

CAE ROSSELL INDIA LIMITED

(Formerly known as Rossell Aviation Pvt. Ltd.)

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Fifth Annual Report together with the Audited Accounts of the Company for the year ended 31st March'14.

OPERATING RESULTS:

The Financial results for the year ended 31st March'14 and for the previous year 31st March'13 are appended below: -

Particulars	Year ended 31 st March'2014	Year ended 31 st March' 2013
Profit / (loss) before depreciation	(43,419)	(1,33,349)
Depreciation	Nil	Nil
Net Profit / (loss) after depreciation and before tax	(43,419)	(1,33,349)
Provision for Income / Wealth Tax	Nil	Nil
Loss for the year before tax	(43,419)	(1,33,349)
Balance Carried Forward from Previous Year	(7,64,848)	(6,31,499)
Balance Carried Forward to Balance Sheet (Loss)	(8,08,267)	(7,64,848)

HOLDING COMPANY:

Upon acquisition of the entire Equity Share Capital of the Company by Rossell India Limited (previously known as Rossell Tea Ltd.) and their nominee, your Company become a wholly owned subsidiary company of Rossell India Limited with effect from 4th February 2009.

Rossell India Ltd. (previously known as Rossell Tea Ltd.) and their nominee hold entire share capital i.e. 50,000 equity shares of Rs. 10/- each of the company. As a result your company is 100% subsidiary of Rossell India Ltd.

PROSPECTS:

CAE Rossell has given proposal for maintenance of simulators for projects related to offset obligations that OEMs need to fulfill under their contract with the Ministry of Defence. Maintenance proposal involve installation, spares & logistic management and upgradations.

CAE Rossell has also been approached by OEMs to manufacture various products in India so that OEMs can get maximum possible offsets in their contracts. This route is now being followed by OEMs in the new contracts under award. CAE Rossell is exploring this route to enhance its business opportunities.

FIXED DEPOSITS:

The Company has neither invited nor accepted any deposits from the public.

AUDITORS:

M/s. S R Dinodia & Co. L.L.P, Chartered Accountants who retires at this Annual General Meeting have agreed to continue till the conclusion of next meeting subject to compliance of various provisions of the Companies Act, 1956.

CONSERVATION OF ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE EARNING & OUTGO:

Since the Company did not undertake any business activity, the information is not required to be provided.

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies, Act, 1956, Directors state and confirm the following:

- (i) That in preparation of the Company's Annual Accounts for the year ended 31st March, 2014, applicable accounting standards have been followed and proper explanations have been provided for material departures, where applicable.
- (ii) That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2014 and loss of the Company for the financial year.
- (iii) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularity.
- (iv) That the Directors had prepared the Annual Accounts on a going concern basis.

On behalf of Board of Directors

Place: New Delhi
Date: 22nd April, 2014


R.M. Gupta
Director


H.M. Gupta
Director

S.R. DINODIA & CO. LLP.

CHARTERED ACCOUNTANTS

K-39 Connaught Circus, New Delhi-110001 INDIA
Ph. : 91-11-43703300 Fax : 91-11-41513666

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of **M/S CAE ROSSELL INDIA LIMITED**

We have audited the accompanying financial statements of **M/S CAE ROSSELL INDIA LIMITED** ("the Company"), which comprise the Balance Sheet as at **31st March, 2014**, and the Statement of Profit and Loss and 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 Standards notified under the Companies Act 1956 ("the Act") read with the General Circular No. 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act 2013. 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.

Auditor's 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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 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 31st March 2014;
- (b) in the case of the Statement of Profit and Loss, of the **loss** for the year ended on that date; &
- (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

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, provisions of the said order is not applicable to the company.



