



**Independent Auditor's Report
To the Members of Joybuddy Fun Products Private Limited**

Report on the Interim Financial Statements

We have audited the accompanying interim financial statements of Joybuddy Fun Products Private Limited ("the Company"), which comprise the interim Balance Sheet as at 30 November 2016, the interim Statement of Profit and Loss and interim Cash Flow Statement for the period then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Interim Financial Statements

The Company's Board of Directors is responsible for the preparation and presentation of these interim 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 requirements of Accounting Standard (AS) 25 'Interim Financial Reporting' applicable as per 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 interim 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 interim financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the interim financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the interim 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 and fair presentation of the interim 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 financial control system. An audit also includes evaluating the appropriateness of 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 interim 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 interim financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the accompanying interim financial statements give a true and fair view in accordance with Accounting Standard (AS) 25 'Interim Financial Reporting' as per Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Account) Rules, 2014.



- a) in the case of the interim Balance Sheet, of the state of affairs of the Company as at November 30, 2016;
- b) in the case of the interim Statement of Profit and Loss, of the profit for the period ended on that date; and
- c) in the case of the interim Cash Flow Statement, of the cash flows for the period ended on that date.

Other Matters – restriction of use

The accompanying interim financial statements have been prepared, and this report thereon issued, solely for the purpose of Consolidated Financial Statement of Sastasundar Ventures Limited (formerly Microsec Financial Services Limited) and its subsidiaries ('the group') due to disposal of shares held by the group as indicated in Note 16 of the interim financial statements. Accordingly, this report should not be used, referred to or distributed for any other purpose without our prior written consent.

for P N R & Associates

Chartered Accountants

Firm Registration Number: 329373E

Rasik Singhania

Rasik Singhania

Partner

Membership Number: 064390



Kolkata

22 May 2017

JOYBUDDY FUN PRODUCTS PRIVATE LIMITED
CORPORATE IDENTITY NO. (CIN) - U52100WB2014PTC200741
25D, HARISH MUKHERJEE ROAD, FLAT NO. 1E,
FIRST FLOOR, KOLKATA - 700 025

BALANCE SHEET AS AT NOVEMBER 30, 2016

	Notes	As at 30.11.2016 ₹	As at 31.03.2016 ₹
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share Capital	2	1,00,000	1,00,000
(b) Reserves and Surplus	3	(30,52,354)	(30,30,990)
Non Current Liabilities			
Long Term Borrowings	4	35,00,000	35,00,000
Current Liabilities			
Trade Payables	5		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		10,750	44,964
		5,58,397	6,13,974
II. ASSETS			
Current Assets			
(a) Trade Receivables	6	-	1,033
(b) Cash and Bank Balances	7	72,195	1,26,740
(c) Short Term Loans and Advances	8	4,86,202	4,86,202
		5,58,397	6,13,974
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For P N R & Associates
Firm Registration No: 329373E
Chartered Accountants

Rasik Singhania

Rasik Singhania
Partner
Membership No.: 064390



Place : Kolkata
Date : 22nd May, 2017

For and on behalf of the Board of Directors

Mahesh Kumar Singhi
Mahesh Kumar Singhi
Director
DIN : 06402741

Ramesh Kumar Sharma
Ramesh Kumar Sharma
Director
DIN : 05338207

JOYBUDDY FUN PRODUCTS PRIVATE LIMITED
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STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED NOVEMBER 30, 2016

	Notes	For The Period Ended November 30, 2016 ₹
Income		
I. Total Revenue		-
II. EXPENSES:		
Other Expenses	9	21,364
		21,364
III. PROFIT / (LOSS) BEFORE TAX		(21,364)
IV. Tax Expenses:		
(a) Current Tax		-
(b) Deferred Tax		-
		-
V. Profit / (Loss) for the period		(21,364)
VI. Earnings Per Equity Share:		
Basic & Diluted (Nominal Value per Share ₹ 10/-)	10	(2.14)
Summary of significant accounting policies	1	

