

## INDEPENDENT AUDITOR'S REPORT

To the Members of Faststone Mercantile Company Private Limited

Report on the Audit of the accompanying Ind AS Financial Statements

### Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the accompanying Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the accompanying Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the accompanying Ind AS financial statements.

### Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report but does not include the accompanying Ind AS financial statements and our auditor's report thereon.

Our opinion on the accompanying Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the accompanying Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibility of Management for the accompanying Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, 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) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 judgments and estimates that are reasonable and prudent; and the 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 accompanying Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the accompanying Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### Auditor's Responsibilities for the Audit of the accompanying Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the accompanying Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the accompanying Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the accompanying Ind AS financial statements, including the disclosures and whether the accompanying Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### Other Matter

The Ind AS financial statements of the Company for the year ended March 31, 2018, included in these Ind AS financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on April 13, 2018.

#### 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 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 including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors as on March 31, 2019 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 with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) The provisions of section 197 read with Schedule V to the Act are not applicable to the Company for the year ended March 31, 2019;
- (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, as amended 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 B C & CO LLP  
Chartered Accountants  
ICAI Firm Registration Number: 324982E/E300003

per Paul Alvares  
Partner  
Membership Number: 105754  
Place of Signature: Mumbai  
Date: May 27, 2019

Annexure 1 referred to in paragraph 1 under the heading "Report on other Legal and regulatory requirements" of our report of even date on the financial statements of Faststone Mercantile Company Private Limited

- i. The Company does not have any fixed assets. Accordingly, the provisions of clause 3(i) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- ii. The Company does not have any inventories during the year. Accordingly, the provisions of clause 3(ii) of the Order are not applicable to the Company and hence not commented upon.
- 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 Companies Act, 2013. 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 Companies Act 2013 are applicable. Accordingly, the provisions of clause 3(iv) of the Order are not applicable to the Company and hence not commented upon.
- v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company and hence not commented upon.
- 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 Companies Act, 2013, for the products/services of the Company. Accordingly, the provisions of clause 3(vi) of the Order are not applicable to the Company and hence not commented upon.
- vii. (a) Undisputed Statutory dues including income tax and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

According to information and explanations given to us, no undisputed amounts payable in respect of income- tax and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to provident fund, employees' state insurance, duty of custom and goods and service tax are not applicable to the Company.

(b) According to the information and explanations given to us, there are no dues of income tax, duty of customs and goods and service tax which have not been deposited on account of any dispute.

- viii. According to the information and explanations given to us, the Company has not taken any loan or borrowings from a financial institution or bank or government or debenture holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable to the Company and hence not commented upon.
- ix. According to the information and explanations given by management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans. Accordingly, the provisions of clause (ix) of the Order are not applicable to the Company and hence not commented upon.
- x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- xi. According to the information and explanations given by management, the provisions of section 197 read with Schedule V of the Act are not applicable to the Company. Accordingly, the provisions of clause (xi) of the Order are not applicable to the Company and hence not commented upon.
- xii. In our opinion, the Company is not a nidhi company. Accordingly, 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 management, transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.
- 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 audit. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company and hence not commented upon.
- xv. According to the information and explanations given by 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 Companies Act, 2013.

Faststone Mercantile Company Private Limited  
Audit for the year ended March 31, 2019  
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- 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 S R B C & CO LLP  
Chartered Accountants  
ICAI Firm Registration Number: 324982E/E300003

per Paul Alvares  
Partner  
Membership Number: 105754  
Place of Signature: Mumbai  
Date: May 27, 2019

Annexure 2 to the Independent Auditor's Report of even date on the financial statements of Faststone Mercantile Company Private Limited

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 Faststone Mercantile Company Private Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the 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.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements 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 Companies Act, 2013, to the extent 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 with reference to these financial statements 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 over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, 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 judgement, 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 over financial reporting with reference to these financial statements.



#### Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these financial statements 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 with reference to these financial statements 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 With Reference to these Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements, 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 with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements 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, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S R B C & CO LLP  
Chartered Accountants  
ICAI Firm Registration Number: 324982E/E300003

per Paul Alvares  
Partner  
Membership Number: 105754  
Place of Signature: Mumbai  
Date: May 27, 2019

**FASTSTONE MERCANTILE COMPANY PRIVATE LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2019**

Amount ₹

	Notes	As at March 31, 2019	As at March 31, 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Financial assets - Investments	3	-	-
(b) Income Tax Assets (Net)	4	1,82,830	2,325
<b>Total non-current assets</b>		<b>1,82,830</b>	<b>2,325</b>
<b>Current assets</b>			
(a) Financial assets			
(i) Cash and cash equivalents	5	1,29,09,651	1,14,23,129
(ii) Other financial assets	6	1,18,565	88,150
<b>Total current assets</b>		<b>1,30,28,216</b>	<b>1,15,11,279</b>
<b>TOTAL ASSETS</b>		<b>1,32,11,046</b>	<b>1,15,13,604</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	7	1,00,000	1,00,000
(b) Other equity		1,26,01,863	1,13,80,824
<b>Total equity</b>		<b>1,27,01,863</b>	<b>1,14,80,824</b>
<b>Current liabilities</b>			
Other current liabilities	8	5,09,183	32,780
<b>Total current liabilities</b>		<b>5,09,183</b>	<b>32,780</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,32,11,046</b>	<b>1,15,13,604</b>

See accompanying notes to the financial statements

AS PER OUR REPORT OF EVEN DATE ATTACHED  
For S R B C & CO LLP  
Chartered Accountants  
ICAI Firm Registration No.324982E/E300003

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF  
FASTSTONE MERCANTILE COMPANY PRIVATE LIMITED

per Paul Alvares  
Partner  
Membership No.105754

Chandrakant K. Agrawal  
Director  
DIN: 02525499

Rakeshchandra J. Sinha  
Director  
DIN: 07340998

PLACE : MUMBAI  
DATE : May 27, 2019

**FASTSTONE MERCANTILE COMPANY PRIVATE LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019**

Amount ₹

	Notes	Year ended March 31, 2019	Year ended March 31, 2018
<b>(I) Other income</b>	9	55,95,200	5,57,577
<b>Total income (I)</b>		<b>55,95,200</b>	<b>5,57,577</b>
<b>(II) Expenses</b>			
Finance Cost	10	38,21,918	-
Other expenses	11	1,23,228	30,995
<b>Total expenses (II)</b>		<b>39,45,146</b>	<b>30,995</b>
<b>(III) Profit before tax (I - II)</b>		<b>16,50,054</b>	<b>5,26,582</b>
<b>(IV) Tax expenses</b>			
Current tax	12	4,29,015	1,45,932
<b>(V) Profit for the year (III - IV)</b>		<b>12,21,039</b>	<b>3,80,650</b>
<b>Total comprehensive Profit for the year</b>		<b>12,21,039</b>	<b>3,80,650</b>
<b>Earnings per equity share (face value per equity shares - Rs. 10)</b>			
Basic (in Rs.)		122.10	38.07
Diluted (in Rs.)		122.10	38.07

See accompanying notes to the financial statements

AS PER OUR REPORT OF EVEN DATE ATTACHED  
**For S R B C & CO LLP**  
Chartered Accountants  
ICAI Firm Registration No.324982E/E300003

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF  
**FASTSTONE MERCANTILE COMPANY PRIVATE LIMITED**

**per Paul Alvares**  
Partner  
Membership No.105754

**Chandrakant K. Agrawal**  
Director  
DIN: 02525499

**Rakeshchandra J. Sinha**  
Director  
DIN: 07340998

PLACE : MUMBAI  
DATE : May 27, 2019

**FASTSTONE MERCANTILE COMPANY PRIVATE LIMITED**  
**STATEMENT OF CHANGES OF EQUITY FOR THE YEAR ENDED MARCH 31, 2019**

Amount ₹

Particular	Equity share capital	Reserve and surplus	Total
		Retained earnings (Surplus in profit and loss)	
Balance as at April 1, 2017	1,00,000	1,10,00,174	1,10,00,174
Profit for the year		3,80,650	3,80,650
Total comprehensive income for the year		3,80,650	3,80,650
Balance as at March 31, 2018	1,00,000	1,13,80,824	1,13,80,824
Profit for the year		12,21,039	12,21,039
Total comprehensive income for the year		12,21,039	12,21,039
Balance as at March 31, 2019	1,00,000	1,26,01,863	1,26,01,863

