SastaSundar.com
health & happiness




# SASTASUNDAR VENTURES LIMITED

(Formerly Microsec Financial Services Limited)

ANNUAL REPORT 2017-18




This Annual Report is available online at **www.sastasundarventures.com**

# Corporate Information

**BOARD OF DIRECTORS**

**Banwari Lal Mittal**
Chairman and Managing Director
**Ravi Kant Sharma**
Non-Executive Director
**Parimal Kumar Chattaraj**
Independent Director
**Raj Narain Bhardwaj**
Independent Director
**Deba Prasad Roy**
Independent Director
**Abha Mittal**
Non-Executive Director
**Rajeev Goenka**
Independent Director

**CHIEF FINANCIAL OFFICER**
Amrit Daga

**COMPANY SECRETARY**
Biplab Kumar Mani

**REGISTERED OFFICE**
Azimganj House, 2nd Floor
7, Abanindra Nath Thakur Sarani
(Formerly Camac Street)
Kolkata - 700 017
CIN : L65993WB1989PLC047002
Phone:+91 33 2282 9330
Fax:+91 33 2282 9335
E-mail: info@sastasundar.com
Website : www.sastasundarventures.com

**BANKERS**
HDFC Bank Limited

**AUDITORS**
Singhi & Co.
Chartered Accountants
161, Sarat Bose Road
Kolkata - 700 026

**REGISTRAR AND SHARE TRANSFER AGENT**
Link Intime India Private Limited
59C, Chowringhee Road, 3rd Floor
Kolkata - 700 020
Phone :+91 33 2289 0539/40
Fax :+91 33 2289 0539
E-mail :kolkata@linkintime.co.in
Website :www.linkintime.co.in

# Inside this Report

**Statutory Reports 3-54**

| | |
|---|---|
| Directors' Report | 3 |
| Management Discussion & Analysis Report | 26 |
| Corporate Governance Report | 34 |

**Standalone Financial Statements 55-84**

| | |
|---|---|
| Independent Auditors' Report | 56 |
| Balance Sheet | 62 |
| Statement of Profit and Loss | 63 |
| Cash Flow Statement | 64 |
| Notes to the Financial Statements | 66 |

**Consolidated Financial Statements 85-125**

| | |
|---|---|
| Independent Auditors' Report | 85 |
| Balance Sheet | 90 |
| Statement of Profit and Loss | 91 |
| Cash Flow Statement | 92 |
| Notes to the Financial Statements | 94 |

# CHAIRMAN'S MESSAGE

*Dear Shareholders,*

We all are working to solve one of the biggest problem in India which is lack of consistence access to affordable healthcare in convenient manner. We are working on an innovative model which is one of the lowest cost distribution model in the world.

SastaSundar.com is a consumer focussed Digital Healthcare Platform managing integrated supply chain of Pharma & Wellness Products and Services. The platform is supported by a network of Physical Counselling and Service Centres called "Healthbuddies".

The name "SastaSundar" is derived from a popular Indian phrase in terms of consumer experience of Savings and Quality.

The Financial Year 2017-18 has been a year of many changes both at macro level and at the level of our Company. After demonetisation, the great reform in distribution that is GST has been implemented successfully and after initial turbulences, the system is now working well. We are sure that the GST reform along with AADHAAR and digital payment will transform the distribution industry, and herewe are one of the front runners.

During the FY 2017-18, we have been able to expand our model and as a result:

a. Operation in three states, namely New Delhi, Uttar Pradesh and Haryana has been started and is getting good response.

b. Our diagnostic services at GenuPath Labs Limited has been started and I am happy to inform you that the response of the customer is exciting.

c. To leverage our supply chain, we have started B2B channel in the name ''Retailer Shakti Supply Chain'' towards Pharmacy and Grocery Retail Store based on cash and carry model.

We are strengthening our distribution of OTC category that includes products related to beauty care, wellness, personal care and household FMCG, and I believe that this is a very exciting category for our supply chain.

We have the following growth strategy for our expansion:

- To scale operation Pan India by building brand SastaSundar
- To build community of 10mn Households as loyal customers
- To build 15 Warehouses supported by 15 Hub Centres
- To build Pan India Network of 6000 Healthbuddies
- Strengthen the Technology Platform

Please write all your suggestions to me at my email id *blmittal@sastasundar.com.* Your feedback always grow us faster.

Thanking you,

**B L Mittal**

*Chairman and Managing Director*

# LETTER FROM THE CEO

*Dear Shareholders,*

It is always a great pleasure to write to you to update on performance of your Company. The Financial Year 2017-18 was an eventful year on many counts. You would be happy to note that we have crossed 5 mn orders milestone during the year, we are super excited with the pace at which we are growing and foresee that next 5 mn orders milestone will be achieved in shortest time. With Contributing GMV of ₹ 213 crs during the FY 2017-18, basket of more than 42K products to offer to customers and deeper penetration of geography with our unique healthbuddy model, we have made it possible to make available affordable health care to all sections of the society including those who were unserved or underserved till date. As the saying goes "if the mountain would not come to you, then you must go to the mountain". During the year, we have taken 1st step towards our Goal of having PAN India operations - started the operations in Delhi, Uttar Pradesh and Haryana. The learnings of setting up operations in newer territories have strengthen the capabilities of the Team which would drive scaling our operations PAN India with much ease.

As shared with you in my last year letter, we have successfully integrated health care services in SastaSundar.com platform offering facilities to customers – to book Diagnostic Services, to consult Doctor Online, to fix Doctor appointment, to book services of Nurses, Physiotherapists, Elder care (Health care at home) and also enhanced our products offering.

We are working to make available affordable health care to all sections of society in a convenient manner in a most cost efficient way. We are accomplishing this through broad sets of unique initiatives across the spectrum of health care that leverage technology. EPHR (Electronic Personal Health Records) is one such initiative taken up this year which will help all connected to health care eco system (Patients, Doctors, Pharmaceuticals Companies, Government) to meet the challenges of current fragmented health care system. With this initiative, the health care data can be travelled to all connected points – Doctors, Hospitals, Government with final remote control in the hands of the patient.

We believe that Patients Engagement is key to make better health possible for them driving radical changes in their health habits and assisting them to move towards preventive care. We are building unique set of assets to drive patient engagement and help them live healthier lives in ways that no other health care company can.

With Ayushman Bharat Yojana Scheme, the Government has made it clear that they are committed towards making health care accessible to all, this affirms our belief that we are in right sector at right time with right strategy.

I want to thank our Board of Directors, our Shareholders and our team members (GenSS) who support our vision and mission of making healthcare accessible, affordable, consistent and convenient for all.

I would like to highlight following paragraph from my 2016 Letter to you:

We learn. We innovate. We act. We transform. We get better. We continuously work on being more than what we are today. We are committed to deliver for you. Join us as we create the next wave of growth.

This is what drives each of us at SastaSundar.com every second, every minute, every day.

*Yours Sincerely,*

**Ravi Kant Sharma**

*Chief Executive Officer*

**SastaSundar.com**

# DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the Twenty-Ninth (29th) Annual Report together with Audited Annual Financial Statements (including Audited Consolidated Financial Statements) of the Company for the Financial Year ended 31st March, 2018.

## FINANCIAL HIGHLIGHTS

(₹ in Lacs)

| Particulars | Standalone | | Consolidated | |
|---|---|---|---|---|
| | FY 2017-18 | FY 2016-17 | FY 2017-18 | FY 2016-17 |
| Total Revenue | 152.28 | 97.69 | 16,196.03 | 13,702.51 |
| **Profit/(Loss) before Interest, Depreciation & Tax** | **(39.20)** | **(82.29)** | **(1,281.57)** | **(1,822.59)** |
| Less: Depreciation | 22.74 | 27.49 | 554.42 | 691.83 |
| Less: Interest | - | - | 52.13 | 280.99 |
| **Profit/(Loss) before Tax and Exceptional Item** | **(61.94)** | **(109.78)** | **(1,888.12)** | **(2,795.41)** |
| Exceptional Item | 1,390.65 | (134.00) | 651.98 | - |
| **Profit /(Loss) before Tax** | **1,328.71** | **(243.78)** | **(1,236.14)** | **(2,795.41)** |
| Less: Tax Expenses | | | | |
| - Current Tax | 196.79 | - | 197.75 | 0.43 |
| - Adjustment of tax relating to earlier periods | - | 0.04 | (0.05) | 1.66 |
| - Deferred Tax | - | - | 39.07 | 59.78 |
| **Profit/(Loss) for the year before Minority Interest** | **1,131.92** | **(243.82)** | **(1,472.91)** | **(2,857.28)** |
| Less: Minority Interest | - | - | (284.84) | 5.25 |
| **Profit/(Loss) for the year** | **1,131.92** | **(243.82)** | **(1,188.07)** | **(2,862.53)** |

## DIVIDEND

The Board of Directors do not recommend any dividend for the financial year 2017-18.

## TRANSFER TO RESERVE

Your Board of Directors has transferred an amount of ₹ 226.38 lakhs to the Statutory Reserve maintained under Section 45-IC of the Reserve Bank of India Act, 1934.

## OPERATIONAL UPDATES

Pursuant to Share Purchase Agreement (SPA) entered on 19th April, 2016 for sale of 100% shareholding in Microsec Capital Limited, wholly owned subsidiary of the Company, the entire shareholding of the Microsec Capital Limited were transferred to M/s G Raj & Co. (Consultants) Limited on 1st December, 2017 without the Trade Mark/ word Mark of MICROSEC and/ or its allied IPRs .

The Scheme of amalgamation of PRP Technologies Limited, Myjoy Tasty Food Private Limited, the wholly owned subsidiaries and Myjoy Hospitality Private Limited, the wholly owned subsidiary of Myjoy Tasty Food Private Limited with the Company under section 233 of the Companies Act, 2013 was confirmed by the Central Government through Regional Director, Eastern Region on 9th January, 2018 with the appointed date of 1st April, 2016.

## FINANCIAL PERFORMANCE

On a standalone basis, the revenue of your Company is ₹ 152.28 Lacs as against ₹ 97.69 Lacs during the previous year. EBIDTA for the current year is ₹ (39.20) Lacs as compared to EBIDTA of ₹ (82.29) Lacs during the previous financial year. The net profit for the year under review is ₹ 1,131.92 Lacs as against loss of ₹ 243.82 Lacs in the previous year.

On a consolidated basis, the revenue of your Company stood at ₹ 16,196.03 Lacs as against ₹ 13,702.51 Lacs during the previous year. The EBIDTA for the current year is ₹ (1,281.57) Lacs as compared to EBIDTA of ₹ (1,822.59) Lacs during the previous financial year. The net loss for the year under review is ₹ 1,188.07 Lacs as against loss of ₹ 2,862.53 Lacs in the previous year.

## DEPOSITS

Your Company has neither accepted nor renewed any deposits from public within the meaning of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 during the year.

# DIRECTORS' REPORT

### SHARE CAPITAL

The authorised share capital of the Company was increased from ₹ 35.00 crores to ₹ 35.53 crores during the FY 2017-18 as per the order dated 9th January, 2018 of the Regional Director, Eastern Region under section 233 of Companies Act, 2013. The paid up Equity share capital of the Company as at 31st March, 2018 stood at ₹ 31.81 crores. During the year under review, the Company had not issued shares with differential voting rights nor has granted any stock option or sweat equity shares and hence, the disclosure requirements under Section 43 and Rule 4(4) of the Companies (Share Capital and Debentures) Rules, 2014 is not applicable. As on 31st March, 2018, none of the Directors of the Company holds instrument convertible into equity shares of the Company. Your Company had not made any provision of money for purchase of its own Shares by employees or by trustees for the benefit of employees during the year under review.

### CHANGE IN NATURE OF BUSINESS, IF ANY

There has been no change in the nature of business of the Company during the financial year ended 31st March, 2018.

### LOANS, GUARANTEES AND INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

### MATERIAL CHANGES AND COMMITMENTS

No material changes and commitments affecting the financial position of your Company have occurred between the end of the financial year of the Company to which financial statements relates and the date of this report.

### SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATOR/COURTS/TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

There were no significant and material orders passed by the Regulators or Courts or Tribunals during the year impacting the going concern status and the operations of the Company in future.

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company's Internal Control Systems are commensurate with the nature, size and complexity of its business and ensure proper safeguarding of assets, maintaining proper accounting records and providing reliable financial information.

The Audit Committee have laid down internal financial controls to be followed by the Company and such policies and procedures have been adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to 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.

An external independent firm carries out the internal audit of the Company operations and reports to the Audit Committee on a regular basis. Internal Audit provides assurance on functioning and quality of internal controls along with adequacy and effectiveness through periodic reporting.

### SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

As on March 31, 2018 the Company has nine subsidiaries (both direct and step down). During the year under review a wholly owned subsidiary was incorporated in the name and style "Genu Path Labs Limited" to venture into Diagnostic Services as a natural extension in Healthcare. A step down wholly owned subsidiary was formed in the name and style "Microsec Wealth Management Limited" to venture into Portfolio Management Services. During the year under review 3 (three) subsidiaries viz., PRP Technologies Limited, Myjoy Tasty Food Private Limited and Myjoy Hospitality Private Limited merged with the Company and another 3 (three) subsidiaries viz., Microsec Capital Limited, Microsec Insurance Brokers Limited and Microsec Commerze Limited have ceased to be subsidiaries of the Company.

In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared consolidated financial statements of the Company and all its subsidiaries forms part of the Annual Report. Further a statement containing the salient features of the financial statements of each of the subsidiaries in the prescribed format Form AOC-1, forms part of the Annual Report. The annual accounts of the subsidiary companies will be made available to the shareholders on request and will also be kept for inspection by the shareholders at the registered office of your Company.

Further as per section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company are available at website *www.sastasundarventures.com.*

# DIRECTORS' REPORT

A Policy has been formulated for determining the Material Subsidiaries of the Company. Pursuant to Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [hereinafter referred to as SEBI (LODR) Reg, 2015], the said Policy has been posted on the Company's website at the weblink: *http://www.sastasundarventures.com/sastasundarventures/Pdf/SVL_PolicyforDeterminationofMaterialSubsidiary.pdf*

The Company does not have any Joint Venture or Associate Company as per the provisions of the Companies Act, 2013.

**BOARD OF DIRECTORS:**

As on 31st March, 2018, the Board of your Company consists of seven Directors as follows:

| Category | Name of Directors |
|---|---|
| Executive Director | Mr. Banwari Lal Mittal, Chairman and Managing Director (DIN: 00365809) |
| Non-Executive Non Independent Director | Mr. Ravi Kant Sharma (DIN: 00364066)<br>Mrs. Abha Mittal (DIN: 00519777) |
| Independent Non-Executive Director | Mr. Parimal Kumar Chattaraj (DIN: 00893963)<br>Mr. Raj Narain Bhardwaj (DIN: 01571764)<br>Mr. Deba Prasad Roy (DIN: 00049269)<br>Mr. Rajeev Goenka (DIN: 03472302) |

The composition of the Board is in line with the requirements of the Companies Act, 2013 and the SEBI (LODR) Reg, 2015. All the Directors are having vast knowledge and experience in their relevant fields and the Company had benefitted immensely by their presence in the Board.

As per the provision of the Companies Act, 2013 Mrs. Abha Mittal (DIN: 00519777) retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment. Your Directors recommended the re-appointment of Mrs. Abha Mittal as Director. The brief profile of Mrs. Abha Mittal (DIN: 00519777), recommended for re-appointment is enclosed with the Notice of the 29th AGM of the Company.

**a) Changes in Directors and Key Managerial Personnel**

Pursuant to provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Rajeev Goenka (DIN: 03472302) who was appointed as an Additional Director of the Company, categorized as Independent, by the Board of Directors with effect from 26th May 2017, in terms of Section 161 of the Companies Act, 2013 and the members at their meeting held on 8th August, 2017 has appointed Mr. Rajeev Goenka (DIN: 03472302) as an Independent Non-Executive Director of the Company with effect from 26th May 2017 to hold office up to 25th May 2020, not liable to retire by rotation.

The tenure of Mr. Banwari Lal Mittal (DIN: 00365809) as Managing Director & CEO expires on 30th June, 2018. The Board of Director at their meeting held on 21st May, 2018, on the recommendation of Nomination and Remuneration Committee, had re-appointed Mr. Banwari Lal Mittal as Managing Director & CEO without any remuneration for a period of 5 years w.e.f. 1st July, 2018 subject to approval of the members at the forthcoming Annual General Meeting.

Pursuant to the provisions of the Companies Act, 2013 ("Act"), Mr. Parimal Kumar Chattaraj (DIN: 00893963) was appointed as an Independent Non-Executive Director to hold office for five consecutive years for a term up to 31st March, 2019 by the Members of the Company in the 25th Annual General Meeting held on 13th August, 2014. Mr. Parimal Kumar Chattaraj has expressed his willingness for re-appointment as an Independent Non-Executive Director for another term of five consecutive years.

Pursuant to the provisions of the Act, based on the recommendation of the Nomination and Remuneration Committee, the Board recommends for the approval of the Members through a Special Resolution in the 29th Annual General Meeting for re-appointment of Mr. Parimal Kumar Chattaraj as an Independent Non-Executive Director for another five consecutive years from 1st April, 2019 upto 31st March, 2024.

Details of the directors being appointed/ re-appointed as required under SEBI (LODR) Reg, 2015 and Secretarial Standard -2 are provided in the Corporate Governance Report and notice of 29th Annual General Meeting.

None of the Directors of the Company are disqualified for being appointed as Directors, as specified in section 164(2) of the Companies Act, 2013 and Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

# DIRECTORS' REPORT

Pursuant to Section 203 of the Companies Act, the Key Managerial Personnel of the Company are Mr. Banwari Lal Mittal, Managing Director & CEO, Mr. Amrit Daga, Chief Financial Officer and Mr. Biplab Kumar Mani, Company Secretary. During the year there has been no change in the Key Managerial Personnel.

**b) Declaration by the Independent Director(s)**

All the Independent Directors have furnished the requisite declarations that they meet the independence criteria as laid down under section 149(6) of the Companies Act, 2013 read with the rules made thereunder and Regulation 16(1)(b) of the SEBI (LODR) Reg, 2015.

**c) Familiarization Programme undertaken for Independent Director**

In terms of Regulation 25(7) of the SEBI (LODR) Reg, 2015 your Company follows a structured orientation programme for its newly inducted Director(s) to ensure that they become fully aware of the industry in which the Company operates, the processes, systems and policies adopted and followed by the Company. The familiarization programme focuses on the business model and operations of the Company and aims at informing the directors on the legal, regulatory as well as socio-economic regime in which the Company functions.

Further, pursuant to Regulation 46 of the SEBI (LODR) Reg, 2015, your Company is required to disseminate on its website, details of familiarization programmes imparted to the Independent Director(s). During the year, the Company has organised one familiarisation Programme of the Independent Directors. The details of familiarization programme imparted to the Independent Directors of the Company is available on the Company's website at the weblink *http://www.sastasundarventures.com/sastasundarventures/Pdf/SVL_Familiarization_Programme_for_Independent_Director.pdf*

**d) Board Evaluation**

The Nomination and Remuneration Committee of the Company has formulated and laid down criteria for Performance evaluation of the Board (including Committees) and every director (including independent directors) pursuant to the provisions of Section 134, Section 149 read with the code of Independent Director (Schedule IV) and Section 178 of the Companies Act, 2013 read with Rules framed thereunder and Regulation 19(4) read with Part D of Schedule II of SEBI (LODR) Reg, 2015.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria as laid down by the Nomination and Remuneration Committee.

In a separate meeting of independent directors, performance of non-independent directors, Chairman and the board as a whole was evaluated, taking into account the views of executive directors and non-executive directors

**e) Remuneration Policy**

The Board has on the recommendation of the Nomination & Remuneration Committee adopted the Remuneration Policy, which inter alia includes policy for selection and appointment of Directors, Key Managerial Personnel, Senior Management Personnel and their remuneration. The remuneration policy of the Company aims to attract, retain and motivate qualified people at the Executive and at the Board levels. The remuneration policy seeks to employ people who not only fulfill the eligibility criteria but also have the attributes needed to fit into the corporate culture of the Company. The said Policy has been disclosed in the Corporate Governance Report, which forms part of this Annual Report.

## MEETINGS OF THE BOARD OF DIRECTORS AND COMMITTEE

### Board of Directors

The Board meets at regular intervals to discuss and decide on business policy and strategy apart from other Board business. During the year under review, four Board Meetings were convened and held on 26th May, 2017, 10th August, 2017, 14th November, 2017 and 14th February, 2018, the details of which are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 as well as the SEBI (LODR) Reg, 2015.

### Board Committees

The Board of Directors have constituted committees namely – Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Strategic Committee and Investment Committee. The details of the Committees along with their composition, number of meetings held and attendance at the meetings are provided in the Corporate Governance Report forming a part of this Annual Report.

# DIRECTORS' REPORT

## AUDITOR AND AUDITORS' REPORT

M/s. Singhi & Co, Chartered Accountants (FRN: 302049E), of 161, Sarat Bose Road, Kolkata - 700026 were appointed as the Statutory Auditors of the Company during the 28th AGM held on 8th August, 2017 for a period of five years.

The Board has duly examined the Statutory Auditors' Report to the accounts, which is self-explanatory. Clarifications, wherever necessary, have been included in the Notes to the Accounts section of the Annual Report. Further, your Directors confirm that there are no qualification, reservation or adverse remark or disclaimer in the Independent Auditor's Report provided by Statutory Auditors for the FY 2017 - 18.

## FRAUD REPORTING:

There was no fraud reported by the Auditors of the Company under section 143(12) of the Companies Act, 2013 to the Audit Committee or the Board of Directors during the year under review.

## SECRETARIAL AUDIT

Pursuant to the provisions of section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company had appointed M/s MKB & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the financial year 2017-18. The Report of the Secretarial Audit is annexed herewith as "Annexure - I". There are no qualifications in the Report.

## TRANSACTION WITH RELATED PARTY

All transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business and that the provisions of Section 188 of the Companies Act, 2013 and the Rules made thereunder are not attracted. Thus a disclosure in Form AOC-2 in terms of Section 134 of the Companies Act, 2013 is not required. Further, there are no material related party transactions during the year under review with the Promoters, Directors or Key Managerial Personnel. All related party transactions are mentioned in the Notes to the Financial Statements.

All Related Party Transactions are placed before the Audit Committee and also before the Board for approval. Omnibus approval was obtained on a yearly basis for transactions which were of repetitive nature. Transactions entered into pursuant to omnibus approval of all the Related Party Transactions are placed before the Audit Committee and the Board for review and approval on a quarterly basis.

The Company has formulated a policy on related party transactions for purpose of identification and monitoring of such transactions. The said policy on related Party transactions as approved by the Board is posted at the Company's website at the weblink *http://www.sastasundarventures.com/sastasundarventures/Pdf/SVL_RelatedPartyTransactionPolicy.pdf*

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information relating to conservation of energy, technology absorption, foreign exchange earnings and outgo as per section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed herewith as "Annexure - II" and forms an integral part of this Report.

## PARTICULARS OF EMPLOYEES & RELATED DISCLOSURES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this Report as **"**Annexure - III" and forms an integral part of this Report.

## EXTRACT OF THE ANNUAL RETURN

Pursuant to sub-section 3(a) of Section 134 and sub-section (3) of Section 92 of the Companies Act, 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014 the extract of the annual return in Form No. MGT - 9 is included in this report as "Annexure - IV" and forms an integral part of this report.

## VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has adopted a Whistle Blower Policy to provide a formal mechanism to the Directors and Employees to report their concern about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. The details of the Whistle Blower Policy is explained in the Corporate Governance Report and also posted on the website of the Company at the weblink *http://www.sastasundarventures.com/sastasundarventures/Pdf/SVL_whistle_blower_policy.pdf*

# DIRECTORS' REPORT

During the year, no case was reported under this policy and no personnel has been denied access to the Chairman of the Audit Committee.

### CORPORATE SOCIAL RESPONSIBILITY

The provisions of Section 135 of Companies Act, 2013 relating to Corporate Social Responsibility ("CSR") are not applicable to the Company.

### POLICY ON PREVENTION OF INSIDER TRADING

Your Company has adopted a Code for Prevention of Insider Trading with a view to regulate trading in equity shares of the Company by the Directors and designated employees of the Company. The said Code of Conduct is available on the website of the Company at *www.sastasundarventures.com*. The Code requires preclearance for dealing in Company's shares and prohibit the purchase or sale of shares in your company by the Directors and designated employees, while they are in possession of unpublished price sensitive information and also during the period when the Trading Window remains closed.

### CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION ANALYSIS REPORT

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements as set out by SEBI. The Company has also implemented several best corporate governance practices. The report on Corporate Governance and Management Discussion & Analysis Report as stipulated under Schedule V of the SEBI (LODR) Reg, 2015 forms an integral part of this report.

### AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

In Compliance with the provisions of Regulation 34 of the SEBI (LODR) Reg, 2015 read with Schedule V of the said Regulations, the Corporate Governance Certificate issued by the Statutory Auditors M/s. Singhi & Co., Chartered Accountants regarding compliance with the conditions of Corporate Governance as stipulated is annexed to this report.

Your Company has taken adequate steps for strict compliance with the Corporate Governance guidelines, as amended from time to time.

### CHIEF EXECUTIVE OFFICER (CEO)/ CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

As required under Regulation 17(8) of the SEBI (LODR) Reg, 2015, the CEO/CFO certification has been submitted to the Board and a copy thereof is contained elsewhere in this Annual Report.

### RISK MANAGEMENT POLICY

Your Company's risk management strategy strives to balance the trade off between risk and return and ensure optimal risk-adjusted return on capital, and entails independent identification, measurement and management of risks across the various businesses of your Company.

The Company has formulated a Risk Assessment & Management Policy which identify, evaluate business risks and opportunities. The risk management system of the Company is reviewed by the Audit Committee and the Board of Directors on a regular basis. During the year, no major risks were noticed, which may threaten the existence of the Company.

The details of the same are covered in the Corporate Governance Report forming part of the Board's Report.

### DIRECTORS' RESPONSIBILITY STATEMENT

The Directors acknowledges the responsibility for ensuring compliances with the provisions of section 134(3)(c) read with section 134(5) of the Companies Act, 2013 and provisions of the SEBI (LODR) Reg, 2015 and in the preparation of the annual accounts for the year ended 31st March, 2018 states that —

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for the year;

# DIRECTORS' REPORT

(c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the annual accounts have been prepared on a going concern basis;

(e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

(f) proper systems had been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**GREEN INITIATIVES IN CORPORATE GOVERNANCE**

Ministry of Corporate Affairs has permitted Companies to send copies of Annual report, Notices, etc., electronically to the email IDs of shareholders. Your Company has arranged to send the soft copies of these documents to the registered email IDs of the shareholders, wherever available. In case, any shareholder would like to receive physical copies of these documents, the same shall be forwarded upon receipt of written request in this respect.

**HUMAN RESOURCES**

Our employees are our core resource and the Company has continuously evolved policies to strengthen its employee value proposition. Your Company was able to attract and retain best talent in the market and the same can be felt in the past growth of SastaSundar Group. The Company is constantly working on providing the best working environment to its Human Resources with a view to inculcate leadership, autonomy and towards this objective, your company spends large efforts on training. Your Company shall always place all necessary emphasis on continuous development of its Human Resources. The belief "great people create great organization" has been at the core of the Company's approach to its people.

**DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013**

Your Company is committed to provide a safe and secure environment to its women employees across its functions, as they are considered as integral and important part of the Organisation. Your company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

During the year under review, no complaints were received under the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**ACKNOWLEDGEMENTS**

Your Directors wishes to place on record their appreciation and sincerely acknowledge the contribution and support from shareholders, customers, Central and State Governments, Bankers, Registrar of Companies, Kolkata, Securities and Exchange Board of India, BSE Limited, National Stock Exchange of India Limited, Registrar & Share Transfer Agents and other Statutory and Regulatory Authorities for the kind co-operation and assistance provided to us.

The Directors express their deep sense of appreciation towards all the employees and staff of the Company and wish the management all the best for achieving greater heights in the future.

For and on behalf of the Board

**B. L. Mittal**
*Chairman & Managing Director*
DIN: 00365809

Date : 21st May, 2018
Place : Kolkata

## ANNEXURE TO THE DIRECTORS' REPORT

**ANNEXURE-I**

**FORM NO. MR-3**

# SECRETARIAL AUDIT REPORT

**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018**

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To
The Members,
**SASTASUNDAR VENTURES LIMITED**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SASTASUNDAR VENTURES LIMITED (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

The Company's Management is responsible for preparation and maintenance of secretarial and other records and for devising proper systems to ensure compliance with the provisions of applicable laws and Regulations.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018, to the extent applicable, according to the provisions of:

i) The Companies Act, 2013 (the Act) and the rules made thereunder;

ii) The Securities Contracts (Regulation) Act, 1956 and Rules made thereunder;

iii) The Depositories Act, 1996 and Regulations and Bye-laws framed thereunder;

iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct investment and External Commercial Borrowings;

v) The Regulations and Guidelines prescribed under the Securities & Exchange Board of India Act, 1992 ("SEBI Act") or by SEBI, to the extent applicable:

   a) The Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011

   b) The Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

   c) The Securities & Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009

   d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

   e) The Securities & Exchange Board of India (Issue and listing of Debt securities) Regulations, 2008

   f) The Securities & Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993

   g) The Securities & Exchange Board of India (Delisting of Equity Shares) Regulations, 2009

   h) The Securities & Exchange Board of India (Buyback of Securities) Regulations, 1998

vi) The Company was deregistered as a Non- Banking Financial Company vide order dated 21st March, 2015 of Reserve Bank of India (RBI). Thereafter Company is functioning as a Core Investment Company (CIC).

We have also examined compliance with the applicable clauses of the following:

   a) Secretarial Standards issued by The Institute of Company Secretaries of India.

## ANNEXURE TO THE DIRECTORS' REPORT

b) Provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

c) None of the directors in any meeting dissented on any resolution and hence there was no instance of recording any dissenting member's view in the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period:

a) the Scheme of amalgamation of PRP Technologies Limited, Myjoy Tasty Food Private Limited, the wholly owned subsidiaries and Myjoy Hospitality Private Limited, the wholly owned subsidiary of Myjoy Tasty Food Private Limited with the Company under section 233 of the Companies Act, 2013 was confirmed by the Central Government through Regional Director, Eastern Region on 9th January, 2018 with the appointed date of 1st April, 2016;

b) Pursuant to Share Purchase Agreement (SPA) entered on 19th April, 2016 for sale of 100% shareholding in Microsec Capital Limited, wholly owned subsidiary of the Company, the entire shareholding of the Microsec Capital Limited were transferred to M/s G Raj & Co. (Consultants) Limited on 1st December, 2017 without the Trade Mark/ word Mark of MICROSEC and/ or its allied IPRs.

This report is to be read with our letter of even date which is annexed as Annexure - A which forms an integral part of this report.