Further, 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 notified under the Companies Act 1956 read with the General Circular No. 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act 2013;
- e. On the basis of written representations received from the directors as on 31st March 2014 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For S. R. DINODIA & CO. LLP
CHARTERED ACCOUNTANTS
REGN. NO. 001478N/N500005


(SANDEEP DINODIA)
PARTNER
M.NO. 083689

PLACE: NEW DELHI
DATE: 22 APR 2014

CAE ROSSELL INDIA LIMITED (FORMERLY KNOWN AS M/S ROSSELL AVIATION PRIVATE LIMITED)
BALANCE SHEET AS AT MARCH 31, 2014


PARTICULARS	Note No.	(Amount in Rs.)	
		AS AT MARCH 31, 2014	AS AT MARCH 31, 2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	2	500,000	500,000
Reserves and surplus	3	(808,267)	(764,848)
		<u>(308,267)</u>	<u>(264,848)</u>
Current liabilities			
Short-term borrowings	4	450,000	1,331,776
Other current liabilities	5	5,618	5,056
		<u>455,618</u>	<u>1,336,832</u>
TOTAL		<u><u>147,351</u></u>	<u><u>1,071,984</u></u>
ASSETS			
Non-current assets			
Long term loans and advances	6	6,336	6,336
		<u>6,336</u>	<u>6,336</u>
Current assets			
Cash and cash equivalents	7	141,015	1,065,648
		<u>141,015</u>	<u>1,065,648</u>
TOTAL		<u><u>147,351</u></u>	<u><u>1,071,984</u></u>

Significant Accounting Policies 1

The Notes referred to above, form an integral part of the Balance Sheet

As per our Audit Report of even date attached

For S.R.DINODIA & CO. LLP
 CHARTERED ACCOUNTANTS
 REGN. NO. 001478N/N500005


 (SANDEEP DINODIA)
 PARTNER
 M.No. 083689

For & on behalf of Board of Directors


 (RISHAB MOHAN GUPTA)
 DIRECTOR


 (H.M. GUPTA)
 DIRECTOR

PLACE: NEW DELHI
 DATED: 22 APR 2014

CAE ROSSELL INDIA LIMITED (FORMERLY KNOWN AS M/S ROSSELL AVIATION PRIVATE LIMITED)
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2014

PARTICULARS	Note No.	(Amount in Rs.)	
		For the year ended March 31, 2014	For the year ended March 31, 2013
INCOME			
Other income	8	1,118	44,266
I. Total Revenue		<u>1,118</u>	<u>44,266</u>
II. EXPENSES			
(a) Expenses	9	44,537	177,615
Total expenses		<u>44,537</u>	<u>177,615</u>
III. Profit before exceptional and extraordinary items and tax (I-II)		<u>(43,419)</u>	<u>(133,349)</u>
IV. Exceptional items			
V. Profit before extraordinary items and tax (III - IV)		<u>(43,419)</u>	<u>(133,349)</u>
VI. Extraordinary Items		-	-
VII. Profit before tax (V- VI)		<u>(43,419)</u>	<u>(133,349)</u>
VIII. Tax expense:			
(a) Current Tax		-	-
(b) Provision for Deferred Tax Liability / (Assets)[Refer Note 17]		-	-
IX. Profit (Loss) for the year from continuing operations (VII-VIII)		<u>(43,419)</u>	<u>(133,349)</u>
XIII. Profit (Loss) for the year		<u>(43,419)</u>	<u>(133,349)</u>
XIV. Earnings per equity share:			
Basic/Diluted Earning Per Share	10	(1)	(3)

Significant Accounting Policies 1

The Notes referred to above, form an integral part of the Statement of Profit & Loss


As per our Audit Report of even date attached

For S.R.DINODIA & CO. LLP
 CHARTERED ACCOUNTANTS
 REGN. NO. 001478N/N500005



(SANDEEP DINODIA)
 PARTNER
 M.No. 083689

For & on behalf of Board of Directors



(RISHAB MOHAN GUPTA)
 DIRECTOR



(H.M. GUPTA)
 DIRECTOR

PLACE: NEW DELHI

DATED: 22 APR 2014

CAE ROSSELL INDIA LIMITED (FORMERLY KNOWN AS M/S ROSSELL AVIATION PRIVATE LIMITED)
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

