'13
	₹ in Lacs	₹ in Lacs
Interest Income	16.27	22.16
<b>Total</b>	<b>16.27</b>	<b>22.16</b>

## 18 Employee benefit expenses

Particulars	Apr'13-Mar'14	Apr'12-Mar'13
	₹ in Lacs	₹ in Lacs
Salaries Wages and bonus	65.99	12.84
Staff Welfare Expenses	1.87	0.92
<b>Total</b>	<b>67.86</b>	<b>13.76</b>

## 19 Finance Costs

Particulars	Apr'13-Mar'14	Apr'12-Mar'13
	₹ in Lacs	₹ in Lacs
Interest expense	1,020.95	272.14
<b>Total</b>	<b>1,020.95</b>	<b>272.14</b>

## 20 Other Expenses

Particulars	Apr'13-Mar'14	Apr'12-Mar'13
	₹ in Lacs	₹ in Lacs
Audit Fees	0.75	0.58
Communication cost	3.96	1.37
Insurance Charges	21.72	-
Lease Rent	36.90	34.89
Miscellaneous Expenses	185.33	17.56
Legal & Professional fees	6.41	0.81
Power & Fuel	4.31	2.16
Preliminary Expenses Written Off	7.28	10.96
Printing & Stationery	0.22	0.33
Rates & Taxes	1.73	0.03
Repairs & Maintenance other	43.10	3.38
Security Charges	0.47	7.05
Vehicle Expenses	-	0.02
<b>Total</b>	<b>312.18</b>	<b>79.14</b>

## 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 Accounting Standards notified by Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year. The financial statements are presented in the general format specified in Revised Schedule VI to the Companies Act, 1956.

#### B **Use of Estimates**

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

#### C **Fixed Assets**

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

#### D **Depreciation and Amortisation**

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

#### E **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 on 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.
- c) Dividend income is recognised when the right to receive the payment is established.

#### 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, 2014

<b>22 Earning Per Share</b>	<b>Apr'13-Mar'14</b>	<b>Apr'12-Mar'13</b>
i) Net profit/(Loss) after tax as per Statements of Profit & Loss attributable to Equity Shareholders ( ₹ In Lacs)	(693.33)	(201.06)
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 ₹)	(4.62)	(1.34)
<b>23 Payment to Auditors (Excluding Service Tax)</b>		
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)	0.25	-

### 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)	3,862.86	11,737.78
Loans & Advances paid back ( ₹ In Lacs)	11,225.39	1,674.50
Payable ( ₹ In Lacs)	16,381.07	23,743.60
ii) Pegasus Ventures Private Limited.		
Loans & Advance given ( ₹ In Lacs)	627.15	6,182.50
Loans & Advance received back ( ₹ In Lacs)	4,135.00	-
Receivable ( ₹ In Lacs)	2,674.65	6,182.50
iii) Ceau Limited		
Purchase of Shares ( ₹ In Lacs)	594.84	534.14

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

As per our report of even date attached hereto

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

**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, 2014**

**Mumbai, May 30, 2014**