For **MKB & Associates**
*Company Secretaries*

**Neha Somani**
[Partner]
ACS no. 44522
COP no. 17322
FRN: P2010WB042700

Date: 21st May, 2018
Place: Kolkata

## ANNEXURE TO THE DIRECTORS' REPORT

**Annexure- A**

To
The Members,
**SASTASUNDAR VENTURES LIMITED**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **MKB & Associates**
*Company Secretaries*

**Neha Somani**
[Partner]
ACS no. 44522
COP no. 17322
FRN: P2010WB042700

Date: 21st May, 2018
Place: Kolkata

# ANNEXURE TO THE DIRECTORS' REPORT

**Annexure- II**

**DISCLOSURE OF THE PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS REQUIRED UNDER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014**

## A) CONSERVATION OF ENERGY:

| | | |
|---|---|---|
| i) | the steps taken or impact on conservation of energy; | The Company is a Core Investment Company engaged in the business of healthcare services through its subsidiary companies and as such its operations do not account for energy consumption. However, the Company is taking all possible measures to conserve energy by using efficient computer systems and procuring energy efficient equipment. As an ongoing process, your Company evaluates new technologies and techniques to make its infrastructure more energy efficient. |
| ii) | the steps taken by the company for utilising alternate sources of energy | |
| iii) | the capital investment on energy conservation equipments; | |

## B) TECHNOLOGY ABSORPTION:

| ***From B: Disclosure of particulars with respect to Technology absorption*** | |
|---|---|
| **Technology absorption, adaptation and innovation:-** | |
| Efforts made towards technology absorption | There is no change in technology used by the company |
| The benefits derived like product improvement, cost reduction, product development or import substitution | |
| In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-<br>(a) the details of technology imported;<br>(b) the year of import;<br>(c) whether the technology been fully absorbed; (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and | Not Applicable |
| **Research & Development (R & D) -** | |
| The expenditure incurred on Research and Development | There were no activities in the nature of research and development involved in the business of the Company. |

## C) FOREIGN EXCHANGE EARNING AND OUTGO:

| | FY 2017-18 | FY 2016-17 |
|---|---|---|
| Foreign Exchange earnings | **NIL** | **NIL** |
| Foreign Exchange outgo | **NIL** | **NIL** |

For and on behalf of the Board

**B. L. Mittal**
Chairman & Managing Director
DIN: 00365809

Date: 21st May, 2018
Place: Kolkata

# ANNEXURE TO THE DIRECTORS' REPORT

**Annexure-III**

**INFORMATION PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

| | Requirements of Rule 5(1) | Details |
|---|---|---|
| i) | the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year; | Mr. Banwari Lal Mittal, Managing Director - Nil<br>Mr. Ravi Kant Sharma, Non-Executive Director - Nil<br>Mr. Parimal Kumar Chattaraj, Independent Director - 0.47:1<br>Mr. Raj Narain Bhardwaj, Independent Director - 0.65:1<br>Mr. Deba Prasad Roy, Independent Director - 0.65:1<br>Mrs. Abha Mittal, Non-Executive Director - Nil<br>Mr. Rajeev Goenka, Independent Director – 0.13:1<br>(*Independent Directors are only entitled to sitting fees and no fees being paid to Non-executive Directors) |
| ii) | the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year | **Director**:<br>Mr. Banwari Lal Mittal : Nil<br>Mr. Ravi Kant Sharma : Nil<br>Mr. Parimal Kumar Chattaraj : Nil<br>Mr. Raj Narain Bhardwaj : Nil<br>Mr. Deba Prasad Roy : Nil<br>Mrs. Abha Mittal : Nil<br>Mr. Rajeev Goenka : Nil<br>**Key Managerial Personnel:**<br>Mr. Amrit Daga, CFO - 15%<br>Mr. Biplab Kumar Mani, CS - 7% |
| iii) | the percentage increase in the median remuneration of employees in the financial year; | During the year under review, the percentage increase in the median remuneration of employees as compared to previous year was approximately 42%. |
| iv) | the number of permanent employees on the rolls of company | There were 5 employees as on 31st March, 2018 |
| v) | average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration; | During the year under review, the average salary increase of managerial and non-managerial employees is 14.80%. There are no exceptional circumstances for increase in the managerial remuneration. |
| vi) | affirmation that the remuneration is as per the remuneration policy of the company. | The remuneration paid during the financial ended 31st March, 2018 is as per the remuneration policy of the Company. |

## ANNEXURE TO THE DIRECTORS' REPORT

The statement showing the list of top ten employees and their remuneration as on 31st March, 2018:

| Sr. No. | Name of Employee | Designation | Remuneration received (₹ in lacs) | Qualification and experience of the employee | Date of commencement of employment | Age of the employee | The last employment held by such employee before joining the Company | the percentage of equity shares held by the employee in the Company within meaning of clause (iii) of sub rule (2) above | whether such employee is a relative of any other director or manager of the company | Nature of employment, whether contractual or otherwise |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Amrit Daga | Chief Financial Officer | 18.07 | CA, CS | 12.08.2015 | 32 | Microsec Capital Limited | NIL | No | Permanent |
| 2 | Biplab Kumar Mani | Company Secretary | 15.66 | ACS, LLB | 19.02.2007 | 42 | RCL Cements Limited | 50 equity shares | No | Permanent |
| 3 | Vinit Pagaria* | Sr. VP - Treasury | 10.40 | ACA, CFA, FRM | 01.12.2016 | 36 | Microsec Capital Limited | NIL | No | Permanent |
| 4 | Mahuya De | AVP- HR | 7.88 | B.A., M.A., MBA (HR) | 01.09.2008 | 38 | Bajaj Allianz Financial Distribution Ltd. | NIL | No | Permanent |
| 5 | Subir Basu | Manager - Accounts | 3.83 | M Com | 11.02.2011 | 49 | Merit Investment Ltd. | NIL | No | Permanent |
| 6 | Manisha Sethia | AVP-Finance & Taxation | 8.36 | CA, CS | 01.04.2017 | 30 | PRP Technologies Ltd | NIL | No | Permanent |
| 7 | Anand Kumar Singh** | Senior Manager - Operations | 4.54 | Graduate | 01.04.2017 | 34 | PRP Technologies Ltd | NIL | No | Permanent |

* resigned w.e.f. 12th October, 2017
** resigned w.e.f. 12th February, 2018

For and on behalf of the Board

**B. L. Mittal**
*Chairman & Managing Director*
DIN: 00365809

Date: 21st May, 2018
Place: Kolkata

## ANNEXURE TO THE DIRECTORS' REPORT

**Annexure - IV**

**Form No. MGT-9**

# EXTRACT OF ANNUAL RETURN

**as on the financial year ended 31.03.2018**

**[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]**

### I. REGISTRATION AND OTHER DETAILS:

| | |
|---|---|
| CIN | L65993WB1989PLC047002 |
| Registration Date | 6th June, 1989 |
| Name of the Company | Sastasundar Ventures Limited (Formerly Microsec Financial Services Limited) |
| Category / Sub-Category of the Company | Public Limited Company |
| Address of the Registered office and contact details | Azimganj House, 2nd Floor, 7 Abanindra Nath Thakur Sarani (formerly Camac Street), Kolkata - 700 017<br>Tel: 033 2282 9330<br>Fax: 033 2282 9335 |
| Whether listed company (Yes / No) | Yes |
| Name, Address and Contact details of Registrar and Transfer Agent, if any | Link Intime India Private Limited<br>59C, Chowringhee Road, 3rd Floor,<br>Kolkata - 700 020<br>Tel: 033 2289 0540<br>Fax: 033 2289 0539 |

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

| Sl. No. | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the company |
|---|---|---|---|
| 1. | Other Financial Service Activities | 64990 | 94.00% |

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

| Sl. No. | Name and Address of the Company | CIN/ GLN | Holding/ Subsidiary/ Associate | % of shares held | Applicable Section |
|---|---|---|---|---|---|
| 1. | Microsec Resources Private Limited<br>Azimganj House, 7 Camac Street, 2nd Floor, Kolkata - 700017 | U51109WB1994PTC066509 | Subsidiary | 100 | 2(87) |
| 2. | Innogrow Technologies Limited (Formerly Microsec Technologies Limited)<br>Innovation Tower, Premise No. 16-315, Plot No. DH6/32, Action Area - 1D, Newtown, Rajarhat, Kolkata - 700156 | U72200WB2002PLC094642 | Subsidiary | 100 | 2(87) |
| 3. | Sastasundar Healthbuddy Limited (Formerly Microsec Health Buddy Limited)<br>Innovation Tower, Premises No. 16-315, Plot No. DH6/32, Action Area - 1D, Newtown, Rajarhat, Kolkata - 700156 | U15411WB2011PLC160195 | Subsidiary | 86.77 | 2(87) |
| 4. | Bharatiya Sanskriti Village Private Limited<br>Jindal Towers, 21/1A/3 Darga Road, Unit - 502, Block- B, 5th Floor, Kolkata - 700017 | U92140WB2011PTC166740 | Subsidiary | 100 | 2(87) |

## ANNEXURE TO THE DIRECTORS' REPORT

| Sl. No. | Name and Address of the Company | CIN/ GLN | Holding/ Subsidiary/ Associate | % of shares held | Applicable Section |
|---|---|---|---|---|---|
| 5. | Myjoy Technologies Private Limited<br>Microsec Block, Azimganj House,<br>7 Camac Street, 2nd Floor,<br>Kolkata - 700017 | U72200WB2011PTC164402 | Subsidiary | 100 | 2(87) |
| 6. | Genu Path Labs Limited<br>Innovation Tower, Premises No. 16-315, Plot No. DH6/32, Action Area - 1D, Newtown, Rajarhat, Kolkata - 700156 | U85320WB2017PLC222577 | Subsidiary | 100 | 2(87) |
| 7. | Sastasundar Marketplace Limited (Formerly Sasta Sundar Shop Private Limited)<br>Innovation Tower, Premises No. 16-315, Plot No. DH6/32, Action Area - 1D, Newtown, Rajarhat, Kolkata - 700156 | U74999WB2011PLC165465 | Step Down Subsidiary | 100 | 2(87) |
| 8. | Retailer Shakti Supply Chain Private Limited (Formerly Brandbuddy Engage Analytics Private Limited)<br>Innovation Tower, Premises No. 16-315, Plot No. DH6/32, Action Area - 1D, Newtown, Rajarhat, Kolkata - 700156 | U51100WB2015PTC205351 | Step Down Subsidiary | 100 | 2(87) |
| 9. | Microsec Wealth Management Limited<br>Azimganj House, 2nd Floor, 7 Abanindra Nath Thakur Sarani (formerly Camac Street), Kolkata - 700017 | U65990WB2018PLC224460 | Step Down Subsidiary | 100 | 2(87) |

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):**

**i) Category-wise Share Holding:**

| Sr No | Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| (A) | Shareholding of Promoter and Promoter Group | | | | | | | | | |
| [1] | Indian | | | | | | | | | |
| | (a) Individuals / Hindu Undivided Family | 11738793 | 0 | 11738793 | 36.91 | 11452293 | 0 | 11452293 | 36.00 | -0.91 |
| | (b) Central Government / State Government(s) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | (c) Financial Institutions / Banks | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | (d) Bodies Corporate | 10077509 | 0 | 10077509 | 31.67 | 10709609 | 0 | 10709609 | 33.67 | +2.00 |
| | (e) Any Other | 1241000 | 0 | 1241000 | 3.90 | 1241000 | 0 | 1241000 | 3.90 | 0.00 |
| | **Sub Total (A)(1)** | **23057302** | **0** | **23057302** | **72.48** | **23402902** | **0** | **23402902** | **73.57** | **+1.09** |
| [2] | Foreign | | | | | | | | | |
| | (a) Individuals (Non-Resident Individuals / Foreign Individuals) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | (b) Government | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | (c) Institutions | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | (d) Foreign Portfolio Investor | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | (e) Any Other | | | | | | | | | |

## ANNEXURE TO THE DIRECTORS' REPORT

| Sr No | Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| | Sub Total (A)(2) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | **Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)** | **23057302** | **0** | **23057302** | **72.48** | **23402902** | **0** | **23402902** | **73.57** | **+1.09** |
| (B) | Public Shareholding | | | | | | | | | |
| [1] | Institutions | | | | | | | | | |
| | (a) Mutual Funds / UTI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | (b) Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | (c) Alternate Investment Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | (d) Foreign Venture Capital Investors | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | (e) Foreign Portfolio Investor | 97110 | 0 | 97110 | 0.31 | 97110 | 0 | 97110 | 0.31 | 0.00 |
| | (f) Financial Institutions / Banks | 16515 | 0 | 16515 | 0.05 | 0 | 0 | 0 | 0.00 | -0.05 |
| | (g) Insurance Companies | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | (h) Provident Funds/ Pension Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | (i) Any Other (Specify) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | **Sub Total (B)(1)** | **113625** | **0** | **113625** | **0.36** | **97110** | **0** | **97110** | **0.31** | **-0.05** |
| [2] | Central Government/ State Government(s)/ President of India | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | **Sub Total (B)(2)** | **0** | **0** | **0** | **0.00** | **0** | **0** | **0** | **0.00** | **0.00** |
| [3] | Non-Institutions | | | | | | | | | |
| (a) | Individuals | | | | | | | | | |
| | (i) Individual shareholders holding nominal share capital upto ₹ 2 lakh. | 2532729 | 177 | 2532906 | 7.96 | 1859688 | 177 | 1859865 | 5.85 | -2.11 |
| | (ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh | 1237437 | 0 | 1237437 | 3.89 | 1125648 | 0 | 1125648 | 3.54 | -0.35 |
| (b) | NBFCs registered with RBI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (c) | Employee Trusts | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (d) | Overseas Depositories (holding DRs) (balancing figure) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (e) | Any Other (Specify) | | | | | | | | | |
| | Trusts | 316 | 1783400 | 1783716 | 5.61 | 1633400 | 0 | 1633400 | 5.13 | -0.48 |
| | Hindu Undivided Family | 298642 | 0 | 298642 | 0.94 | 222016 | 0 | 222016 | 0.70 | -0.24 |
| | Non Resident Indians (Non Repat) | 9416 | 0 | 9416 | 0.03 | 155653 | 0 | 155653 | 0.49 | 0.46 |
| | Non Resident Indians (Repat) | 42306 | 0 | 42306 | 0.13 | 13162 | 0 | 13162 | 0.04 | -0.09 |
| | Clearing Member | 519078 | 0 | 519078 | 1.63 | 63331 | 0 | 63331 | 0.20 | -1.43 |
| | Bodies Corporate | 2216072 | 0 | 2216072 | 6.97 | 3237413 | 0 | 3237413 | 10.17 | 3.20 |
| | **Sub Total (B)(3)** | **6855996** | **1783577** | **8639573** | **27.16** | **8310311** | **177** | **8310488** | **26.12** | **-1.04** |
| | **Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)** | **6969621** | **1783577** | **8753198** | **27.52** | **8407421** | **177** | **8407598** | **26.43** | **-1.09** |
| | **Total (A)+(B)** | **30026923** | **1783577** | **31810500** | **100.00** | **31810323** | **177** | **31810500** | **100.00** | **0.00** |
| (C) | Non Promoter - Non Public | | | | | | | | | |

# ANNEXURE TO THE DIRECTORS' REPORT

| Sr No | Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| [1] | Custodian/DR Holder | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| [2] | Employee Benefit Trust [under SEBI (Share based Employee Benefit) Regulations, 2014] | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | **Total (A)+(B)+(C)** | **30026923** | **1783577** | **31810500** | **100.00** | **31810323** | **177** | **31810500** | **100.00** | **0.00** |

**(ii) Shareholding of Promoters**

| Sl. No | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of total Shares of the company | %of Shares pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | %of Shares pledged / encumbered to total shares | % change in share holding during the year |
| 1 | Banwari Lal Mittal | 10816000 | 34.00 | 0.00 | 10616000 | 33.37 | 0.00 | -0.63 |
| 2 | Topview Enclaves LLP | 7691834 | 24.18 | 0.00 | 7877745 | 24.77 | 0.00 | +0.59 |
| 3 | Luv Kush Projects Limited | 1585675 | 4.98 | 0.00 | 1779438 | 5.59 | 0.00 | +0.61 |
| 4 | Ravi Kant Sharma Jointly with Luv Kush Projects Ltd. as trustees of Microsec Vision Trust One | 1241000 | 3.90 | 0.00 | 1241000 | 3.90 | 0.00 | 0.00 |
| 5 | Ravi Kant Sharma | 583893 | 1.84 | 0.00 | 497393 | 1.56 | 0.00 | -0.28 |
| 6 | Longrange Management Services Pvt. Ltd. | 800000 | 2.51 | 0.00 | 1052426 | 3.31 | 0.00 | +0.80 |
| 7 | Bharati Sharma | 323200 | 1.02 | 0.00 | 323200 | 1.02 | 0.00 | 0.00 |
| 8 | Abha Mittal | 15700 | 0.05 | 0.00 | 15700 | 0.05 | 0.00 | 0.00 |
| | **Total** | **23057302** | **72.48** | **0.00** | **23402902** | **73.57** | **0.00** | **+1.09** |

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):

| Date | Reason | No. of shares purchased / sale | % of total shares of the company | Cumulative No. of shares | Cumulative % of total shares of the company |
|---|---|---|---|---|---|
| **Ravi Kant Sharma** | | | | | |
| As on 01.04.2017 | | | | 583893 | 1.84 |
| 01 Sep 2017 | Sale | -86500 | -0.27 | 497393 | 1.56 |
| **Luv Kush Projects Limited** | | | | | |
| As on 01.04.2017 | | | | 1585675 | 4.98 |
| 25 Aug 2017 | Buy | 1104 | 0.00 | 1586779 | 4.99 |
| 01 Sep 2017 | Buy | 21397 | 0.07 | 1608176 | 5.06 |
| 08 Sep 2017 | Buy | 89020 | 0.28 | 1697196 | 5.34 |
| 15 Sep 2017 | Buy | 2789 | 0.01 | 1699985 | 5.34 |
| 29 Sep 2017 | Buy | 8804 | 0.03 | 1708789 | 5.37 |
| 06 Oct 2017 | Buy | 7606 | 0.02 | 1716395 | 5.40 |
| 20 Oct 2017 | Buy | 63043 | 0.20 | 1779438 | 5.59 |
| **Topview Enclaves LLP** | | | | | |
| As on 01.04.2017 | | | | 7691834 | 24.18 |
| 18 Aug 2017 | Buy | 10500 | 0.03 | 7702334 | 24.21 |
| 25 Aug 2017 | Buy | 102288 | 0.32 | 7804622 | 24.53 |

## ANNEXURE TO THE DIRECTORS' REPORT

| Date | Reason | No. of shares purchased / sale | % of total shares of the company | Cumulative No. of shares | Cumulative % of total shares of the company |
|---|---|---|---|---|---|
| 01 Sep 2017 | Buy | 73123 | 0.23 | 7877745 | 24.77 |
| **Banwari Lal Mittal** | | | | | |
| As on 01.04.2017 | | | | 10816000 | 34.00 |
| 02 Mar 2018 | Sale | -200000 | -0.63 | 10616000 | 33.37 |
| **Longrange Management Services Private Limited** | | | | | |
| As on 01.04.2017 | | | | 800000 | 2.51 |
| 17 Nov 2017 | Buy | 52426 | 0.16 | 852426 | 2.68 |
| 16 Mar 2018 | Buy | 200000 | 0.63 | 1052426 | 3.31 |
| **Ravi Kant Sharma Jointly with Luv Kush Projects Ltd. as trustees of Microsec Vision Trust One** | | | | | |
| As on 01.04.2017 | No Change | | | 1241000 | 3.90 |
| As on 31.03.2018 | | | | 1241000 | 3.90 |
| **Bharati Sharma** | | | | | |
| As on 01.04.2017 | No Change | | | 323200 | 1.02 |
| As on 31.03.2018 | | | | 323200 | 1.02 |
| **Abha Mittal** | | | | | |
| As on 01.04.2017 | No Change | | | 15700 | 0.05 |
| As on 31.03.2018 | | | | 15700 | 0.05 |

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

| Sl. No. | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year | | Shareholding at the end of the year | |
|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1. | AMRIT DAGA, BIPLAB KUMAR MANI AND DEEPAK KUMAR AGARWAL AS TRUSTEES OF MICROSEC VISION EMPLOYEES TRUST | 1783400 | 5.61 | 1633400 | 5.13 |
| 2. | NEELKAMAL SUPPLIERS PRIVATE LIMITED | 0 | 0.00 | 500000 | 1.57 |
| 3. | SUSHIL LAHOTI | 322000 | 1.01 | 333000 | 1.04 |
| 4. | SRI SALASAR SUPPLIERS PRIVATE LIMITED | 5000 | 0.02 | 200501 | 0.63 |
| 5. | APARESH INFOTECH PRIVATE LIMITED | 200000 | 0.63 | 200000 | 0.63 |
| 6. | LEKH RAJ JUNEJA | 0 | 0.00 | 150000 | 0.47 |
| 7. | GIRDHAR FISCAL SERVICES PRIVATE LIMITED | 186343 | 0.59 | 127106 | 0.40 |
| 8. | RUBY CHOUDHARY | 120000 | 0.38 | 120000 | 0.38 |
| 9. | RADHA KRISHAN RESEARCH INSTITUTE LLP | 42000 | 0.13 | 101600 | 0.32 |
| 10. | RAM CORPORATE SERVICES LLP | 84165 | 0.26 | 101456 | 0.32 |
| 11. | GOLDEN GOENKA CREDIT PRIVATE LIMITED | 199716 | 0.63 | 55915 | 0.18 |
| 12. | VRAJRAJ CONSULTANCY LLP | 131367 | 0.41 | 26973 | 0.08 |
| 13. | QCAP SECURITIES PRIVATE LIMITED | 209030 | 0.66 | 0 | 0.00 |
| 14. | QUANT BROKING PRIVATE LIMITED | 192000 | 0.60 | 0 | 0.00 |

# ANNEXURE TO THE DIRECTORS' REPORT

**Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):**

| Sl. No. | Date | Reason | No. of shares purchased / sale | % of total shares of the company | Cumulative No. of shares | Cumulative % of total shares of the company |
|---|---|---|---|---|---|---|
| 1 | AMRIT DAGA, BIPLAB KUMAR MANI AND DEEPAK KUMAR AGARWAL AS TRUSTEES OF MICROSEC VISION EMPLOYEES TRUST | | | | | |
| | As on 01.04.2017 | | | | 1783400 | 5.61 |
| | 09 Jun 2017 | Gift | -150000 | -0.47 | 1633400 | 5.13 |
| 2 | NEELKAMAL SUPPLIERS PRIVATE LIMITED | | | | | |
| | As on 01.04.2017 | | | | 0 | 0.00 |
| | 09 Jun 2017 | Buy | 500000 | 1.57 | 500000 | 1.57 |
| | 22 Sep 2017 | Sale | -250000 | -0.79 | 250000 | 0.79 |
| | 29 Sep 2017 | Buy | 250000 | 0.79 | 500000 | 1.57 |
| 3 | SUSHIL LAHOTI | | | | | |
| | As on 01.04.2017 | | | | 322000 | 1.01 |
| | 12 May 2017 | Buy | 53000 | 0.17 | 375000 | 1.18 |
| | 09 Jun 2017 | Sale | -40000 | -0.13 | 335000 | 1.05 |
| | 07 Jul 2017 | Buy | 2500 | 0.01 | 337500 | 1.06 |
| | 14 Jul 2017 | Buy | 139 | 0.00 | 337639 | 1.06 |
| | 11 Aug 2017 | Buy | 2986 | 0.01 | 340625 | 1.07 |
| | 18 Aug 2017 | Sale | -10625 | -0.03 | 330000 | 1.04 |
| | 09 Feb 2018 | Buy | 3000 | 0.01 | 333000 | 1.05 |
| 4 | SRI SALASAR SUPPLIERS PRIVATE LIMITED | | | | | |
| | As on 01.04.2017 | | | | 5000 | 0.02 |
| | 28 Apr 2017 | Buy | 3164 | 0.01 | 8164 | 0.03 |
| | 19 May 2017 | Buy | 142675 | 0.44 | 150839 | 0.47 |
| | 26 May 2017 | Buy | 6129 | 0.02 | 156968 | 0.49 |
| | 02 Jun 2017 | Buy | 31949 | 0.10 | 188917 | 0.59 |
| | 09 Jun 2017 | Sale | -2656 | 0.00 | 186261 | 0.59 |
| | 18 Aug 2017 | Buy | 14240 | 0.04 | 200501 | 0.63 |
| 5 | LEKH RAJ JUNEJA | | | | | |
| | As on 01.04.2017 | | | | 0 | 0.00 |
| | 09 Jun 2017 | Gift | 150000 | 0.47 | 150000 | 0.47 |
| 6 | GIRDHAR FISCAL SERVICES PRIVATE LIMITED | | | | | |
| | As on 01.04.2017 | | | | 186343 | 0.59 |
| | 23 Feb 2018 | Sale | -59237 | -0.19 | 127106 | 0.40 |
| | 31 Mar 2018 | Buy | 59237 | 0.19 | 186343 | 0.59 |
| 7 | RADHA KRISHAN RESEARCH INSTITUTE LLP | | | | | |
| | As on 01.04.2017 | | | | 42000 | 0.13 |
| | 14 Apr 2017 | Buy | 59000 | 0.19 | 101000 | 0.32 |
| | 07 Jul 2017 | Buy | 3800 | 0.01 | 104800 | 0.33 |
| | 29 Sep 2017 | Sale | -104800 | -0.33 | 0 | 0.00 |
| | 29 Dec 2017 | Buy | 101600 | 0.32 | 101600 | 0.32 |
| 8 | RAM CORPORATE SERVICES LLP | | | | | |
| | As on 01.04.2017 | | | | 84165 | 0.26 |
| | 28 Apr 2017 | Buy | 16500 | 0.05 | 100665 | 0.31 |
| | 05 May 2017 | Sale | -1100 | 0.00 | 99565 | 0.31 |
| | 12 May 2017 | Sale | -300 | 0.00 | 99265 | 0.31 |
| | 19 May 2017 | Buy | 474 | 0.00 | 99739 | 0.31 |
| | 26 May 2017 | Buy | 700 | 0.01 | 100439 | 0.32 |
| | 02 Jun 2017 | Buy | 314 | 0.00 | 100753 | 0.32 |
| | 28 Jul 2017 | Buy | 579 | 0.00 | 101332 | 0.32 |
| | 04 Aug 2017 | Buy | 124 | 0.00 | 101456 | 0.32 |

## ANNEXURE TO THE DIRECTORS' REPORT

| Sl. No. | Date | Reason | No. of shares purchased / sale | % of total shares of the company | Cumulative No. of shares | Cumulative % of total shares of the company |
|---|---|---|---|---|---|---|
| 9 | GOLDEN GOENKA CREDIT PRIVATE LIMITED | | | | | |
| | As on 01.04.2017 | | | | 199716 | 0.63 |
| | 14 Apr 2017 | Sale | -10000 | -0.03 | 189716 | 0.60 |
| | 16 Feb 2018 | Sale | -600 | -0.01 | 189116 | 0.59 |
| | 23 Feb 2018 | Sale | -133201 | -0.41 | 55915 | 0.18 |
| | 31 Mar 2018 | Buy | 133801 | 0.42 | 189716 | 0.60 |
| 10 | VRAJRAJ CONSULTANCY LLP | | | | | |
| | As on 01.04.2017 | | | | 131367 | 0.41 |
| | 12 May 2017 | Sale | -13867 | -0.04 | 117500 | 0.37 |
| | 01 Sep 2017 | Sale | -4 | 0.00 | 117496 | 0.37 |
| | 15 Sep 2017 | Sale | -1631 | -0.01 | 115865 | 0.36 |
| | 22 Sep 2017 | Sale | -8000 | -0.02 | 107865 | 0.34 |
| | 27 Oct 2017 | Sale | -8103 | -0.03 | 99762 | 0.31 |
| | 03 Nov 2017 | Sale | -24978 | -0.08 | 74784 | 0.23 |
| | 10 Nov 2017 | Sale | -1241 | 0.00 | 73543 | 0.23 |
| | 24 Nov 2017 | Sale | -27341 | -0.09 | 46202 | 0.14 |
| | 01 Dec 2017 | Sale | -9229 | -0.02 | 36973 | 0.12 |
| | 29 Dec 2017 | Sale | -10000 | -0.04 | 26973 | 0.08 |
| 11 | QCAP SECURITIES PRIVATE LIMITED | | | | | |
| | As on 01.04.2017 | | | | 209030 | 0.66 |
| | 07 Apr 2017 | Sale | -55721 | -0.18 | 153309 | 0.48 |
| | 14 Apr 2017 | Sale | -50749 | -0.16 | 102560 | 0.32 |
| | 21 Apr 2017 | Sale | -47582 | -0.15 | 54978 | 0.17 |
| | 28 Apr 2017 | Sale | -54978 | -0.17 | 0 | 0.00 |
| 12 | QUANT BROKING PRIVATE LIMITED | | | | | |
| | As on 01.04.2017 | | | | 192000 | 0.61 |
| | 07 Apr 2017 | Sale | -136279 | -0.43 | 55721 | 0.18 |
| | 14 Apr 2017 | Sale | -55295 | -0.17 | 426 | 0.01 |
| | 21 Apr 2017 | Buy | 23214 | 0.06 | 23640 | 0.07 |
| | 28 Apr 2017 | Buy | 77204 | 0.25 | 100844 | 0.32 |
| | 05 May 2017 | Sale | -100844 | -0.32 | 0 | 0.00 |
| | 01 Dec 2017 | Buy | 150 | 0.00 | 150 | 0.00 |
| | 08 Dec 2017 | Sale | -150 | 0.00 | 0 | 0.00 |

**(v) Shareholding of Directors and Key Managerial Personnel:**

| Name of Shareholders | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|
| | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| ***Directors*** | | | | |
| Banwari Lal Mittal | 10816000 | 34.00 | 10616000 | 33.37 |
| Ravi Kant Sharma | 583893 | 1.84 | 497393 | 1.56 |
| Abha Mittal | 15700 | 0.05 | 15700 | 0.05 |
| Rajeev Goenka | 25583 | 0.08 | 78916 | 0.25 |
| ***Key Managerial Personnel*** | | | | |
| Mr. Biplab Kumar Mani | 50 | 0.00 | 50 | 0.00 |

**Note:** Mr. Parimal Kumar Chattaraj, Mr. Raj Narain Bhardwaj, Mr. Deba Prasad Roy, Directors and Mr. Amrit Daga, CFO do not hold any share of the Company.

# ANNEXURE TO THE DIRECTORS' REPORT

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|---|---|---|---|
| Indebtedness at the beginning of the financial year<br>i) Principal Amount<br>ii) Interest due but not paid<br>iii) Interest accrued but not due | NIL | NIL | NIL | NIL |
| **Total ( i + ii + iii)** | NIL | NIL | NIL | NIL |
| Change in Indebtedness during the financial year<br>Addition<br>Reduction | NIL | NIL | NIL | NIL |
| **Net Change** | NIL | NIL | NIL | NIL |
| Indebtedness at the end of the financial year:<br>i) Principal Amount<br>ii) Interest due but not paid<br>iii) Interest accrued but not due | NIL | NIL | NIL | NIL |
| **Total ( i + ii + iii)** | NIL | NIL | NIL | NIL |

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in Lacs)

| Sl. No. | Particulars of Remuneration | Name of Managing Director - Mr. Banwari Lal Mittal | Total Amount |
|---|---|---|---|
| 1. | Gross salary<br>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961<br>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961<br>(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961 | - | - |
| 2. | Stock Option | - | - |
| 3. | Sweat Equity | - | - |
| 4. | Commission - as % of profit | - | - |
| 5. | Others – Employers Contribution to PF and insurance premium | | |
| | **Total (A)** | **-** | **-** |
| | Ceiling as per the Act | Section 197 of the Companies Act, 2013 read with Schedule V | |

### B. Remuneration to other directors:

(₹ in Lacs)

| | Particulars of Remuneration | Name of Directors | | | | Total Amount |
|---|---|---|---|---|---|---|
| 1. | Independent Directors | Mr. Parimal Kumar Chattaraj | Mr. Raj Narain Bhardwaj | Mr. Deba Prasad Roy | Mr. Rajeev Goenka | |
| | Fee for attending board / committee meetings | 3.90 | 5.40 | 5.40 | 1.10 | 15.80 |
| | Commission | - | - | - | - | - |
| | Others, please specify | - | - | - | - | - |
| | Total (1) | **3.90** | **5.40** | **5.40** | **1.10** | **15.80** |
| | | | | | | |

## ANNEXURE TO THE DIRECTORS' REPORT

| 2. | Other Non-Executive Directors | Mr. Ravi Kant Sharma | Mrs. Abha Mittal | Total Amount |
|---|---|---|---|---|
| | Fee for attending board / committee meetings | - | - | - |
| | Commission | - | - | - |
| | Others, please specify | - | - | - |
| | Total (2) | - | - | - |
| | Total (B)=(1+2) | - | - | - |
| | Total Managerial Remuneration | - | - | - |
| | Overall Ceiling as per the Act* | - | - | - |

* All the Independent Directors have been paid only sitting fees for attending board meetings and committee meetings which is well within the limits prescribed under the Companies Act, 2013.

### C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:

(₹ in Lacs)

| Sl. No. | Particulars of Remuneration | Key Managerial Personnel | | |
|---|---|---|---|---|
| | | Mr. Amrit Daga, Chief Financial Officer | Mr. Biplab Kumar Mani, Company Secretary | Total Amount |
| 1 | Gross salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 17.02 | 15.02 | 32.04 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 0.33 | 0.33 | 0.66 |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - | - | - |
| 2 | Stock Option | - | - | - |
| 3 | Sweat Equity | - | - | - |
| 4 | Commission - as % of profit | - | - | - |
| 5 | Others - Employers Contribution to PF and insurance premium | 0.72 | 0.31 | 1.03 |
| | **Total** | **18.07** | **15.66** | **33.73** |

## ANNEXURE TO THE DIRECTORS' REPORT

### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT / COURT] | Appeal made, if any (give Details) |
|---|---|---|---|---|---|
| **A. COMPANY:** | | | | | |
| Penalty | | | None | | |
| Punishment | | | | | |
| Compounding | | | | | |
| **B. DIRECTORS:** | | | | | |
| Penalty | | | None | | |
| Punishment | | | | | |
| Compounding | | | | | |
| **C. OTHER OFFICERS IN DEFAULT:** | | | | | |
| Penalty | | | None | | |
| Punishment | | | | | |
| Compounding | | | | | |

**For and on behalf of the Board**

**B. L. Mittal**
**Chairman & Managing Director**
**DIN: 00365809**

Date: 21st May, 2018
Place: Kolkata

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

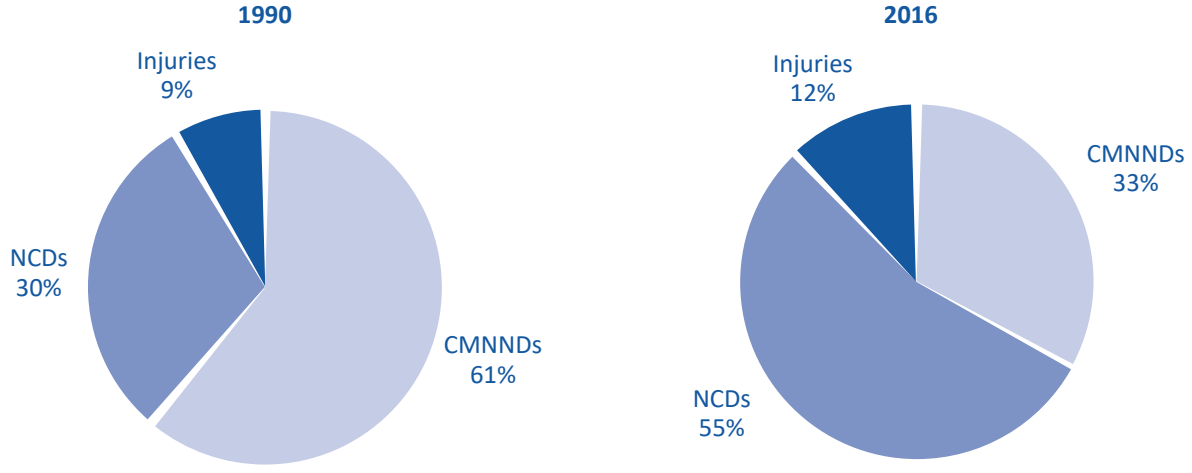
## ECONOMIC OVERVIEW & OUTLOOK

As per Central Statistical Office (CSO) estimates, India's Real GDP growth rate stood at 6.7% in FY2018 compared to the GDP growth rate of 7.1% in FY2017. The growth was lower due to the short term disruption caused by nationwide roll out of Goods and Services Tax (GST) and the tail effect of Demonetization.

However, with businesses getting back to normalcy, increase in demand, improved capacity utilizations across the sectors and expected expansion in disposable income, the nation's GDP is likely to increase at a faster clip in FY2019. Led by these factors, the Reserve Bank of India (RBI) has pegged India's GDP growth estimate at 7.4% for FY2019. Global macro-economic developments such as trade wars, rising crude, and strengthening yields, still, may pose some headwinds in near term.

## LIFESTYLE DISEASES, THE BIGGEST KILLER IN INDIA:

With instrumental change in India's social and economic paradigm, the country is witnessing a notable shift in epidemiological parameters. As per the Report of India's IHNS (Health of the Nation's states) the share of Lifestyle or Non Communicable Disease (NCDs) is on the rise in comparison to Communicable, Maternal, Neonatal, and Nutritional Diseases (CMNNDs) over the period 1990-2016:




**Source: IHNS Report**

Some of the key findings of the new report published in 2017 by Centre for Science & Environment (CSE) in its study titled '**Body Burden: Lifestyle Diseases'** are as follows:

- There are seven major health problems in India - Obesity, Mental Health, Cancer, Heart Diseases, Respiratory Diseases, Hormonal Disorders and Food Allergies.
- More than 1.73 million new cancer cases likely to be recorded each year by 2020; air pollution, tobacco, alcohol and diet change are primary triggers.
- Every 12th Indian a diabetic -- India ranks second in the list of countries with highest diabetes patients.
- Every third child in Delhi has impaired lungs; India had 35 million chronic asthma patients in 2016.
- Air pollution causes 30 per cent of all premature deaths in the country; linkages with mental diseases revealed.
- More than 2.7 million people in India die of heart diseases every year – 52 per cent of them below the age of 70.

### World Health Organisation (WHO) Findings on NCDs

According to the World Health Organization (WHO), there are four major risk factors for NCDs -- alcohol, tobacco, poor diet intake and lack of physical activity. The WHO says that by investing just US $1-3 per person per year, countries can dramatically reduce illness and death from NCDs.

## ECONOMIC IMPACT OF GROWING NCDs ON INDIA

Rising NCDs may not only entail high costs for individuals but also put a significant burden on the nation's economy. A large part of such costs is accounted by Medicines and most people incur such costs in the form of out-of-pocket expenses.According to

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

World Economic Forum's report "Economics of Non-Communicable Diseases in India", economic burden of NCDs in India can be up to $4.58 Tn over 2012-2030 period. Cardiovascular Diseases with impact of $2.17 Tn is expected to represent the largest pie of this burden.

For individuals to obtain NCDs care, they generally take the route of distress financing route to fulfil the high expenditure and such diseases may have a notable impact on their economic condition. Apart from the financial impact, treatment related issues and premature death from NCDs also stay amongst the most catastrophic costs borne by individuals / families.