The accompanying notes are an integral part of the financial statements

As per our report of even date

For P N R & Associates
Firm Registration No: 329373E
Chartered Accountants

For and on behalf of the Board of Directors

Rasik Singhania

Rasik Singhania
Partner
Membership No. 064390



Mahesh Kumar Singhi

Mahesh Kumar Singhi
Director
DIN : 06402741

Ramesh Kumar Sharma

Ramesh Kumar Sharma
Director
DIN : 05338207

Place : Kolkata
 Date : 22nd May, 2017



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Cash Flow Statement for the Period Ended November 30, 2016

	Particulars	For The Period Ended November 30, 2016
A.	Cash Flow from Operating Activities	
	Net Profit/(Loss) before tax	(21,364)
	Adjustments for :-	
	Sundry Balances Written off	1,033
	Operating cash flow before working capital changes	(20,331)
	Increase / (Decrease) in Trade Payables	(34,214)
	Net cash (used in)/generated from operating activities	(54,545)
B.	Net cash (used in)/generated from investing activities	-
C.	Net cash generated from/(used in) financing activities	-
D.	Net change in cash and cash equivalents (A+B+C)	(54,545)
E.	Cash and Cash equivalents - Opening Balance	1,26,740
F.	Cash and Cash equivalents - Closing Balance*	72,195

Note :

The Cash flow statement has been prepared under the "Indirect Method" set out in Accounting Standard 3' Cash Flow Statement'

* Components of Cash and Cash Equivalents as indicated in Note 7 comprises of:

Cash on Hand	1,326
Balance with Scheduled Bank	70,869
Total	72,195

As per our attached report of even date

For P N R & Associates
 Firm Registration No: 329373E
 Chartered Accountants

Rasik Singhania

Rasik Singhania
 Partner
 Membership No. : 064390

Place : Kolkata
 Date : 22nd May, 2017



For and on behalf of the Board of Directors

Mahesh Kumar Singhi

Mahesh Kumar Singhi
 Director
 DIN : 06402741

Ramesh Kumar Sharma

Ramesh Kumar Sharma
 Director
 DIN : 05338207



JOYBUDDY FUN PRODUCTS PRIVATE LIMITED

Notes to the financial statements for the period ended November 30, 2016

1. Summary of Significant Accounting Policies

i. **Basis of preparation of Financial Statements**

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material aspects with the accounting standards notified under Section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies applied by the Company, are consistent with those used in the previous year.

ii. **Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the date of financial statements and the results of operations during the reporting year end. Although these estimates are based upon the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amount of assets and liabilities in future periods.

iii. **Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

iv. **Property, Plant and Equipment**

Property, Plant and Equipment are stated at cost less accumulated depreciation/amortization and impairment, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

v. **Depreciation**

- a) Depreciation on Property, Plant and Equipment is calculated on a WDV basis using the rates arrived at based on the useful lives estimated by the management which is as per the rates specified in Schedule II to the Companies Act, 2013.
- b) Depreciation on Property, Plant and Equipment added/disposed off during the year is provided on prorata basis with reference to the date of addition/disposal.



vi. **Investments**

Investments that are readily realisable and intended to be held for not more than one year from the date on which such investment is made are classified as Current Investments. All other Investments are classified as Long term Investments. Current Investments are stated at lower of cost and market rate on an individual investment basis. Long term investments are considered "at cost" on individual investment basis, unless there is a decline other than temporary in the value, in which case adequate provision is made against such diminution in the value of investments.

vii. **Taxes on Income**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred Income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

The deferred tax for timing differences between the book and tax profit for the year is accounted for using the tax rates and laws that have been substantively enacted as of the Balance Sheet date. Deferred tax asset is recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised. If the Company has carry forward unabsorbed depreciation and tax losses, deferred tax asset is recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient taxable income will be available in future against which such deferred tax asset can be realised.

