



# Basant Jain & Associates LLP

CHARTERED ACCOUNTANTS

601, DALAMAL CHAMBERS, NEW MARINE LINES, MUMBAI – 400 020. TEL: 22018793 / 22018794 / 22018369

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## INDEPENDENT AUDITOR'S REPORT

To The Members of Quality Logistics Services Private Limited.

### Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Quality Logistics Services Private Limited. ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'standalone Ind AS financial statements').

### Management's Responsibility for the Standalone 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 standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act. 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 standalone Ind AS 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 standalone Ind AS 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 thereunder. We conducted our audit of the standalone Ind AS financial statements 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 standalone Ind AS financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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 standalone Ind AS 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 standalone Ind AS financial statements.



### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 including the Ind AS, of the state of affairs (financial position) of the Company as at March 31, 2019, and its profit/loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 (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 1' 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 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 it appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and;
  - (e) On the basis of written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure 2' to this report;
  - (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 Basant Jain & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 120131W/W100303



Basant K. Jain

Partner

Membership Number: 046791

Mumbai

Jun 25, 2019



**Annexure 1 referred to in paragraph 1 under Report on Other Legal and Regulatory Requirements of our report of even date**

Re: Quality Logistics Services Private Limited (the 'Company')

- (i) The Company does not have any fixed assets.
- (ii) The Company does not have any inventory.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Act for the products / services of the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, customs duty, value added tax, cess and other material statutory dues applicable to it. The provisions relating to excise duty are not applicable to the Company.  
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, value added tax, cess and other material statutory dues were outstanding at the yearend for a period of more than six months from the date they became payable. The provisions relating to excise duty are not applicable to the Company  
(c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute
- (viii) The Company does not taken any loan from financial institution or Bank, hence reporting under clause (viiv) is not applicable to the Company, hence not commented upon.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Accordingly to the information and explanation given by the management, we report that no fraud by the company or on, the company by its officers or employees has been noticed or reported during the year.
- (xi) The Company has not paid any managerial remuneration during the year hence reporting under clause (viii) is not applicable to the Company hence not commented upon.
- (xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.



- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

**For Basant Jain & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 120131W/W100303



Basant K. Jain  
Partner

Membership Number: 0437

Mumbai

Jun 25, 2019



**Annexure 2 referred to in paragraph 2 (f) under Report on Other Legal and Regulatory Requirements of our report of even date**

We have audited the internal financial controls over financial reporting of Quality Logistics Services Private Limited (the 'Company') as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (the 'Act').

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') and the Standards on Auditing as specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being



made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

**For Basant Jain & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 120131W/W100303



Basant K. Jain

Partner

Membership Number: 043751

Mumbai

Jun 25, 2019



**QUALITY LOGISTICS SERVICES PRIVATE LIMITED**  
**Balance Sheet as at March 31, 2019**  
**(Amount in ₹)**

	Notes	As at 31 March, 2019	As at 31 March, 2018
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	1,00,000	1,00,000
<b>Total</b>		<b>1,00,000</b>	<b>1,00,000</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and bank balances	4	1,00,000	1,00,000
<b>Total</b>		<b>1,00,000</b>	<b>1,00,000</b>
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements

As per our report even date  
For Basant Jain & Associates LLP  
Firm Registration no. 120131W/W-100303  
Chartered Accountants

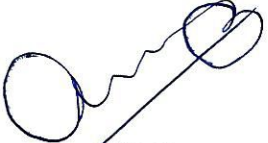
  
Basant Jain  
Partner  
Membership No : 43791



Place : Mumbai  
Date : June 25, 2019

For and behalf of the Board of Directors of  
Quality logistics services private limited

  
Pankaj Khandelwal  
Director  
DINNo.:05298431

  
Anup Neogi  
Director  
DINNo.:07209050



**QUALITY LOGISTICS SERVICES PRIVATE LIMITED**  
**Statement of Profit and Loss for the year ended 31 March, 2019**  
**(Amount in ₹)**

	Notes	For the year ended 31 March, 2019	For the year ended 31 March, 2018
<b>Income</b>		-	-
<b>Expenses</b>		-	-
Earnings before interest, tax, depreciation and amortisation (EBITDA)		-	-
Depreciation		-	-
<b>Profit before Tax</b>		-	-
<b>Tax expense:</b>			
Current tax		-	-
<b>Total tax expense</b>		-	-
<b>Profit after Tax</b>		-	-
Earning per equity share (Basic and diluted)		-	-

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements

As per our report even date  
 For Basant Jain & Associates LLP  
 Firm Registration no. 120131W/W-100303  
 Chartered Accountants

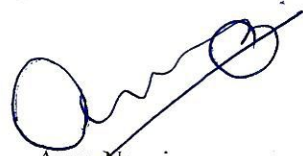
  
 Basant Jain  
 Partner  
 Membership No : 43791



Place : Mumbai  
 Date : June 25, 2019

For and behalf of the Board of Directors of  
 Quality logistics services private limited