**PATIENT ACCESS TO MEDICINES: A GROWING CHALLENGE**

Chronic conditions like diabetes, hypertension, etc. require patients to regularly use medications for the rest of their lives. However, it has been observed in many studies that poor compliance with therapy is the most important reason for inadequate control of various chronic diseases like hypertension, hyperlipidaemia, diabetes, etc. It has also been shown that almost all patients who had poor compliance with drugs, eventually dropped out of treatments completely and, therefore, did not benefit from the treatment effects. Thus, lack of access to continuing treatment is associated with poor health outcomes and/or premature death, thus impacting the economic growth of the country.

The key barriers, which prevent people from accessing quality affordable medicines in India, include:

- Lack of Accessibility and Availability
- Lack of Affordability
- Lack of Awareness

These barriers could be effectively overcome by adopting technology, especially Internet, into the healthcare system. Internet-based technology advances healthcare by improving the following:

- **Access to Information / Knowledge:**
  - The Internet is an ocean of knowledge and, once logged in, a consumer gets the power to make more informed decisions. For example, a patient today is able to learn about his / her condition, treatment options, and best practices in managing the condition, regardless of his / her location or financial situation.
- **Access to Health Services:**
  - The Internet enables access to qualified specialists and doctors, which is otherwise difficult for a consumer to physically locate. Through telemedicine, a village dweller in India can also interact with top specialists anywhere in large cities, or perhaps even globally.
  - Through **e-Pharmacy, e-Diagnostics, e-Healthcare,** etc., consumers in different parts of the country can access the services at their doorstep through a well-tracked system, which would strengthen the authenticity in the supply chain, ensure better access, provide convenience to the customer, and also make sure that deep-rooted issues like middlemen taking commission (often fake and without a bill) are addressed.

**DIGITAL INDIA INITIATIVE: A SUPPORTIVE PHENOMENON**

While e-Pharmacy, e-Diagnostics, and e-Healthcare are still at developing stage in India, the government's Digital India initiative may act as a driving force for the growth of these industries. Covering multiple Government Ministries and Departments, Digital India aims to provide thrust to the following nine pillars:

- Broadband Highways
- Universal Access to Mobile Public
- Internet Access Programme
- e-Governance
- e-Kranti
- Information for All
- Electronics Manufacturing
- IT for Jobs

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

- Early Harvest Programmes

By embedding the digital thread in itself, Indian pharmaceutical industry is anticipated to bring in the following additional benefits:

**Transparency**

A unique quality of technology is its ability to break barriers. E-Healthcare breaks the barrier of information lying with the experts and brings it to the common man. E-Healthcare envisages new-age concepts like e-Pharmacy, e-Diagnostics, e-Insurance, and more. These facilities provide a robust ecosystem support to the patients and service providers alike with access to information – anytime, anywhere.

**Access to Quality Health Services / Products:**

One of the progressive technology models to have evolved in the last few years is digital health platforms, which has enabled accessibility to the finest doctors at the tap of a button. Another recent innovation that has positioned itself as an attractive model in the healthcare space is e-Pharmacy, which enables accessibility to cost-effective drugs.

With the help of technology, healthcare is going to be massively altered and will move to a system where the consumer is informed and empowered. This shift could be brought about by an **e-Healthcare model,** which is built around solving problems of the consumer in the most optimized manner, where the consumer would have the power of knowledge and demand better service, a transparent system which would be free of middlemen causing distortions, and price/quality mismatch. At the same time, an online model, operating across the country, to procure healthcare services will ensure organized tracking and recording of the data for audit trails, thus making the healthcare system more structured.

**Key Drivers of Digital Transformation:**

- Increasing number of Internet subscribers coupled with the explosive growth of smartphone users:
  - India is one of the fastest growing Internet markets in the world. According to Telecom Regulatory Authority of India (TRAI) data, the number of Internet users in India rose from approximately 267.39 million in December 2014 to around 445.96 million by December 2017, making India one of the largest Internet user base in the world. This number is further likely to increase to around 500 million by June 2018, according to the "Internet in India 2017" report released by the IAMAI and IMRB International.
  - There is an enormous surge in the number of mobile Internet users in India due to increasing adoption of smartphones. The country is estimated to have around 478 million mobile Internet users by June 2018, according to the IAMAI.
- Other drivers include:
  - Rising standards of living of the middle-class population due to increasing income levels.
  - Busy lifestyles, traffic congestion, and lack of parking spaces available for offline shopping in urban regions.

**Digital Transformation: Consumer takes the Centre Stage**

Indian consumers, today, prefer to access both domestic and global products at the click of a button and at competitive prices. This also extends to the rural consumers who have a rising economic status with better access to the Internet. From a long-term perspective, this change in the consumer behaviour is expected to benefit the country's economy as well.

On the contrary, there is a lot of debate around the e-Commerce industry impacting brick and mortar retailers and SMEs. The current battle by the retailers against e-Commerce is similar to the scenario during the industrial revolution. There was a threat posed against machines replacing manpower and impacting the economy of the country; however, in reality, the industrial revolution created a massive demand for labour. Similarly, when organized retail stores, as well as online shopping sites came into the market, there were similar concerns raised around them being a threat to local traders, corner stores, and retailers. However, it has been repeatedly observed that newer models have only led to market creation; thus, leading to sufficient space for co-existence.

From the above examples, it is clearly evident that the battle is mainly due to a perception of threat than any actual threat. E-Commerce is a shift in the way business will be done in the future and everyone will have to align themselves according to the changing trends. Overall, consumers are in the driving seat and technology is the catalyst for change.

In today's world, when most of the products and services are conveniently delivered to the patients' doorstep, there is a need

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

for access models that would help patients and consumers avail the convenience of medicine delivery without needing to leave their homes. This need could be addressed by an **e-Access model**, a functioning online model, which provides access to medicines & Healthcare, through mobile and Internet-based platforms.

### INDIAN PHARMACEUTICAL INDUSTRY: MARKET POTENTIAL

According to India Brand Equity Foundation (IBEF), currently, the Indian Pharmaceutical Industry is estimated to account for around 3.1-3.6% of world's pharmaceutical market, in value terms. The nation's share is larger in the global pie based on volumes at around 10%. The market is expected to grow from $20Bn in 2015 to around $55 Bn by 2020. A large part of this growth is likely to come from the domestic segment while export growth may stay in single digits till 2020.

The industry's expansion can be categorised in the following three categories:

| Demand Side Drivers | Supply Side Drivers | Policy Support |
|---|---|---|
| • Rising Fatal Diseases<br>• Accessibility of Drugs<br>• Rising Health Insurance Penetration<br>• Lifestyle Diseases<br>• Lifestyle Diseases<br>• Better Diagnostics | • Cost Advantage<br>• Skilled Manpower<br>• Major Generic Manufacturing Hub<br>• Residing 22% of all USFDA approved plants<br>• Increasing Chemist Penetration | • National Health Policy 2015<br>• Reduced approval time for new facilities<br>• R&D Incentives<br>• Pharma Vision 2020 |

**Source: IBEF**

Driven by strong domestic growth and steady exports, the country's pharma industry is likely to be in the top three global markets by incremental growth and will be the sixth largest market, in absolute terms, of the world by 2020.

### INDIAN RETAIL PHARMA MARKET

The retail pharma market in India is currently at a promising stage with its three broad segments of generic drugs, OTC drugs, and patented products. Generic drugs form the largest segment of the Indian pharmaceutical sector, with around 70% market share in terms of revenue. The segment will reach to around $27.9 Bn by 2020, as per IBEF estimates. OTC medicines and patented drugs constitute 21% and 9%, respectively, of the total market. As per Nicholas Hall OTC Reports, Indian OTC Market grew by 7% y-o-y to $3.22 Bn in 2017. Vicks was the leading OTC brand in the country followed by Eno and Dabur Chyawanprash, respectively. IBEF pegs the OTC market growth at 9% CAGR over 2016-2026 period to $6.81 Bn.

According to IQVIA Data, after reporting three consecutive years of double digit growth in 2014, 2015 and 2016; the Indian retail pharma market's growth stood at around 5-6% in 2017. The market's total projected size in value terms stayed at INR1.18 Lakh Crores at the end of 2017. The country's retail pharmacy market is likely to grow at 12% in 2018. While in 2015, the market was largely dominated by anti-infective drugs at 15.17%, it was followed by cardiac drugs market at 12.47%, gastrointestinal drugs market at 11.75%, vitamins/minerals/nutrients market at 8.78%, and anti-diabetic market at 8.13%. However, the equation may change significantly with categories representing lower share in the pie growing at the highest pace.

With over 850,000 stores across the country, the industry stayed largely fragmented.

**Challenges of Retail Pharmacy**

- **Low Industry Margins:**

  Retail pharmacy is a highly fragmented and competitive industry. Drugs are bought in smaller quantities from drug distributors at high prices, thereby reducing the profit margins.

- **Sustainability of Industry:**

  Due to increased competition and rising pressure on price control, the sustainability of the retail pharmacy industry is questionable. This industry could sustain only by adopting the technology, which would increase productivity and provide value-added services to consumers.

- **Drug Abuse:**

  Sale of drugs without prescription, thereby leading to significant cases of drug abuse.

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

- **Counterfeit Medicines:**

  Sale of substandard and fake medicines, thereby increasing the risk of adverse effects.

- **Documentation / Tracking:**

  Sale of drugs without providing bill/invoice for the purchase, thereby affecting the amount of tax collected.

  Poor documentation of prescription drug sales, thereby affecting the drug recalls process.

- **Poor Inventory Management:**

  Not feasible for a single pharmacy to store a wide range of products, which forces consumers to visit multiple pharmacies for procuring all the medicines.

  Currently, the retail pharmacy ecosystem has high friction in the system leading to inefficiencies and high cost to the consumers. Thus, there is a need for a technological upgrade of the model for streamlining of the processes. Computerization of pharmacies, recording of transactions, and restricting cash transactions could transform the industry.

## INDIAN DIAGNOSTIC SERVICES MARKET

Indian diagnostics sector is witnessing an era of immense progress in innovative competencies and credibility. The diagnostic test results are a crucial aspect in the treatment decisions. Timely and reliable diagnosis ensures the correct analysis and treatment schedule in addition to reducing the overall treatment costs.

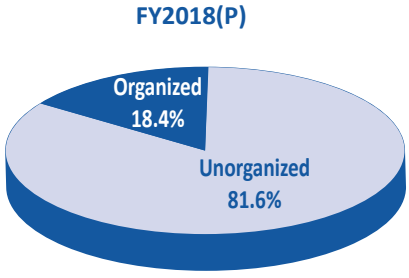
The market, which, according to PWC report, was valued at $9.3 Bn in 2016 is likely to grow at a CAGR of 15% over the 2016-2021 period to around $20 Bn in 2021. According to IBEF Report, Imaging currently represent approximately 30% of the market whereas its remaining pie is represented by pathology segment. The Indian in-vitro diagnostic (IVD) market, which contributes near to 85% of the market is likely to stay the key contributor in the market's extension.

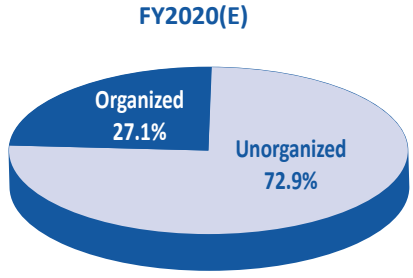
## GST AND FORMALIZATION OF ECONOMY: A SHIFT TO ORGANIZED MARKET

While Indian Pharmaceutical, Diagnostic and OTC markets are likely to grow at a steady pace during the upcoming years, their organized pie is likely to report a faster increase. With this, the share of organized market in the total market may grow for all the three categories in next couple of years. A glimpse of the same is as follows:

| PARTICULARS* | FY2018 (P) | | | FY2020 (E) | | | CAGR (%) 2018-2020 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Total Market Size ($ Bn) | Un-organized (%) | Organized (%) | Total Market Size ($ Bn) | Un-organized (%) | Organized (%) | Total Market | Un-organized | Organized |
| Indian Pharmacy Market | 21.07 | 82.4% | 17.6% | 27.88 | 78.1% | 21.9% | 15.0% | 12.0% | 28.3% |
| Indian Diagnostic Market | 12.11 | 82.0% | 18.0% | 16.63 | 71.5% | 28.5% | 17.2% | 9.4% | 47.4% |
| Indian OTC Market (Personal Care + Health and Wellness Foods + Beauty Care + Household Care) | 26.69 | 80.7% | 19.3% | 41.70 | 70.0% | 30.0% | 25.0% | 16.4% | 55.9% |
| Total | 59.87 | 81.6% | 18.4% | 86.21 | 72.9% | 27.1% | 20.0% | 13.5% | 45.5% |

*Sources / References: Nielsen Report, International Journal of Development Research, ASSOCHAM-TechSci Research, IBEF, Crisil; *INR / USD Conversion Rate = 68.16*




Based on various sources and references, the share of organized market in total pharma market is likely to grow from 17.6% to 21.9% in 2018-2020 period. Furthermore, the organized pie of Diagnostic and OTC Markets (including Health and Wellness

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Foods, Beauty Care, Personal Care, and Household Care) might increase from 18.0% to 28.5% and 19.3% to 30.0% respectively, during the same period. Overall, organized market is likely to grow at more than double the pace of its unorganized counterpart.

**SASTASUNDAR DIGITAL HEALTHCARE NETWORK**

The Sastasundar healthcare network is designed to use digital technology and knowledge to integrate following services in a digital platform connected with offline healthbuddy centres to provide counselling and last-mile human touch: -

a. Delivery of Prescribed medicines
b. Delivery of Wellness products
c. Connect to diagnostic services
d. Connect to doctors and health service providers
e. Health Information Services
f. A portfolio of own digital-first brands

At Sastasundar, we offer a competitive experience to our customers by integrating technology with a human touch and the following are the value propositions: -

1. Genuinity: Our centralized purchase of inventory and a proprietary unique delivery system ensures that we only supply 100% genuine products.
2. Low Cost: Our model works on a low-cost basis, enabling us to pass on savings to our customers.
3. Counselling: Pharmacists at our healthbuddy stores, powered by a digital health information network are our backbone.
4. Informed decision making: Targeted contents such as reviews, blogs and videos provide the accurate information. The personalization of content provides convenience to the customers.
5. Integrate digital and healthbuddy centres: Live inventory for 100% fulfilment of prescriptions makes sastasundar unique.
6. Use of data and Artificial Intelligence gives us power of disease based offering and predictive analysis of the health of our consumers.
7. The local healthbuddy centres have convenience in terms of delivery options, payment options, complaint redressal, emotional connect and customer servicing.
8. Our unique offering by our own brands like DNAVITA (customized make-to-order health supplement) place us in the minds and hearts of our consumers.
9. Our unique model of Health Information Service provides personalized reports on medicines, substitutes, health articles, health tools, pill organizer etc.

**FINANCIAL PERFORMANCE**

The consolidated financial performance on year to year basis is given below:

(₹ in Lacs except for EPS)

| Revenue | FY 2017-18 | FY 2016-17 |
|---|---|---|
| Healthcare Network | 14,826.08 | 11,248.45 |
| Financial Services | 1,107.88 | 2,034.47 |
| Other Segment | 0.11 | 5.1 |
| Other Income | 261.96 | 414.49 |
| Total Revenue | 16,196.03 | 13,702.51 |
| EBIDTA | (1,281.57) | (1,822.59) |
| EBIT | (1,835.99) | (2,514.42) |
| Profit/(Loss) before exceptional item and Tax | (1,888.12) | (2,795.41) |
| Exceptional item | 651.98 | - |
| Profit/(Loss) before Tax | (1,236.14) | (2,795.41) |
| Profit/(Loss) after Tax | (1,472.91) | (2,862.53) |
| EPS | (3.73) | (9.00) |

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

## OPPORTUNITIES AND THREATS

### Opportunities

1. Social responsibility is the DNA of the business model of sastasundar.com. We have this opportunity to solve one of the biggest problem of India, i.e., consistent access to affordable healthcare.
2. Our innovative model provides us with an opportunity to scale the business as to make it most cost effective and customer centric channel which provides an unprecedented convenience to the consumers.
3. Our model has an opportunity to provide access to health data and an opportunity to work on artificial intelligence to make available fastest and accurate health care delivery.
4. This is an opportunity for us to have the most respected leadership brand in healthcare in India, both in terms of distribution and/or own portfolio of digital-first brands.
5. We have this opportunity to operate as a national distributor for international supply chain. We shall be single point Distribution Company both for producers and consumers.

The initiative of government on digital India, digital health and Goods and Service Tax gives us a favourable environment.

### Threats

1. We are cost conscious and therefore have control on spending. We have threats from start-up companies that are backed by capital and offer discounts sponsored by capital.
2. We shall be needing capital for fast expansion and any delay in raising capital is a threat to our growth.
3. We operate in healthcare which is highly regulated and therefore any adverse regulation may affect our growth.
4. We operate with a high technology backbone and therefore data security is a threat.

## OUTLOOK

Healthcare has become one of India's largest sectors both in terms of revenue and employment. Healthcare comprises of hospitals, medical devices, clinical trials, outsourcing, telemedicine, health insurance and medical equipment. The Indian healthcare sector is growing at a brisk pace due to its strengthening coverage, services and increasing expenditure by public as well private players.

Indian healthcare sector is much diversified and is full of opportunities in every segment which includes providers, payers and medical technology. With the increase in the competition, businesses are looking to explore for the latest dynamics and trends which will have positive impact on their business.

SastasundarHealthbuddy Limited, a subsidiary company is carrying on its operations in a full-fledged manner in the state of West Bengal, New Delhi, Uttar Pradesh and Haryana. The strategic Business Alliance with Rohto Pharmaceutical Co., Ltd., Japan has significantly contributed towards its expansion at these regions.

The Company is planning to further expand pan India.

The outlook for business is very exciting and we take it as an opportunity to do something very unique and exceptional.

## RISKS AND CONCERNS

1. We shall be needing capital to expand our operations pan India and any delay is a risk.
2. We work in highly regulated environment and therefore any adverse regulatory change possess a risk.
3. We carry the risk of mindless competition, primarily based upon heavy discount on the back of capital.
4. We carry the risk of digital base and therefore are expected to data security threats.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your company has adequate Internal Audit and Control system across all businesses. The internal control systems are competent and provide, among other things, reasonable assurance of recording transactions of operations in all material respects and of providing protection against significant misuse or loss of company assets. Your company believes in the conduct of its affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. The internal processes have been designed to ensure adequate checks and balances at every stage. Internal audit is conducted

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

to assess the adequacy of our internal controls, procedures and processes, and the Audit Committee of the Board reviews their reports. Policy and process corrections are undertaken based on inputs from the internal auditors.

### HUMAN RESOURCES

Your company was able to grow last year only because of the employees of the company and their hard work. The group employed a total 539 employees in the last year. Your company also utilizes independent contractors and temporary personnel to supplement our workforce. The relation of the employees with your company is considered good.

### CAUTIONARY STATEMENT

*Statements in the Management Discussion and Analysis, describing the Company's objectives, outlook, opportunities and expectations may constitute "Forward Looking Statements" within the meaning of applicable laws and regulations. The Actual result may vary materially from those expressed or implied in the statement. Several factors make a significant difference to the company's operations including the government regulations, taxation and economic scenario affecting demand and supply condition and other such factors over which the Company does not have any direct control.*

# CORPORATE GOVERNANCE REPORT

**The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2018 in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (The "Listing Regulations").**

## 1. COMPANY'S PHILOSOPHY

Sastasundar's Corporate Governance principles are based on the principles of transparency, responsibility, accountability, knowledge and commitment to values. The Company adheres to good corporate practices and is constantly striving to better them and adopt emerging best practices. Best results are achieved when the companies begin to treat the Corporate Governance system not as a mere structure but as a way of corporate life. The Company firmly believes that these aspects as well as compliances of applicable legislations and timely disclosures enhance the image of the Company and the long term value of all Shareholders and Stakeholders. However, good corporate governance practices should aim at striking a balance between interest of various stakeholders on the one hand and the duties and responsibilities of the Board and senior management in overseeing the affairs of the Company on the other. The Company's Board of Directors has framed a Code of Conduct for its Senior Managers including the Board Members. The Code of Conduct is available on the Company's website *www.sastasundarventures.com*.

## 2. BOARD OF DIRECTORS

### Composition of the Board

The Board of Directors in Sastasundar has been constituted in a manner which ensures appropriate mix of Executive/Non-Executive and Independent Directors to ensure proper governance and management. The members of our Board are from diverse backgrounds with skills and experience in critical areas like taxation, finance, entrepreneurship, legal and general management.

As on 31st March, 2018 the Company's Board comprises of seven members. The Company has an Executive Chairman, and therefore 50% of the total number of Directors should comprise of Independent Directors. At present, the Company has one executive director and six non-executive director out of which one is women director. The number of Independent Directors is four i.e. 57% of the total number of Directors. At the beginning of every financial year, every Independent Director signs a Declaration to confirm that they fulfill all the conditions for being an Independent Director as laid down under Section 149(6) of the Companies Act, 2013. The terms and conditions of appointment are disclosed on the website of the Company. The management of the Company is headed by the Mr. Banwari Lal Mittal, Chairman & Managing Director who operates under the supervision and control of the Board. The Board reviews and approves strategy and oversees the actions and results of management to ensure that the long-term objectives of enhancing stakeholder value are met. Mr. Banwari Lal Mittal and Mr. Ravi Kant Sharma, is also on the Board of the Sastasundar Healthbuddy Limited (Formerly Microsec Health Buddy Limited) (SHBL), subsidiary of the Company and draws remuneration from SHBL.

### Number of Board Meetings

The Board of Directors met four times during the financial year ended 31st March, 2018 on 26th May, 2017, 10th August, 2017, 14th November, 2017 and 14th February, 2018. All meetings were well attended. The maximum interval between any two meetings was well within the maximum allowed gap of one hundred and twenty days.

### Role of Company Secretary in overall Governance Process

The Company Secretary plays a vital role in ensuring that Board procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and the senior management for effective decision-making at the meeting.

### Directors' Attendance Record and Directorship Held

As mandated by Regulation 26(1) of the SEBI (LODR) Regulations, 2015 none of the Directors are members of neither more than ten Board level Committees nor are they Chairman of more than five Committees in which they are Directors.

# CORPORATE GOVERNANCE REPORT

The table below gives the names and categories of Directors, their attendance at the Board Meetings held during the year and at the last Annual General Meeting, as also the number of Directorships and Committee positions held by them in other companies:

| Name of Directors | Category | No. of Board Meetings | | Attendance at the previous AGM | No. of Directorships and Committee Memberships/ Chairmanships (including the Company) | | |
|---|---|---|---|---|---|---|---|
| | | Held | Attended | | Director-ships* | Committee Memberships** | Committee Chairmanships** |
| Banwari Lal Mittal DIN: 00365809 | Chairman & Managing Director (Promoter) | 4 | 4 | Yes | 5 | 1 | - |
| Ravi Kant Sharma DIN: 00364066 | Non Executive Director (Promoter) | 4 | 4 | Yes | 4 | 2 | - |
| Parimal Kumar Chattaraj DIN: 00893963 | Independent Non-Executive Director | 4 | 4 | Yes | 3 | 3 | 2 |
| Raj Narain Bhardwaj DIN: 01571764 | Independent Non-Executive Director | 4 | 4 | No | 8 | 9 | 3 |
| Deba Prasad Roy DIN: 00049269 | Independent Non-Executive Director | 4 | 4 | Yes | 3 | 3 | - |
| Abha Mittal DIN: 00519777 | Non Executive Director (Promoter) | 4 | 4 | Yes | 4 | - | - |
| Rajeev Goenka DIN- 03472302 | Independent Non-Executive Director | 4 | 2 | Yes | 1 | - | - |

* excludes directorship in Private Limited Companies, foreign companies and Companies under Section 8 of the Companies Act, 2013.

** Only memberships/chairmanships of the Audit Committees and Stakeholders Relationship Committees in various public limited companies, considered.

**Note**: In the above statement the Directorship and Committee Membership of Directors have been computed with reference to section 165 of the Companies Act, 2013 read with Regulation 26(1) of the SEBI (LODR) Regulations, 2015. No Director is related to any other Director on the Board except Mrs. Abha Mittal, who is spouse of Mr. Banwari Lal Mittal.

The Company sends detailed agenda to all the Director before every Board/Committee meetings. All the agenda item are backed by necessary supporting information and documents to enable the Board to take informed decision. To enable the Board to discharge its responsibilities effectively, the Managing Director apprises the Board at every meeting on the overall performance of the Company. The Board also, inter alia, considers and reviews investment and exposure limits, adoption of quarterly/half-yearly/annual results, transactions pertaining to purchase/disposal of property, major accounting provisions and write-offs, minutes of meetings of the Audit and other Committees of the Board and information on recruitment of officers just below the Board level, including the Compliance Officer.

The Board periodically reviews compliance reports of all laws applicable to the Company, as well as steps taken by the Company to rectify instances of non-compliances, if any. In addition to the above, Regulation 17(7) of the SEBI (LODR) Regulations, 2015, the minutes of the Board meetings of your Company's subsidiaries and a statement of all significant transactions and arrangements entered into by the subsidiaries are also placed before the Board.

**Information Placed before Board of Directors**

The Company provides all the information as set out in Regulation 17 read with Part A of Schedule II of the Listing Regulations to the Board and the Board Committees to the extent it is applicable and relevant. Such information is submitted either as part of the agenda papers in advance of the respective Meetings or by way of presentations and discussions during the Meetings.

**Presentation by the Management**

Before putting on record the quarterly/annual financial results of the Company, a presentation is made before the Board on operations of the Company including performance of major brands, businesses, initiatives taken for sales promotion and all other matters having impact on the business of the Company.

# CORPORATE GOVERNANCE REPORT

**Board Support**

The Company Secretary attends the Board Meetings and advises the Board on Compliances with applicable laws and governance.

**Directors Induction, Familiarisation and Training**

Selections of Board members are dependent on several parameters. The Nomination and Remuneration committee, in consultation with the Chairman of the Board, discusses suitability of the candidates. Upon fulfillment of the parameters, the candidates are appointed.

At SastaSundar, all the members of the Board of Directors are well-experienced professionals who are well acquainted with business knowledge of the industry. The Board members are provided necessary documents, reports and other presentations about SastaSundar. Such information enables the Independent Directors to get familiarized with the Company's operations and the industry at large. Further, in respect of Executive Directors, the Company arranges for training in the field of risk management of the Company's business. Such training enables better decision-making and helps the Executive Directors in discharging their responsibilities. The relevant statutory changes/updates are circulated to them from time to time so that it helps the Directors to make better and informed decisions. The familiarization programme includes orientation programme upon induction of new director, as well as other initiatives to update the directors on an ongoing basis.

Further, pursuant to Regulation 46 of the SEBI (LODR) Reg, 2015, your Company is required to disseminate on its website, details of familiarization programmes imparted to the Independent Director(s. During the year, the Company has organised one familiarisation Programme of the Independent Directors. The details of familiarization programme imparted to the Independent Directors of the Company is available on the Company's website at the URL *http://www.sastasundarventures.com/sastasundarventures/Pdf/SVL_Familiarization_Programme_for_Independent_Director.pdf*

**Board Evaluation Policy**

The primary objective of the Policy is to provide a framework and set standards for the evaluation of the Board as a whole and each Director individually. SastaSundar aims to achieve a balance of merit, experience and skills on the Board. The Board works with the Nomination and Remuneration Committee to lay down the evaluation criteria for the performance of Executive/ Non-Executive and Independent Director. The policy is to assess and enhance the effectiveness of the Board as a whole. Individual Board members are assessed on their effective contribution and commitment to their role and responsibilities as Directors. The Independent Directors have three key roles -governance, control and guidance. Some of the performance indicators based on which the independent director are evaluated includes:

- Active participation in long term strategic planning
- Ability to contribute to and monitor our corporate governance practices.
- Ability to contribute by introducing international best practices

**Post meeting follow-up mechanism**

The important decisions taken at the Board/Board level Committee meetings are communicated to the departments/ divisions concerned promptly. A report on the action taken on the decisions/suggestions of the previous meeting(s) is placed at the immediately succeeding meeting of the Board / committee for noting the same.

**Code of Conduct**

The Company has adopted the SastaSundar Code of Conduct which is applicable to all designated employees of the Company including the Managing Director. The Board has also approved a Code of Conduct for the Non-executive director of the Company, which incorporates the duties of the independent directors as laid down in the Act. Both the Codes are posted on the Company's website.

All the Board Members and senior management personnel, as per Regulation 26(3) of the SEBI (LODR) Regulations, 2015 have affirmed compliance with the applicable code of conduct. A declaration to this effect by the Managing Director and CEO forms part of this report. The Director and senior management of the Company have made disclosure to the Board confirming that there are no material financial and/or commercial transaction between them and the Company that could have potential conflict of interest with the Company at large.

**Risk Management**

The Company has a well-defined risk management policy in place. The risk management policy adopted by the Company is discussed in detail in the Management Discussion and Analysis chapter of this Annual Report. The Board assesses the risk and the procedures being followed by the Company and steps taken by it to mitigate these risks.

# CORPORATE GOVERNANCE REPORT

## 3. COMMITTEES CONSTITUTED BY THE BOARD

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas/activities which concern the Company and need a closer review. The Board has constituted various Committees comprising of Directors and Senior Management Personnel, some of them are Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Investment Committee and Strategic Committee, which act in accordance with the terms of reference determined by the Board. Meetings of each of these Committees are convened by the respective Chairman. Matters requiring Board's attention/approval are placed before the Board. The Minutes of the meetings of all the Committees are placed before the Board for review. Details of role and composition of these Committees including the number of meetings held during the financial year and the related attendance details are provided hereunder.

### (A) AUDIT COMMITTEE

A qualified and Independent Audit Committee has been set up by the Board in compliance with the requirement of Regulation 18 of the SEBI (LODR) Regulations, 2015 read with Section 177 of the Companies Act, 2013. The Committee comprises of:-

i) Mr. Parimal Kumar Chattaraj, Independent Director (Chairman)

ii) Mr. Raj Narain Bhardwaj, Independent Director

iii) Mr. Deba Prasad Roy, Independent Director and

iv) Mr. Ravi Kant Sharma, Non-Executive Director

The Audit Committee of the Board, inter alia, provides reassurance to the Board on the existence of an effective internal control environment that ensures:

- Efficiency and effectiveness of operations, both domestic and overseas;
- Safeguarding of assets and adequacy of provisions for all liabilities;
- Reliability of financial and other management information and adequacy of disclosures;
- Compliance with all relevant statutes.

The Audit Committee is empowered, pursuant to its terms of reference, inter-alia, to:

- investigate any activity within its terms of reference and to seek information any information it requires from any employee;
- obtain legal or other professional advice and to secure the attendance of outsiders with relevant experience and expertise, when considered necessary.

The role of the Committee includes the following: -

(a) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

(b) Recommending to the Board, the appointment, re-appointment, terms of appointment and, if required, the replacement or removal of the statutory auditor and fixation of their remuneration;

(c) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board, focusing primarily on:

a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;

b. Changes, if any, in accounting policies and practices and reasons for the same;

c. Major accounting entries involving estimates based on the exercise of judgment by management;

d. Significant adjustments made in the financial statements arising out of audit findings;

e. Compliance with listing and other legal requirements relating to financial statements;

f. Disclosure of any related party transactions;

g. Modified opinion(s) in the draft audit report.

(d) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

(e) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public

# CORPORATE GOVERNANCE REPORT

issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

(f) Review and monitor the auditor's independence and performance and effectiveness of audit process;

(g) Approval or any subsequent modification of transactions of the company with related parties;

(h) Scrutiny of inter-corporate loans and investments;

(i) Valuation of undertakings or assets of the company, wherever it is necessary;

(j) Evaluation of internal financial controls and risk management systems;

(k) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(l) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(m) Discussion with internal auditors any significant findings and follow up there on;

(n) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

(o) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(p) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors;

(q) To review the functioning of the Whistle Blower mechanism;

(r) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;

(s) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee also reviews the following:

a) Management discussion and analysis of financial condition and results of operations;

b) Statement of significant related party transactions as submitted by management;

c) Management letters / letters of internal control weaknesses issued by the statutory auditors;

d) Internal audit reports relating to internal control weaknesses; and

e) The appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the Audit Committee.

Mr. P.K. Chattaraj, the Chairman of the Committee was present at the last Annual General Meeting of the Company.

During the financial year ended 31st March, 2018 the Audit Committee met four times on 26th May, 2017, 10th August, 2017, 14th November, 2017 and 14th February, 2018. The details of the Composition of the Committee, Number of meetings held and the attendance of the Directors thereat is given herein below: -

| Name of members | Category | No. of meeting | |
|---|---|---|---|
| | | Held | Attended |
| Parimal Kumar Chattaraj | Chairman & Independent Director | 4 | 4 |
| Raj Narain Bhardwaj | Independent Director | 4 | 4 |
| Deba Prasad Roy | Independent Director | 4 | 4 |
| Ravi Kant Sharma | Non-Executive Director | 4 | 4 |

# CORPORATE GOVERNANCE REPORT

Statutory Auditor, Internal Auditor, Chief Financial Officer and the Executive Director are regularly invited to attend the Audit Committee meeting. The Company Secretary is the Secretary to the Committee. Minutes of each Audit Committee meeting are placed and discussed in the next meeting of the Board.

All the members of the Audit Committee possess strong accounting and financial management expertise. There has been no instance where the Board has not accepted the recommendations of the Audit Committee.

## (B) NOMINATION AND REMUNERATION COMMITTEE (NRC)

The Nomination and Remuneration Committee of the Company is constituted in the line with the provisions of Regulation 19 of the SEBI (LODR) Regulations, 2015 read with Section 178 of the Companies Act, 2013. The Committee comprises of:-

i) Mr. Parimal Kumar Chattaraj, Independent Director (Chairman)

ii) Mr. Raj Narain Bhardwaj, Independent Director

iii) Mr. Deba Prasad Roy, Independent Director

The Nomination and Remuneration Committee shall act in accordance with the prescribed provisions of section 178 of the Companies Act, 2013 and shall be responsible for: -

a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

b) Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;

c) Devising a policy on diversity of Board of Directors;

d) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal and carry out evaluation of every director's performance, assist in developing a succession plan for the Board.

The Chairman of the nomination and remuneration committee was present at the last Annual General Meeting of the Company, to answer the shareholders' queries.

During the Financial Year ended 31st March, 2018 the nomination and remuneration committee met four times on 26th May, 2017, 10th August, 2017, 14th November, 2017 and 14th February, 2018. The details of the Composition of the Committee, Number of meetings held and the attendance of the Directors thereat is given herein below: -

| Name of members | Category | No. of meeting | |
|---|---|---|---|
| | | Held | Attended |
| Parimal Kumar Chattaraj | Chairman & Independent Director | 4 | 4 |
| Raj Narain Bhardwaj | Independent Director | 4 | 4 |
| Deba Prasad Roy | Independent Director | 4 | 4 |

**Remuneration paid to Directors**

The Independent Directors is entitled to sitting fees for attending the Board and Committee meetings. No sitting fee is paid to Mr. Banwari Lal Mittal, Mr. Ravi Kant Sharma and Mrs. Abha Mittal, the Non-Independent Directors of the Company.