AS PER OUR REPORT OF EVEN DATE ATTACHED  
For S R B C & CO LLP  
Chartered Accountants  
ICAI Firm Registration No.324982E/E300003

FOR AND ON BEHALF OF THE BOARD  
FASTSTONE MERCANTILE COMPANY PRIVATE LIMITED

per Paul Alvares  
Partner  
Membership No.105754

Chandrakant K. Agrawal  
Director  
DIN: 02525499

Rakeshchandra J. Sinha  
Director  
DIN: 07340998

PLACE : MUMBAI  
DATE : May 27, 2019

**FASTSTONE MERCANTILE COMPANY PRIVATE LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019**

Amount ₹

PARTICULARS	Year Ended March 31, 2019		Year Ended March 31, 2018	
<b>A) Cash flow From Operating Activities</b>				
Net Profit Before Tax	16,50,054		5,26,582	
<u>Adjustments for</u>				
Other Income (Interest income)	(55,95,200)		(5,57,577)	
<b>Operating (Loss) / Profit before Working Capital change</b>	<b>(39,45,146)</b>		<b>(30,995)</b>	
<b>Changes in working capital</b>				
<i>Adjustments for (increase) / decrease in operating liabilities:</i> (Decrease) / Increase - Trade & Other payables	4,76,403		11,160	
<b>Cash generated from operations</b>	<b>(34,68,743)</b>		<b>(19,835)</b>	
Income Tax paid	(6,09,520)		(1,52,432)	
<b>Net Cash Flows from Operating Activities</b>		<b>(40,78,263)</b>		<b>(1,72,267)</b>
<b>B) Cash Flow from Investing Activities</b>				
Decrease / (Increase) in Non-Current Investments	-		5,000	
Interest income	55,95,200		5,57,577	
Decrease / (Increase) in Accrued interest	(30,415)		(9,030)	
<b>Net Cash Flows from Investing Activities</b>		<b>55,64,785</b>		<b>5,53,547</b>
<b>C) Cash Flow from Financing Activities</b>				
		-		-
<b>Net Increase / (Decrease) in Cash &amp; Cash equivalents</b>		<b>14,86,522</b>		<b>3,81,280</b>
Cash & Cash Equivalents at Beginning of the year		<b>1,14,23,129</b>		<b>1,10,41,849</b>
Cash & Cash Equivalents at the End of the Year (Refer Note -5)		<b>1,29,09,651</b>		<b>1,14,23,129</b>

AS PER OUR REPORT OF EVEN DATE ATTACHED  
**For S R B C & CO LLP**  
Chartered Accountants  
ICAI Firm Registration No.324982E/E300003

FOR AND ON BEHALF OF THE BOARD  
**FASTSTONE MERCANTILE COMPANY PRIVATE LIMITED**

per Paul Alvares  
Partner  
Membership No.105754

Chandrakant K. Agrawal  
Director  
DIN: 02525499

Rakeshchandra J. Sinha  
Director  
DIN: 07340998

PLACE : MUMBAI  
DATE : May 27, 2019

**FASTSTONE MERCANTILE COMPANY PRIVATE LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

**1. General Information**

Faststone Mercantile Company Private Limited ("the Company") is a private limited company incorporated and domiciled in India, having its registered office at Acme Plaza, Andheri-Kurla Road, Andheri (East), Mumbai - 400 059. The Company is a 100% subsidiary of Sun Pharmaceutical Industries Ltd.

The Financial statements were authorised for issue in accordance with a resolution of the directors on May 27, 2019

**2. ACCOUNTING POLICIES :**

**2.1 Basis of Accounting**

The Company has prepared financial statements for the year ended March 31, 2019 in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 together with the comparative period data as at and for the year ended March 31, 2018.

The financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods, services, etc. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique

**2.2 Financial Assets**

**i. Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date.

**ii. Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

**iii. Debt instruments at amortised cost**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in Other Income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

**iv. Debt instrument at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The group has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit or loss

## **FASTSTONE MERCANTILE COMPANY PRIVATE LIMITED**

### **NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

#### **v. Equity instruments**

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit or loss

#### **2.3 Financial liabilities and equity instruments**

##### **Classification as debt or equity**

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument

##### **a. Equity Instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

##### **b. Compound financial instruments**

The component parts of compound financial instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument

##### **i. Initial recognition and measurement**

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

##### **ii. Subsequent measurement**

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

##### **Financial liabilities at fair value through profit or loss**

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or is designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred principally for the purpose of repurchasing in the near term or on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking. This category also includes derivative entered into by the group that are not designated and effective as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For non-held-for-trading financial liabilities designated as at FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. These gains/ loss are not subsequently transferred to profit or loss. All other changes in fair value of such liability are recognised in the statement of profit or loss. The group has not designated any financial liability as at fair value through profit and loss.

##### **Financial liabilities subsequently measured at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item

#### **2.4 Recognition of Revenue**

Revenue is measured at the fair value of the consideration received or receivable.

##### **a. Interest Income**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

## **FASTSTONE MERCANTILE COMPANY PRIVATE LIMITED**

### **NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

#### **b. Profit from Investments**

Profit from Non Current Investments are calculated on the basis of FIFO method.

Profit from Current Investments are calculated on the basis of NAV.

#### **2.5 Risk Management**

The Company's activities are not exposed to any material financial risks including market risk, credit risk and liquidity risk.

#### **2.6 Taxes on Income**

Income tax expense consists of current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized in other comprehensive income or directly in equity, in which case it is recognized in other comprehensive income or directly in equity respectively. Current tax is the expected tax payable on the taxable profit for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Minimum Alternate Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Income-tax Act, 1961 in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each Balance Sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

#### **2.7 Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised only when there is a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate of the amount of the obligation can be made. Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent Assets are not recognised in the financial statements.

#### **2.8 Accounting policies not specifically mentioned above will be as per generally accepted accounting principles in India.**



**FASTSTONE MERCANTILE COMPANY PRIVATE LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

**NOTE : 3**

**INVESTMENTS**

Amount ₹

Particulars	As at March 31, 2019		As at March 31, 2018	
	Qty.	(Rs.)	Qty.	(Rs.)
<b>NON CURRENT</b>				
Unquoted - (At cost)				
Caraco Pharmaceuticals Private Limited (*)	10,000	-	-	-
<b>Total other investments - Non current</b>	10,000	-	-	-

\* Company has received the shares from Sun Pharma Industries Inc. during the year. As company's net worth has eroded completely, the parties has agreed not to exchange any monetary consideration owing to such negative Net worth & hence the investment value is NIL.

**NOTE : 4**

**INCOME TAX ASSETS (NET)**

Particulars	As at March 31, 2019	As at March 31, 2018
Advance Income Tax [Net of Provision Rs. 4,29,015 ( March 31,2018 1,45,932)]	1,82,830	2,325
	1,82,830	2,325

**NOTE : 5**

**CASH AND CASH EQUIVALENTS**

Particulars	As at March 31, 2019	As at March 31, 2018
Cash on hand	3,533	3,133
Balances with banks		
In current accounts	4,06,118	4,19,996
In deposit accounts with original maturity less than 3 months	1,25,00,000	1,10,00,000
	1,29,09,651	1,14,23,129

**NOTE : 6**

**OTHER CURRENT FINANCIAL ASSETS**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Unsecured considered good unless stated otherwise</b>		
Interest accrued on deposits with banks	90,540	88,150
Receivable from subsidiary	28,025	-
	1,18,565	88,150

**NOTE : 7**

**EQUITY SHARE CAPITAL**

Particulars	As at March 31, 2019		As at March 31, 2018	
	No.	Rs.	No.	Rs.
<b>Authorised</b>				
Equity shares of Rs. 10 each	10,000	1,00,000	10,000	1,00,000
	10,000	1,00,000	10,000	1,00,000
<b>Issued, subscribed and fully paid up</b>				
Equity shares of Rs. 10 each	10,000	1,00,000	10,000	1,00,000
	10,000	1,00,000	10,000	1,00,000
<b>Reconciliation of fully paid equity shares</b>				
Opening balance	10,000	1,00,000	10,000	1,00,000
Closing balance	10,000	1,00,000.00	10,000.00	1,00,000
<b>Details of shareholders holding more than 5% in the Company</b>				
<b>Equity shares</b>				
Sun Pharmaceutical Industries Ltd	10,000	100%	10,000	100%