PARTICULARS	(Amount in Rs.)	
	YEAR ENDED MARCH 31, 2014	YEAR ENDED MARCH 31, 2013
A. Cash flow from operating activities		
Net profit before tax	(43,419)	(133,349)
Adjustments for:		
Preliminary expenses Written Off	-	57,706
Interest Received	(1,118)	(44,266)
Adjustments for:		
Increase/decrease in current assets	-	12,755
Increase/decrease in current liability	562	(152,225)
Net cash from/(used) in operating activities	(43,975)	(259,379)
B. Cash flow from Investing activities		
Interest Income on Fixed Deposits	1,118	44,266
Investment in Fixed Deposit	-	-
Redemption of Fixed Deposits	-	900,000
Net cash from/(used) in investing activities	1,118	944,266
C. Cash flow from financing activities		
Share Application Money	-	360,000
Increase/(Decrease) in Other Borrowings	(881,776)	(132,424)
Net cash from/(used) in financing activities	(881,776)	227,576
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(924,633)	912,463
Cash and cash equivalents as at opening		
- Balance with scheduled banks	1,065,648	153,185
Cash and cash equivalents as at closing	141,015	1,065,648
- Balance with scheduled banks		

As per our separate report of even date attached

For S. R. DINODIA & CO. LLP
 CHARTERED ACCOUNTANTS
 REG. NO. 01478N/N500005

(SANDEEP DINODIA)
 PARTNER
 M. NO. 083689

PLACE : NEW DELHI

DATED : 22 APR 2014

For & on behalf of Board of Directors

(RISHAB MOHAN GUPTA)
 DIRECTOR

(H.M. GUPTA)
 DIRECTOR

M/S CAE ROSSELL INDIA LIMITED (FORMERLY KNOWN AS M/S ROSSELL AVIATION PRIVATE LIMITED)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES

1. Accounting Convention

The Financial Statements of the company have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956.

2. Taxes on Income

Current Tax

Current tax is amount of tax payable on taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred Tax

Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. Deferred tax assets subject to consideration of prudence, are recognized, and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

3. Cash Flow Statement

Cash Flows are reported using the indirect method as specified in Accounting Standard (AS-3) "Cash Flow Statement".

4. Earning per Share

Basic earning per share is computed using the weighted average number of equity shares outstanding during the year.



CAE ROSSELL INDIA LIMITED (FORMERLY KNOWN AS M/S ROSSELL AVIATION PRIVATE LIMITED)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

PARTICULARS	(Amount in Rs.)	
	AS AT MARCH 31, 2014	AS AT MARCH 31, 2013

NOTE 2 : SHARE CAPITAL

Authorized Share Capital

30,00,000 (March 31, 2013 : 3,000,000) Equity Shares of Rs 10/- each

30,000,000

30,000,000

30,000,000

30,000,000

Issued, Subscribed & Paid-up Shares

50,000 (March 31, 2013: 50,000) Equity Shares of Rs. 10 each fully paid up

500,000

500,000

500,000

500,000

Total Issued, Subscribed & Paid-up Capital

a. Share Capital Reconciliation

	March 31, 2014		March 31, 2013	
	No. Of Shares	Amount (Rs.)	No. Of Shares	Amount (Rs.)
Equity Shares				
(i) Balances of Shares at the begning of the year	50,000	500,000	10,000	100,000
(ii) Add:- Addition during the year	-	-	40,000	400,000
(iii) Less:- Buy back during the year	-	-	-	-
(iv) Balances of Shares at the end of the year(50,000 Nos.)	<u>50,000</u>	<u>500,000</u>	<u>50,000</u>	<u>500,000</u>

b. Terms/rights attached to Equity Shares

The company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Details of Shares held by Holding Company, Ultimate Holding Company, including shares held by or by subsidiaries or associates of the holding company or the ultimate holding company in aggregate;

Holding Company

M/s Rossell India Limited

50,000

50,000

50,000

50,000

e. Details of shareholder holding more than 5 percent shares in the company

	March 31, 2014		March 31, 2013	
	No. of shares	% holding	No. of shares	% holding
M/s Rossell India Limited	50,000	100	50,000	100

NOTE 3 : RESERVES AND SURPLUS

Surplus / Profit & Loss

(a) Balance at the beginning of the year

(764,848)