Details of the sitting fees paid to Independent Directors during the year ended 31st March, 2018 are as follows: -

| Name of the Directors | Category | Sitting Fees (₹) |
|---|---|---|
| Parimal Kumar Chattaraj | Independent Director | 3,90,000 |
| Raj Narain Bhardwaj | Independent Director | 5,40,000 |
| Deba Prasad Roy | Independent Director | 5,40,000 |
| Rajeev Goenka | Independent Director | 1,10,000 |

No commission was paid to any Directors during the year ended 31st March, 2018.

**POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION**

The Nomination and Remuneration (N&R) Committee has adopted a Charter which, inter alia, deals with the manner of selection of Board of Directors and CEO & Managing Director and their remuneration. This Policy is accordingly derived from the said Charter.

# CORPORATE GOVERNANCE REPORT

- **Criteria of selection of Non-Executive Directors**

  In evaluating the suitability of individual Board members, the Committee takes into account many factors, including general understanding of the Company's business dynamics, global business and social perspective, educational and professional background and personal achievements. Directors must possess experience at policy-making and operational levels in large organizations with significant international activities that will indicate their ability to make meaningful contributions to the Board's discussion and decision-making in the array of complex issues facing the Company.

  Director should possess the highest personal and professional ethics, integrity and values. They should be able to balance the legitimate interest and concerns of all the Company's stakeholders in arriving at decisions, rather than advancing the interests of a particular constituency.

  The Committee, along with the Board, reviews on an annual basis, appropriate skills, characteristics and experience required of the Executives for the better management of the Company. The objective is to have a Board with diverse background and experience in business, government, academics, technology and in areas that are relevant for the Company's global operations.

  In addition, Directors must be willing to devote sufficient time and energy in carrying out their duties and responsibilities effectively. They must have the aptitude to critically evaluate management's working as part of a team in an environment of collegiality and trust.

  The role of the N&R Committee is to periodically identify competency gaps in the Board, evaluate potential candidates as per the criteria laid above, ascertain their availability and make suitable recommendations to the Board. The objective is to ensure that the Company's Board is appropriate at all points of time to be able to take decisions commensurate with the size and scale of operations of the Company. The Committee also identifies suitable candidates in the event of a vacancy being created on the Board on account of retirement, resignation or demise of an existing Board member. Based on the recommendations of the Committee, the Board evaluates the candidate(s) and decides on the selection of the appropriate member.

- **Remuneration Policy**

  **Policy for the Executive Directors and CEO**

  The remuneration/ Compensation to Directors will be determined by the Nomination and Remuneration Committee ('N&R Committee') and recommend to the Board for approval. At the time of appointment or re-appointment, the CEO & Managing Director shall be paid such remuneration as may be mutually agreed between the Company (which includes the N&R Committee and the Board of Directors) and the CEO & Managing Director within the overall limits prescribed under the Companies Act, 2013 and the rules made thereunder. Increment to the existing remuneration structure may be recommended by the N&R Committee to the Board which should be within the limits approved by the shareholders in the case of Managing Director.

  The remuneration shall be subject to the approval of the Members of the Company in General Meeting.

  The remuneration of the CEO & Managing Director shall be arrived after taking into account the Company's overall performance, their contribution for the same and trend in the industry.

  **Policy for KMP and Senior Management Employees**

  The N&R Committee shall frame a policy for determining the criteria of remuneration payable to KMP and SMP.

  While determining the criteria the N&R Committee shall consider the following:

  i. the relationship of remuneration and performance benchmark is clear;

  ii. the remuneration including annual increment and performance bonus is decided based on the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, individuals performance vis-à-vis industry benchmark and current compensation trends in the market.

  The Managing Director will carry out the individual performance review based on the standard appraisal matrix and shall take into account the appraisal score card and other factors mentioned herein-above, whilst recommending the annual increment and performance incentive to the N&R Committee for its review and approval.

  Their remuneration are also governed by the external competitive environment, track record, potential, individual performance and performance of the company as well as industry standards.

# CORPORATE GOVERNANCE REPORT

**Remuneration to Non-Executive and Independent Directors:**

No Commission or Sitting fees is being paid to the Non-Executive Directors of the Company. The Independent Directors of the Company are paid remuneration by way of sitting fees only for attending the meetings of the Board of Directors and its Committees. The said sitting fees paid to the Non-executive Independent Directors for the Board Meetings and Committee meetings are fixed by the Board and reviewed from time to time in accordance with applicable law. The remuneration policy is available on the website of the Company at *http://www.sastasundarventures.com/sastasundarventures/Pdf/SVL_Remuneration_policy.pdf*

- **PERFORMANCE EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of the SEBI (LODR), Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration Committee. A structured questionnaire are prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders, etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

**Performance Evaluation Criteria:**

The Board Evaluation policy provides a framework and set standards for the evaluation of the Board as a whole, its committees and individual directors. Following are the major criteria applied for performance evaluation of the Independent Directors:

i) Professional qualification & experience;
ii) Level of integrity & confidentiality;
iii) Availability for meetings and preparedness;
iv) Understanding of governance, regulatory, legal, financial, fiduciary, ethical requirements;
v) Knowledge of the Company's key activities, financial condition and key developments;
vi) Contributes to the strategic planning process and value addition to the Company;
vii) Ability to work as a team;
viii) Independence & Conflict of interest;
ix) Adherence to ethical standards & code of conduct.

**Remuneration to the Managing Director for FY 2017-18:**

During the year under review, the detail of remuneration paid to Managing Director is appended below:

| Name of Director | Salary per annum (₹) | Performance linked incentives (₹) | Monetary value of perquisites (₹) | Sitting fees (₹) | Total (₹) |
|---|---|---|---|---|---|
| Banwari Lal Mittal | - | - | - | - | - |

Service Contract: The service contract with Mr. Banwari Lal Mittal was for 3 years and expires on 30th June, 2018. Mr. Banwari Lal Mittal has been reappointed as Managing Director & CEO of the Company for a period of 5 years from 1st July, 2018 subject to the approval of shareholders.

Notice Period: Three months prior notice in writing

Severance Fees: NIL

No remuneration/sitting fees was paid to Mr. Ravi Kant Sharma and Mrs. Abha Mittal, Non-Executive Director during the financial year ended 31st March, 2018.

Mr. Banwari Lal Mittal is an Executive Chairman in Sastasundar Healthbuddy Limited (SHBL), a subsidiary company and receives remuneration from SHBL. Mr. Ravi Kant Sharma is also designated as the Managing Director & CEO of SHBL, subsidiary of the Company and draws remuneration from SHBL.

The Company has no pecuniary relationship or transactions with its Non-Executive Directors other than payment of sitting

# CORPORATE GOVERNANCE REPORT

fees to Independent Directors for discharging their service in the Company.

**Shares held by the Non-Executive Directors**

The table below gives details of the Equity Shares of the Company held by the Non-Executive Directors as on 31st March, 2018.

| Name of the Directors | Category | Number of Equity shares held |
|---|---|---|
| Parimal Kumar Chattaraj | Independent Director | NIL |
| Raj Narain Bhardwaj | Independent Director | NIL |
| Deba Prasad Roy | Independent Director | NIL |
| Ravi Kant Sharma | Promoter / Non-executive | 497393 |
| Abha Mittal | Promoter / Non-executive | 15700 |
| Rajeev Goenka | Independent Director | 78916 |

## (C) STAKEHOLDERS RELATIONSHIP COMMITTEE

In compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (LODR) Regulations, 2015, the Board has constituted the Stakeholders Relationship Committee.

The terms of reference of the Committee includes the following:

- transfer/transmission of shares/debentures and such other securities as may be issued by the Company from time to time;
- issue of duplicate share certificates for shares/debentures and other securities reported lost, defaced or destroyed, as per the laid down procedure;
- issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates / certificates relating to other securities;
- issue and allot right shares / bonus shares pursuant to a Rights Issue / Bonus Issue made by the Company, subject to such approvals as may be required;
- to grant Employee Stock Options pursuant to approved Employees' Stock Option Scheme(s), if any, and to allot shares pursuant to options exercised;
- to issue and allot debentures, bonds and other securities, subject to such approvals as may be required;
- to approve and monitor dematerialization of shares / debentures / other securities and all matters incidental or related thereto;
- to authorize the Company Secretary and Head Compliance / other Officers of the Share Department to attend to matters relating to non receipt of annual reports, notices, non receipt of declared dividend / interest, change of address for correspondence etc. and to monitor action taken;
- monitoring expeditious redressal of investors / stakeholders grievances;
- all other matters incidental or related to shares, debentures and other securities of the Company.

The Stakeholders Relationship Committee constituted by the Board comprises of four Directors. The Committee meets at regular intervals and specifically looks into the aspect of redressal of Shareholders/Investors Grievance. During the year under review, the Committee met four times on 26th May, 2017, 10th August, 2017, 14th November, 2017 and 14th February, 2018. The Composition of the Stakeholders Relationship Committee and Meeting held and attended thereof are as below:

| Name of Directors | Category | Position Held | No. of Meetings | |
|---|---|---|---|---|
| | | | Held | Attended |
| Raj Narain Bhardwaj | Independent Director | Chairman | 4 | 4 |
| Banwari Lal Mittal | Managing Director | Member | 4 | 4 |
| Parimal Kumar Chattaraj | Independent Director | Member | 4 | 4 |
| Deba Prasad Roy | Independent Director | Member | 4 | 4 |

Mr. Biplab Kumar Mani, Company Secretary is designated as the Compliance Officer of the Company.

# CORPORATE GOVERNANCE REPORT

The Company confirms that no shareholders' complaints have been received during the year and no complaints are lying pending as on March 31, 2018.

The Company confirms that there were no share transfers lying pending and affirms that all the requests for share transfers/ transmissions, issue of new certificates, etc., received up to March 31, 2018 have since been processed. All the requests for dematerialisation and rematerialisation of shares as on that date have been confirmed through the NSDL / CDSL system.

The Name, designation and address of Compliance Officer of the Company is as under:

| | |
|---|---|
| **Name and Designation** | : Mr. Biplab Kumar Mani, Company Secretary & Compliance Officer |
| **Address** | : Azimganj House, 2nd Floor, 7 Abanindra Nath Thakur Sarani (Formerly Camac Street) Kolkata - 700 017 |
| **Contacts** | : Phone: +91 33 2282 9330, Fax: +91 33 2282 9335 |
| **E-mail** | : *investors@sastasundar.com* |

## (D) STRATEGIC COMMITTEE

The Strategic Committee consists of three members viz. Mr. Raj Narain Bhardwaj, Mr. Deba Prasad Roy and Mr. Ravi Kant Sharma. The terms of reference of the strategic committee includes monitor progress toward the achievement of strategic goals; make recommendations to the Board on strategic issues in support of key decisions that will determine and affect the development of Sastasundar's strategic direction and resulting strategic plan and provide the Board with options including benefits, risks and strategic and financial implications for strategic issues identified by the Board.

During the year under review, the Committee met three times on 14th November, 2017, 29th January, 2018 and 14th February, 2018. All the members were present at every meeting held during the year.

## (E) INVESTMENT COMMITTEE

The Investment Committee comprises of three members namely Mr. Banwari Lal Mittal, Mr. Ravi Kant Sharma and Mr. Amrit Daga. The terms of reference of the Investment Committee are as under:

- Review the investment policies, strategies and programs of the Company;
- Determine that investment constraints are consistently followed and that procedures are in place to ensure that the investment portfolio is managed in compliance with the investment policy and applicable investment constraints;
- Review the performance of the investment portfolios of the Company;
- Make periodic reports to the Board.

During the year under review, the Committee met five times on 5th September, 2017, 7th December, 2017, 22nd December, 2017, 15th January, 2018 and 28th March, 2018. All the members were present at every meeting held during the year.

## (F) INDEPENDENT DIRECTORS MEETING

A separate Meeting of independent Directors of the Company was held on 14th November, 2017 as required under Schedule IV to the Act (Code for Independent Directors) and Regulation 25(3) of the SEBI (LODR) Regulations, 2015. All the Independent Directors were present at this meeting. At the meeting, the Independent Directors:

- Reviewed the performance of Non-Independent Directors, the Board as a whole;
- Reviewed the performance of the Chairman of the Company;
- Assessed the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

## 4. SUBSIDIARY COMPANIES

Regulation 24 of the SEBI (LODR) Regulations, 2015 lays down the Corporate Governance requirements with respect to subsidiary of listed entity. As per Regulation 16(1)(c) of the SEBI (LODR) Regulations, 2015 material subsidiary shall mean a subsidiary, incorporated in India, whose income or net worth exceeds 20% of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year. As on 31st March, 2018 the Company has 9 (nine) subsidiaries. The Company has one unlisted material subsidiary i.e. Sastasundar Healthbuddy Limited. Mr. Parimal Kumar Chattaraj, the Independent Director of the Company is also a Director of Sastasundar Healthbuddy Limited.

# CORPORATE GOVERNANCE REPORT

The financial statements including particulars of investments made by all the unlisted subsidiary companies are reviewed by the Audit Committee.

Your Company has a system of placing the minutes and statements of all the significant transactions of all the unlisted subsidiary companies in the Meeting of Board of Directors.

The Company has already formulated a policy for determining 'material subsidiaries' and such policy has been disclosed on the company's website and can be accessed through the weblink *http://www.sastasundarventures.com/sastasundarventures/Pdf/SVL_PolicyforDeterminationofMaterialSubsidiary.pdf*

**5. GENERAL BODY MEETING:**

The following table gives the details of the last three Annual General Meetings of the Company:

| *Year* | *AGM date and time* | *Venue* | *No. of special resolutions passed* |
|---|---|---|---|
| 2016-17 | 8th August, 2017 at 10.30 am | "Bharatiya Bhasha Parishad", 36A Shakespeare Sarani, 4th Floor, Kolkata - 700017 | Nil |
| 2015-16 | 27th September, 2016 at 3.00 pm | "Rotary Sadan", 94/2 Chowringhee Road, Kolkata - 700020 | Change of name of the Company from Microsec Financial Services Limited to Sastasundar Ventures Limited and to make necessary alteration in the Memorandum and Articles of Association |
| 2014-15 | 28th September, 2015 at 10.30 am | "Gyan Manch", 11 Pretoria Street, Kolkata - 700071 | 1. Re-appointment of Mr. Banwari Lal Mittal (DIN-00365809) as Managing Director & CEO of the Company for a period of three years w.e.f. 01-07-2015.<br>2. Adoption of new set of Articles of Association in place of, in substitution and to the entire exclusion of the existing Articles of Association of the Company. |

- No Extra-Ordinary General Meeting of the shareholders was held during the year nor any approval of the shareholders were obtained through Postal Ballot.
- None of the business proposed to be transacted at the ensuing Annual General Meeting require passing a resolution through postal ballot.

**Details of special resolution passed through Postal Ballot during FY 2017-18: NIL**

**6. DISCLOSURES:**

**i) Related Party Transaction:**

Your Company places the statement of the related party transaction at every Audit Committee meetings. The Register of Contracts containing the transactions in which the Directors are interested are placed at the Board meetings. The disclosure of the related party transaction as per the Accounting Standard (AS-18) are set out in Note No. 25 of the Notes to the Accounts. However these transactions are not likely to have any conflict with the Company's Interest. There are no materially significant related party transactions. The Board has put in place a policy on related party transactions and the same has been uploaded on the website of the Company at the weblink *http://www.sastasundarventures.com/sastasundarventures/Pdf/SVL_RelatedPartyTransactionPolicy.pdf*

ii) There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three financial years and no penalties or strictures have been imposed on the Company by the Stock Exchanges or Securities and Exchange Board of India or any other statutory authority in this regard.

**iii) Compliance with Regulation 27 of the SEBI (LODR) Regulations, 2015:**

The Company has complied with the mandatory requirements of the Regulation 27 of the SEBI (LODR) Regulations, 2015. The details of these compliances have been given in the relevant sections of this report. The status on compliance with the Non-mandatory requirements is given at the end of the Report.

**iv) Reconciliation of Share Capital Audit:**

A qualified practicing company secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited

# CORPORATE GOVERNANCE REPORT

(CDSL) and the total issued and the listed equity share capital. The Audit report confirms that the total issued / paid up capital is in agreement with the total number of shares in physical forms and the total number of dematerialized shares held with NSDL and CDSL.

**v) Accounting treatment in preparation of financial statement:**

The Company has followed the Guidelines of Accounting Standards laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.

**vi) Risk Management:**

The Company carries a risk management process and the weaknesses if found are communicated to the Audit Committee from time to time. Periodic reviews are made on extent of risk minimization measures adopted to minimize the potential risks.

**vii) Vigil Mechanism /Whistle Blower Policy:**

The Company has already established a vigil mechanism for their directors and employees to report their genuine concerns or grievances. A Vigil (Whistle Blower) mechanism provides a channel to the employees and Directors to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of conduct or policy. Such a vigil mechanism provides for adequate safeguards against victimization of persons who use such mechanism and also make provision for direct access to the chairman of the Audit Committee in appropriate or exceptional cases. The whistle blower policy has been adopted by the Company and placed on the website of the Company and can be accessed through the weblink *http://www.sastasundarventures.com/sastasundarventures/Pdf/SVL_whistle_blower_policy.pdf.*

During the year, no case was reported under this policy and no personnel has been denied access to the Chairman of the Audit Committee

viii) The Company has complied with Corporate Governance requirements specified in Regulation 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015**.**

ix) The Company does not have any shares in demat suspense account or unclaimed suspense account.

**7. ADDITIONAL INFORMATION:**

**i) Prevention of Insider Trading:**

a. ***Code of Conduct for Prevention of Insider Trading***:

In compliance with SEBI regulations on prevention of insider trading, the Company has formulated a comprehensive Code of Conduct for Prevention of Insider Trading in the securities of the Company. This Code of Conduct is applicable to Promoters, Directors, Chiefs, Group Heads and such other employees of the Company and others who are expected to have access to unpublished price sensitive information.

The Code of Conduct lays down guidelines advising them on procedures to be followed and disclosures to be made while dealing with the shares of the Company and cautioning them of consequences of violations. The Company Secretary of the Company is the Compliance Officer. This Code is displayed on the Company's website viz. *www.sastasundarventures.com*.

**b. *Code of Practices and Procedures for Fair Disclosure*:**

The Board has approved the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, in terms with the SEBI (Prohibition of Insider Trading) Regulations, 2015.

The code lays down broad standards of compliance and ethics, as required by the applicable SEBI regulations. The code is required to be complied in respect of all corporate disclosures in respect of the Company and /or its subsidiary companies. The Company Secretary of the Company is the Compliance Officer. This Code is displayed on the Company's website viz. *www.sastasundarventures.com*.

**ii) Code of Conduct for Directors and Senior Management:**

The Board has laid down the Code of Conduct for its Members and designated Senior Management Personnel of the Company. The Code has been posted on the Company's website at the weblink *http://www.sastasundarventures.com/sastasundarventures/Pdf/SVL_CodeofConduct.pdf*

All Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct.

# CORPORATE GOVERNANCE REPORT

## 8. MEANS OF COMMUNICATION WITH SHAREHOLDERS:

**Quarterly Results and its publication:** The unaudited quarterly/ half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the close of the financial year as per the requirements of the Listing Regulation with the Stock Exchanges. The aforesaid financial results are sent to BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE) where the Company's securities are listed, immediately after these are approved by the Board. The financial results are also uploaded on the Company's website *www.sastasundarventures.com*. The Company publishes quarterly, half-yearly and annual results "Business Standard" (in English) and Ekdin (in Bengali).

**News Release, etc**: The Company has its own website *www.sastasundarventures.com* and all vital information relating to the Company and its performance including financial results and corporate presentations, etc. are regularly posted on the website.

**Investors' Relation:** The Company's website contains a separate dedicated section "Investor Relation" where Shareholders' information is available. The website also provides lists of unclaimed dividend which have not yet been transferred to the Investor Education and Protection Fund of the Central Government. The Company has an exclusive email ID for shareholders/investors and they may write to the Company at *investors@sastasundar.com.*

During the year under review, the management of the Company has made presentations to institutional investors and analysts and the details of which is posted on the website of the Company.

The Management Discussion and Analysis Report forms part of this Annual Report.

## 9. GENERAL SHAREHOLDER INFORMATION

### i. Annual General Meeting:

| | | |
|---|---|---|
| Day and Date | : | Tuesday,14th August, 2018 |
| Time | : | 10.30. am |
| Venue | : | "Bharatiya Bhasha Parishad", 36A Shakespeare Sarani, 4th Floor, Kolkata - 700017 |

### ii. Financial Year:

April 1, 2018 to March 31, 2019

### iii. Book closure date:

Information about the Book Closure dates have been provided in the Notice convening the AGM, which forms a part of the Annual Report.

### iv. Dividend Payment date:

Your Directors have not recommended any dividend for the FY 2017-18.

### v. Listing of equity shares on stock exchanges at:

The name and address of the stock exchange(s) at which the securities of the Company are listed:

| | |
|---|---|
| **BSE Limited** | **National Stock Exchange of India Limited** |
| Phiroze Jeejeebhoy Tower | Exchange Plaza, Bandra Kurla Complex |
| Dalal Street, Mumbai – 400 001 | Bandra (East), Mumbai – 400 051 |

Listing fees as applicable have been paid in full to BSE and NSE.

### vi. Company Registration details:

The Company is registered in the state of West Bengal, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L65993WB1989PLC047002.

### vii. Stock Code & ISIN No.:

BSE : 533259
NSE : SASTASUNDR

The International Securities Identification Number (ISIN) allotted to our shares under the depository system is INE019J01013.

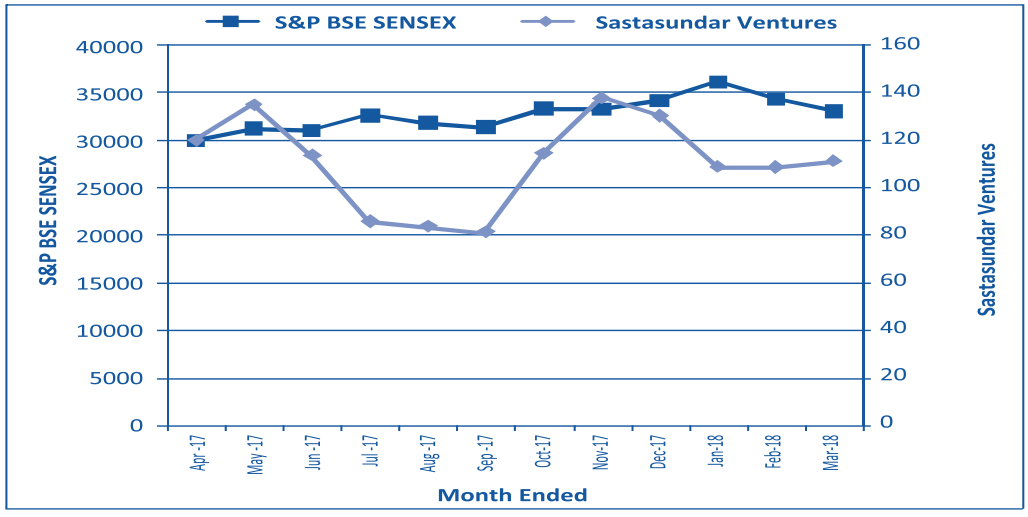
# CORPORATE GOVERNANCE REPORT

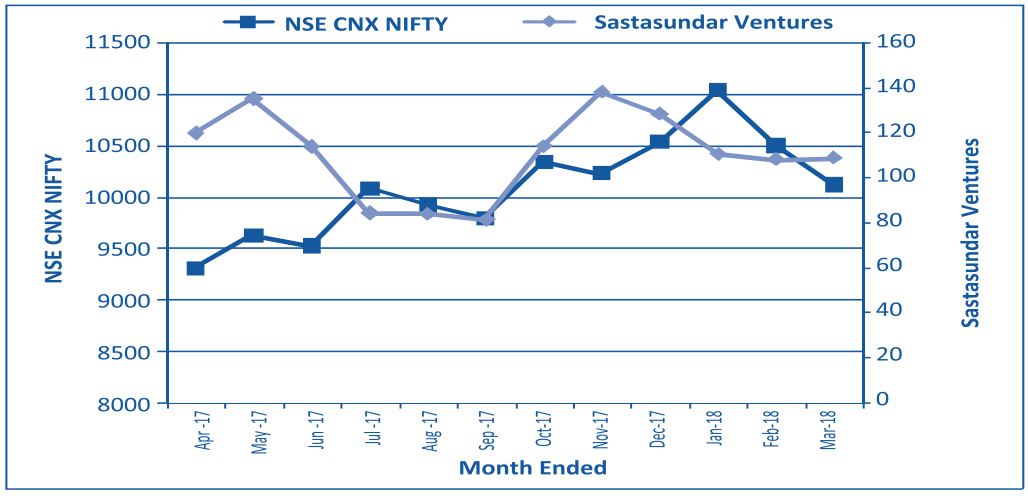
### viii. Market Price Data:

High, Low during each month in the financial year 2017-18 at BSE and NSE:

| Month | BSE | | NSE | |
|---|---|---|---|---|
| | High (₹) | Low (₹) | High (₹) | Low (₹) |
| April, 2017 | 123.60 | 99.60 | 123.50 | 99.00 |
| May, 2017 | 154.30 | 116.20 | 152.95 | 116.50 |
| June, 2017 | 140.85 | 100.65 | 139.00 | 100.00 |
| July, 2017 | 116.00 | 83.90 | 115.95 | 82.65 |
| August, 2017 | 90.00 | 78.00 | 90.80 | 76.00 |
| September, 2017 | 89.65 | 78.75 | 89.90 | 78.30 |
| October, 2017 | 114.55 | 81.00 | 115.00 | 78.00 |
| November, 2017 | 138.10 | 103.75 | 137.95 | 104.50 |
| December, 2017 | 144.00 | 127.05 | 143.70 | 124.30 |
| January, 2018 | 136.00 | 108.50 | 131.50 | 109.40 |
| February, 2018 | 114.45 | 96.00 | 114.90 | 94.35 |
| March, 2018 | 111.00 | 100.00 | 112.70 | 98.20 |

### ix. Performance in comparison to broad-based indices such as BSE Sensex, etc.:



# CORPORATE GOVERNANCE REPORT

**x. Registrar & Transfer Agent:**

**Link Intime India Private Limited**
59C, Chowringhee Road, 3rd Floor, Kolkata - 700020
Phone: +91 33 2289 0539/40 Fax : +91 33 2289 0539
Email: *kolkata@linkintime.co.in*

**xi. Share Transfer System:**

Trading in Equity Shares of the Company is permitted only in dematerialised form. Shares sent for transfer in physical form are registered and returned within a period of fifteen days from the date of receipt of the documents, provided the documents are valid and complete in all respects. With a view to expediting the process of share transfers Mr. Biplab Kumar Mani, Company Secretary and Authorised Representative of Link Intime India Private Limited have been authorised to approve transfer of equity shares and the same is ratified in the next meeting of the Stakeholders Relationship Committee. The Stakeholders Relationship Committee meets as and when required to consider the other transfer, transmission of shares, etc. and attend to shareholder grievances.

**xii. Distribution of shareholding and shareholding pattern as on 31st March, 2018:**

**a) Distribution of Shareholding:**

| No. of equity shares held (range) | No. of shareholders | % of shareholders | No. of shares | % of shareholding |
|---|---|---|---|---|
| 1 - 500 | 10617 | 94.06 | 901121 | 2.83 |
| 501 – 1000 | 272 | 2.41 | 221671 | 0.70 |
| 1001 – 2000 | 138 | 1.22 | 212065 | 0.67 |
| 2001 – 3000 | 61 | 0.55 | 157700 | 0.50 |
| 3001 – 4000 | 25 | 0.22 | 88891 | 0.28 |
| 4001 – 5000 | 40 | 0.35 | 192960 | 0.60 |
| 5001 – 10000 | 46 | 0.41 | 341601 | 1.07 |
| 10001 and more | 88 | 0.78 | 29694491 | 93.35 |
| **TOTAL** | 11287 | 100.00 | 31810500 | 100.00 |

**b) Shareholding Pattern:**

| Sl. No. | Description | Number of shares | Percentage of Capital |
|---|---|---|---|
| I | Promoter and Promoter Group | 23402902 | 73.57 |
| II | Financial Institutions/ Banks | - | - |
| III | Foreign Institutional Investors/ Foreign Companies/ Foreign Portfolio Investor | 97110 | 0.31 |
| IV | Bodies Corporate | 3237413 | 10.18 |
| V | NRIs / OCBs/ NRNs | 168815 | 0.53 |
| VI | Trust | 1633400 | 5.13 |
| VII | Resident Individuals | 2985513 | 9.39 |
| VIII | Clearing Member/ HUF and others | 285347 | 0.89 |
| | **TOTAL** | **31810500** | **100.00** |

**xiii Dematerialisation of shares and liquidity:**

As on 31st March, 2018, 99.99% of the total equity share capital was held in dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited. The market lot is one share as the trading in equity shares of the Company is permitted only in dematerialised form.

# CORPORATE GOVERNANCE REPORT

**xiv. Outstanding convertible instruments, conversion date and likely impact on equity:**

As on March 31, 2018, the Company did not have any outstanding GDRs/ADRs/ Warrants or any Convertible instruments.

**xv. Plant Locations:**

The Company does not have any manufacturing plants.

**xvi. Address for Correspondence:**

For any assistance, queries, regarding transfer or transmission of shares, dematerialization, non receipt of dividend on shares, non receipt of share application money, non-credit of shares in demat account and any other queries relating to the shares of the Company and Annual Report, the investors may please write to the following:

**i) The Company Secretary**

Sastasundar Ventures Limited
(Formerly Microsec Financial Services Limited)
Azimganj House, 2nd Floor, 7 Abanindra Nath Thakur Sarani
(Formerly Camac Street), Kolkata – 700 017
Tel : +91 33 2282 9330, Fax : +91 33 2282 9335
E-mail : *investors@sastasundar.com*

**ii) Link Intime India Private Limited**

59C, Chowringhee Road, 3rd Floor, Kolkata – 700 020
Phone : +91 33 2289 0539/40 Fax : +91 33 2289 0539
Email : *kolkata@linkintime.co.in*

## 10. NON-MANDATORY REQUIREMENTS

**(A) The Board**

The requirement of maintenance of an office for the non-executive Chairman and the reimbursement of expenses to him are not applicable to the Company presently as the Company has an executive Chairman.

**(B) Shareholders Rights**

As the quarterly and half yearly financial performance are submitted to Stock Exchanges, published in newspapers and posted on the Company's website, these are not sent to the shareholders separately..

**(C) Modified Opinion in Audit Report**

The Company's financial statements for financial year 2017-18 do not contain any modified audit opinion.

**(D) Separate Posts of Chairman and MD/CEO**

The post of Chairman and MD/CEO are same.

**(E) Reporting of Internal Auditor:**

The internal Auditors of the Company reports directly to the Audit Committee

# CORPORATE GOVERNANCE REPORT

## Auditors' Certification

**Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**To**

**The Members of Sastasundar Ventures Limited (Formerly Microsec Financial Services Limited)**

Dear Sirs,

1. The accompanying Corporate Governance Report prepared by Sastasundar Ventures Limited (Formerly Microsec Financial Services Limited)(hereinafter the "Company"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, with respect to Corporate Governance for the year ended March 31, 2018. This report is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 3 above.

5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:

   i. Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;

   ii. Obtained and verified that the composition of the Board of Directors w.r.t executive and non-executive directors has been met throughout the reporting period;

   iii. Obtained and read the Directors Register as on March 31, 2018 and verified that atleast one women director was on the Board during the year;

   iv. Obtained and read the minutes of the following committee meetings held during the period April 1, 2017 to March 31, 2018:

      (a) Board of Directors meeting;

      (b) Audit Committee;

      (c) Nomination and Remuneration Committee;

# CORPORATE GOVERNANCE REPORT

(d) Stakeholders Relationship Committee;

(e) Strategic Committee; and

(f) Investment Committee

v. Obtained necessary representations and declarations from directors of the Company including the independent directors; and

vi. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

8. Based on the procedures performed by us and according to the information and explanations given to us, that we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable as at March 31, 2018, referred to in paragraph 1 above.

Other matters and Restriction on Use

9. This reports neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

10. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to Corporate Governance Report accompanied with by a report thereon from the statutory auditors and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

**For Singhi & Co.**
**Chartered Accountants**
**Firm's Registration No. 302049E**

**Rajiv Singhi**
**Partner**
**Membership No. 053518**

Place: Kolkata
Dated: 21st day of May, 2018

# CORPORATE GOVERNANCE REPORT

## Compliance with Code of Conduct for Directors and Senior Management

I, hereby, confirm and declare that in terms of Regulation 26(3) of the SEBI (LODR) Regulations, 2015, all the Board members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct for the Board of Directors and Senior Management Personnel for the Financial Year 2017-18.

**For Sastasundar Ventures Limited**
**Banwari Lal Mittal**
Managing Director
DIN: 00365809

Kolkata, 21st May, 2018

## Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

We, Banwari Lal Mittal, Managing Director and Amrit Daga, Chief Financial Officer of Sastasundar Ventures Limited, to the best of our knowledge and belief, certify that:

(a) We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2018 and that to the best of our knowledge and belief:

  (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

  (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the Auditors and the Audit Committee:

  (i) Significant changes in internal control over financial reporting during the year;

  (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

  (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**For Sastasundar Ventures Limited**

**Banwari Lal Mittal**
Managing Director
DIN: 00365809

**Amrit Daga**
Chief Financial Officer

Kolkata, 21st May, 2018

## FORM AOC - 1

(Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

**Part "A": Subsidiaries/ Step down Subsidiaries**

(₹ in Lacs)

| Name of the Subsidiary | Sastasundar Healthbuddy Limited (formerly Microsec Health Buddy Limited) | Sastasundar Marketplace Limited (formerly Sasta Sundar Shop Private Limited) | Microsec Resources Private Limited | Innogrow Technologies Limited (formerly Microsec Technologies Limited) | Genu Path Labs Limited (incorporated as on 1st September, 2017) | Microsec Wealth Management Limited (incorporated as on 23rd January, 2018) | Retailer Shakti Supply Chain Private Limited (formerly Brandbuddy Engage Analytics Private Limited) | Myjoy Technologies Private Limited | Bharatiya Sanskriti Village Private Limited |
|---|---|---|---|---|---|---|---|---|---|
| Reporting period for the subsidiary concerned, if different from the holding company's reporting period | 2017-18 | 2017-18 | 2017-18 | 2017-18 | 2017-18 | 2017-18 | 2017-18 | 2017-18 | 2017-18 |
| Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | INR | INR | INR | INR | INR | INR | INR | INR | INR |
| Share capital | 1,840.93 | 17.09 | 32.10 | 33.10 | 300.00 | 600.00 | 245.00 | 63.04 | 11.50 |
| Reserves & surplus | 4,696.96 | 111.98 | 373.92 | 2,570.03 | (10.04) | (22.63) | (340.13) | 223.54 | (94.91) |
| Total Assets | 6,235.11 | 276.42 | 1,839.80 | 2,031.02 | 302.55 | 13.53 | 39.25 | 275.42 | 563.02 |
| Total Liabilities | 2,457.21 | 147.36 | 2,266.30 | 1,208.88 | 12.60 | 3.88 | 134.39 | 0.24 | 1,635.39 |
| Investments | 2,759.99 | - | 832.52 | 1,780.99 | - | 567.72 | - | 11.40 | 988.96 |
| Turnover | 14,761.03 | 67.45 | 285.67 | 272.39 | - | 4.20 | 0.11 | - | - |
| Profit / (Loss) before taxation | (1,614.73) | (920.39) | 0.48 | 692.83 | (10.04) | (22.63) | (71.26) | (18.02) | (31.05) |
| Provision for taxation | - | - | (0.02) | - | - | - | - | - | - |
| Profit / (Loss) after taxation | (1,614.73) | (920.39) | 0.50 | 692.83 | (10.04) | (22.63) | (71.26) | (18.02) | (31.05) |
| Proposed Dividend | - | - | - | - | - | | - | - | - |
| % of shareholding | 86.77% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

**Note:**

1. Name of subsidiaries which are yet to commence operations : NIL
2. Name of subsidiaries which have been sold during the year : Microsec Capital Limited, Microsec Commerze Limited and Microsec Insurance Brokers Limited.
3. Name of subsidiaries which have been merged with the Company during the year : PRP Technologies Limited, Myjoy Tasty Food Private Limited and Myjoy Hospitality Private Limited.