**FASTSTONE MERCANTILE COMPANY PRIVATE LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

**NOTE : 8**

**OTHER CURRENT LIABILITIES**

Particulars	As at March 31, 2019	As at March 31, 2018
Others (Expenses Payable)	5,09,183	32,780
	<b>5,09,183</b>	<b>32,780</b>

**NOTE : 9**

**OTHER INCOME**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest income on :		
Bank deposits (at amortised cost)	4,99,310	5,62,577
Loan	50,95,890	-
Loss on cancellation of share investment	-	(5,000)
	<b>55,95,200</b>	<b>5,57,577</b>

**NOTE : 10**

**FINANCE COST**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest expense	38,21,918	-
	<b>38,21,918</b>	<b>-</b>

**NOTE : 11**

**OTHER EXPENSES**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Rates and taxes	2,500	2,500
Professional, legal and consultancy	13,827	12,855
Payments to auditors (net of input credit, where applicable)		
As auditors	1,06,601	15,340
Miscellaneous expenses	300	300
	<b>1,23,228</b>	<b>30,995</b>

**NOTE : 12**

**TAX RECONCILIATION**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Reconciliation of current tax expense</b>		
Profit before tax	16,50,054	5,26,582
Enacted income tax rate (%)	26.00%	25.75%
Tax expense	4,29,015	1,35,595
Effect of expenses that is are not deductible in determining taxable profit	-	9,269
Others	-	1,069
	<b>4,29,015</b>	<b>1,45,932</b>
Income tax expense recognised in profit and loss	<b>4,29,015</b>	<b>1,45,932</b>

**FASTSTONE MERCANTILE COMPANY PRIVATE LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

**NOTE : 13**

**EARNINGS PER SHARE**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit attributed to Equity Share holders Rs.	12,21,039	3,80,650
No. of Equity Shares (of Rs.10/- each)	10,000	10,000
Earnings Per Share – Basic & Diluted Rs.	122.10	38.07

**NOTE : 14**

**A. List of Related Parties as per Ind AS-24**

**(i) HOLDING COMPANY**

No.	Company Name
1	Sun Pharmaceutical Industries Limited

**(ii) SUBSIDIARIES**

No.	Company Name
1	Caraco Pharmaceuticals Pvt. Ltd

**(iii) FELLOW SUBSIDIARIES / ASSOCIATES**

(With whom the Company has transactions during the year or previous year) - NIL

**(iv) KEY MANAGEMENT PERSONNEL**

No.	Name	Designation
1	Mr.Chandrakant K. Agrawal	Director
2	Mr.Suresh Kumar R. Ajmera	Director
3	Mr.Jagdish T. Sanghavi	Director

B. Details of Related Parties Transaction as per Ind AS-24	Year ended March 31, 2019	Year ended March 31, 2018
Receivable from Subsidiary - Caraco Pharmaceuticals Pvt. Ltd.	28,025	-
Loan from Holding Company - Sun Pharmaceutical Industries Ltd.	25,00,00,000	-
Loan repaid to Holding Company - Sun Pharmaceutical Industries Ltd.	(25,00,00,000)	-
Interest on loan from Holding Company - Sun Pharmaceutical Industries Ltd.	38,21,918	-

C. Outstanding with related parties as per Ind AS-24	Year ended March 31, 2019	Year ended March 31, 2018
Receivable from Subsidiary - Caraco Pharmaceuticals Pvt. Ltd.	28,025	-

AS PER OUR REPORT OF EVEN DATE ATTACHED

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration No.324982E/E300003

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF

FASTSTONE MERCANTILE COMPANY PRIVATE LIMITED

per Paul Alvares

Partner

Membership No.105754

Chandrakant K. Agrawal

Director

DIN: 02525499

Rakeshchandra J. Sinha

Director

DIN: 07340998

PLACE : MUMBAI

DATE : May 27, 2019