

# S.R. DINODIA & Co. LLP

## CHARTERED ACCOUNTANTS

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### INDEPENDENT AUDITOR'S REPORT

TO the members of **M/S CAE ROSSELL INDIA LIMITED**

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

We have audited the accompanying financial statements of **CAE ROSSELL INDIA LIMITED** ("the Company"), which comprise the Balance Sheet as at **31<sup>st</sup> March, 2015**, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

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 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 the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes 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 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**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 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 controls system 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.

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

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, 2015**;
- (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, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 it 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 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) In our opinion there are no financial transactions or matters that have adverse effect on the functioning of the company.
  - (f) On the basis of written representations received from the directors as on March 31, 2015 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of sub-section (2) of section 164 of the Companies Act, 2013;
  - (g) With respect to the 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 information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

(SANDEER DINODIA)  
PARTNER  
M.NO. 083689



PLACE: NEW DELHI

DATE : 27 MAY 2015

## ANNEXURE TO THE AUDITORS' REPORT

Referred to in Paragraph 1 under the heading of "Report on Other Legal & Regulatory Requirements" of our report of even date)


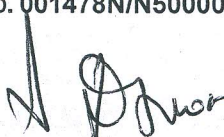
### CAE ROSSELL INDIA LIMITED

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- i) In our opinion and on the basis of information and explanation given to us, the Company does not have any fixed assets as on 31<sup>st</sup> March 2015 and hence the provisions of clause 3(i) of the Companies (Auditor's Report) order, 2015 are not applicable to the Company.
  - ii) The Company does not have any inventory as on 31<sup>st</sup> March, 2015 and hence the provisions of clause 3(ii) of the Companies (Auditor's Report) Order, 2015 are not applicable to the Company.
  - iii) According to the information and explanation given to us, the company has not granted any secured or unsecured loan during the year to the companies, firms and other parties covered in the register maintained under section 189 of the Companies Act, 2013 and hence the provisions of the clause 3(iii) of the Companies (Auditor's Report) Order, 2015 are not applicable to the Company.
  - iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices, there is no continuing failure to correct the weaknesses in the aforesaid internal control systems.
  - v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits within the meaning of section 73 and section 74 and the other relevant provisions of the Companies Act, 2013 and rules framed thereunder.
  - vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148 (1) of the Companies Act, 2013 and are of the opinion that, prime facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view of determine whether they are accurate or complete
  - vii)
    - a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it.
    - b) According to the records of the Company examined by us and the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty, excise duty, cess and other material statutory dues applicable to it, were outstanding as at 31<sup>st</sup> March, 2015 for a period of more than six months from the date they became payable.
    - c) According to the records of the Company examined by us and the information and explanations given to us, there are no dues of Income Tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess were outstanding as at 31<sup>st</sup> March, 2015 which have not been deposited on account of any dispute.
    - d) According to the records of the Company examined by us and the information and explanations given to us, there were no amounts that required to be transferred to investor education and protection fund in accordance with the relevance provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder and hence the provisions of clause 3(vii)(c) of the Companies (Auditor's Report) Order, 2015 are not applicable to the company.



- viii) The Company has accumulated losses as at 31<sup>st</sup> March, 2015 of ` 865,456 which is more than 50% its net worth and has incurred cash losses amounting ` 57,189 during the financial year covered by our audit and also 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 dues to banks, financial institutions and debenture holders during the year.
- x) On the basis of information and explanation provided, the company has not given any guarantee for loans taken by others from banks or financial institutions, Therefore, the provisions of clause 3(x) of the Companies (Auditor's Report) Order, 2015 are not applicable to the company.
- xi) On the basis of information and explanation provided, the Company has not obtained any term loan during the year ended 31<sup>st</sup> March 2015. Therefore, the provisions of clause 3(xi) of the Companies (Auditor's Report) Order, 2015 are not applicable to the company.
- 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, during the year we have neither come across any instance of fraud on or by the Company nor have we been informed of such case by the management.