# STATEMENT REGARDING SUBSIDIARY COMPANIES

**FORM AOC - 1**

(Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

**Part "B": Associates and Joint Ventures**

| Sl. No. | Name of Associate / Joint Venture | Details |
|---|---|---|
| 1 | Latest audited Balance Sheet Date | NIL |
| 2 | Shares of Associate/Joint Venture held by the company on the year end | |
| | No. of shares | |
| | Amount of Investment in Associate/Joint Venture | |
| | Extent of Holding % | |
| 3 | Description of how there is significant influence | |
| 4 | Reason why the associate/joint venture is not consolidated | |
| 5 | Net worth attributable to Shareholding as per latest audited Balance Sheet | |
| 6 | Profit / Loss for the year | |
| | i. Considered in Consolidation | |
| | ii. Not Considered in Consolidation | |

**Note :** 1. Name of associates or joint ventures which are yet to commence operations : NIL

2. Name of associates or joint ventures which have been liquidated or sold during the year : NIL

For and on behalf of the Board of Directors

**B. L. Mittal**
*Chairman & Managing Director*
DIN : 00365809

**Ravi Kant Sharma**
*Director*
DIN : 00364066

**Amrit Daga**
*Chief Financial Officer*

**Biplab Kumar Mani**
*Company Secretary*

Place : Kolkata
Date : 21st May, 2018

# STANDALONE FINANCIAL STATEMENTS

# INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBER OF SASTASUNDAR VENTURES LIMITED (FORMERLY MICROSEC FINANCIAL SERVICES LIMITED)**

**REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of **SASTASUNDAR VENTURES LIMITED (FORMERLY MICROSEC FINANCIAL SERVICES LIMITED)** ('**the Company**'), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**AUDITOR'S RESPONSIBILITY**

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

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

We conducted our audit of the 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**OPINION**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2018 and its profit and its cash flows for the year ended on that date.

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by the Companies (Auditor's Report) Order, 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 'A' a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
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.

# INDEPENDENT AUDITOR'S REPORT

b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

e. On the basis of the written representations received from the directors as on 31st March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018 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 'B'.

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, as amended, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in financial statements – Refer Note 21 to the financial statements;

   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 Singhi & Co.**
**Chartered Accountants**
**Firm's Registration No. 302049E**

**Rajiv Singhi**
**Partner**
**Membership No. 053518**

**Place: Kolkata**
**Dated: 21st day of May, 2018**

# INDEPENDENT AUDITOR'S REPORT

## ANNEXURE-A TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditors' Report of even date in respect to statutory audit of M/s Sastasundar Ventures Limited (formerly Microsec Financial Services Limited) for the year ended 31 March 2018, we report that:

i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The management has physically verified the fixed assets of the company in a phased manner to cover the entire block of assets once in a year and no material discrepancies were noticed. The procedure adopted by the management is reasonable in our opinion having regard to the size of the Company and nature of its assets.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

ii. The Company is a Core Investment Company and is not required to maintain inventory. Consequently, the requirements of paragraph 3 (ii) of the Companies (Auditor's report) Order, 2016 ("the Order") are not applicable to the Company and hence not commented upon.

iii. (a) The Company has granted loans to a company covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and 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.

(b) The Company has granted loans that are re-payable on demand, to a company covered in the register maintained under section 189 of the Companies Act, 2013. We are informed that the company upon demand has received repayment of such loan during the year, and, there has been no default on the part of the party to whom the money has been lent. The payment of interest has been regular.

(c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.

iv. In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 where applicable, in respect of loans given, investments made, guarantees and securities given in respect of financial assistance obtained by the wholly owned subsidiaries from banks have been complied with by the Company.

v. The Company has not accepted any deposits from the public.

vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are material dues outstanding of income-tax and service tax, on account of any dispute, are as follows:

| Name of the statute | Nature of dues | Amount (₹) | Period to which the amount relates | Forum where dispute pending |
|---|---|---|---|---|
| Finance Act, 1994 | Service Tax | 65,91,073 | Financial Year 2007-08, 2008-09, 2009-10, 2010-11, 2011-2012 | Customs, Central Excise and Service Tax Appellate Tribunal |

# INDEPENDENT AUDITOR'S REPORT

viii. The Company did not have any outstanding dues to financial institutions, banks or debenture holders during the year.

ix. The company did not raise money by way of initial public offer or further public offer including debt instruments and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.

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 our audit.

xi. According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

xii. The company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

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 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.

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.

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 non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi. As fully explained under Note 27 to the financial statements, the Company is not required to obtain registration under the provisions of section 45-IA of the Reserve Bank of India Act, 1934.

**For Singhi & Co.**
**Chartered Accountants**
**Firm's Registration No. 302049E**

**Rajiv Singhi**
**Partner**
**Membership No. 053518**

**Place: Kolkata**
**Dated: 21st day of May, 2018**

# INDEPENDENT AUDITOR'S REPORT

## ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT

**The Annexure referred to in paragraph 2 (f) under the heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditors' Report of even date in respect to the internal financial control under clause (i) of sub-section 3 of section 143 of the Act of M/s Sastasundar Ventures Limited (formerly Microsec Financial Services Limited) for the year ended 31st March 2018, we report that:**

We have audited the internal financial controls over financial reporting of M/s Sastasundar Ventures Limited (formerly Microsec Financial Services Limited) ("the Company") as of 31st March 2018 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 ('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 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 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, issued by 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, both applicable to an audit of Internal Financial Controls and, both issued by ICAI. 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 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,

# INDEPENDENT AUDITOR'S REPORT

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 31 March 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 ICAI.

**For Singhi & Co.**
**Chartered Accountants**
**Firm's Registration No. 302049E**

**Rajiv Singhi**
**Partner**
**Membership No. 053518**

**Place: Kolkata**
**Dated: 21st day of May, 2018**

# BALANCE SHEET AS AT 31ST MARCH, 2018

| | Notes | As at 31.03.2018 (₹) | As at 31.03.2017 (₹) |
|---|---|---|---|
| **I. EQUITY AND LIABILITIES** | | | |
| **1. Shareholders' Funds** | | | |
| (a) Share Capital | 3 | **31,81,05,000** | 31,81,05,000 |
| (b) Reserves and Surplus | 4 | **2,40,01,12,673** | 1,89,63,86,583 |
| | | **2,71,82,17,673** | 2,21,44,91,583 |
| **2. Non-Current Liabilities** | | | |
| (a) Long-Term Provisions | 5 | **-** | 1,09,539 |
| **3. Current Liabilities** | | | |
| (a) Trade Payables | 6 | | |
| Total outstanding dues of micro enterprises and small enterprises | | **64,710** | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | **9,81,360** | 16,43,829 |
| (b) Other Current Liabilities | 7 | **57,90,053** | 1,63,14,334 |
| (c) Short-Term Provisions | 5 | **10,31,674** | 55,581 |
| | | **78,67,797** | 1,80,13,744 |
| | | **2,72,60,85,470** | 2,23,26,14,866 |
| **II. ASSETS** | | | |
| **1. Non-Current Assets** | | | |
| (a) Fixed Assets | 8 | | |
| (i) Property, Plant and Equipment | | **4,17,02,835** | 4,18,88,339 |
| (ii) Intangible Assets | | **1** | 43,429 |
| (b) Non-Current Investments | 9 | **2,36,04,84,116** | 2,11,53,95,278 |
| (c) Loans and Advances | 10 | **19,79,204** | 27,35,472 |
| | | **2,40,41,66,156** | 2,16,00,62,518 |
| **2. Current Assets** | | | |
| (a) Current Investment | 11 | **23,06,38,777** | 6,14,77,565 |
| (b) Trade Receivables | 12 | **80,67,466** | 4,41,000 |
| (c) Cash and Bank Balances | 13 | **4,10,73,973** | 95,32,994 |
| (d) Loans and Advances | 10 | **4,20,76,820** | 10,44,586 |
| (e) Other Current Assets | 14 | **62,278** | 56,203 |
| | | **32,19,19,314** | 7,25,52,348 |
| | | **2,72,60,85,470** | 2,23,26,14,866 |
| Summary of significant accounting policies | 2.1 | | |

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

**For Singhi & Co.**
**Firm Registration No: 302049E**
***Chartered Accountants***

**Rajiv Singhi**
***Partner***
**Membership No. 053518**

**Place : Kolkata**
**Date : 21st May, 2018**

**For and on behalf of the Board of Directors**

**B.L.Mittal**
***Chairman & Managing Director***
**DIN : 00365809**

**Amrit Daga**
***Chief Financial Officer***

**Ravi Kant Sharma**
***Director***
**DIN : 00364066**

**Biplab Kumar Mani**
***Company Secretary***

# STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

| | Notes | 2017-18 (₹) | 2016-17 (₹) |
|---|---|---|---|
| **Income** | | | |
| I. Revenue from Operations | 15 | 28,50,411 | 86,21,573 |
| II. Other Income | 16 | 1,23,78,809 | 11,47,487 |
| **III. Total Revenue** | | 1,52,29,220 | 97,69,060 |
| **Expenses** | | | |
| Employee Benefits Expense | 17 | 69,53,890 | 68,40,952 |
| Depreciation and Amortisation expense | 18 | 22,74,401 | 27,49,454 |
| Other Expenses | 19 | 1,21,94,413 | 1,11,56,419 |
| **IV. Total Expenses** | | 2,14,22,704 | 2,07,46,825 |
| **V. PROFIT/ (LOSS) BEFORE TAX AND EXCEPTIONAL ITEM** | | (61,93,484) | (1,09,77,765) |
| **VI. EXCEPTIONAL ITEMS [REFER NOTE 29]** | | 13,90,65,067 | (1,34,00,000) |
| **VII. PROFIT/ (LOSS) BEFORE TAX** | | 13,28,71,583 | (2,43,77,765) |
| **VIII. Tax Expenses:** | | | |
| (a) Current Tax | | 1,96,78,751 | - |
| (b) Deferred Tax Charge | | - | - |
| (c) Adjustment of tax relating to earlier periods | | - | 4,394 |
| | | 1,96,78,751 | 4,394 |
| **IX. PROFIT/ (LOSS) FOR THE YEAR** | | 11,31,92,832 | (2,43,82,159) |
| **X. Profit / (Loss) Per Equity Share:** | | | |
| Basic and Diluted<br>[Nominal Value per Share ₹ 10 (2016-17: ₹ 10 each)] | 20 | 3.56 | (0.77) |
| Summary of significant accounting policies | 2.1 | | |

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

**For Singhi & Co.**
**Firm Registration No: 302049E**
***Chartered Accountants***

**Rajiv Singhi**
***Partner***
**Membership No. 053518**

**Place : Kolkata**
**Date : 21st May, 2018**

**For and on behalf of the Board of Directors**

**B.L.Mittal**
***Chairman & Managing Director***
**DIN : 00365809**

**Amrit Daga**
***Chief Financial Officer***

**Ravi Kant Sharma**
***Director***
**DIN : 00364066**

**Biplab Kumar Mani**
***Company Secretary***

# CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

| | | 2017-18 (₹) | 2016-17 (₹) |
|---|---|---|---|
| **A.** | **Cash Flow from Operating Activities** | | |
| | **Profit /(Loss) before tax** | **13,28,71,583** | (2,43,77,765) |
| | Adjustments for : | | |
| | Interest on Fixed Deposits and Others | **(83,23,267)** | (11,47,487) |
| | Profit on sale of current Investment including Non Compete Fees (net of expense) | **(13,94,88,559)** | - |
| | Provision for diminution in value of Investments | **-** | 1,34,00,000 |
| | Reversal for Provision in diminution of Investment | **(3,71,00,000)** | - |
| | Profit on sale of Property, Plant and Equipment | **(15,127)** | - |
| | Loss on sale of Non Current Non Trade Investment | **3,43,85,355** | - |
| | Depreciation and amortization expense | **22,74,401** | 27,49,454 |
| | **Operating profit / (loss) before working capital changes** | **(1,53,95,614)** | (93,75,798) |
| | Increase/ (Decrease) in trade payables | **(7,03,824)** | 8,87,067 |
| | Increase/(Decrease) in other current liabilities | **(1,15,11,748)** | 1,46,23,993 |
| | Increase/ (Decrease) in provisions | **(1,90,317)** | (2,99,514) |
| | (Increase) / Decrease in trade receivables | **(74,25,961)** | (4,41,000) |
| | (Increase) / Decrease in loans and advances | **(3,80,89,532)** | (1,12,152) |
| | **Cash generated from / (used in) operations** | **(7,33,16,996)** | 52,82,596 |
| | Direct tax paid (net of refunds) | **(1,86,99,985)** | 74,60,619 |
| | **Net cash flow used in operating activities** | **(9,20,16,981)** | 1,27,43,215 |
| **B.** | **Cash Flow from Investing Activities** | | |
| | Purchase of Property, Plant and Equipment | **(1,54,370)** | - |
| | Proceeds from sale of Property, Plant and Equipment | **16,580** | - |
| | Investment in non-current investments | **(3,76,26,000)** | (9,99,99,940) |
| | Proceeds from sale of non-current investments | **16,13,645** | 8,26,00,625 |
| | Investment in current Investment (net) | **(40,48,57,119)** | - |
| | Proceeds from sale of current Investment including Non Compete Fees (net of expense) | **42,65,85,106** | - |
| | Encashment of Fixed Deposits (net) | **10,50,00,000** | 70,00,000 |
| | Interest on Fixed Deposits and others | **3,20,82,937** | 4,08,997 |
| | **Net cash flow from investing activities** | **12,26,60,779** | (99,90,318) |
| **C.** | **Net cash flow from financing activities** | **-** | - |
| **D.** | **Net increase / (decrease) in cash and cash equivalents (A+B+C)** | **3,06,43,798** | 27,52,897 |
| **E.** | **Cash and Cash equivalents at the beginning of the year** | **93,32,442** | 65,79,545 |
| | Cash and Cash equivalents transferred as per scheme of arrangement [Refer Note 28] | **7,73,629** | - |
| **F.** | **Cash and Cash equivalents at the end of the year** | **40,74,49,869** | 93,32,442 |

# CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

| | 2017-18 (₹) | 2016-17 (₹) |
|---|---|---|
| Components of cash and cash equivalents as indicated in Note 13 comprises of: | | |
| Cash on hand | **2,974** | 125 |
| Balances with scheduled banks* | **4,07,46,895** | 93,32,317 |
| **Total** | **4,07,49,869** | 93,32,442 |

* Excludes balance of ₹ Nil (2016-17 ₹ 36,816) with a bank for which refund instruments have been issued to the investors but are yet to be encashed. Excludes balance of ₹ 1,63,736 (2016-17: ₹ 1,63,736) with a bank for which dividend instruments have been issued to the investors but are yet to be encashed.

**Notes :**

a) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 on Cash Flow Statement

b) Pursuant to the Scheme of Arrangement [Refer note 28], the assets and liabilities of the PRP Technologies Limited, Myjoy Tasty Food Private Limited and Myjoy Hospitality Private Limited transferred to Sastasundar Ventures Limited as on 1st April, 2016

| | |
|---|---|
| a) Fixed Assets | 20,86,878 |
| b) Non-Current Investment | 68,07,17,648 |
| c) Other Assets | 17,99,44,596 |
| d) Long Term Borrowings | 23,47,77,600 |
| e) Trade Payables and other Liabilities | 16,39,860 |
| The summary of cash flow for the period 1st April, 2016 to 31st March, 2017 are as under : | |
| Opening Cash & Cash Equivalent as on 1st April, 2016 | 6,00,098 |
| Net cash generated from operating activities | 3,18,80,856 |
| Net cash generated from investing activities | (3,17,07,325) |
| Net cash generated from financing activities | - |
| **Closing Cash & Cash Equivalent as at 31st March, 2017** | **7,73,629** |

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

**For Singhi & Co.**
**Firm Registration No: 302049E**
***Chartered Accountants***

**Rajiv Singhi**
***Partner***
**Membership No. 053518**

**Place : Kolkata**
**Date : 21st May, 2018**

**For and on behalf of the Board of Directors**

**B. L. Mittal**
***Chairman & Managing Director***
**DIN : 00365809**

**Amrit Daga**
***Chief Financial Officer***

**Ravi Kant Sharma**
***Director***
**DIN : 00364066**

**Biplab Kumar Mani**
***Company Secretary***

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

### 1. Corporate Information

Sastasundar Ventures Limited (formerly Microsec Financial Services Limited) (the "Company" or "SVL") is a public company domiciled in India. Its shares are listed on BSE Limited and National Stock Exchange of India Limited. The Company is a Core Investment Company (CIC) and operates through several subsidiaries. At present, the Company is focusing largely on the business of digital network of healthcare. The Company aims to provide genuine healthcare services at a reasonable cost with its innovative information and knowledge based web portal www.sastasundar.com owned by one of its subsidiary company.

### 2. 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 and Companies (Accounting Standards) Amendment Rules, 2016. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

### 2.1 Summary of Significant Accounting Policies:

#### i) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the 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.

#### ii) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

a. Fees from Investment Banking activities which include Mergers & Acquisitions, Investment and other advisory services are recognized as revenue when the relevant services are rendered to the customers and there are reasonable certainties as regards ultimate collectability of such revenue. The Company collects taxes on behalf of the Government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

b. Dividend income is recognized when the shareholder's right to receive dividend is established by the balance sheet date.

c. Income from Royalty is recognised on an accrual basis in accordance with the terms of the relevant agreement.

d. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

e. Profit / (loss) on sale of investments is determined based on the weighted average cost of the investments sold.

#### iii) Property, Plant and Equipment

Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use and initial estimate of decommissioning, restoring and similar liabilities, if any. Any trade discount and rebates are deducted in arriving at the purchase price.

Gains or losses arising from de-recognition of Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is de-recognised.

The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

**iv) Intangible Assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and impairment losses, if any.

**v) Depreciation on Property, Plant and Equipment and Amortization on intangible assets**

a. Depreciation on Property, Plant and Equipment is calculated on a written down value (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.

c. Copyrights are amortized on straight-line basis over a period of three years from the date the assets become available for use.

d. Computer softwares are amortized on straight line basis over a period of three years from the date the assets become available for use.

**vi) Impairment of Fixed Assets**

The carrying amounts of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment based on external/internal factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount which represents the greater of the net selling price and 'Value in use' of the assets. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

After impairment, depreciation / amortization is provided on the revised carrying amount of the assets over its remaining useful lives.

A previously recognized impairment loss is increased or reversed depending on the changes in the circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation / amortization if there was no impairment.

**vii) Borrowing Costs**

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

**viii) Investments**

Investments that are readily realisable and intended to be held for not more than a year from the date on which such investments are made are classified as Current Investments. All other Investments are classified as Long term Investments. Current Investments are stated at lower of cost and fair value determined 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.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit & loss.

**ix) Provisions**

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation 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 the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

**x) 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.

**xi) Taxation**

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. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

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.

Minimum Alternative Tax (MAT) credit 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 specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in the guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

**xii) Segment Reporting:**

**a) Identification of Segments :**

The Company has identified that its business segments are the primary segments. The Company's operating businesses are organized and managed separately according to the nature of products/services provided, with each segment representing a strategic business unit that offers different products/services and serves different markets. The analysis of geographical segments is based on the areas in which the operating divisions of the company operates.

**b) Inter-segment transfers :**

The company generally accounts for intersegment sales and transfers at cost plus appropriate margins.

**c) Allocation of Common Costs:**

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common cost.

**d) Unallocated items :**

Revenue and expenses which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis are included under the head "Unallocated –Common".

**e) Segment accounting policies :**

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

**xiii) Retirement and other employees benefits**

a. Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to a reduction in future payment or a cash refund.

b. Gratuity liability being a defined benefit obligation is provided for on the basis of actuarial valuation on projected unit credit method at the end of each financial year. Actuarial gains / losses are recognized in full in the period in which they occur in the Statement of Profit and Loss. The Company has got an approved gratuity fund which has taken an insurance policy with Life Insurance Corporation of India (LIC) to cover the gratuity liabilities.

c. Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

**xiv) Earning Per Share**

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

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

**xv) Cash and Cash Equivalents**

Cash and cash equivalents in the cash flow statement comprise of Cash at Bank and Cash/Cheque on hand and fixed deposits with an original maturity of three months or less.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

| | As at 31.03.2018 (₹) | As at 31.03.2017 (₹) |
|---|---|---|
| **3. SHARE CAPITAL** | | |
| **Authorised** | | |
| 3,55,32,000 (2016-17: 3,50,00,000) Equity Shares of ₹ 10 each (2016-17: ₹ 10 each) | **35,53,20,000** | 35,00,00,000 |
| **Issued, Subscribed and Fully Paid-up** | | |
| 3,18,10,500 (2016-17: 3,18,10,500) Equity Shares of ₹ 10 each (2016-17: ₹ 10 each) | **31,81,05,000** | 31,81,05,000 |

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

| Equity Shares | As at 31.03.2018 | | As at 31.03.2017 | |
|---|---|---|---|---|
| | Nos. | (₹) | Nos. | (₹) |
| Outstanding at the beginning and at the end of the year | **3,18,10,500** | **31,81,05,000** | 3,18,10,500 | 31,81,05,000 |

**(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 share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

| Name of the shareholder | As at 31.03.2018 | | As at 31.03.2017 | |
|---|---|---|---|---|
| | No. of shares | % of holding | No. of shares | % of holding |
| Equity shares of ₹ 10 each full paid up | | | | |
| Banwari Lal Mittal | **1,06,16,000** | **33.37** | 1,08,16,000 | 34.00 |
| Topview Enclaves LLP | **78,77,745** | **24.76** | 76,91,834 | 24.18 |
| Luv Kush Projects Limited | **17,79,438** | **5.59** | 15,85,675 | 4.98 |
| Microsec Vision Employees Trust | **16,33,400** | **5.13** | 17,83,400 | 5.61 |

As per records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

(d) No shares have been reserved for issue under options and contracts/commitments for the same of shares/disinvestment as at the balance sheet date.

(e) No shares have been allotted or has been bought back by the company during the period of 5 years, preceding the date as at which the balance sheet is prepared.

(f) No Convertible securities have been issued by the company during the period.

(g) No Calls are unpaid by any Director and officer of the company during the period.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

| 4. RESERVES AND SURPLUS | As at 31.03.2018 (₹) | As at 31.03.2017 (₹) |
|---|---|---|
| **Capital Reserve (Balance as per last financial statements)** | | |
| Add : Capital Reserve pursuant to Scheme of Arrangement [Refer Note 28] | **4,79,31,753** | - |
| | **4,79,31,753** | - |
| **Capital Redemption Reserve (Balance as per last financial statements)** | **1,00,00,000** | 1,00,00,000 |
| **Securities Premium Account (Balance as per last financial statements)** | **1,38,98,71,136** | 1,38,98,71,136 |
| **Reserve under Section 45-IC of the Reserve Bank of India Act, 1934** | | |
| Balance as per last financial statements | **14,29,83,000** | 14,29,83,000 |
| Add: Amount transferred from the Statement of Profit and Loss during the year | **2,26,38,566** | - |
| | **16,56,21,566** | 14,29,83,000 |
| According to Section 45-IC of the Reserve Bank of India Act, 1934, every NBFC shall create a reserve fund and transfer therein a sum not less than 20% of its Net Profit every year as disclosed in the Statement of profit and loss and before declaration of dividend.<br>Pursuant to the acceptance of Reserve Bank of India (RBI) on the Company's application for cancellation of Certificate of Registration (CoR). The Company has also sought clarification from RBI on May 6, 2016 regarding further treatment of this Reserve. Pending receipt of clarification from RBI, the Company, as per legal opinion received in this regard, has decided to maintain the status quo of the Reserve. | | |
| **Surplus in the Statement of Profit and Loss** | | |
| Balance as per last financial statements | **35,35,32,447** | 37,79,14,606 |
| Add : Profit for the period from 1st April, 2016 to 31st March, 2017 pursuant to the scheme of Arrangement [Refer Note 28] | **15,39,298** | - |
| Add : Profit on Transfer adjusted pursuant to the Scheme of Arrangement [Refer Note 28] | **34,10,62,207** | - |
| Add: Profit / (Loss) for the year | **11,31,92,832** | (2,43,82,159) |
| | **80,93,26,784** | 35,35,32,447 |
| Less : Appropriations | | |
| Transferred to Reserve under Section 45-IC of the RBI Act, 1934 | **2,26,38,566** | - |
| **Net Surplus in the Statement of Profit and Loss** | **78,66,88,218** | 35,35,32,447 |
| | **2,40,01,12,673** | 1,89,63,86,583 |

| 5. PROVISIONS | Long-Term | | Short-Term | |
|---|---|---|---|---|
| | As at 31.03.2018 (₹) | As at 31.03.2017 (₹) | As at 31.03.2018 (₹) | As at 31.03.2017 (₹) |
| For taxation [Net of Advances ₹ 1,86,98,688 (2016-17: ₹ Nil)] | - | - | **10,31,674** | 51,611 |
| For Gratuity (Refer Note 23) | - | 1,09,539 | - | 3,970 |
| | - | 1,09,539 | **10,31,674** | 55,581 |

| 6. TRADE PAYABLES | As at 31.03.2018 (₹) | As at 31.03.2017 (₹) |
|---|---|---|
| Due to Micro and Small Enterprises [Refer Note 30] | **64,710** | - |
| Due to Others | **9,81,360** | 16,43,829 |
| | **10,46,070** | 16,43,829 |

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

| 7. OTHER CURRENT LIABILITIES | As at 31.03.2018 (₹) | As at 31.03.2017 (₹) |
|---|---|---|
| Unclaimed Dividend * | **1,63,736** | 1,63,736 |
| Share Application Money pending refund** | **-** | 36,816 |
| Other liabilities | | |
| Statutory Dues | **14,91,953** | 2,92,878 |
| Advance against Investment | **-** | 1,54,64,000 |
| Employee Payables | **1,29,364** | 3,56,904 |
| Other Payable | **40,05,000** | - |
| | **57,90,053** | 1,63,14,334 |

* to be paid as and when due to Investor Education and Protection Fund

** Represents refund instruments issued to the investors which are yet to be encashed since 1st October, 2010. This, however, does not include any amount, due and outstanding to be credited to Investors Education and Protection Fund.

**8. FIXED ASSETS :**

**A. Property, Plant and Equipment** (Amount in ₹)

| Particulars | Buildings | Computers | Furniture and Fixtures | Office Equipments | Vehicles | Total |
|---|---|---|---|---|---|---|
| **Gross Block** | | | | | | |
| **At April 1, 2016** | **6,20,58,943** | **59,42,981** | **1,24,71,575** | **74,62,052** | **7,32,644** | **8,86,68,195** |
| Additions | - | - | - | - | - | **-** |
| Disposals | - | - | - | - | - | **-** |
| **At March 31, 2017** | **6,20,58,943** | **59,42,981** | **1,24,71,575** | **74,62,052** | **7,32,644** | **8,86,68,195** |
| Additions | - | 1,34,245 | 981 | 19,144 | - | **1,54,370** |
| Pursuant to Scheme of Amalgamation [Refer Note 28] | 28,91,299 | 14,51,969 | - | 27,976 | 18,31,914 | **62,03,158** |
| Disposals | - | 1,97,600 | - | 27,976 | - | **2,25,576** |
| **At March 31, 2018** | **6,49,50,242** | **73,31,595** | **1,24,72,556** | **74,81,196** | **25,64,558** | **9,48,00,147** |
| **Depreciation** | | | | | | |
| **At April 1, 2016** | **1,92,70,873** | **58,81,842** | **1,14,59,621** | **70,17,128** | **5,80,853** | **4,42,10,317** |
| Charge For the Year | 20,80,755 | 31,657 | 3,51,338 | 54,718 | 51,071 | **25,69,539** |
| Disposals | - | - | - | - | - | **-** |
| **At March 31, 2017** | **2,13,51,628** | **59,13,499** | **1,18,10,959** | **70,71,846** | **6,31,924** | **4,67,79,856** |
| Charge For the Year | 20,59,927 | 48,702 | 11,815 | 20,208 | 90,320 | **22,30,972** |
| Pursuant to Scheme of Amalgamation [Refer Note 28] | 12,35,378 | 13,73,736 | - | 25,762 | 16,75,731 | **43,10,607** |
| Disposals | - | 1,97,600 | - | 26,523 | - | **2,24,123** |
| **At March 31, 2018** | **2,46,46,933** | **71,38,337** | **1,18,22,774** | **70,91,293** | **23,97,975** | **5,30,97,312** |
| **Net Block** | | | | | | |
| **At March 31, 2017** | **4,07,07,315** | **29,482** | **6,60,616** | **3,90,206** | **1,00,720** | **4,18,88,339** |
| **At March 31, 2018** | **4,03,03,309** | **1,93,258** | **6,49,782** | **3,89,903** | **1,66,583** | **4,17,02,835** |

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

### B. Intangible Assets

(Amount in ₹)

| Particulars | Copyrights - Right on Web Application Portal - Personal Resource Planning | Software | Total |
|---|---|---|---|
| **Gross Block** | | | |
| **At April 1, 2016** | **5,00,01,000** | **39,77,427** | **5,39,78,427** |
| Addition | - | - | - |
| **At March 31, 2017** | **5,00,01,000** | **39,77,427** | **5,39,78,427** |
| Addition | - | - | - |
| Pursuant to Scheme of Amalgamation [Refer Note 28] | 69,135 | 43,26,574 | **43,95,709** |
| **At March 31, 2018** | **5,00,70,135** | **83,04,001** | **5,83,74,136** |
| Amortization | | | |
| **At April 1, 2016** | **5,00,01,000** | **37,54,083** | **5,37,55,083** |
| Charge For the Year | - | 1,79,915 | **1,79,915** |
| **At March 31, 2017** | **5,00,01,000** | **39,33,998** | **5,39,34,998** |
| Charge For the Year | - | 43,429 | **43,429** |
| Pursuant to Scheme of Amalgamation [Refer Note 28] | 69,134 | 43,26,574 | **43,95,708** |
| **At March 31, 2018** | **5,00,70,134** | **83,04,001** | **5,83,74,135** |
| **Net Block** | | | |
| **At March 31, 2017** | - | 43,429 | **43,429** |
| **At March 31, 2018** | **1** | **-** | **1** |

| 9. NON CURRENT INVESTMENTS | No. of Shares / Units | Face value Per share / Unit (₹) | As at 31.03.2018 (₹) | As at 31.03.2017 (₹) |
|---|---|---|---|---|
| Trade Investments (Valued at Cost) | | | | |
| **Unquoted Equity Shares** (fully paid up) | | | | |
| **In Wholly Owned Subsidiary Companies** | | | | |
| Microsec Resources Private Limited | 3,21,000 | 10 | **1,32,26,000** | 1,31,00,000 |
| | (3,20,000) | | | |
| Innogrow Technologies Limited (Formerly Microsec Technologies Limited) | 3,31,018 | 10 | **40,13,29,193** | 35,13,29,608 |
| | (2,80,257) | | | |
| Bhartiya Sanskriti Village Private Limited | 1,15,000 | 10 | **8,02,00,000** | 6,01,99,515 |
| | (86,321) | | | |
| Myjoy Technologies Private Limited | 6,30,369 | 10 | **3,69,99,926** | - |
| | (-) | | | |
| Genu Path Labs Limited | 30,00,000 | 10 | **3,00,00,000** | - |
| | (-) | | | |
| Myjoy Tasty Food Private Limited [Refer Note 28] | - | 10 | - | 5,01,250 |
| | (50,000) | | | |
| PRP Technologies Limited [Refer Note 28] | - | 10 | - | 23,63,36,552 |
| | (3,31,542) | | | |
| Less: Provision for diminution of long term Investments | | | - | (3,71,00,000) |
| **In Subsidiary Companies** | | | | |
| Sastasundar Health Buddy Limited (Formerly Microsec Health Buddy Limited) | 1,28,15,541 | 10 | **1,49,07,74,771** | 1,29,81,28,353 |
| | (1,08,15,543) | | | |
| **Total (a)** | | | **2,05,25,29,890** | 1,92,24,95,278 |
| **Unquoted Compulsorily Convertible Unsecured Debentures** (fully paid up) | | | | |
| **In Wholly Owned Subsidiary Companies** | | | | |
| Bharatiya Sanskriti Village Private Limited | 1,62,60,000 | 10 | **16,26,00,000** | - |
| | (-) | | | |

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

| 9. NON CURRENT INVESTMENTS | No. of Shares / Units | Face value Per share / Unit (₹) | As at 31.03.2018 (₹) | As at 31.03.2017 (₹) |
|---|---|---|---|---|
| Innogrow Technologies Limited (formerly Microsec Technologies Limited) | 1,19,99,908 | 10 | **11,99,99,076** | - |
| | (-) | | | |
| PRP Technologies Limited [Refer Note 28] | - | 940 | **-** | 15,04,00,000 |
| | (1,60,000) | | | |
| Myjoy Tasty Food Private Limited [Refer Note 28] | - | 10 | **-** | 4,25,00,000 |
| | (42,50,000) | | | |
| **Total (b)** | | | **28,25,99,076** | 19,29,00,000 |
| **Deep Discount Debentures** (fully paid up) | | | | |
| Microsec Resources Private Limited (Series I) | 2,00,000 | 500 | **53,45,900** | - |
| | (-) | | | |
| Microsec Resources Private Limited (Series II) | 75,000 | 1,000 | **1,00,00,000** | - |
| | (-) | | | |
| Microsec Resources Private Limited (Series III) | 75,000 | 1,000 | **1,00,00,000** | - |
| | (-) | | | |
| **Total (c)** | | | **2,53,45,900** | - |
| **Non-Trade Investment (valued at cost)** | | | | |
| **Quoted Bonds** (fully paid up) | | | | |
| National Bank for Agriculture & Rural Development | 1 | 20,000 | **9,250** | - |
| **Total (d)** | | | **9,250** | - |
| **Total Investments (a+b+c+d)** | | | **2,36,04,84,116** | 2,11,53,95,278 |
| **Aggregate Value of Investments** | | | | |
| Unquoted | | | **2,36,04,84,116** | 2,11,53,95,278 |
| Aggregate provision for diminution in value of Investments | | | **-** | 3,71,00,000 |

| 10. LOANS AND ADVANCES | Non Current | | Current | |
|---|---|---|---|---|
| | As at 31.03.2018 (₹) | As at 31.03.2017 (₹) | As at 31.03.2018 (₹) | As at 31.03.2017 (₹) |
| (Unsecured, considered good) | | | | |
| **A. Loans** | | | | |
| To a Related Party | **-** | - | **3,75,65,370** | - |
| **B. Advances** | | | | |
| Advance Tax [Net of Provisions ₹ 2,64,722 (2016-17: ₹ 2,64,722)] | **8,70,447** | 17,27,715 | **23,14,545** | - |
| Security Deposits | **11,08,757** | 10,07,757 | **-** | - |
| Gratuity [Refer Note 23] | **-** | - | **10,50,902** | - |
| Advances recoverable in cash or in kind | **-** | - | **2,30,733** | 13,842 |
| Prepaid Expenses | **-** | - | **2,32,254** | 3,74,989 |
| Balance with Government Authorities | **-** | - | **6,83,016** | 6,55,755 |
| | **19,79,204** | 27,35,472 | **4,20,76,820** | 10,44,586 |