(631,499)

(b) Loss for the year

(43,419)

(133,349)

(c) Balance at end of the year

(808,267)

(764,848)



CAE ROSSELL INDIA LIMITED (FORMERLY KNOWN AS M/S ROSSELL AVIATION PRIVATE LIMITED)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

PARTICULARS	(Amount in Rs.)	
	AS AT MARCH 31, 2014	AS AT MARCH 31, 2013
NOTE 4 : SHORT TERM BORROWINGS		
From Related Parties- Holding Company RosSELL India Limited	450,000	1,331,776
	<u>450,000</u>	<u>1,331,776</u>
NOTE 5 : OTHER CURRENT LIABILITIES		
Audit Fee Payable	5,618	5,056
	<u>5,618</u>	<u>5,056</u>
NOTE 6 : LONG TERM LOANS AND ADVANCES (Unsecured, considered Good)		
Others-Tax Deducted at source	6,336	6,336
	<u>6,336</u>	<u>6,336</u>
NOTE 7 : CASH AND CASH EQUIVALENTS		
Balance with Scheduled Banks		
- Current Account	111,939	1,034,326
Cash-on-hand	29,076	31,323
	<u>141,015</u>	<u>1,065,648</u>



CAE ROSSELL INDIA LIMITED (FORMERLY KNOWN AS M/S ROSSELL AVIATION PRIVATE LIMITED)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(Amount in Rs.)

PARTICULARS	For the year ended March 31, 2014	For the year ended March 31, 2013
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NOTE 8 : OTHER INCOME

Interest Income on Fixed deposit with bank	1,118	44,266
	<u>1,118</u>	<u>44,266</u>

NOTE 9 : EXPENSES

Rate, fees and taxes	25,951	27,612
Legal Professional Expenses	9,562	72,534
Printing and Stationery	1,400	10,840
Payment to the Auditors-	5,618	5,618
Preliminary Expenses written off	-	57,706
Misc. expense	2,006	3,305
	<u>44,537</u>	<u>177,615</u>

a) Payment to Auditors

As Auditor:

Statutory Audit Fees	5,618	5,618
	<u>5,618</u>	<u>5,618</u>

NOTE 10 : EARNING PER SHARE

Profit/Loss attributable to the equity shareholders	(43,419)	(133,349)
Number of weighted average equity shares outstanding during the year	50,000	39,699
Nominal value of equity shares	10	10
Basic/Diluted Earning Per Share	(1)	(3)

NOTE 11: RELATED PARTY DISCLOSURE (AS-18)

Related party disclosure, as required by AS-18 "Related Party Disclosure" is given below:-

A. Names of the Related parties and description of relationship*

Holding Company : M/s Rossell India Ltd.

B. Transactions with Related Parties

(Amount in Rs.)

S.No.	Type of Transaction	Holding Company	
		Current Year	Previous Year
1	Opening Balance	1,331,776	160,000
	-Loan Taken	450,000	1,331,776
	-Loan Repaid	1,331,776	160,000
	Closing balance	450,000	1,331,776

* Only those related Parties with which the company has transactions during the year have been disclosed.



NOTE 12: REALISATION OF ASSETS AND LIABILITES

In the opinion of management, the realizable value of sundry debtors, creditors, loans & advances is at least equal to amount at which they are stated in Balance Sheet

NOTE 13 : DEFERRED TAX ASSETS

Since the company has not yet commenced any commercial operation hence, there is no virtual certainty that sufficient future taxable income would be available in future to realize deferred tax asset, therefore, deferred tax has not been recognized on the principle of prudence as stated in Para 15-18 of the Accounting Standard 22-"Taxation on Income".

NOTE 14 : Figures has been rounded off to nearest rupee


NOTE 15 : Previous year figures have been regropued/reclassified wherever considered necessary.

PLACE: NEW DELHI

DATED: 22 APR 2014

For & on behalf of Board of Directors


(RISHAB MOHAN GUPTA)
DIRECTOR


(H.M. GUPTA)
DIRECTOR