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



(SANDEEP DINODIA)  
PARTNER  
M.NO. 083689

PLACE: NEW DELHI

DATE: 27 MAY 2015

**CAE ROSSELL INDIA LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2015**

PARTICULARS	Note No.	(Amount in ₹)	
		AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share Capital	2	500,000	500,000
Reserves and surplus	3	(865,456)	(808,267)
		<u>(365,456)</u>	<u>(308,267)</u>
<b>Current liabilities</b>			
Short-term borrowings	4	450,000	450,000
Other current liabilities	5	5,618	5,618
		<u>455,618</u>	<u>455,618</u>
<b>TOTAL</b>		<u><u>90,162</u></u>	<u><u>147,351</u></u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Long term loans and advances	6	1,909	6,336
		<u>1,909</u>	<u>6,336</u>
<b>Current assets</b>			
Cash and cash equivalents	7	88,253	141,015
		<u>88,253</u>	<u>141,015</u>
<b>TOTAL</b>		<u><u>90,162</u></u>	<u><u>147,351</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: 27 MAY 2015

**CAE ROSSELL INDIA LIMITED**  
**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2015**

(Amount in ₹)

PARTICULARS	Note No.	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>INCOME</b>			
Other income	8	303	1,118
<b>I. Total Revenue</b>		<b>303</b>	<b>1,118</b>
<b>II. EXPENSES</b>			
(a) Expenses	9	57,492	44,537
<b>Total expenses</b>		<b>57,492</b>	<b>44,537</b>
<b>III. Profit before exceptional and extraordinary items and tax (I-II)</b>		<b>(57,189)</b>	<b>(43,419)</b>
<b>IV. Exceptional items</b>			
<b>V. Profit before extraordinary items and tax (III - IV)</b>		<b>(57,189)</b>	<b>(43,419)</b>
<b>VI. Extraordinary Items</b>		-	-
<b>VII. Profit before tax (V- VI)</b>		<b>(57,189)</b>	<b>(43,419)</b>
<b>VIII. Tax expense:</b>			
(a) Current Tax		-	-
(b) Provision for Deferred Tax Liability / (Assets)[Refer Note 17]		-	-
<b>IX. Profit (Loss) for the year from continuing operations (VII-VIII)</b>		<b>(57,189)</b>	<b>(43,419)</b>
<b>XIII. Profit (Loss) for the year</b>		<b>(57,189)</b>	<b>(43,419)</b>
<b>XIV. Earnings per equity share:</b>			
Basic/Diluted Earning Per Share	10	(1)	(1)

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

For & on behalf of Board of Directors

(SANDEEP DINODIA)  
 PARTNER  
 M.No. 083689



(RISHAB MOHAN GUPTA)  
 DIRECTOR

(H.M. GUPTA)  
 DIRECTOR

PLACE: NEW DELHI

DATED: 27 MAY 2015

**CAE ROSSELL INDIA LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015**

(Amount in ₹)

PARTICULARS	YEAR ENDED MARCH 31, 2015	YEAR ENDED MARCH 31, 2014
<b>A. Cash flow from operating activities</b>		
Net profit before tax	(57,189)	(43,419)
Adjustments for :		
Preliminary expenses Written Off	-	-
Interest Received	-	(1,118)
Adjustments for :	-	-
Increase/decrease in Long Term Loans & Advances	4,427	-
Increase/decrease in current assets	-	-
Increase/decrease in current liability	-	562
<b>Net cash from/(used) in operating activities (A)</b>	<b>(52,762)</b>	<b>(43,975)</b>
<b>B. Cash flow from Investing activities</b>		
Interest Income on Fixed Deposits	-	1,118
Investment in Fixed Deposit	-	-
Redemption of Fixed Deposits	-	-
<b>Net cash from/(used) in investing activities (B)</b>	<b>-</b>	<b>1,118</b>
<b>C. Cash flow from financing activities</b>		
Share Application Money	-	-
Increase/(Decrease) in Other Borrowings	-	(881,776)
<b>Net cash from/(used) in financing activities (C)</b>	<b>-</b>	<b>(881,776)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(52,762)</b>	<b>(924,633)</b>
Cash and cash equivalents as at opening		
- Balance with scheduled banks	141,015	1,065,648
Cash and cash equivalents as at closing	88,253	141,015
- Balance with scheduled banks		

As per our separate report of even date attached

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

(SANDEEP DINODIA)  
 PARTNER  
 M. NO. 083689

PLACE : NEW DELHI

DATED : 27 MAY 2015



For & on behalf of Board of Directors

(RISHAB MOHAN GUPTA)  
 DIRECTOR

(H.M. GUPTA)  
 DIRECTOR

**CAE ROSSELL INDIA LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**

PARTICULARS	(Amount in ₹)	
	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
<b>NOTE 2 : SHARE CAPITAL</b>		
<b>Authorized Share Capital</b>		
30,00,000 (March 31, 2014 : 3,000,000) Equity Shares of ₹ 10 each	30,000,000	30,000,000
	<u>30,000,000</u>	<u>30,000,000</u>
<b>Issued, Subscribed &amp; Paid-up Shares</b>		
50,000 ( March 31, 2014: 50,000 ) Equity Shares of ₹ 10 each fully paid up	500,000	500,000
<b>Total Issued, Subscribed &amp; Paid-up Capital</b>	<u>500,000</u>	<u>500,000</u>