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

| 11. CURRENT INVESTMENTS | No. of Shares / units | Face Value per share / unit (₹) | As at 31.03.2018 (₹) | As at 31.03.2017 (₹) |
|---|---|---|---|---|
| Current portion of Long term Investments (Valued at cost) | | | | |
| **Unquoted Equity Shares** (fully paid up) | | | | |
| **In Wholly Owned Subsidiary Company** | | | | |
| Microsec Capital Limited [Refer Note 29(a)] | - | 10 | - | 6,14,77,565 |
| | (22,63,561) | | | |
| **Unquoted Mutual Funds** (fully paid up) | | | | |
| Reliance Liquid Fund - Treasury Plan - Direct Growth Plan | 55,976.59 | 1,000 | **23,06,38,777** | - |
| Growth Option | (-) | | | |
| | | | **23,06,38,777** | 6,14,77,565 |
| **Aggregate value of Investments** | | | | |
| Unquoted | | | 23,06,38,777 | 6,14,77,565 |
| Market Value of Mutual Fund | | | 23,73,37,505 | - |

| 12. TRADE RECEIVABLES | As at 31.03.2018 (₹) | As at 31.03.2017 (₹) |
|---|---|---|
| (Unsecured, Considered Good) | | |
| Outstanding for a period exceeding six months from the date they are due for payment | - | - |
| Other Receivables | **80,67,466** | 4,41,000 |
| | **80,67,466** | 4,41,000 |

| 13. CASH AND BANK BALANCES | | |
|---|---|---|
| (i) Cash and Cash Equivalents | | |
| Cash on Hand | **2,974** | 125 |
| Balances with Scheduled Banks | | |
| On Current Accounts | **4,07,46,895** | 93,32,317 |
| | **4,07,49,869** | 93,32,442 |
| (ii) Other Bank Balances | | |
| IPO Refund Account* | - | 36,816 |
| Unclaimed Dividend Account | **1,63,736** | 1,63,736 |
| Deposits with maturity for more than 3 months but not more than 12 months | **1,60,368** | - |
| | **4,10,73,973** | 95,32,994 |

* Represents balance with a bank for which refund instruments have been issued to the investors which are yet to be encashed by the investors.

| 14. OTHER CURRENT ASSETS | As at 31.03.2018 (₹) | As at 31.03.2017 (₹) |
|---|---|---|
| (Unsecured, Considered Good) | | |
| Accrued Interest on Fixed Deposits | **11,638** | - |
| Accrued Interest on Security Deposit | **50,640** | 56,203 |
| | **62,278** | 56,203 |

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

| | 2017-18 (₹) | 2016-17 (₹) |
|---|---|---|
| **15. REVENUE FROM OPERATIONS** | | |
| **Sale of Services** | | |
| Professional Services | - | 64,20,000 |
| Interest Income On Loan | **28,50,411** | 22,01,573 |
| | **28,50,411** | 86,21,573 |
| **16. OTHER INCOME** | | |
| (a) Interest Income | | |
| On Fixed Deposits | **82,67,000** | 2,71,050 |
| On Income Tax Refund | - | 7,59,121 |
| On Security Deposit | **56,267** | 1,17,316 |
| (b) Other Non Operating Income | | |
| Rental Income | **3,00,000** | - |
| Profit on sale of Property, Plant and Equipment | **15,127** | - |
| Profit on sale of current Investment | **31,38,137** | - |
| Gratuity Provision No longer Required written Back [Refer Note 23] | **6,02,278** | - |
| | **1,23,78,809** | 11,47,487 |
| **17. EMPLOYEE BENEFITS EXPENSE** | | |
| Salary and Bonus | **66,79,094** | 58,52,224 |
| Contribution to Provident funds | **1,73,236** | 2,50,714 |
| Contribution to Employee State Insurance Scheme | **1,713** | - |
| Gratuity expense [Refer Note 23] | - | 7,00,486 |
| Staff Welfare Expenses | **99,847** | 37,528 |
| | **69,53,890** | 68,40,952 |
| **18. DEPRECIATION AND AMORTISATION EXPENSE** | | |
| Depreciation of Property, Plant & Equipment | **22,30,972** | 25,69,539 |
| Amortization of Intangible Assets | **43,429** | 1,79,915 |
| | **22,74,401** | 27,49,454 |

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

| 19. OTHER EXPENSES | 2017-18 (₹) | 2016-17 (₹) |
|---|---|---|
| Advertisement and Publicity | **2,20,589** | 3,72,796 |
| Communication Expenses | **3,00,219** | 1,29,136 |
| Repairs and Maintenance - Others | **9,60,416** | 4,97,237 |
| Rates and Taxes | **3,86,300** | 4,50,575 |
| Director's Sitting Fees | **17,18,825** | 17,98,225 |
| Insurance Premium | **1,76,226** | 2,61,514 |
| Printing and Stationery | **4,07,535** | 5,42,453 |
| Postage and Courier Expenses | **3,78,744** | 6,48,141 |
| Bank and Demat charges | **1,91,835** | 2,65,688 |
| Travelling and Conveyance | **9,42,649** | 11,51,903 |
| Legal and Professional fees | **33,38,624** | 28,00,570 |
| Listing Fee | **5,12,125** | 4,30,000 |
| Electricity | **5,98,261** | 2,65,774 |
| Security Service Charges | **4,18,351** | 75,098 |
| Service Charges | **4,16,402** | - |
| Auditors' Remuneration | | |
| As Auditors | | |
| Audit Fees | **1,90,650** | 2,01,000 |
| Limited Reviews | **1,35,000** | 1,50,750 |
| Tax Audit Fees | **50,000** | - |
| In other capacity for certificates and other services | **2,00,000** | 6,03,000 |
| Reimbursement of expenses | **-** | 86,108 |
| Miscellaneous expenses | **6,51,662** | 4,26,451 |
| | **1,21,94,413** | 1,11,56,419 |

| 20. PROFIT/(LOSS) PER SHARE | | |
|---|---|---|
| Basis for calculation of Basic and Diluted Earnings Per Share is as under: | | |
| Profit/(Loss) after tax (₹) | **11,31,92,832** | (2,43,82,159) |
| Weighted Average Number of Equity Shares (Nos) | **3,18,10,500** | 3,18,10,500 |
| Nominal Value of each Equity Share (₹) | **10.00** | 10.00 |
| Basic and Diluted Profit / (Loss) Per Equity Share (₹) | **3.56** | (0.77) |

**21 Contingent Liabilities:**

(a) The Company has provided Corporate Guarantee amounting ₹ 21,00,00,000 (2016-17: ₹ 13,80,00,000) against credit facility availed from Union Bank of India by Sastasundar Healthbuddy Limited (Formerly Microsec Health Buddy Limited) (a subsidiary company) for the purpose of purchase of Plant & Machinery and operations of the business. The amount of facility / guarantee actually availed by the subsidiary as on the balance sheet date amounts to ₹12,03,12,828 (2016-17: ₹ 10,43,49,558).

(b) The Company has provided Corporate Guarantee amounting ₹ 25,00,000 against credit card facility availed from HDFC Bank Limited by Sastasundar Healthbuddy Limited (Formerly Microsec Health Buddy Limited (a subsidiary). The amount of facility / guarantee actually availed by the subsidiary as on the balance sheet date amounts to ₹4,89,657.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

(c) The Company has provided Corporate Guarantee amounting ₹ 10,00,000 against credit card facility availed from HDFC Bank Limited by Sastasundar Marketplace Limited (Formerly Sasta Sundar Shop Private Limited) (a step down subsidiary). The amount of facility / guarantee actually availed by the subsidiary as on the balance sheet date amounts to ₹ 6,00,805.

(d) The Company has provided Corporate Guarantee of ₹ Nil (2016-17: ₹ 4,77,50,000) against bank guarantee and has created equitable mortgage of ₹ Nil (2016-17: ₹ 7,47,55,370) over its property at Kolkata as security for credit facility extended by a scheduled bank to Microsec Capital Limited (a wholly owned subsidiary company) for the purpose of operations of the business. The amount of facility / guarantee actually availed by the subsidiary as on the balance sheet date amounts to ₹ Nil (2016-17: ₹ 5,63,90,153) and ₹ Nil (2016-17: ₹ 5,93,99,634) (net of fixed deposits of ₹Nil (2016-17: ₹ 8,33,00,000 pledged by the subsidiary with the scheduled banks) respectively.

(e) The Company has provided Corporate Guarantee amounting ₹ Nil (2016-17: ₹ 10,00,000) against credit card facility availed from HDFC Bank Limited by Retailer Shakti Supply Chain Private Limited (Formerly Brandbuddy Engage Analytics Private Limited) (a step down subsidiary). The amount of facility / guarantee actually availed by the subsidiary as on the balance sheet date amounts to ₹ Nil (2016-17: ₹ 7,418).

(f) Income tax demand under appeal – ₹ Nil (2016-17: ₹ 61,46,268). The management believes that the Company has a good case for success in this matter and therefore no provision there against is considered necessary.

(g) Service tax demand – ₹ 65,91,073 (2016-17: ₹ 65,91,073). The management believes that the Company has a good case for success in this matter and therefore no provision there against is considered necessary.

22 The Company has Deep Discount Debentures issued by the subsidiary company. Income from Deep Discount Debentures will be accounted for either on maturity or when the right to receive will be established.

23 The Company has a defined employee benefit plan in the form of gratuity. Every employee, who has completed five years or more of services, gets a gratuity on departure @ 15 days of last drawn salary for each completed years of service. The gratuity scheme is entrusted with Life Insurance Corporation of India.

The following tables summarise the components of gratuity expenses recognised in the Statement of Profit and Loss and the funded status and amounts recognized in the balance sheet for the plan.

| | Particulars | 2017-18 (₹) | 2016-17 (₹) |
|---|---|---|---|
| (i) | **Net Employee Expense /(benefit)** | | |
| | Current service cost | **67,297** | 63,213 |
| | Interest cost on benefit obligation | **99,814** | 22,688 |
| | Expected return on plan assets | **30,755** | 37,473 |
| | Curtailment Cost | **-** | 9,741 |
| | Net Actuarial (gain) / loss recognised in the year | **(7,38,634)** | 6,61,799 |
| | Total employer expense recognised in Statement of Profit and Loss | **(6,02,278)** | 7,00,486 |
| | | | |
| (ii) | **Actual Return on Plan Assets** | **43,943** | 27,280 |
| | | | |
| (iii) | **Benefit Asset/(Liability)** | | |
| | Defined benefit obligation | **5,26,470** | 4,41,458 |
| | Fair value of Plan Assets | **15,77,372** | 3,27,949 |
| | Asset / (Liability) recognised in the Balance Sheet | **10,50,902** | (1,13,509) |
| | | | |
| (iv) | **Movement in benefit liability** | | |
| | Opening defined benefit obligation | **4,41,458** | 9,21,478 |
| | Acquisition Adjustment | **10,62,937** | - |
| | Interest cost | **99,814** | 22,688 |
| | Current service cost | **67,297** | 63,213 |

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

| | Particulars | 2017-18 (₹) | 2016-17 (₹) |
|---|---|---|---|
| | Curtailment Cost | - | 9,741 |
| | Benefits paid | **4,19,590** | 12,07,786 |
| | Actuarial (gains) / losses on obligation | **(7,25,446)** | 6,51,606 |
| | Closing benefit obligation | **5,26,470** | 4,41,458 |
| | | | |
| (v) | **Movement in fair value of plan assets** | | |
| | Opening fair value of plan assets | **3,27,949** | 5,08,455 |
| | Acquisition Adjustment | **70,943** | - |
| | Expected Return on plan assets | **30,755** | 37,473 |
| | Contributions by employer | **15,54,127** | 10,00,000 |
| | Benefits paid | **4,19,590** | 12,07,786 |
| | Actuarial gains on plan assets | **13,188** | (10,193) |
| | Closing fair value of plan assets | **15,77,372** | 3,27,949 |
| | | | |
| (vi) | **Major categories of plan assets as a percentage of the fair value of total plan assets** | | |
| | Investments in insurance managed fund | **100%** | 100% |
| | | | |
| (vii) | **The principal actuarial assumptions are as follows** | | |
| | Discount Rate | **7.71%** | 8.00% |
| | Expected rate of return on plan assets | **7.71%** | 8.00% |
| | Salary increase | **6.00%** | 6.00% |
| | Withdrawal rates | **1.00%** | 1.00% |
| | | | |
| (viii) | **Amount incurred as expense for defined contribution plans** | | |
| | Contribution to Provident fund | **1,73,236** | 2,50,714 |

(ix) The estimates of future salary increase considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(x) The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

(xi) The Company expects to contribute ₹ Nil (2016-17: ₹ 1,00,000) to Gratuity Fund during April, 2018 to March, 2019.

| (xii) | Amounts for the current year and previous years are as follows : | Year Ended March 31, 2018 (₹) | Year Ended March 31, 2017 (₹) | Year Ended March 31, 2016 (₹) | Year Ended March 31, 2015 (₹) | Year Ended March 31, 2014 (₹) |
|---|---|---|---|---|---|---|
| | Defined Benefit Obligation | **5,26,470** | 4,41,458 | 9,21,478 | 13,32,973 | 11,37,588 |
| | Plan Assets | **15,77,372** | 3,27,949 | 5,08,455 | 11,10,426 | 11,87,911 |
| | Surplus / ( Deficit ) | **10,50,902** | (1,13,509) | (4,13,023) | (2,22,547) | 50,323 |
| | Experience adjustments on plan liabilities | **(6,97,630)** | 6,11,814 | 3,00,434 | (2,28,745) | 3,18,232 |
| | Experience adjustments on plan assets | **11,831** | (6,990) | (16,817) | (1,230) | 5,179 |

The above information is actuarially determined.

24 Minimum Alternate Tax (MAT) credit entitlement of ₹ 1,57,86,526 (2016-17: ₹ 31,74,787) although available as tax credit for set off in future years as per Income Tax Act, 1961, has not been accounted for in view of accounting policy specified in Note 2.1(xi) herein.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

25 Related Party in terms of Accounting Standard 18 and as per the Companies Act, 2013 are given below:

**Name of related parties and description of relationship**

**i) Related parties where control exists**

**a) Subsidiaries**

Microsec Resources Private Limited

Sastasundar Healthbuddy Limited (Formerly Microsec Health Buddy Limited)

Innogrow Technologies Limited (Formerly Microsec Technologies Limited)

Genu Path Labs Limited (w.e.f, 1st September, 2017)

Microsec Wealth Management Limited (w.e.f, 23rd January, 2018)

Sastasundar Marketplace Limited (Formerly Sasta Sundar Shop Private Limited)

Retailer Shakti Supply Chain Private Limited (Formerly Brandbuddy Engage Analytics Private Limited)

PRP Technologies Limited (Amalgamated) [Refer Note 28]

Myjoy Tasty Food Private Limited (Amalgamated) [Refer Note 28]

Myjoy Hospitality Private Limited (Amalgamated) [Refer Note 28]

Myjoy Technologies Private Limited

Bharatiya Sanskriti Village Private Limited

Microsec Capital Limited (upto 1st December, 2017)

Microsec Insurance Brokers Limited (upto 1st December, 2017)

Microsec Commerze Limited (upto 1st December, 2017)

Myjoy Pharmaceuticals Private Limited (upto 30th November, 2016)

Joybuddy Fun Products Private Limited (upto 30th November, 2016)

**b) Limited Liability Partnership (Entities over which control is exercised)**

Microsec Invictus Advisors LLP

Ruchika Advisory Services LLP

Alokik Advisory Services LLP

Dreamscape Advisors LLP

Stuti Advisory Services LLP

Kailashwar Advisory Services LLP (upto 16th January, 2018)

Bhavya Advisory Services LLP (upto 20th June, 2017)

**Name of other related parties with whom transactions have taken place during the year**

**ii) Key Management Personnel**

Mr. Banwari Lal Mittal (Chairman and Managing Director)

Mr. Amrit Daga (Chief Financial Officer)

Mr. Biplab Kumar Mani (Company Secretary)

(Amount in ₹)

| Particulars | Subsidiary Companies / Entities (Enterprise over which control exists) | | | | | | | | Key Management Personnel | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Innogrow Technologies Limited (Formerly Microsec Technologies Limited) | Microsec Resources Private Limited | PRP Technologies Limited | Microsec Capital Limited | Sastasundar Healthbuddy Limited (Formerly Microsec Health Buddy Limited) | Sastasundar Marketplace Limited (Formerly Sasta Sundar Shop Private Limited) | Retailer Shakti Supply Chain Private Limited (Formerly Brandbuddy Engage Analytics Private Limited) | Genu Path Labs Limited | Mr. Banwari Lal Mittal | Mr. Amrit Daga | Mr. Biplab Mani |
| Director's Remuneration | - | - | - | - | - | - | - | - | - | - | - |
| | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (23,72,362) | (-) | (-) |
| Remuneration | - | - | - | - | - | - | - | - | - | **17,74,119** | **15,32,833** |
| | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (15,58,326) | (14,31,483) |
| Management Consultancy Fees | - | - | - | - | - | - | - | - | - | - | - |
| | (-) | (-) | (-) | (60,00,000) | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Income from Royalty | - | - | - | - | - | - | - | - | - | - | - |
| | (-) | (-) | (26) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Service Charges | - | - | - | - | - | - | - | - | - | - | - |
| | (-) | (-) | (-) | (2,822) | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Loan Given | - | **12,00,00,000** | - | - | - | - | - | - | - | - | - |
| | (,150,00,000) | (3,30,50,000) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Loan Repaid | - | **8,50,00,000** | - | - | - | - | - | - | - | - | - |
| | (1,50,00,000) | (3,30,50,000) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Interest Received on Loan | - | **28,50,411** | - | - | - | - | - | - | - | - | - |
| | (73,973) | (21,27,600) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Balance Receivable | - | **3,75,65,370** | - | - | - | - | - | - | - | - | - |
| | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Conversion of Investment in Compulsorily Convertible Debentures into Equity Shares | - | - | - | - | - | - | - | - | - | - | - |
| | (-) | (-) | (-) | (-) | (19,99,99,800) | (-) | (-) | (-) | (-) | (-) | (-) |
| Transfer of assets by way of demerger of Microsec capital Limited to PRP Technologies Limited | - | - | - | - | - | - | - | - | - | - | - |
| | (-) | (-) | (-) | (21,21,76,302) | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Investment in Equity Share Capital | - | - | - | - | - | - | - | **3,00,00,000** | - | - | - |
| | (-) | (-) | (21,21,76,302) | (-) | (-) | (-) | (2,35,00,000) | (-) | (-) | (-) | (-) |
| Investment in Compulsorily Convertible Debentures | - | - | - | - | - | - | **75,00,000** | - | - | - | - |
| | (11,99,99,076) | (-) | (-) | (-) | (9,99,99,940) | (-) | (40,00,000) | (-) | (-) | (-) | (-) |

(Amount in ₹)

| Particulars | Subsidiary Companies / Entities (Enterprise over which control exists) | | | | | | | | Key Management Personnel | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Innogrow Technologies Limited (Formerly Microsec Technologies Limited) | Microsec Resources Private Limited | PRP Technologies Limited | Microsec Capital Limited | Sastasundar Healthbuddy Limited (Formerly Microsec Health Buddy Limited) | Sastasundar Marketplace Limited (Formerly Sasta Sundar Shop Private Limited) | Retailer Shakti Supply Chain Private Limited (Formerly Brandbuddy Engage Analytics Private Limited) | Genu Path Labs Limited | Mr. Banwari Lal Mittal | Mr. Amrit Daga | Mr. Biplab Mani |
| Purchase of Investment in Compulsorily Convertible Debentures of Sastasundar Healthbuddy Limited | - | - | - | - | - | - | - | - | - | - | - |
| | (-) | (-) | (9,99,99,940) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Sale of Investment in Compulsorily Convertible Debentures of Bharatiya Sanskriti Village Private Limited | - | - | - | - | - | - | - | - | - | - | - |
| | (-) | (-) | (16,26,00,000) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Sale of Investment in Equity Share of Bharatiya Sanskriti Village Private Limited | - | - | - | - | - | - | - | - | - | - | - |
| | (-) | (-) | (2,00,00,485) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Sale of Investment in Equity Share of Retailer Shakti Supply Chain Private Limited (Formerly Brandbuddy Engage Analytics Private Limited) | **10,000** | - | - | - | - | - | - | - | - | - | - |
| | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Sale of Investment in Compulsorily Convertible Debentures of Retailer Shakti Supply Chain Private Limited (Formerly Brandbuddy Engage Analytics Private Limited) | **16,03,645** | - | - | - | - | - | - | - | - | - | - |
| | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Other Expenses | - | - | - | - | **71,907** | - | - | - | - | - | - |
| | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Corporate Guarantee Given | - | - | - | - | **12,08,02,485** | **6,00,805** | - | - | - | - | - |
| | (-) | (-) | (-) | (4,77,50,000) | (10,43,49,558) | (-) | (7,418) | (-) | (-) | (-) | (-) |
| Employee Payable | - | - | - | - | - | - | - | - | - | **23,847** | **58,911** |
| | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (63,071) | (39,493) |

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

**26 Segment Reporting**

In terms of Accounting Standard 17 – "Segment Reporting" notified by Companies Act, 2013, the Company has only one reportable business segment, i.e., "Financial Services – Core Investment Company" and have only one reportable geographic segment in India.

The Company operates in only one geographical segment i.e. 'Within India' and no separate information for geographical segment has been given.

27 The Company is a Core Investment Company (CIC) and does not require registration as per notification no. DNBS.PD.CC. No.274/03.02.089/2011-12 dated 11th May, 2012 and which was confirmed by Reserve Bank of India in the letter dated 16th July, 2015. As per the said notification, a Company having an asset size of more than ₹ 100 crores and less than 500 crores and not accessing public funds is exempt from registration as CIC-NDSI with RBI.

**28 Scheme of Arrangement**

a) The Scheme of Amalgamation ("the Scheme") of PRP Technologies Limited (PTL), Myjoy Tasty Food Private Limited (MTFPL) and Myjoy Hospitality Private Limited (MHPL) ( the Transferor Companies) with the Company under section 233 of the Companies Act, 2013 and the rules made there under and has been approved by the Central Government through Regional Director, Eastern Region on 9th January, 2018. The appointed date of the said scheme is 1st April' 2016.

b) All the assets and liabilities of the PRP Technologies Limited (PTL), Myjoy Tasty Food Private Limited (MTFPL) and Myjoy Hospitality Private Limited (MHPL) (Transferor Companies) have been transferred to the Company at their book value.

c) In accordance with the scheme the excess of the aggregate book value of assets and liabilities of the PRP Technologies Limited (PTL), Myjoy Tasty Food Private Limited (MTFPL) and Myjoy Hospitality Private Limited (MHPL) (Transferor Companies) over the net value of Investment held by the company amounting to ₹ 34,10,62,207 & the Profit for the financial year 2016-17 of ₹ 15,39,298 has been adjusted with opening revenue reserve.

**29 Exceptional Items :**

(a) The Company has entered into a Share Purchase Agreement (SPA) on April 19, 2016 for sale of its entire shareholding in Microsec Capital Limited (MCL) and its wholly owned subsidiaries Microsec Commerze Limited and Microsec Insurance Brokers Limited. During the year, the conditions for execution of the agreement has been complied with and the Company has sold its entire shareholding as per the SPA. Accordingly, during the year Profit on sale of Investment of Microsec Capital Limited amounting to ₹ 6,38,86,521/- & Non Compete Fees (net of expense) amounting to ₹ 7,24,63,901/- has been recognised as an exceptional item in these statement of Profit & Loss.

(b) During the year, the Company had sold its Investment in Retailer Shakti Supply Chain Private Limited (formerly Brandbuddy Engage Analytics Private Limited) at ₹ 16,13,345/-, resulting in a net loss of ₹ 3,43,85,355/-.

(c) During the year, the Company has reversed provision for diminution amounting to ₹ 3,71,00,000 (previous year diminution made of ₹ 1,34,00,000), in value of the Company's investment in Innogrow Technologies Limited (formerly Microsec Technologies Limited) based on the assessment done by the Company's management.

**30 Details of dues to Micro and Small Enterprises as defined under the MSMED Act, 2006**

| Particulars | | As at 31st March, 2018 (₹) | As at 31st March, 2017 (₹) |
|---|---|---|---|
| **i)** | **The principal amount and the interest due thereon remaining unpaid to any supplier as at end of each accounting year** | | |
| | Principal amount due to micro and small enterprises | **64,710** | - |
| | Interest due on above | **Nil** | Nil |
| **ii)** | **The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to supplier beyond the appointed day during each the accounting year** | | |
| | Principal | **Nil** | Nil |
| | Interest | **Nil** | Nil |

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

| Particulars | | As at 31st March, 2018 (₹) | As at 31st March, 2017 (₹) |
|---|---|---|---|
| iii) | The amount of interest due and payable for the period of delay in making payment (which been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006 | Nil | Nil |
| iv) | The amount of interest accrued and remaining unpaid at the end of each accounting year | Nil | Nil |
| v) | The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006. | Nil | Nil |

**31 Deferred Tax Asset / (Liability) (Net)**

| | | |
|---|---|---|
| **Deferred Tax Liability (A)** | | |
| Difference between Book & Tax Depreciation | **24,16,533** | 11,87,201 |
| **Deferred Tax Assets (B)** | | |
| Provision for Gratuity | - | 1,227 |
| Business Loss and Unabsorbed Depreciation | **1,69,82,762** | 1,98,00,342 |
| **Net Deferred Tax Asset (B – A)** | **1,45,66,229** | 1,86,14,368 |
| **Less : Deferred Tax Asset not recognized** | **1,45,66,229** | 1,86,14,368 |
| **Net Deferred Tax asset recognized** | **Nil** | Nil |

In the absence of virtual certainity, the Company has not recognized Deferred Tax Asset in the current year to the extent of Deferred Tax Liability as at 31st March, 2018 i.e. ₹ 1,45,66,229 (2016-17: 1,86,14,368).

32 Previous year's figures including those in brackets have been regrouped and / or reclassified to confirm to this year's classification. The results for the financial year ended 31st March, 2018 reflect the effect of the Scheme. In view of the above, the figure for the year ended 31st March, 2018 are not comparable.

As per our report of even date

**For Singhi & Co.**
**Firm Registration No: 302049E**
***Chartered Accountants***

**Rajiv Singhi**
***Partner***
**Membership No. 053518**

**Place : Kolkata**
**Date : 21st May, 2018**

**For and on behalf of the Board of Directors**

**B. L. Mittal**
***Chairman & Managing Director***
**DIN : 00365809**

**Amrit Daga**
***Chief Financial Officer***

**Ravi Kant Sharma**
***Director***
**DIN : 00364066**

**Biplab Kumar Mani**
***Company Secretary***

# INDEPENDENT AUDITOR'S REPORT

**To the Members of Sastasundar Ventures Limited (formerly Microsec Financial Services Limited)**

**Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of **Sastasundar Ventures Limited (formerly Microsec Financial Services Limited)** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with 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 and Companies (Accounting Standards) Amendment Rules, 2016. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the 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, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated 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 accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Act in the Independent Auditor's Report manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group as at March 31, 2018, their consolidated loss, and their consolidated cash flows for the year ended on that date.

# INDEPENDENT AUDITOR'S REPORT

**Report on Other Legal and Regulatory Requirements**

As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We / the other auditors whose reports we have relied upon 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 of the aforesaid consolidated financial statements;

(b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

(d) In our opinion, the aforesaid consolidated 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 Companies (Accounting Standards) Amendment Rules, 2016;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies incorporated in India, none of the directors of the Group's companies incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies incorporated in India, refer to our separate report in "Annexure A" 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 consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group – Refer Note 31 to the consolidated financial statements;

ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2018.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India during the year ended March 31, 2018.

iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8th November 2016 to 30th December 2016 have not been made since they do not pertain to the financial year ended 31st March 2018.

**Other Matter**

(a) We did not audit the financial statements of 13 subsidiaries companies included in the consolidated financial statements for the year ended 31st March, 2018, whose financial statements reflects total assets of ₹ 20,064.94 Lakhs as at 31st March, 2018 and total revenue of ₹ 16,111.68 Lakhs for the year ended on that date and net cash inflow of ₹ 21.10 Lakhs for the year ended on that date. This financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures

# INDEPENDENT AUDITOR'S REPORT

included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of such other auditors.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

**For Singhi & Co.**
**Chartered Accountants**
**Firm's Registration No. 302049E**

**Rajiv Singhi**
**Partner**
**Membership No. 053518**

**Place: Kolkata**
**Dated: 21st day of May, 2018**

# INDEPENDENT AUDITOR'S REPORT

**ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS**

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

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Sastasundar Ventures Limited (formerly Microsec Financial Services Limited) (hereinafter referred to as "the Holding Company") and its subsidiary companies, its associate companies, which are companies incorporated in India, as of that date.

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

The respective Board of Directors of the Holding company, its subsidiary companies, its associate companies which are companies incorporated in India, are 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 respective 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, 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 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 and the audit evidence obtained by the other auditors of the subsidiary companies and associate companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, 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 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.

# INDEPENDENT AUDITOR'S REPORT

**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 Holding Company, its subsidiary companies, associates, which are companies incorporated in India, have, 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.

**Other Matters**

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, in so far as it relates to these 13 subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary.