  
 Pankaj Khandelwal  
 Director  
 DINNo.:05298431

  
 Anup Neogi  
 Director  
 DINNo.:07209050





**QUALITY LOGISTICS SERVICES PRIVATE LIMITED**  
**Cash Flow Statement for the year ended March 31, 2019**  
(Amount in ₹)

	March 31, 2019	March 31, 2018
<b>Cash flow from operating activities</b>		
Net profit before taxes and prior period items	-	-
Adjustments for:		
<b>Operating profit before working capital changes</b>	-	-
Movements in working capital :		
(Increase)/Decrease in sundry debtors	-	-
(Increase)/Decrease in loans and advances	-	-
(Increase)/Decrease in other current assets	-	-
Increase/(Decrease) in current liabilities	-	-
Increase/(Decrease) in Provisions	-	-
<b>Cash flow generated from operations</b>	-	-
Direct taxes paid	-	-
<b>Net cash flow generated from operating activities (A)</b>	-	-
<b>Cash flows from investing activities</b>		
<b>Net cash flow from (used in) investing activities (B)</b>	-	-
<b>Cash flows from financing activities</b>		
Cash generated from issuing share capital	-	-
<b>Net cash flow from (used in) financing activities (C)</b>	-	-
<b>Net (decrease) / increase in cash and cash equivalents (A+B+C)</b>	-	-
<b>Cash and cash equivalents at the beginning of the year</b>	1,00,000	1,00,000
<b>Cash and cash equivalents at the end of the year</b>	1,00,000	1,00,000

**Components of cash and cash equivalents:**

	As at March 31, 2019	As at March 31, 2018
Balance with banks	1,00,000	1,00,000
<b>Cash and cash equivalents at the end of the year</b>	<b>1,00,000</b>	<b>1,00,000</b>


As per our report even date  
For Basant Jain & Associates LLP  
Firm Registration no. 120131W/W-100303  
Chartered Accountants


  
Basant Jain  
Partner  
Membership No : 43791



Place : Mumbai  
Date : June 25, 2019

For and behalf of the Board of Directors of  
Quality logistics services private limited

  
Pankaj Khandelwal  
Director  
DINNo.:05298431

  
Anup Neogi  
Director  
DINNo.:07209050



**QUALITY LOGISTICS SERVICES PRIVATE LIMITED**  
Notes to financial statements as at and for the Year ended March'31, 2019  
(Amounts in ₹, except share data)

	As at March 31, 2019	As at March 31, 2018
<b>3 SHARE CAPITAL</b>		
<b>Authorised</b>		
10,000 equity shares of ₹ 10 each	1,00,000	1,00,000
<b>Issued, Subscribed &amp; Paid up</b>		
10,000 Equity shares of ₹ 10 each fully paid up	1,00,000	1,00,000
	<b>1,00,000</b>	<b>1,00,000</b>
<b>4 CASH AND BANK BALANCES</b>		
	As at March 31, 2019	As at March 31, 2018
Balances with banks	1,00,000	1,00,000
	<b>1,00,000</b>	<b>1,00,000</b>



**QUALITY LOGISTICS SERVICES PRIVATE LIMITED**  
**Notes to financial statements as at and for the year ended March 31, 2019**  
**(Amounts in ₹, except share data)**

**1. Background**

Quality Logistics Services Private Limited ('the Company') is incorporated on July 29, 2015 and is a wholly owned subsidiary of CMS Info Systems Limited. The company engaged in business of providing logistic services.

**2. Summary of significant accounting policies:**

**a) Basis of preparation**

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 under the provisions of the Companies Act, 2013 (the 'Act') and subsequent amendments thereof.

The financial statements are presented in Indian Rupees, which is also the Company's functional currency. The financial statements are prepared on a going concern basis.

**b) Use of estimates**

The preparation of the financial statements in conformity with Indian GAAP requires the management to make judgement, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and the disclosures of contingent liabilities, at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring material adjustment to the carrying amount of assets or liabilities in future periods.

**c) Cash and Cash equivalents**

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and cash in hand.

**5. Related party disclosure**

Disclosure as required by notified accounting standard 18 (AS-18) 'Related Party Disclosures' is as follows:

Names of related party and description of relationship:

**Related parties where control exists**

Holding Company

CMS Info Systems Limited

As per our report of even date  
For Basant Jain & Associates LLP  
Firm registration number: 120131W/W-100303  
Chartered Accountants

  
Basant Jain

Partner  
Membership No.: 43791

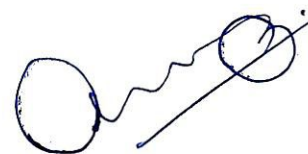
Place: Mumbai  
Date: June 25, 2019



For and on behalf of the Board of Directors of  
Quality Logistic Services Private Limited



Pankaj Khandelwal  
Director  
DINNo.: 05298431



Anup Neogi  
Director  
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