**a. Share Capital Reconciliation**

	March 31, 2015		March 31, 2014	
	No. Of Shares	Amount (₹)	No. Of Shares	Amount (₹)
<b>Equity Shares</b>				
Balances of Shares at the beginning of the year	50,000	500,000	50,000	500,000
Add:- Addition during the year	-	-	-	-
Less:- Buy back during the year	-	-	-	-
Balances of Shares at the end of the year.	<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 ₹ 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;**

	No. of Shares	
	March 31, 2015	March 31, 2014
<b>Holding Company</b>		
M/s Rossell India Limited	50,000	50,000
	<u>50,000</u>	<u>50,000</u>

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

	March 31, 2015		March 31, 2014	
	No. of shares	% holding	No. of shares	% holding
M/s Rossell India Limited	50,000	100.00	50,000	100

**NOTE 3 : RESERVES AND SURPLUS**

**Surplus / (Deficit) in the Statement of Profit & Loss**

Balance at the beginning of the year	(808,267)	(764,848)
Loss for the year	(57,189)	(43,419)
Balance at end of the year	<u>(865,456)</u>	<u>(808,267)</u>





**CAE ROSSELL INDIA LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**

PARTICULARS	(Amount in ₹)	
	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
<b>NOTE 4 : SHORT TERM BORROWINGS</b>		
From Related Parties- Holding Company Rosell India Limited	450,000	450,000
	<u>450,000</u>	<u>450,000</u>
<b>NOTE 5 : OTHER CURRENT LIABILITIES</b>		
Audit Fee Payable	5,618	5,618
	<u>5,618</u>	<u>5,618</u>
<b>NOTE 6 : LONG TERM LOANS AND ADVANCES</b> (Unsecured, considered Good)		
Others-Tax Deducted at source	1,909	6,336
	<u>1,909</u>	<u>6,336</u>
<b>NOTE 7 : CASH AND CASH EQUIVALENTS</b>		
Balance with Scheduled Banks		
- Current Account	59,412	111,939
Cash-on-hand	28,841	29,076
	<u>88,253</u>	<u>141,015</u>



**CAE ROSSELL INDIA LIMITED**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**

(Amount in ₹)

PARTICULARS	For the year ended March 31, 2015	For the year ended March 31, 2014
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**NOTE 8 : OTHER INCOME**

Interest Income on Fixed deposit with bank	303	1,118
	<b>303</b>	<b>1,118</b>

**NOTE 9 : EXPENSES**

Rate, fees and taxes	22,295	25,951
Legal Professional Expenses	28,000	9,562
Printing and Stationery	-	1,400
Payment to the Auditors-	5,618	5,618
Misc. expense	1,579	2,006
	<b>57,492</b>	<b>44,537</b>

**a) Payment to Auditors**

**As Auditor:**

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

**NOTE 10 : EARNING PER SHARE**

Profit/Loss attributable to the equity shareholders	(57,189)	(43,419)
Number of weighted average equity shares outstanding during the year	50,000	50,000
Nominal value of equity shares	10	10
Basic/Diluted Earning Per Share	(1.14)	(0.87)

**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 ₹)

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

**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 :**

The financial statements of the Company having been prepared on a going concern basis, notwithstanding the fact that its net worth is eroded. The Company has incurred a net loss of ₹ 57,189 for the year ended on March 31, 2015 and, as of that date, Company's current liabilities exceeded its total assets by ₹ 365,456. These conditions indicate uncertainty and may cast doubt about the Company's ability to continue as a going concern.

**NOTE 15 :** Figures has been rounded off to nearest rupee.

**NOTE 16 :** Previous year figures have been regrouped/reclassified wherever considered necessary.

For & on behalf of Board of Directors

PLACE: NEW DELHI

DATED: 27 MAY 2015



*(Signature)*  
(RISHAB MOHAN GUPTA)  
DIRECTOR

*(Signature)*  
(H.M. GUPTA)  
DIRECTOR