**For Singhi & Co.**
**Chartered Accountants**
**Firm's Registration No. 302049E**

**Rajiv Singhi**
**Partner**
**Membership No. 053518**

**Place: Kolkata**
**Dated: 21st day of May, 2018**

# CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2018

| | Notes | As at 31.03.2018 (₹) | As at 31.03.2017 (₹) |
|---|---|---|---|
| **I. EQUITY AND LIABILITIES** | | | |
| **1. Shareholders' Funds** | | | |
| (a) Share Capital | 3 | 31,81,05,000 | 31,81,05,000 |
| (b) Reserves and Surplus | 4 | 1,43,62,87,103 | 1,57,82,41,437 |
| | | 1,75,43,92,103 | 1,89,63,46,437 |
| **2. Preference Shares issued by subsidiary company** | | - | 5,31,00,000 |
| **3. Minority Interest** | | 27,93,04,228 | 43,48,726 |
| **4. Non-Current Liabilities** | | | |
| (a) Long-Term Borrowings | 5 | - | 1,80,00,000 |
| (b) Long-Term Provisions | 6 | 39,00,523 | 94,86,232 |
| (c) Deferred Tax Liabilities (Net) | 7 | 4,74,31,795 | 4,35,27,921 |
| (d) Other Non-Current Liabilities | 8 | 1,62,000 | - |
| | | 5,14,94,318 | 7,10,14,153 |
| **5. Current Liabilities** | | | |
| (a) Short-Term Borrowings | 9 | 12,03,12,828 | 18,47,49,547 |
| (b) Trade Payables | 10 | | |
| Total outstanding dues of micro enterprises and small enterprises | | 12,71,886 | 17,73,326 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | 9,17,23,683 | 20,49,79,554 |
| (c) Other Current Liabilities | 11 | 5,38,59,860 | 9,15,67,432 |
| (d) Short-Term Provisions | 6 | 26,67,660 | 22,31,564 |
| | | 26,98,35,917 | 48,53,01,423 |
| | | 2,35,50,26,566 | 2,51,01,10,739 |
| **II. ASSETS** | | | |
| **1. Non-Current Assets** | | | |
| (a) Fixed Assets | 12 | | |
| (i) Property, Plant and Equipment | | 63,05,96,081 | 65,16,69,713 |
| (ii) Intangible Assets | | 1,44,21,667 | 2,23,80,442 |
| (iii) Capital Work in progress | | 1,16,03,400 | - |
| (b) Goodwill on Consolidation | | 52,73,34,350 | 57,38,51,763 |
| (c) Non-Current Investments | 13 | 18,07,25,510 | 9,05,01,784 |
| (d) Deferred Tax Assets (net) | 14 | 1,94,533 | 1,97,728 |
| (e) Long-Term Loans and Advances | 15 | 4,22,91,685 | 8,36,09,243 |
| (f) Other Non-Current Assets | 16 | 1,72,420 | 89,59,184 |
| | | 1,40,73,39,646 | 1,43,11,69,857 |
| **2. Current Assets** | | | |
| (a) Current Investments | 17 | 27,75,13,580 | 7,47,74,740 |
| (b) Inventories | 18 | 28,04,83,473 | 23,83,02,171 |
| (c) Trade Receivables | 19 | 3,93,04,236 | 19,13,16,068 |
| (d) Cash and Bank Balances | 20 | 12,79,57,048 | 33,80,20,459 |
| (e) Short-Term Loans and Advances | 15 | 22,21,14,223 | 18,06,16,686 |
| (f) Other Current Assets | 16 | 3,14,360 | 5,59,10,758 |
| | | 94,76,86,920 | 1,07,89,40,882 |
| | | 2,35,50,26,566 | 2,51,01,10,739 |
| **Summary of significant accounting policies** | 2.1 | | |

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

**For Singhi & Co.**
**Firm Registration No: 302049E**
***Chartered Accountants***

**Rajiv Singhi**
***Partner***
**Membership No. 053518**

**Place : Kolkata**
**Date : 21st May, 2018**

**For and on behalf of the Board of Directors**

**B.L.Mittal**
***Chairman & Managing Director***
**DIN : 00365809**

**Amrit Daga**
***Chief Financial Officer***

**Ravi Kant Sharma**
***Director***
**DIN : 00364066**

**Biplab Kumar Mani**
***Company Secretary***

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

| | Notes | 2017-18 (₹) | 2016-17 (₹) |
|---|---|---|---|
| **INCOME** | | | |
| I. Revenue from Operations | 21 | **1,59,34,07,657** | 1,32,88,02,239 |
| II. Other Income | 22 | **2,61,95,888** | 4,14,48,988 |
| **III. Total Revenue (I + II)** | | **1,61,96,03,545** | 1,37,02,51,227 |
| **IV. EXPENSES:** | | | |
| Purchase of traded goods | 23 | **1,43,97,75,543** | 1,14,71,78,828 |
| (Increase) in Inventory of Finished Goods and Traded Goods | 24 | **(5,32,01,958)** | (7,44,90,407) |
| Cost of Materials Consumed | 25 | **1,71,56,422** | 1,40,95,551 |
| Employee Benefits Expense | 26 | **16,22,95,780** | 24,79,83,306 |
| Finance Costs | 27 | **52,13,047** | 2,80,98,579 |
| Depreciation and Amortisation expense | 28 | **5,54,41,961** | 6,91,83,082 |
| Other Expenses | 29 | **18,17,34,583** | 21,77,41,502 |
| | | **1,80,84,15,378** | 16,497,90,441 |
| **V. (LOSS) BEFORE EXCEPTIONAL ITEM AND TAX (III - IV)** | | **(18,88,11,833)** | (27,95,39,214) |
| VI. Exceptional Items [Refer Note 44] | | **6,51,97,345** | - |
| **VII. (LOSS) BEFORE TAX (V + VI)** | | **(12,36,14,488)** | (27,95,39,214) |
| **VIII. Tax Expenses:** | | | |
| (a) Current Tax | | **1,97,74,578** | 43,489 |
| (b) Adjustment of tax relating to earlier periods | | **(5,016)** | 1,65,754 |
| (c) Deferred Tax Charge | | **39,07,069** | 59,78,090 |
| | | **2,36,76,631** | 61,87,333 |
| **IX. (LOSS) FOR THE YEAR BEFORE MINORITY INTEREST** | | **(14,72,91,119)** | (28,57,26,547) |
| Less : Minority Interest (Share of profit of a subsidiary) | | **(2,84,84,348)** | 5,24,737 |
| **X. (LOSS) FOR THE YEAR** | | **(11,88,06,771)** | (28,62,51,284) |
| **XI. (Loss) Per Equity Share :** | 30 | | |
| Basic and Diluted (Nominal Value per Share ₹ 10) | | **(3.73)** | (9.00) |
| **Summary of significant accounting policies** | 2.1 | | |

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

**For Singhi & Co.**
**Firm Registration No: 302049E**
***Chartered Accountants***

**Rajiv Singhi**
***Partner***
**Membership No. 053518**

**Place : Kolkata**
**Date : 21st May, 2018**

**For and on behalf of the Board of Directors**

**B.L.Mittal**
***Chairman & Managing Director***
**DIN : 00365809**

**Amrit Daga**
***Chief Financial Officer***

**Ravi Kant Sharma**
***Director***
**DIN : 00364066**

**Biplab Kumar Mani**
***Company Secretary***

# CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

| | Particulars | 2017-18 (₹) | 2016-17 (₹) |
|---|---|---|---|
| **A.** | **Cash Flow from Operating Activities** | | |
| | **(Loss) before tax** | **(12,36,14,488)** | (27,95,39,214) |
| | Adjustments for : | | |
| | Profit/(Loss) on sale/discard of Fixed Assets | **2,38,499** | (1,80,33,544) |
| | Loss on Surrender of Land | **-** | 18,13,850 |
| | Loss on disposal of investment in the subsidiaries [Refer Note 44] | **72,66,556** | 22,93,895 |
| | Provision for standard assets written back | **65,000** | (4,85,000) |
| | Gratuity Expense | **3,06,461** | 65,77,556 |
| | Depreciation and amortization expense | **5,54,41,961** | 6,91,83,082 |
| | Interest Expense | **38,65,691** | 2,20,69,792 |
| | Government Grant | **(2,52,090)** | - |
| | Interest on Fixed deposits and Others | **(1,11,93,195)** | (2,22,79,386) |
| | Irrecoverable debts/advances written off | **3,15,900** | 18,23,019 |
| | Bad debt recovered | **-** | (6,33,279) |
| | Reward Points - Sasta Sundar Currency | **(14,84,040)** | (30,20,777) |
| | Unspent liabilities no longer required written back | **(2,55,717)** | (14,27,481) |
| | **Operating (Loss) before working capital changes** | **(6,92,99,462)** | (22,16,57,487) |
| | **Movements in working capital :** | | |
| | Increase / (Decrease) in Trade Payables | **2,18,68,440** | 14,08,97,713 |
| | Increase / (Decrease) in Other Liabilities | **(1,36,04,343)** | 1,18,05,115 |
| | (Increase) / Decrease in Non-Current Investments | **(9,02,23,726)** | (38,26,154) |
| | (Increase) / Decrease in Current Investments | **(20,27,38,840)** | (6,40,12,014) |
| | (Increase) / Decrease in Inventories | **(4,21,81,302)** | (7,85,53,770) |
| | (Increase) / Decrease in Loans and Advances | **(7,36,28,660)** | 17,38,28,219 |
| | (Increase) / Decrease in Other Assets | **1,96,67,420** | 12,10,36,035 |
| | (Increase) / (Decrease) in Provisions | **(9,78,389)** | (38,49,581) |
| | (Increase) / Decrease in Trade Receivables | **(2,88,48,149)** | (10,88,18,326) |
| | **Cash (used) in operations** | **(47,99,67,011)** | (3,31,50,250) |
| | Income tax paid (net of refunds) | **(81,83,538)** | 1,43,28,040 |
| | **Net cash (used) in operating activities** | **(48,81,50,549)** | (1,88,22,210) |
| | | | |
| **B.** | **Cash Flow from Investing Activities** | | |
| | Proceeds from sale of fixed assets | **13,92,302** | 3,19,90,139 |
| | Purchase of fixed assets (including intangible assets, Capital Work in Progress and capital advances) | **(6,15,13,305)** | (1,65,62,600) |
| | Investment in Fixed Deposits (net) (having original maturity of more than three months) | **10,60,34,511** | 13,56,636 |
| | Proceeds from sale of Investment in Subsidiary | **12,53,64,086** | - |
| | Proceeds from Investment in Limited Liability Partnership | **77,11,711** | - |
| | Proceeds from Government Grant | **4,78,252** | - |
| | Interest on Fixed Deposits and Others | **3,24,37,693** | 2,12,04,583 |
| | **Net cash generated from / (used in) investing activities** | **21,19,05,250** | 3,79,88,758 |

# CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

| | Particulars | 2017-18 (₹) | 2016-17 (₹) |
|---|---|---|---|
| **C.** | **Cash Flows from Financing Activities** | | |
| | Proceeds from Short-Term Borrowings (net) | **3,99,63,270** | 2,68,69,686 |
| | (Repayment) / Proceeds from Long-Term Borrowings | **(1,80,00,000)** | (60,00,000) |
| | Proceeds from Issue of Equity Share Capital including Securities Premium in subsidiary company | **32,17,40,514** | - |
| | Share Issue Expense in subsidiary company | **(1,38,42,125)** | - |
| | Issue of Preference Shares by subsidiary company | **-** | 5,31,00,000 |
| | Interest Expense | **(38,65,691)** | (2,20,69,792) |
| | **Net cash generated from financing activities** | **32,59,95,968** | 5,18,99,894 |
| **D.** | **Net change in cash and cash equivalents (A+B+C)** | **4,97,50,669** | 7,10,66,442 |
| **E.** | **Cash and Cash equivalents - Opening Balance** | **13,69,50,869** | 6,58,84,427 |
| **F.** | **Opening Cash adjustment pursuant to sale of Investment in Subsidiary** | **6,49,79,569** | - |
| **G.** | **Cash and Cash equivalents - Closing Balance** | **12,17,21,969** | 13,69,50,869 |
| | Cash and Cash Equivalent as indicated in Note 20 comprises of | | |
| | Cash in hand | **2,23,776** | 2,62,405 |
| | Cheque on hand | **66,42,285** | 88,18,980 |
| | Balances with scheduled banks * | **6,98,55,908** | 12,78,69,484 |
| | Deposit with original maturity of less than three months | **4,50,00,000** | - |
| | Total | **12,17,21,969** | 13,69,50,869 |

*Excludes balance of ₹ Nil (2016-17 : ₹ 36,816) with a bank for which refund instruments have been issued to the investors but are yet to be encashed, excludes balance of ₹ 1,63,736 (2016-17 : ₹ 1,63,736) with a bank for which dividend instruments have been issued to the investors but are yet to be encashed and ₹ 60,71,343 (2016-17 : ₹ 20,08,69,038) of Fixed Deposits with restricted use or maturity for more than three months.

**Notes :**

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 on Cash Flow Statement.

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

**For Singhi & Co.**
**Firm Registration No: 302049E**
***Chartered Accountants***

**Rajiv Singhi**
***Partner***
**Membership No. 053518**

**Place : Kolkata**
**Date : 21st May, 2018**

**For and on behalf of the Board of Directors**

**B.L.Mittal**
***Chairman & Managing Director***
**DIN : 00365809**

**Amrit Daga**
***Chief Financial Officer***

**Ravi Kant Sharma**
***Director***
**DIN : 00364066**

**Biplab Kumar Mani**
***Company Secretary***

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

### 1 BASIS OF CONSOLIDATION:

The Consolidated Financial Statements which relate to Sastasundar Ventures Limited (formerly Microsec Financial Services Limited) (the "Company") and its subsidiaries together the "Group" have been prepared on the following basis:

a) The financial Statements of the Company and its subsidiaries have been consolidated in terms of Accounting Standard – 21, "Consolidated Financial Statements" and Companies Act, 2013 on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenditure after fully eliminating intra group balances, intra group transactions and any unrealized profit/loss included therein.

b) The excess/shortfall of cost to the Company's investments over equity in the subsidiary companies as on the date of investment is recognized in the financial statements as goodwill / capital reserve as the case may be.

c) The consolidated financial statements have been prepared using uniform accounting policies, for like transactions and are presented to the extent possible, in the same manner as the Company's standalone financial statements.

d) The Subsidiaries considered in these consolidated financial statements are as under:

| Sl. No. | Name | Country of Incorporation | % of Voting Power/ Ownership interest | |
|---|---|---|---|---|
| | | | As at 31.03.2018 (₹) | As at 31.03.2017 (₹) |
| i) | Microsec Resources Private Limited | India | **100** | 100 |
| ii) | Sastasundar Healthbuddy Limited (formerly Microsec Health Buddy Limited) | India | **86.77** | 100 |
| iii) | Sastasundar Marketplace Limited (formerly Sasta Sundar Shop Private Limited) | India | **100** | 100 |
| iv) | Innogrow Technologies Limited (formerly Microsec Technologies Limited) | India | **100** | 100 |
| v) | Genu Path Labs Limited (incorporated as on 1st September, 2017) | India | **100** | - |
| vi) | Microsec Wealth Management Limited (incorporated as on 23rd January, 2018) | India | **100** | - |
| vii) | Bharatiya Sanskriti Village Private Limited | India | **100** | 100 |
| viii) | Myjoy Technologies Private Limited | India | **100** | 100 |
| ix) | Retailer Shakti Supply Chain Private Limited (formerly Brandbuddy Engage Analytics Private Limited) | India | **100** | 100 |
| x) | Microsec Capital Limited (upto 1st December, 2017) | India | **100** | 100 |
| xi) | Microsec Commerze Limited (upto 1st December, 2017) | India | **100** | 100 |
| xii) | Microsec Insurance Brokers Limited (upto 1st December, 2017) | India | **100** | 100 |
| xiii) | PRP Technologies Limited (Amalgamated to Sastasundar Ventures Limited) | India | **-** | 100 |
| xiv) | Myjoy Tasty Food Private Limited (Amalgamated to Sastasundar Ventures Limited) | India | **-** | 100 |
| xv) | Myjoy Hospitality Private Limited (Amalgamated to Sastasundar Ventures Limited) | India | **-** | 100 |
| xvi) | Joybuddy Fun Products Private Limited (upto 30th November, 2016) | India | **-** | 100 |
| xvii) | Myjoy Pharmaceuticals Private Limited (upto 30th November, 2016) | India | **-** | 100 |
| xviii) | Microsec Invictus Advisors LLP | India | **100** | 100 |
| xix) | Alokik Advisory Services LLP | India | **100** | 100 |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

| Sl. No. | Name | Country of Incorporation | % of Voting Power/ Ownership interest | |
|---|---|---|---|---|
| | | | As at 31.03.2018 (₹) | As at 31.03.2017 (₹) |
| xx) | Dreamscape Advisory Services LLP | India | **100** | 100 |
| xxi) | Stuti Advisory Services LLP | India | **100** | 100 |
| xxii) | Ruchika Advisory Services LLP | India | **100** | 100 |
| xxiii) | Kailashwar Advisory Services LLP (upto 16th January, 2018) | India | **100** | 100 |
| xxiv) | Bhavya Advisory Services LLP (upto 20th June, 2017) | India | **98** | 98 |

Note : All the above Limited Liability Partnership (LLPs) have been consolidated due to the Company's control over composition of their governing bodies by Innogrow Technologies Limited (formerly Microsec Technologies Limited) and Bharatiya Sanskriti Village Private Limited, subsidiaries of the Holding Company.

**2 Basis of preparation**

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 and Companies (Accounting Standards) Amendment Rules, 2016. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

**2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

**i) 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, uncertainity 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.

**ii) 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. The following specific recognition criteria must also be met before revenue is recognized:

a) Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The company collects taxes on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue.

b) Sale of goods are net of discounts. In respect of gift vouchers and point award scheme operated by the Company, sales are recognized when the gift vouchers or points are redeemed and the merchandise is sold to the customer.

c) Revenue from online advertisement campaign is recognized pro-data over the period of the contract as and when services are rendered and recorded at net of taxes.

d) Revenue from technology support services are recognised as and when the services are rendered to the customers and when there is reasonable certainity of its ultimate realisation/collection.

e) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

f) Laboratory Income: Revenue comprises of amount billed (net of discounts) in respect of tests conducted and is recognised as and when the samples are registered for the purpose of conducting the tests which usually take not more than 48 hours.

g) Fees from professional / consultancy service is recognised as and when the services are rendered to the customers and there is reasonable certainty for its ultimate realisation/collection.

h) Profit / (Loss) on sale of investments is determined based on the weighted average cost of the investments sold.

i) Dividend income is recognized when the shareholder's right to receive payment is established by the balance sheet date.

j) Commission on insurance policies sold is recognized, when an insurance policy sold by the Company is accepted by the principal insurance company.

k) Service charge is recognised as and when services are rendered to the customers and when there is reasonable certainty for its ultimate realisation/collection.

l) Fees from Investment Banking activities which include Mergers & Acquisitions, Investment and other advisory services are recognized as revenue when the relevant services are rendered to the customers and there are reasonable certainties as regards ultimate collectability of such revenue. The Company collects taxes on behalf of the Government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

m) Commission and Incentive income on primary market activities, included in Investment Banking revenue is recognized on receipt of confirmation from the concerned party after completion of the public issue.

n) Transactions in respect of Investment / dealing in securities are recognized on trade date.

o) Revenue from Consumer Engagement Activity is recognized when the related activities that generates revenue for the Company has been completed.

**iii) Property, Plant and Equipment**

Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use and initial estimate of decommissioning, restoring and similar liabilities, if any. Any trade discount and rebates are deducted in arriving at the purchase price.

Such cost includes the cost of replacing part of the plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Gains or losses arising from de-recognition of Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is de-recognised.

The company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

**iv) Intangible Assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and impairment losses, if any.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

**v) Depreciation on Property, Plant and Equipment and Amortization on intangible assets.**

a) Leasehold land is amortised on a straight line basis over the period of lease, i.e. 99 years.

b) 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 except for Plant and Machinery which are lower than those indicated in Schedule II, i.e., 5 to 15 years.

c) Depreciation on Fixed Assets added/disposed off during the year is provided on prorata basis with reference to the date of addition/disposal.

d) Goodwill on consolidation is not amortized but tested for impairment.

e) Copyrights are amortized on straight-line basis over a period of three years from the date the assets become available for use.

f) Computer softwares are amortized on straight line basis over a period of three / five years as the case may be from the date the assets become available for use.

g) Web Application Portal are amortized on straight-line basis over a period of ten years from the date the assets become available for use.

h) The company has used the following useful Life to provide depreciation on its fixed asset.

| Type of Assets | Useful lives estimated by the management |
|---|---|
| Building | 60 years |
| Plant & Equipment | 5-15 years |
| Computer | 3 years |
| Furniture & Fixtures | 10 years |
| Office Equipments | 5 years |
| Electrical Equipments | 10 years |
| Motor Vehicle | 8 years |

**vi) Impairment of Fixed Assets**

The carrying amounts of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment based on external/internal factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount which represents the greater of the net selling price and 'Value in use' of the assets. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

After impairment, depreciation / amortization is provided on the revised carrying amount of the assets over its remaining useful lives.

A previously recognized impairment loss is increased or reversed depending on the changes in the circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation / amortization if there was no impairment.

**vii) Borrowing Costs**

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

**viii) Investments**

Investments that are readily realisable and intended to be held for not more than a year from the date on which such investments are made are classified as Current Investments. All other Investments are classified as Non – Current / Long term Investments. Current Investments are stated at lower of cost and market rate on an individual investment basis. Non - Current / 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.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

**ix) Fixed Assets acquired under lease**

**Operating Lease**

Leases where the lessor effectively retains substantially all the risks and benefits of the ownership of the leasehold assets are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss.

**x) Provisions**

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation 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 the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting 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 and its subsidiaries does not recognize a contingent liability but discloses its existence in the financial statements.

**xii) Taxation**

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. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

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 and its subsidiaries 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

Minimum Alternative Tax (MAT) credit 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 specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in the guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

**xiii) Provisioning on Standard Assets**

The Reserve Bank of India (RBI) vide Notification No. DNBS 223/CGM (US) – 2011 dated January 17, 2011 has issued direction to all NBFCs to make provision of 0.25% on standard assets. Accordingly, the Company has made provision @0.25% on standard assets in accordance with RBI directions.

**xiv) Segment Reporting:**

**a) Identification of Segments :**

The Company has identified that its business segments are the primary segments. The Company's operating businesses are organized and managed separately according to the nature of products/services provided, with each segment representing a strategic business unit that offers different products/services and serves different markets. The analysis of geographical segments is based on the areas in which the operating divisions of the company operates.

**b) Inter-segment transfers :**

The company generally accounts for intersegment sales and transfers at cost plus appropriate margins.

**c) Allocation of Common Costs:**

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common cost.

**d) Unallocated items :**

Revenue and expenses which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis are included under the head "Unallocated –Common".

**e) Segment accounting policies :**

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

**xv) Retirement and other employees benefits**

a) Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to a reduction in future payment or a cash refund.

b) Gratuity liability being a defined benefit obligation is provided for on the basis of actuarial valuation on projected unit credit method at the end of each financial year. The Company has got an approved gratuity fund which has taken an insurance policy with Life Insurance Corporation of India (LIC) to cover the gratuity liabilities. Current / Non Current bifurcation is done based on the actuarial valuation report.

c) Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

**xvi) Inventories**

Raw materials and packing materials are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected will to be sold at or above cost. Cost of raw material and packing material are determined on a first in, first out (FIFO) basis.

Finished goods are valued at lower of cost and net realizable value. Cost includes direct and a proportion of manufacturing overheads. Cost is determined on a weighted average basis.

Traded Goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventory to their present location and condition. Cost is determined on a specific identification of cost basis.

Net realizable value is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale.

Closing Stock of shares and mutual funds is valued at "lower of cost and fair value" on individual basis.

**xvii) Earning Per Share**

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

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

**xviii) Loan Assets**

Loan asset includes loans given by the Company, repayable on demand and are secured by collateral offered by the customers.

**xix) Debenture Redemption Reserve**

As a matter of prudence, the Company, as per the management's discretion, creates debenture redemption reserve for redemption of privately placed debentures on a straight line basis over the tenure of the respective debentures subject to availability of profits.

**xx) Cash and Cash Equivalents**

Cash and cash equivalents in the cash flow statement comprise of Cash at Bank and Cash/Cheque on hand and fixed deposits with an original maturity of three months or less.

**xxi) Government grants and subsidies.**

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is shown as a deduction from the gross value of the asset concerned in arriving at its book value.

Where the company receives non-monetary grants, the asset is accounted for on the basis of its acquisition cost. In case a non-monetary asset is given free of cost, it is recognized at a nominal value.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

| | As at 31.03.2018 (₹) | As at 31.03.2017 (₹) |
|---|---|---|
| **3. SHARE CAPITAL** | | |
| **Authorised** | | |
| 3,55,32,000 (2016-17: 3,50,00,000) Equity Shares of ₹ 10 each (2016-17: ₹ 10 each) | **35,53,20,000** | 35,00,00,000 |
| **Issued, Subscribed and Fully Paid-up** | | |
| 3,18,10,500 (2016-17: 3,18,10,500) Equity Shares of ₹ 10 each (2016-17: ₹ 10 each) | **31,81,05,000** | 31,81,05,000 |
| | **31,81,05,000** | 3,18,05,000 |

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

| Equity Shares | As at 31.03.2018 | | As at 31.03.2017 | |
|---|---|---|---|---|
| | Nos. | (₹) | Nos. | (₹) |
| Outstanding at the beginning and at the end of the year | **3,18,10,500** | **31,81,05,000** | 3,18,10,500 | 31,81,05,000 |

**(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 share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

| Name of the shareholder | As at 31.03.2018 | | As at 31.03.2017 | |
|---|---|---|---|---|
| | No. of shares | % of holding | No. of shares | % of holding |
| (Equity shares of ₹ 10 each full paid up) | | | | |
| Banwari Lal Mittal | **1,06,16,000** | **33.37** | 1,08,16,000 | 34.00 |
| Topview Enclaves LLP | **78,77,745** | **24.76** | 76,91,834 | 24.18 |
| Luv kush Projects Limited | **17,79,438** | **5.59** | 15,85,675 | 4.98 |
| Microsec Vision Employees Trust | **16,33,400** | **5.13** | 17,83,400 | 5.61 |

As per records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

(d) No shares have been reserved for issue under options and contracts/commitments for the same of shares/disinvestment as at the balance sheet date.

(e) No shares have been allotted or has been bought back by the company during the period of 5 years, preceding the date as at which the balance sheet is prepared.

(f) No Convertible securities have been issued by the company during the period.

(g) No Calls are unpaid by any Director and officer of the company during the period.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

| | As at 31.03.2018 (₹) | As at 31.03.2017 (₹) |
|---|---|---|
| **4. RESERVES AND SURPLUS** | | |
| **Capital Reserve (on Consolidation)** | **36,43,980** | 36,43,980 |
| **Capital Redemption Reserve (Balance as per the last financial statements)** | **1,02,00,000** | 1,02,00,000 |
| **Securities Premium Account (Balance as per the last financial statements)** | **1,38,98,44,136** | 1,38,98,44,136 |
| **Debenture Redemption Reserve** | **1,62,35,998** | 1,62,35,998 |
| **Reserve under Section 45-IC of the Reserve Bank of India Act, 1934** | | |
| Balance as per the last financial statements | **15,01,22,540** | 15,01,22,520 |
| Add: Amount transferred from the Statement of Profit and Loss | **2,26,38,566** | - |
| | **17,27,61,106** | 15,01,22,520 |
| According to Section 45-IC of the Reserve Bank of India Act, 1934, every NBFC shall create a reserve fund and transfer therein a sum not less than 20% of its Net Profit every year as disclosed in the Statement of profit and loss and before declaration of dividend. | | |
| Includes ₹ 16,56,21,566 (2016-17: ₹ 14,29,83,000) in respect of the Holding Company where, pursuant to the acceptance of Reserve Bank of India (RBI) on the Company's application for cancellation of Certificate of Registration (CoR), as detailed in Note 43. The Company has also sought clarification from RBI on May 6, 2016 regarding further treatment of this Reserve. Pending receipt of clarification from RBI, the Holding Company, as per legal opinion received in this regard, has decided to maintain the status quo of the Reserve. | | |
| **Surplus in the Statement of Profit and Loss** | | |
| Balance as per the last financial statements | **81,94,803** | 29,21,52,192 |
| Less : Transferred pursuant to scheme of arrangement[Refer Note 51] | **2,31,47,583** | - |
| Add : On disposal of investment in the subsidiaries [Refer Note 48] | - | 22,93,895 |
| Less : Loss for the year transferred from the Statement of Profit and Loss | **11,88,06,771** | 28,62,51,284 |
| | **(13,37,59,551)** | 81,94,803 |
| Less : Appropriations | | |
| Transferred to Reserve under Section 45-IC of the RBI Act, 1934 | **2,26,38,566** | - |
| | **(15,63,98,117)** | 81,94,803 |
| | **1,43,62,87,103** | 1,57,82,41,437 |

| | Non - Current Portion | | Current Maturities | |
|---|---|---|---|---|
| | As at 31.03.2018 (₹) | As at 31.03.2017 (₹) | As at 31.03.2018 (₹) | As at 31.03.2017 (₹) |
| **5. LONG-TERM BORROWINGS** | | | | |
| **Term Loan** | | | | |
| Indian Rupee loan from bank (secured) | - | 1,80,00,000 | - | 60,00,000 |
| | - | 1,80,00,000 | - | 60,00,000 |
| Amount Disclosed under the head "other current liabilities" [Refer Note 11] | - | - | - | (60,00,000) |
| | - | 1,80,00,000 | - | - |

Indian rupee loan ₹ Nil (2016-17: ₹ 1,80,00,000) from bank is secured by hypothecation of plant & machinery and equitable mortgage of factory premises on leasehold land, factory shed, building premises and installed plant & machinery along with corporate guarantee of the Holding Company.

The rate of interest applicable to this term loan is MCLR plus 3.65%.

The loan was repayable in 60 equal monthly installments of ₹ 5,00,000 each from 30th April, 2016. The same has been prepaid during the year.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

| | Long Term | | Short Term | |
|---|---|---|---|---|
| | As at 31.03.2018 (₹) | As at 31.03.2017 (₹) | As at 31.03.2018 (₹) | As at 31.03.2017 (₹) |
| **6. PROVISIONS** | | | | |
| **Provision for Employee Benefits** | | | | |
| Gratuity [Refer Note 33] | **39,00,523** | 94,86,232 | **12,56,986** | 3,81,913 |
| **Other Provisions** | | | | |
| For Taxation [Net of Advances ₹ 1,86,98,688 (2016-17: ₹ Nil)] | - | - | **10,31,674** | 51,611 |
| For Standard Assets | - | - | **3,79,000** | 3,14,000 |
| For Reward Points - Sasta Sundar Currency | - | - | - | 14,84,040 |
| | **39,00,523** | 94,86,232 | **26,67,660** | 22,31,564 |

| | As at 31.03.2018 (₹) | As at 31.03.2017 (₹) |
|---|---|---|
| **7. DEFERRED TAX LIABILITIES (NET)** | | |
| **Deferred Tax Liability** | | |
| Discount on Deep Discount Debentures | **4,74,31,795** | 4,35,27,921 |
| **Gross Deferred Tax Liability (A)** | **4,74,31,795** | 4,35,27,921 |
| **Deferred Tax Asset** | | |
| **Gross Deferred Tax Asset (B)** | - | - |
| **Net Deferred Tax Liabilities (A-B)** | **4,74,31,795** | 4,35,27,921 |

| | As at 31.03.2018 (₹) | As at 31.03.2017 (₹) |
|---|---|---|
| **8 Other Non-Current Liabilities** | | |
| Equalisation Rent Provision [Refer Note 42] | **1,62,000** | - |
| | **1,62,000** | - |

| | As at 31.03.2018 (₹) | As at 31.03.2017 (₹) |
|---|---|---|
| **9 SHORT-TERM BORROWINGS** | | |
| Cash Credit from Banks (secured) | **12,03,12,828** | 18,47,49,547 |
| | **12,03,12,828** | 18,47,49,547 |

a) Cash credit from bank aggregating to ₹ 12,03,12,828 (2016-17 : ₹ 8,03,49,558) is secured against hypothecation of inventories, book debts (both present & future), equitable mortgage of factory premises on leasehold land, factory shed, building premises and installed plant & machinery along with corporate guarantee of the Holding Company. The cash credit is repayable on demand and carries interest @ MCLR plus 2.65%.

b) Cash Credit from Banks aggregating ₹ Nil (2016-17 : ₹ 3,58,08,117) secured by pledge of Fixed Deposits Receipts of ₹ Nil (₹ 8,50,00,000) held by a subsidiary company, is repayable on demand and carries interest @ Fixed Deposit interest +1%, presently 9.60% to 10% per annum.

c) Cash Credit from Bank aggregating ₹ Nil (2016-17 : ₹ 5,63,90,153) secured by mortgage of property of the Holding Company, is repayable on demand and carries interest @ 12.75% per annum.

d) Cash Credit from Bank aggregating ₹ Nil (2016-17: ₹ 1,01,15,970) is repayable on demand and secured against pledge of securities owned by the debtors and carries interest 11.10% per annum.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

e) Cash Credit from Banks aggregating ₹ Nil (2016-17 : ₹ 20,85,749) secured by pledge of Fixed Deposits Receipts of ₹ Nil (₹ 80,00,000) held by a subsidiary company, is repayable on demand and carries interest @ Fixed Deposit interest +1%, presently 7.50% to 8.50% per annum.

| | As at 31.03.2018 (₹) | As at 31.03.2017 (₹) |
|---|---|---|
| **10. TRADE PAYABLES** | | |
| Due to Micro and Small Enterprises [Refer Note 46] | **12,71,886** | 17,73,326 |
| | | |
| Amount Payable to Clients | **-** | 12,61,51,910 |
| Amount Payable to Stock / Commodity Exchanges | **-** | 14,52,529 |
| Due to Others | **9,17,23,683** | 7,73,75,115 |
| | **9,17,23,683** | 20,49,79,554 |
| | **9,29,95,569** | 20,67,52,880 |

| | As at 31.03.2018 (₹) | As at 31.03.2017 (₹) |
|---|---|---|
| **11. OTHER CURRENT LIABILITIES** | | |
| Current maturities of long-term borrowings [Refer Note 5] | **-** | 60,00,000 |
| Margin from Clients | **-** | 65,04,069 |
| Security Deposits | **2,20,32,798** | 2,23,67,233 |
| Unclaimed Dividend * | **1,63,736** | 1,63,736 |
| Share Application Money pending refund** | **-** | 36,816 |
| Temporary Book overdraft from Scheduled Banks | **-** | 1,114 |
| Other Payables | | |
| Capital Purchases | **67,63,996** | 26,03,366 |
| Advance from Customers | **4,11,913** | 28,99,085 |
| Statutory Dues | **60,10,580** | 1,23,96,475 |
| Advance against Investment | **-** | 1,54,64,000 |
| Employee Payables | **1,44,71,837** | 2,31,31,538 |
| Other Payables | **40,05,000** | - |
| | **5,38,59,860** | 9,15,67,432 |

* to be paid as and when due to Investor Education and Protection Fund

** Represents refund instruments issued to the investors which are yet to be encashed since 1st October, 2010. This, however, does not include any amount, due and outstanding to be credited to Investors Education and Protection Fund.

