

INDEPENDENT AUDITOR'S REPORT

To
The Members
Globe International Carriers Ltd, Jaipur

Report on Standalone Financial Statements

1. We have audited the accompanying Standalone financial statements of **Globe International Carriers Ltd (Formerly known as Globe International Carriers Private Limited) ("the Company")**, which comprise the **Standalone Balance Sheet as at March 31, 2018, the Standalone Statement of Profit and Loss and Standalone Cash Flow Statement for the year ended**, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

2. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Standalone 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 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 the 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

3. Our responsibility is to express an opinion on these Standalone 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 issued by the Institute of Chartered Accountants of India and/or 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's 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 on the standalone financial statements.

UNQUALIFIED OPINION

4. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone 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 Standalone Balance Sheet, of the state of affairs of the Company as at March 31, 2018;
- (b) In the case of the Standalone Statement of Profit and Loss, of the profit of the Company for the year ended on March 31, 2018; and
- (c) In the case of the Standalone Cash Flow Statement, of the cash flows of the Company for the year ended on March 31, 2018.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

5. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), as amended, 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**, a statement on the matters specified in paragraphs 3 and 4 of the Order.

6. 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, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. in our opinion, the aforesaid standalone financial statements comply with Accounting Standards notified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. in our opinion, there are no observations or comments on the financial transactions, which may have an adverse effect on the functioning of the Company;
- f. on the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the director is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act;
- g. 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 B**"; and
- h. 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) there are number of pending litigations on the Company's financial position in its Standalone financial statements. The financial implication of such pending litigations on the Company's financial position in its standalone financial statements is `2,70,85,153/-. This financial implication of such pending litigation has been recognised as contingent liability in the financial statements of the period under consideration as the cases are not finalised yet;
 - (ii) the Company has disclosed the impact of pending litigations on its financial position in its Standalone financial statements- *Refer to Note 30 to the Standalone financial statements*;
 - (iii) the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and
 - (iv) there has not been any occasion in Company during the year under consideration to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise;

For Mansaka Ravi & Associates
Chartered Accountants
FRN 015023C

Place: Jaipur
Date: 28.05.2018

Sd/-
(CA Akshita Mansaka)
Partner
M. No. 517180

ANNEXURES REFERRED IN THE AUDITOR'S REPORT ON THE STANDALONE ACCOUNTS OF GLOBE INTERNATIONAL CARRIERS LTD FOR THE YEAR ENDING 31ST MARCH, 2018

Annexure A to the Auditor's Report

As required by the Companies (Auditor's report) Order, 2016 issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013, we report that:

(i) In respect of fixed assets:

(a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets based on available information.

(b) As explained to us, all the fixed assets have been physically verified by the management at the end of every year, which in our opinion is reasonable having regard to the size of the Company and the nature of assets. As explained, no material discrepancies were noticed on such physical verification.

(c) The Company does not hold any immovable property, thus, the paragraph 3(i) (c) is not applicable on the Company.

(ii) In respect of its inventories:

a) The Company is a service Company, primarily rendering transportation services. Accordingly, it does not hold physical inventories except few items of stores and consumables.

b) As explained to us, the inventory has been physically verified by the management at regular intervals during the year. In our opinion, the frequency of verification is reasonable. There were no material discrepancies noticed on physical verification of inventory as compared to the book records.

(iii) The Company has granted unsecured loans, to companies, firms and other parties covered in the register maintained under section 189 of Companies Act, 2013:

a) The Company has given adhoc loans to such parties and there are no terms and conditions on record for such loans. According to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the Company's interest except interest component.

b) According to the information and explanations given to us, the schedule of repayment of principal and payment of interest has not been stipulated.

c) As the schedule of repayment of principal and payment of interest has not been stipulated, there is no overdue amount. However, as per the information and explanations given to us, the Company has taken reasonable steps for recovery of principal or interest, if any from such parties.

(iv) In our opinion and according to the information and explanations given to us, in respect of loans, investments, guarantees, and security, the provisions of Section 185 and 186 of the Companies Act, 2013 have been complied with.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any relevant provisions of the Companies Act, 2013 and the rules made there under.

(vi) In our opinion and according to the information and explanations given to us the maintenance of cost records has not been prescribed by the Central Government under Section 148(1) Act, for any of the services rendered by the Company.

(vii) In respect of statutory dues:

(a) The Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Customs, duty of excise, Value Added Tax, Goods and Service Tax, Cess and other statutory dues applicable to it with the appropriate authorities except the TDS liability amounting to Rs. 18,044/- which was in arrears as at the end of the financial year or a period of more than six months from the date they became payable. However, this liability has not been acknowledged as debt by the Company upto the end of reporting period.

(b) According to the information and explanations given to us, there are no dues of Income Tax or Sales Tax or Service Tax, or duty of customs or duty of excise or Value Added Tax, Goods and Service Tax which have not been deposited on account of any dispute.



- (viii) In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowing to a financial institutions, banks, Government or dues to debenture holders.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments. In our opinion and according to information and explanation given to us, the term loans have been applied for the purpose for which they were raised.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of audit.
- (xi) According to the information and explanations given to us, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of Act where applicable and details of such transactions have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934.

For Mansaka Ravi & Associates
Chartered Accountants
FRN: 015023C

Place: Jaipur
Date: 28.05.2018

Sd/-
(CA Akshita Mansaka)
Partner
M. No. 517180

Report on the Internal Financial Controls under Clause (I) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of Globe International Carriers Limited ('the Company') as of 31 March, 2018 in conjunction with our audit of the standalone 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 ('ICAI'). 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.

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 issued by the ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 Company's 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 the 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, to the best of our information and according to the explanations given to us, 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, 2018, 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.

For Mansaka Ravi & Associates
Chartered Accountants
FRN: 015023C

Place: Jaipur
Date: 28.05.2018

Sd/-
(CA Akshita Mansaka)
Partner
M. No. 517180