The carrying amount of deferred tax asset is reviewed at each Balance Sheet date. The company writes down the carrying amount of a Deferred Tax Asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

At each Balance Sheet date, the Company recognizes the unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax asset can be realized.

viii. **Cash & Cash Equivalents**

Cash and cash equivalents in the cash flow statement comprise of cash at bank and Cash/Cheque on hand and short-term investments with an original maturity of three months or less.



JOYBUDDY FUN PRODUCTS PRIVATE LIMITED

Notes to the financial statements for the period ended November 30, 2016

ix. **Earnings Per Share**

Basic Earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

x. **Provisions**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation, at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

xi. **Contingent Liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.



JOYBUDDY FUN PRODUCTS PRIVATE LIMITED
25D, HARISH MUKHERJEE ROAD, FLAT NO. 1E,
FIRST FLOOR, KOLKATA - 700 025

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED NOVEMBER 30, 2016

	As at 30.11.2016 ₹	As at 31.03.2016 ₹
2. SHARE CAPITAL		
Authorised		
10,000 Equity Shares of ₹ 10/- each	1,00,000	1,00,000
	1,00,000	1,00,000
Issued, Subscribed and Paid-up		
10,000 Equity Shares of ₹ 10/- each fully paid up	1,00,000	1,00,000
	1,00,000	1,00,000

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	As at 30.11.2016		As at 31.03.2016	
	Nos.	₹	Nos.	₹
At the beginning of the year	10,000	1,00,000	10,000	1,00,000
Issued during the period				
Outstanding at the end of the period	10,000	1,00,000	10,000	1,00,000

(b) Terms / Rights attached to the 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.

(c) The company does not have any holding company

(d) Details of shareholders holding more than 5% shares in the Company

	As at 30.11.2016		As at 31.03.2016	
	No. of shares	% of holding	No. of shares	% of holding
(Equity shares of ₹ 10 each full paid up)				
PRP Technologies Limited	5,000	50	5,000	50
Microsec Invictus Advisors LLP	5,000	50	5,000	50



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NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED NOVEMBER 30, 2016

	As at 30.11.2016 ₹	As at 31.03.2016 ₹
3. RESERVES AND SURPLUS		
Surplus / (Deficit) in the Statement of Profit and Loss		
As per last account	(30,30,990)	(18,96,366)
Profit/(Loss) for the period / period transferred from the Statement of Profit and Loss	(21,364)	(11,34,624)
	(30,52,354)	(30,30,990)
4. LONG TERM BORROWINGS		
(Unsecured)		
₹ 3,50,000 Zero Coupon Compulsorily Convertible Debentures Of ₹ 10 each	35,00,000	35,00,000
	35,00,000	35,00,000
₹ 3,50,000 Zero coupon Debentures are convertible within a maximum period of 5 years from the date of allotment i.e. 29th March, 2016. However, the same may be converted fully or in such tranches at the option of the subscriber. The debenture holder is entitled to receive 1 equity share against 1 debenture each on conversion.		
5. TRADE PAYABLES		
Total outstanding dues of micro and small enterprises	-	-
Total outstanding dues of creditors other than micro and small enterprises	10,750	44,964
	10,750	44,964



JOYBUDDY FUN PRODUCTS PRIVATE LIMITED
25D, HARISH MUKHERJEE ROAD, FLAT NO. 1E,
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	As at 30.11.2016 ₹	As at 31.03.2016 ₹
5. Trade Receivables		
[Unsecured, considered good]		
Outstanding for a period exceeding six months from the date they are due for payment	-	-
Other Receivables	-	1,033
	<u>-</u>	<u>1,033</u>
7. CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Cash on Hand	1,326	782
Balances with Scheduled Banks on Current Accounts	70,869	1,25,958
	<u>72,195</u>	<u>1,26,740</u>
8. SHORT TERM LOANS AND ADVANCES		
[Unsecured considered good, unless otherwise stated]		
Balance with Government Authorities	30,609	30,609
VAT Refundable (Refer Note 14)	4,55,593	4,55,593
	<u>4,86,202</u>	<u>4,86,202</u>



JOYBUDDY FUN PRODUCTS PRIVATE LIMITED
25D, HARISH MUKHERJEE ROAD, FLAT NO. 1E,
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NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED NOVEMBER 30, 2016

	For The Period Ended November 30, 2016
	₹
9. OTHER EXPENSES	
Filing Fees	1,406
Rates and Taxes	6,250
Sundry Balances Written off	1,033
Legal and Professional Fees	6,075
Auditor's Remuneration For Other Services	5,750
Miscellaneous Expenses	850
	<u>21,364</u>

10. EARNINGS PER SHARE

Basis for calculation of Basic and Diluted Earnings Per Share is as under:

Profit / (Loss) after tax (₹)	(21,364)
Weighted Average Number of Equity Shares (Nos)	10,000
Nominal Value of each Equity Share (₹)	10
Basic and Diluted Earnings Per Share (₹)	(2.14)



JOYBUDDY FUN PRODUCTS PRIVATE LIMITED

Notes to the financial statements for the period ended November 30, 2016

11. The Company has only one business segment and its operations are also confined to one geographical segment i.e. India. As such, no further disclosure under Accounting Standard 17 "Segment Reporting" is required.
12. In terms of Accounting Standard 18 - the related party disclosure is given below:-

(a) Name of the Related Parties

Enterprise in which significant influence is exercised

Sastasundar Healthbuddy Limited (formerly Microsec Health Buddy Limited)

PRP Technologies Limited

(b) Details of Related Party Transaction

(Amount in ₹)

Particulars	Enterprise in which significant influence is exercised
Advances Received	
Sastasundar Healthbuddy Limited (formerly Microsec Health Buddy Limited)	(-)
	(15,00,000)
Refund of Advances Received	
Sastasundar Healthbuddy Limited (formerly Microsec Health Buddy Limited)	(-)
	(40,00,000)
Compulsorily Convertible Debentures Issued	
PRP Technologies Limited	(-)
	35,00,000

13. **Deferred Tax Asset**

Deferred Tax Asset has not been recognized in these accounts in view of the Accounting Policy specified in significant policies in Note 1(vii) above.

14. In the previous year the Company has paid Rs. 4,77,387 towards advance VAT against sale of E-cigarettes and has sold E-cigarettes worth Rs. 1,50,305 excluding VAT of Rs. 21,794 and the balance VAT as at 31st March, 2016 amounts to Rs. 4,55,593. As the balances of E-cigarettes have become unfit for use, the same has been disposed off. However, the Company is yet to file the application for refund of VAT.



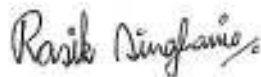
JOYBUDDY FUN PRODUCTS PRIVATE LIMITED

Notes to the financial statements for the period ended November 30, 2016

15. In terms of Accounting Standards 25, Interim Financial Reporting, issued by the Institute of Chartered Accountants of India, the comparative figures in the Statement of Assets and Liabilities are given for the latest audited financial statements as at March 31, 2016. However comparative figures of Statement of Profit and Loss and Cash Flow Statement need not required to be presented as per the transitional provision of AS-25 as this being the first interim financial statement for the company.
16. These financial statements are prepared solely for the purpose of Consolidated Financial Statement of Sastasundar Ventures Limited (formerly Microsec Financial Services Limited) and its Subsidiaries ('the Group') upto November 30, 2016 due to disposal of shares held by the Group on December 01, 2016.
17. Previous Year figures have been re-grouped and rearranged wherever necessary.

As per our report of even date

For P N R & Associates
Firm Registration No.: 329373E
Chartered Accountants



Rasik Singhania
Partner
Membership No.: 064390



For and on behalf of the Board of Directors



Mahesh Kumar Singhi
Director
DIN: 06402741



Ramesh Kumar Sharma
Director
DIN: 05338207

Place: Kolkata

Date: 22nd May, 2017