## 12. FIXED ASSETS :

(Amount in ₹)

### A. Property, Plant and Equipment

| Particulars | Freehold Land | Leasehold Land | Building / Office Premises | Computer and Allied Equipments | Furniture and Fixtures | Plant and Machinery | Electrical Equipments | Office Equipments | Vehicles | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| **Gross Block** | | | | | | | | | | |
| **At April 1, 2016** | 2,37,39,239 | 21,18,52,391 | 35,91,95,032 | 7,21,95,234 | 8,70,06,851 | 3,36,55,476 | 3,04,58,332 | 5,91,46,685 | 84,14,893 | **88,56,64,133** |
| Additions | - | - | 3,31,88,189 | 1,08,71,133 | 85,46,446 | 23,45,434 | 8,01,610 | 84,43,179 | - | **6,41,95,991** |
| Disposals | - | - | 2,02,39,305 | 9,26,270 | 17,71,722 | - | - | 4,42,204 | 8,23,229 | **2,42,02,730** |
| Transfer on account of sale of Investment in subsidiaries [Refer Note 48] | - | - | - | - | - | - | - | 1,40,767 | 9,94,759 | **11,35,526** |
| **At March 31, 2017** | **2,37,39,239** | **21,18,52,391** | **37,21,43,916** | **8,21,40,097** | **937,81,575** | **3,60,00,910** | **3,12,59,942** | **6,70,06,893** | **65,96,905** | **92,45,21,868** |
| Additions | - | - | 1,08,27,591 | 47,49,367 | 153,46,010 | 50,73,514 | 44,06,939 | 41,03,821 | - | **4,45,07,242** |
| Disposals | - | - | 12,63,115 | 5,20,587 | - | - | 5,33,450 | 1,09,976 | - | **24,27,128** |
| Government Grant | 2,26,162 | - | - | - | - | - | - | - | - | **2,26,162** |
| Transfer on account of sale of Investment in subsidiaries [Refer Note 44] | - | - | - | 3,45,72,810 | 90,19,491 | - | - | 1,14,97,102 | 9,58,004 | **5,60,47,407** |
| **At March 31, 2018** | **2,35,13,077** | **21,18,52,391** | **38,17,08,392** | **5,17,96,067** | **10,01,08,094** | **4,10,74,424** | **3,51,33,431** | **5,95,03,636** | **56,38,901** | **91,03,28,413** |
| **Depreciation** | | | | | | | | | | |
| **At April 1, 2016** | - | 93,27,577 | 5,29,50,278 | 5,91,30,086 | 4,39,12,377 | 62,05,821 | 1,17,24,660 | 3,42,81,177 | 56,50,172 | **22,31,82,148** |
| Charge For the Year | - | 21,39,923 | 1,66,04,603 | 82,66,115 | 1,13,62,966 | 69,52,576 | 68,85,260 | 81,08,292 | 7,31,933 | **6,10,51,668** |
| Disposals | - | - | 76,74,289 | 6,86,103 | 14,19,857 | - | - | 4,09,644 | 6,87,435 | **1,08,77,328** |
| Transfer on account of sale of Investment in subsidiaries [Refer Note 48] | - | - | - | - | - | - | - | 80,981 | 4,23,352 | **5,04,333** |
| **At March 31, 2017** | - | **1,14,67,500** | **6,18,80,592** | **6,67,10,098** | **5,38,55,486** | **1,31,58,397** | **1,86,09,920** | **4,18,98,844** | **52,71,318** | **27,28,52,155** |
| Charge For the Year | - | 21,39,923 | 1,55,12,460 | 38,78,277 | 1,00,58,245 | 60,66,766 | 53,36,802 | 62,67,650 | 3,98,646 | **4,96,58,769** |
| Disposals | - | - | - | 5,02,490 | - | 1,89,071 | - | 1,04,766 | - | **7,96,327** |
| Transfer on account of sale of Investment in subsidiaries [Refer Note 44] | - | - | - | 2,61,76,631 | 69,51,804 | - | - | 79,61,125 | 8,92,705 | **4,19,82,265** |
| **At March 31, 2018** | - | **1,36,07,423** | **7,73,93,052** | **4,39,09,254** | **5,69,61,927** | **1,90,36,092** | **2,39,46,722** | **4,01,00,603** | **47,77,259** | **27,97,32,332** |
| **Net Block** | | | | | | | | | | |
| **At March 31, 2017** | **2,37,39,239** | **20,03,84,891** | **31,02,63,324** | **1,54,29,999** | **3,99,26,089** | **2,28,42,513** | **1,26,50,022** | **2,51,08,049** | **13,25,587** | **65,16,69,713** |
| **At March 31, 2018** | **2,35,13,077** | **19,82,44,968** | **30,43,15,340** | **78,86,813** | **4,31,46,167** | **2,20,38,332** | **1,11,86,709** | **1,94,03,033** | **8,61,642** | **63,05,96,081** |

(Amount in ₹)

## B. Intangible Assets

| Particulars | Computer Software | Web Application Portal | Copyrights - Right on Web Application Portal - Personal Resource Planning | Business and Membership Rights | Total |
|---|---|---|---|---|---|
| **Gross Block** | | | | | |
| **At April 1, 2016** | 3,82,25,578 | 1,91,56,256 | 5,00,01,000 | 45,15,579 | **11,18,98,413** |
| Additions | 43,94,330 | | - | - | **43,94,330** |
| Transfer on account of sale of Investment in subsidiaries [Refer Note 48] | 1,93,463 | - | - | - | **1,93,463** |
| **At March 31, 2017** | **4,24,26,445** | **1,91,56,256** | **5,00,01,000** | **45,15,579** | **11,60,99,280** |
| Purchase | 8,16,152 | - | - | - | **8,16,152** |
| Transfer on account of sale of Investment in subsidiaries [Refer Note 44] | 1,68,27,726 | - | - | 45,15,579 | **2,13,43,305** |
| **At March 31, 2018** | **2,64,14,871** | **1,91,56,256** | **5,00,01,000** | **-** | **9,55,72,127** |
| **Amortization** | | | | | |
| **At April 1, 2016** | 2,41,91,774 | 70,72,535 | 5,00,01,000 | 45,15,579 | **8,57,80,888** |
| Charge For the Year | 52,59,648 | 28,71,765 | - | - | **81,31,413** |
| Transfer on account of sale of Investment in subsidiaries [Refer Note 48] | 1,93,463 | - | - | - | **1,93,463** |
| **At March 31, 2017** | **2,92,57,959** | **99,44,300** | **5,00,01,000** | **45,15,579** | **9,37,18,838** |
| Charge For the Year | 40,16,482 | 17,66,710 | - | - | **57,83,192** |
| Transfer on account of sale of Investment in subsidiaries [Refer Note 44] | 1,38,35,991 | - | - | 45,15,579 | **1,83,51,570** |
| **At March 31, 2018** | **1,94,38,450** | **1,17,11,010** | **5,00,01,000** | **-** | **8,11,50,460** |
| **Net Block** | | | | | |
| **At March 31, 2017** | **1,31,68,486** | **92,11,956** | **-** | **-** | **2,23,80,442** |
| **At March 31, 2018** | **69,76,421** | **74,45,246** | **-** | **-** | **1,44,21,667** |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

| | Face value Per share/ unit (₹) | No. of Shares /units | As at 31.03.2018 (₹) | As at 31.03.2017 (₹) |
|---|---|---|---|---|
| **13. NON-CURRENT INVESTMENTS** | | | | |
| **Non-Trade Investments** (valued at cost) | | | | |
| **Quoted Bonds** (fully paid Up) | | | | |
| National Bank for Agriculture and Rural Development | 20,000 | 1 | **9,250** | 9,250 |
| | | (1) | | |
| **(A)** | | | **9,250** | 9,250 |
| **Non Trade Investments** (valued at cost unless stated otherwise) | | | | |
| **Quoted Equity Shares** (fully paid up) | | | | |
| Ajanta Pharma Limited | 2 | - | **-** | 43,25,407 |
| | | (2,400) | | |
| Alkem Laboratories Limited | 2 | - | **-** | 50,27,131 |
| | | (3,050) | | |
| Apollo Hospitals Enterprise Limited | 1 | 2,000 | **24,03,556** | - |
| | | (-) | | |
| Asian Paints Limited | 1 | 4,400 | **50,08,015** | - |
| | | (-) | | |
| Britannia Industries Limited | 2 | 1,050 | **49,83,697** | - |
| | | (-) | | |
| Divi's Laboratories Limited | 2 | - | **-** | 25,02,317 |
| | | (3,650) | | |
| Eichers Motors Limited | 1 | - | **-** | 50,21,619 |
| | | (218) | | |
| Emami Limited | 1 | - | **-** | 1,17,62,147 |
| | | (30,000) | | |
| Godrej Consumer Products Limited | 1 | 9,800 | **1,00,01,695** | - |
| | | (-) | | |
| HDFC Bank Limited | 2 | 5,399 | **1,00,55,329** | - |
| | | (-) | | |
| HDFC Standard Life Insurance Company Limited | 10 | 34,200 | **1,50,18,336** | - |
| | | (-) | | |
| Housing Development Finance Corporation Limited | 2 | 5,490 | **1,00,04,977** | 2,59,85,242 |
| | | (20,000) | | |
| Indraprastha Gas Limited | 10 | - | **-** | 37,25,496 |
| | | (3,500) | | |
| Indusind Bank Limited | 10 | 5,866 | **97,49,707** | - |
| | | (-) | | |
| ITC Limited | 10 | - | **-** | 1,62,36,440 |
| | | (63,100) | | |
| Jindal Steel Power Limited | 1 | 36,500 | **1,00,36,389** | - |
| | | (-) | | |
| JSW Steel Limited | 10 | - | **-** | 38,42,089 |
| | | (21,000) | | |
| Kotak Mahindra Bank Limited | 5 | 9,500 | **1,00,11,284** | - |
| | | (-) | | |
| Kovai Medical Center and Hospital Limited | 10 | 767 | **9,80,732** | - |
| | | (-) | | |
| L&T Technology Services Limited | 2 | 3,400 | **49,74,621** | - |
| | | (-) | | |
| Larsen & Toubro Limited | 2 | 3,750 | **50,20,666** | - |
| | | (-) | | |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

| | Face value Per share/ unit (₹) | No. of Shares /units | As at 31.03.2018 (₹) | As at 31.03.2017 (₹) |
|---|---|---|---|---|
| Maruti Suzuki India Limited | 5 | 1,100 | **98,79,398** | - |
| | | (-) | | |
| Narayana Hrudayalaya Limited | 1 | 7,000 | **20,21,949** | - |
| | | (-) | | |
| Orient Electric Limited* | | 31,000 | **19,71,553** | - |
| | | (-) | | |
| Page Industries Limited | 10 | 905 | **1,99,27,964** | - |
| | | (-) | | |
| Power Grid Corporation of India Limited | 1 | 39,500 | **75,65,560** | - |
| | | (-) | | |
| Reliance Industries Limited | 10 | 21,390 | **2,01,42,041** | - |
| | | (-) | | |
| SBI Life Insurance Company Limited | 10 | 7,200 | **50,16,020** | - |
| | | (-) | | |
| Sreeleathers Limited | 10 | 12,654 | **25,64,274** | - |
| | | (-) | | |
| The New India Assurance Company Limited | 5 | 19,150 | **1,33,78,497** | - |
| | | (-) | | |
| Vedanta Limited | 1 | - | - | 99,00,523 |
| | | (47,800) | | |
| WABCO - TVS (India) Limited | 5 | - | - | 21,64,123 |
| | | (1,621) | | |
| **(B)** | | | **18,07,16,260** | 9,04,92,534 |
| **(A + B)** | | | **18,07,25,510** | 9,05,01,784 |
| **Aggregate Value of Investments** | | | | |
| Quoted | | | **18,07,25,510** | 9,05,01,784 |
| Market value of Quoted Investments | | | **17,94,70,787** | 12,85,71,470 |

* Pursuant to Scheme of Arrangement between Orient Paper and Industries Limited (OPIL) and Orient Electric Limited (OEL) the Board of Director of OPIL had fixed One fully paid up equity share of ₹ 1 each of OEL for every equity share of ₹ 1 each held in OPL. The "OEL" has not been listed on stock exchange.

| | As at 31.03.2018 (₹) | As at 31.03.2017 (₹) |
|---|---|---|
| **14. DEFERRED TAX ASSETS (NET)** | | |
| **Deferred Tax Liability** | | |
| **Gross Deferred Tax Liability (A)** | - | - |
| **Deferred Tax Asset** | | |
| Impact of expenditure charged to the statement of Profit and Loss in the Current Year but allowed for tax purposes on payment basis. Expenses Allowable against taxable income in future years | **73,403** | 96,845 |
| Fixed Assets: Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting. | **4,019** | 3,857 |
| Provision for standard assets | **1,17,111** | 97,026 |
| **Gross Deferred Tax Asset (B)** | **1,94,533** | 1,97,728 |
| **Net Deferred Tax Assets (A-B)** | **1,94,533** | 1,97,728 |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

| | Non Current | | Current | |
|---|---|---|---|---|
| | As at 31.03.2018 (₹) | As at 31.03.2017 (₹) | As at 31.03.2018 (₹) | As at 31.03.2017 (₹) |
| **15. LOANS AND ADVANCES** | | | | |
| **A. Loans** | | | | |
| - Secured, considered good | - | - | - | 1,98,34,400 |
| - Unsecured, considered good | - | - | **15,12,06,605** | 10,53,97,149 |
| **(A)** | - | - | **15,12,06,605** | 12,52,31,549 |
| **B. Advances** | | | | |
| (Unsecured, Considered good) | | | | |
| Capital Advances [Refer Note 36] | **1,02,57,159** | 1,50,40,558 | - | - |
| Advance against Investment Property [Refer Note 36] | **1,22,11,098** | 1,22,11,098 | - | - |
| Advance Recoverable in cash or kind | - | - | **41,57,208** | 74,29,477 |
| Prepaid Expenses | **6,15,317** | 3,72,210 | **28,70,673** | 49,45,280 |
| Deposits with Government Authorities and others | **62,02,173** | 1,26,66,447 | **5,05,32,513** | 65,36,439 |
| Deposits with Exchanges | - | 2,89,48,549 | - | 72,00,000 |
| Advance Income tax and Tax Deducted at Source [Net of Provision ₹ 76,71,388 (2016-17: ₹ 5,02,72,354)] | **1,30,05,938** | 1,43,70,381 | **1,33,47,224** | 2,92,73,941 |
| **(B)** | **4,22,91,685** | 8,36,09,243 | **7,09,07,618** | 5,53,85,137 |
| **(A + B)** | **4,22,91,685** | 8,36,09,243 | **22,21,14,223** | 18,06,16,686 |

| | Non Current | | Current | |
|---|---|---|---|---|
| | As at 31.03.2018 (₹) | As at 31.03.2017 (₹) | As at 31.03.2018 (₹) | As at 31.03.2017 (₹) |
| **16. OTHER ASSETS** | | | | |
| (Unsecured, Considered Good) | | | | |
| Non Current Bank Balances [Refer Note 20] | - | 76,00,000 | - | - |
| Accrued Interest on Fixed Deposits | **1,72,420** | 9,56,727 | **25,781** | 3,61,54,820 |
| Accrued Interest on Security Deposit | - | - | **50,640** | 56,203 |
| Interest on Income Tax Refund Receivable | - | - | - | 1,96,833 |
| Incentive Receivable | - | - | **2,37,939** | - |
| Receivable on Surrender of Leasehold Land | - | - | - | 1,93,68,750 |
| Unamortized Premium on Borrowing Cost | - | 4,02,457 | - | 1,34,152 |
| | **1,72,420** | 89,59,184 | **3,14,360** | 5,59,10,758 |

| | No. of Shares /units | Face value Per share/ unit (₹) | As at 31.03.2018 (₹) | As at 31.03.2017 (₹) |
|---|---|---|---|---|
| **17. CURRENT INVESTMENTS** | | | | |
| (Valued at lower of cost and fair value, unless stated otherwise) | | | | |
| **Unquoted Mutual Funds** (Fully Paid) | | | | |
| Reliance Liquid Fund - Treasury Plan - Direct Growth Plan - Growth Option | 67,194.86<br>(16,860.43) | 1,000 | **27,75,13,580** | 6,65,47,854 |
| Reliance Liquid Fund - Treasury Plan - Growth Plan - Growth Option | -<br>(2,362.05) | 1,000 | - | 82,26,886 |
| | | | **27,75,13,580** | 7,47,74,740 |
| **Aggregate Value of Investments** | | | | |
| Unquoted | | | **27,75,13,580** | 7,47,74,740 |
| Aggregate Net Asset Value of Mutual Fund Units | | | **28,47,03,807** | 7,60,67,904 |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

| | No. of units | Face Value per share (₹) | As at 31.03.2018 (₹) | As at 31.03.2017 (₹) |
|---|---|---|---|---|
| **18. INVENTORIES** | | | | |
| (Valued at lower of cost and net realisable value) | | | | |
| **Raw Materials, Traded Goods, Finished Goods and Packing Materials** | | | | |
| **Traded Goods** | | | | |
| Medicines | | | **20,77,32,810** | 15,82,08,677 |
| FMCG Goods | | | **5,25,48,747** | 4,89,10,014 |
| **Raw Materials** | | | | |
| Food Ingredients | | | **56,70,184** | 1,42,88,567 |
| **Finished Goods** | | | | |
| Food Products | | | **12,29,635** | 11,90,544 |
| **Packing Materials** | | | **1,33,02,097** | 131,45,372 |
| **(A)** | | | **28,04,83,473** | 23,57,43,174 |
| **Quoted Equity Shares (fully paid)** | | | | |
| NMDC Limited | - | 1 | - | 9,76,623 |
| | (10,000) | | | |
| Rural Electrification Corporation Limited | - | 10 | - | 15,82,374 |
| | (10,600) | | | |
| **(B)** | | | - | 25,58,997 |
| **(A+B)** | | | **28,04,83,473** | 23,83,02,171 |

| | As at 31.03.2018 (₹) | As at 31.03.2017 (₹) |
|---|---|---|
| **19. TRADE RECEIVABLES** | | |
| Outstanding for a period exceeding six months from the date they are due for payment | | |
| Secured, considered good | **4,00,000** | 11,47,599 |
| Unsecured, considered good | **3,90,790** | 75,69,416 |
| | **7,90,790** | 87,17,015 |
| Other receivables | | |
| Secured, considered good | **1,01,34,339** | 16,99,56,234 |
| Unsecured, considered good | **2,83,79,107** | 1,26,42,819 |
| | **3,85,13,446** | 18,25,99,053 |
| | **3,93,04,236** | 19,13,16,068 |

| | Non Current | | Current | |
|---|---|---|---|---|
| | As at 31.03.2018 (₹) | As at 31.03.2017 (₹) | As at 31.03.2018 (₹) | As at 31.03.2017 (₹) |
| **20. CASH AND BANK BALANCES** | | | | |
| **(i) Cash and Cash Equivalents** | | | | |
| Cash on Hand | - | - | **2,23,776** | 2,62,405 |
| Cheque on Hand | | | **66,42,285** | 88,18,980 |
| Balances with Scheduled Banks | | | | |
| On Current Accounts | - | - | **6,98,55,908** | 12,78,69,484 |
| Deposit with original maturity of less than three months | - | - | **4,50,00,000** | - |
| | - | - | **12,17,21,969** | 13,69,50,869 |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

| | Non Current | | Current | |
|---|---|---|---|---|
| | As at 31.03.2018 (₹) | As at 31.03.2017 (₹) | As at 31.03.2018 (₹) | As at 31.03.2017 (₹) |
| **(ii) Other Bank Balances** | | | | |
| IPO Refund Account * | - | - | - | 36,816 |
| Unclaimed Dividend Account | - | - | **1,63,736** | 1,63,736 |
| Deposits with original maturity for more than 12 months [Refer Note 32] | - | **76,00,000** | **22,60,368** | 17,81,60,368 |
| Deposits with original maturity for more than 3 months but not more than 12 months [Refer Note 32] | - | - | **38,10,975** | 2,27,08,670 |
| Amount disclosed under "other non current assets" [Refer Note 16] | - | **(76,00,000)** | - | - |
| | - | - | **12,79,57,048** | 33,80,20,459 |

*Represents balance with a bank for which refund instruments have been issued to the investors which are yet to be encashed by the investors

| | 2017-18 (₹) | 2016-17 (₹) |
|---|---|---|
| **21. REVENUE FROM OPERATIONS** | | |
| **(i) Sale of Traded Goods** | | |
| Medicines | **1,30,27,43,843** | 97,78,78,591 |
| FMCG Products | **15,69,76,493** | 13,40,32,165 |
| (A) | **1,45,97,20,336** | 1,11,19,10,756 |
| **(ii) Sale of Finished Goods** | | |
| Food Products | **1,62,39,196** | 1,28,03,739 |
| (B) | **1,62,39,196** | 1,28,03,739 |
| **(iii) Interest Income** | | |
| On Loans | **1,30,18,570** | 3,62,45,613 |
| On Fixed Deposits pledged with Stock / Commodity Exchange & Clearing member | - | 68,64,670 |
| **(C)** | **1,30,18,570** | 4,31,10,283 |
| **(iv) Other Financial Services** | | |
| **- Stock/Commodity Broking** | | |
| Brokerage and Related Income | - | 10,94,64,921 |
| Penal Charges Collected from clients | - | 2,00,87,271 |
| **(D)** | - | 12,95,52,192 |
| **- Investments** | | |
| Profit on Sale of Non-Trade Investments (Net) | | |
| -Long Term | **6,78,31,063** | 2,32,71,529 |
| -Current | - | 28,515 |
| Dividend from Long Term Non-Trade Investments | **22,12,864** | 11,46,974 |
| **(E)** | **7,00,43,927** | 2,44,47,018 |
| **- Wealth Management, Financial Planning and Distribution** | | |
| Insurance Brokerage and Related Income | - | 12,37,963 |
| Service Charges | - | 99 |
| **(F)** | - | 12,38,062 |
| **- Others** | | |
| Consultancy & Investment Banking Revenue | - | 33,75,000 |
| Professional Fees | **2,76,59,130** | 17,24,349 |
| Miscellaneous Income | **67,130** | - |
| **(G)** | **2,77,26,260** | 50,99,349 |
| **(v) Consumer Engagement Activity** | **11,214** | 5,10,405 |
| **(H)** | **11,214** | 5,10,405 |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

| | 2017-18 (₹) | 2016-17 (₹) |
|---|---|---|
| **(vi) Sale of Services** | | |
| Online Advertisement Campaign | **5,75,933** | 1,30,435 |
| Technology Support Service | **54,15,000** | - |
| Other Income | **6,57,221** | - |
| (I) | **66,48,154** | 1,30,435 |
| **Total (A + B + C + D + E + F + G + H+I)** | **1,59,34,07,657** | 1,32,88,02,239 |

| **22. OTHER INCOME** | | |
|---|---|---|
| Interest Income on | | |
| Fixed Deposits | **87,38,323** | 1,32,28,790 |
| Security Deposit | **56,267** | 1,17,316 |
| Income Tax Refund | **23,98,605** | 20,68,610 |
| Other Non Operating Income | | |
| Liabilities no longer required written back | **2,55,717** | 14,27,481 |
| Rental & Office Maintenance Income | **8,40,000** | - |
| Profit on sale of Long Term Non-Trade Investments | **-** | 46,80,698 |
| Profit on sale of Non Trade Investments - Current | **1,36,33,688** | 5,36,021 |
| Government Grant | **2,52,090** | - |
| Provision for standard assets written back | **-** | 4,85,000 |
| Profit on sale of Fixed Assets | **-** | 1,80,87,213 |
| Bad Debt Recovered | **-** | 6,33,279 |
| Miscellaneous Income | **21,198** | 1,84,580 |
| | **261,95,888** | 4,14,48,988 |

| **23 PURCHASES OF TRADED GOODS** | | |
|---|---|---|
| Medicines | **1,27,82,45,980** | 1,00,91,16,254 |
| FMCG Products | **16,15,29,563** | 13,80,62,574 |
| | **1,43,97,75,543** | 1,14,71,78,828 |

| **24. (INCREASE) IN INVENTORY OF TRADED GOODS AND FINISHED GOODS** | | |
|---|---|---|
| Inventories at the beginning of the year | | |
| Traded Goods | **20,71,18,691** | 13,25,51,040 |
| Finished Goods | **11,90,544** | 12,67,788 |
| Inventories at the end of the year [Refer Note 18] | | |
| Traded Goods | **26,02,81,558** | 20,71,18,691 |
| Finished Goods | **12,29,635** | 11,90,544 |
| | **(5,32,01,958)** | (7,44,90,407) |

| **25. COST OF RAW MATERIALS CONSUMED** | | |
|---|---|---|
| Inventory at the beginning of the year | **1,42,88,567** | 1,01,91,163 |
| Add : Purchases | **85,38,039** | 1,81,92,955 |
| Less : Inventory at the end of the year [Refer Note 18] | **56,70,184** | 1,42,88,567 |
| | **1,71,56,422** | 1,40,95,551 |

| **26. EMPLOYEE BENEFITS EXPENSE** | | |
|---|---|---|
| Salary, Bonus etc. | **15,13,94,292** | 22,83,95,151 |
| Contribution to Provident and other funds | **54,87,539** | 68,67,427 |
| Contribution to Employees' State Insurance | **23,38,923** | 23,94,269 |
| Gratuity expense [Refer Note 33] | **3,06,461** | 65,77,556 |
| Employees' Welfare Expenses | **27,68,565** | 37,48,903 |
| | **16,22,95,780** | 24,79,83,306 |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

| | 2017-18 (₹) | 2016-17 (₹) |
|---|---|---|
| **27. FINANCE COSTS** | | |
| Interest Expense | | |
| On Loans | - | 69,21,007 |
| On Cash Credit Facilities | **38,65,691** | 1,80,91,145 |
| On Margin from Clients | - | 3,15,715 |
| Other Borrowing Costs | **13,47,356** | 27,70,712 |
| | **52,13,047** | 2,80,98,579 |
| **28. DEPRECIATION AND AMORTIZATION EXPENSE** | | |
| Depreciation of Property, Plant and Equipment | **4,96,58,769** | 6,10,51,669 |
| Amortisation of Intangible Assets | **57,83,192** | 81,31,413 |
| | **5,54,41,961** | 6,91,83,082 |
| **29. OTHER EXPENSES** | | |
| Power and Fuel | **1,49,91,451** | 1,76,83,335 |
| Logistic Expenses | **2,25,57,183** | 1,72,56,197 |
| Testing Charges | **1,08,280** | 2,70,102 |
| Packing Material Consumed | **96,63,277** | 1,09,30,338 |
| Rent [Refer Note 42] | **44,73,783** | 38,66,973 |
| Repairs and Maintenance | | |
| Building | **21,35,783** | 4,84,930 |
| Others | **1,22,34,654** | 1,21,50,522 |
| Advertisement and Publicity | **1,59,33,485** | 1,83,77,307 |
| Business Promotion Expenses | **1,47,62,877** | 22,45,031 |
| Server hosting, bandwith and other data service charges | **1,16,84,508** | 1,27,01,894 |
| Membership Fees and Subscription | **47,620** | 9,16,425 |
| Software Maintenance charges | **1,57,326** | 48,13,628 |
| Stock / Commodity Exchange charges | - | 54,15,184 |
| SEBI Turnover Fees | - | 3,67,260 |
| Depository Transaction charges | - | 17,32,670 |
| Consumer Engagement Expenses | **6,390** | 23,43,550 |
| Communication Expenses | **27,75,728** | 80,06,924 |
| Rates and Taxes | **25,43,601** | 85,92,606 |
| Directors Sitting Fee | **17,18,825** | 17,98,225 |
| Insurance Premium | **7,98,810** | 9,73,867 |
| Printing and Stationery | **43,87,786** | 36,82,820 |
| Postage and Courier Expenses | **3,79,264** | 10,73,099 |
| Bank and Demat charges | **23,95,497** | 10,65,961 |
| Travelling and Conveyance | **53,19,553** | 68,61,149 |
| Security Service Charges | **56,61,816** | 50,79,243 |
| Legal and Professional Fees | **1,08,55,920** | 1,29,93,453 |
| Listing Fees | **5,12,125** | 430,000 |
| Loss on dealing in Derivatives | **8,08,514** | - |
| Bad debts / Irrecoverable advances written off | **3,15,900** | 18,23,019 |
| Loss on Fixed Assets sold/discarded (Net) | **2,38,499** | - |
| Loss on Surrender of Land | - | 18,13,850 |
| Service Charges | | |
| - Market research and Analysis services | - | 4,25,837 |
| - Facility Services, etc. | **2,96,87,998** | 2,24,34,770 |
| Commission to Authorised Person and Others | **4,58,649** | 2,34,73,182 |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

| | 2017-18 (₹) | 2016-17 (₹) |
|---|---|---|
| Auditor's Remuneration | | |
| As Auditors | | |
| Audit Fees | **2,50,650** | 19,31,000 |
| Limited Reviews | **1,35,000** | 1,50,750 |
| Tax Audit Fee | **50,000** | - |
| In other capacities for certificates and other services | **2,00,000** | 6,60,500 |
| Reimbursement of expenses | **-** | 1,20,711 |
| Provision for Standard Assets | **65,000** | - |
| Miscellaneous expenses | **34,18,831** | 27,95,190 |
| | **18,17,34,583** | 21,77,41,502 |

| **30. EARNINGS / (LOSS) PER SHARE** | | |
|---|---|---|
| Basis for calculation of Basic and Diluted Earnings Per Share is as under: | | |
| (Loss) after tax (₹) | **(11,88,06,771)** | (28,62,51,284) |
| Weighted Average Number of Equity Shares (Nos.) | **3,18,10,500** | 3,18,10,500 |
| Nominal Value of each Equity Share (₹) | **10.00** | 10.00 |
| Basic and Diluted Earnings Per Share (₹) | **(3.73)** | (9.00) |

**31 Contingent Liabilities:**

(a) The Holding Company has provided Corporate Guarantee amounting ₹ 21,00,00,000 (2016-17: ₹ 13,80,00,000 against credit facility availed from Union Bank of India by Sastasundar Healthbuddy Limited (Formerly Microsec Health Buddy Limited) (a subsidiary company) for the purpose of purchase of Plant & Machinery and operations of the business. The amount of facility / guarantee actually availed by the subsidiary as on the balance sheet date amounts to ₹ 12,03,12,828 (2016-17: ₹ 10,43,49,558).

(b) The Company has provided Corporate Guarantee amounting ₹ 25,00,000 against credit card facility availed from HDFC Bank Limited by Sastasundar Healthbuddy Limited (Formerly Microsec Health Buddy Limited (a subsidiary). The amount of facility / guarantee actually availed by the subsidiary as on the balance sheet date amounts to ₹ 4,89,657.

(c) The Company has provided Corporate Guarantee amounting ₹ 10,00,000 against credit card facility availed from HDFC Bank Limited by Sastasundar Marketplace Limited (Formerly Sasta Sundar Shop Private Limited (a step down subsidiary). The amount of facility / guarantee actually availed by the subsidiary as on the balance sheet date amounts to ₹ 6,00,805.

(d) The Holding Company has provided Corporate Guarantee of ₹ Nil (2016-17: ₹ 4,77,50,000) against bank guarantee and has created equitable mortgage of ₹ Nil (2016-17: ₹ 7,47,55,370) over its property at Kolkata as security for credit facility extended by a scheduled bank to Microsec Capital Limited (a wholly owned subsidiary company) for the purpose of operations of the business. The amount of facility / guarantee actually availed by the subsidiary as on the balance sheet date amounts to ₹ Nil (2016-17: ₹ 5,63,90,153) and ₹ Nil (2016-17: ₹ 5,93,99,634) (net of fixed deposits of ₹ Nil (2016-17: ₹ 8,33,00,000 pledged by the subsidiary with the scheduled banks) respectively.

(e) The Holding Company has provided Corporate Guarantee amounting ₹ Nil (2016-17: ₹ 10,00,000) against credit card facility availed from HDFC Bank Limited by Retailer Shakti Supply Chain Private Limited (Formerly Brandbuddy Engage Analytics Private Limited) (a step down subsidiary). The amount of facility / guarantee actually availed by the subsidiary as on the balance sheet date amounts to ₹ Nil (2016-17: ₹ 7,418).

(f) Income tax demand under appeal – ₹ 82,86,290 (2016-17: ₹ 2,22,55,460). The management believe that the Holding Company and its subsidiaries to which the demand relates has a good case for success in this matter and therefore no provision there against is considered necessary.

(g) Service tax demand under appeal – ₹ 71,34,347 (2016-17: ₹ 71,34,347). The management believe that the Holding Company and its subsidiaries to which the demand relates has a good case for success in this matter and therefore no provision there against is considered necessary.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

(h) West Bengal Value Added Tax, 2003 ₹ 68,98,342 (2016-17 : ₹ Nil). The management believe that the subsidiaries to which the demand relates has a good case for success in this matter and therefore no provision there against is considered necessary.

(i) West Bengal Tax on Entry of Goods into Local Areas Act, 2012 ₹ 89,091 (2016-17 : ₹ Nil). The management believe that the subsidiaries to which the demand relates has a good case for success in this matter and therefore no provision there against is considered necessary.

(j) Bank Guarantee issued by subsidiary companies in favour of West Bengal State Electricity Distribution Company Limited - ₹ 55,69,836 (2016-17: ₹ 66,73,836).

**32** Fixed Deposits with Banks aggregating to ₹ 59,10,975 (2016-17: ₹ 20,83,08,670) are pledged as follows:

| Pledged with | As at 31.03.2018 (₹) | As at 31.03.2017 (₹) |
|---|---|---|
| HDFC Bank Limited (As security against credit facilities/Bank Guarantees) | **21,00,000** | 7,63,00,000 |
| Union Bank of India (As security against Bank Guarantees) | **38,10,975** | 36,08,670 |
| National Stock Exchange of India Limited | **-** | 8,00,000 |
| National Securities Clearing Corporation Limited | **-** | 57,00,000 |
| IL&FS Securities Services Limited (Clearing Member) | **-** | 7,00,00,000 |
| Insurance Regulatory and Development Authority (IRDA) | **-** | 11,00,000 |
| Axis Bank Limited (As security against Overdraft Facilities) | **-** | 4,25,00,000 |
| MCX Stock Exchange Limited | **-** | 8,00,000 |
| National Commodity Derivative Exchange | **-** | 32,50,000 |
| Multi Commodity Exchange of India Limited | **-** | 7,50,000 |
| Bombay Stock Exchange | **-** | 25,00,000 |
| Indian Clearing Corporation Limited | **-** | 10,00,000 |
| **Total** | **59,10,975** | 20,83,08,670 |

**33** The Group has a defined benefit gratuity plan. Every employee, who has completed five years or more of services, gets a gratuity on departure @ 15 days of last drawn salary for each completed years of service. The scheme is funded with Life Insurance Corporation of India, except in case of few subsidiaries which are unfunded.

The following tables summarise the components of net benefit expenses recognised in the Statement of Profit and Loss and the funded status and amounts recognized in the balance sheet for the plan.

| | Particulars | 2017-18 (₹) | 2016-17 (₹) |
|---|---|---|---|
| (i) | **Net Employee Expense /(benefit)** | | |
| | Current service cost | **23,51,694** | 37,23,805 |
| | Past service cost | **27,658** | - |
| | Interest cost on benefit obligation | **5,92,421** | 7,57,009 |
| | Expected return on plan assets | **1,58,550** | 4,50,293 |
| | Curtailment cost | **-** | 1,66,262 |
| | Net Actuarial (gain) /loss recognised for the year | **(17,54,445)** | 23,73,258 |
| | Settlement Cost | **7,52,317** | (3,40,039) |
| | Total employer expense recognised in Statement of Profit and Loss | **3,06,461** | 65,77,556 |
| (ii) | **Actual return on plan assets** | **2,16,506** | 4,04,816 |
| (iii) | **Benefit Asset/(Liability)** | | |
| | Defined benefit obligation | **84,70,111** | 1,49,84,296 |
| | Fair value of Plan Assets | **33,12,602** | 51,16,151 |
| | Benefit Asset/(Liability) | **(51,57,509)** | (98,68,145) |
| (iv) | **Movement in benefit liability** | | |
| | Opening defined benefit obligation | **1,49,84,296** | 1,32,87,449 |
| | Transferred on sale of its subsidiary | **78,58,925** | - |
| | Interest cost | **5,92,421** | 7,57,009 |
| | Current service cost | **23,51,694** | 37,23,805 |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

| | Particulars | 2017-18 (₹) | 2016-17 (₹) |
|---|---|---|---|
| | Past service cost | **27,658** | - |
| | Curtailment cost | **-** | 1,66,262 |
| | Settlement Cost | **19,62,532** | (3,40,039) |
| | Benefits paid | **9,93,481** | 31,11,052 |
| | Acquisition Adjustment | **30,25,469** | (21,74,473) |
| | Actuarial (gains)/losses on obligation | **(16,96,489)** | 23,27,781 |
| | Closing benefit obligation | **84,70,111** | 1,49,84,296 |
| (v) | **Movement in fair value of plan assets** | | |
| | Opening fair value of plan assets | **51,16,151** | 61,47,279 |
| | Transferred on sale of its subsidiary | **31,18,872** | - |
| | Expected Return on plan assets | **1,58,550** | 4,59,691 |
| | Contribution by employer | **19,43,465** | 16,65,710 |
| | Acquisition Adjustment | **70,943** | - |
| | Benefits paid | **9,15,591** | 31,11,052 |
| | Actuarial gains/(losses) on plan assets | **57,956** | (45,477) |
| | Closing fair value of plan assets | **33,12,602** | 51,16,151 |
| (vi) | **Major categories of plan assets as a percentage of the fair value of total plan assets** | | |
| | Investments in insurance managed fund | **100%** | 100% |
| (vii) | **The principal actuarial assumptions are as follows** | | |
| | Discount rate | **7.37% - 7.50%** | 7.37% - 7.50% |
| | Expected rate of return on plan assets | **7.37% - 7.70%** | 7.37% - 8.00% |
| | Salary increase | **6.00%** | 6.00% |
| | Withdrawal rates | **1% -12%** | 1.00% |
| (viii) | **Amount incurred as expense for Defined Contribution plans** | | |
| | Contribution to Employees Provident Fund | **54,87,539** | 68,67,427 |
| | Contribution to Employees State Insurance | **23,38,923** | 23,94,269 |

(ix) The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factor, such as supply and demand in the employment market.

(x) The Overall Exempted rate of return is determined based on market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

(xi) The Group expects to contribute ₹ 13,00,000 (2016-17: ₹ 31,50,000) to Gratuity fund during April 2018 to March 2019.

(xii)

| | Year ended March 31, 2018 (₹) | Year ended March 31, 2017 (₹) | Year ended March 31, 2016 (₹) | Year ended March 31, 2015 (₹) | Year ended March 31, 2014 (₹) |
|---|---|---|---|---|---|
| **Gratuity** | | | | | |
| Defined Benefit Obligation | **84,70,111** | 1,49,84,296 | 1,32,87,449 | 1,38,93,109 | 89,15,063 |
| Plan Assets | **33,12,602** | 51,16,151 | 61,47,279 | 72,38,953 | 69,22,293 |
| Surplus / ( Deficit ) | **(51,57,509)** | (98,68,145) | (71,40,170) | (66,54,156) | (19,92,770) |
| Experience adjustments on plan liabilities | **(11,89,079)** | 6,72,738 | (8,65,578) | (12,07,471) | (46,16,366) |
| Experience adjustments on plan assets | **69,701** | 6,349 | (21,701) | 24,682 | 96,675 |

The above information is actuarially determined.

*Due to change in Gratuity Benefit from ₹ 10,00,000 to ₹ 20,00,000.

**34** Sastasundar Healthbuddy Limited (formerly Microsec Health Buddy Limited) (SHL), a subsidiary Company, in addition to its other businesses, carries on a "Market Place Business" under the domain name www.sastasundar.com and www.sastasundar.in and other related trademarks (which are owned by its wholly owned subsidiary, Sastasundar Marketplace Limited (formerly Sasta Sundar Shop Private Limited) [the "Step Down Subsidiary"]). With effect from April 1, 2017, SHL have transferred the Market Place Business into the Step Down Subsidiary. All activities undertaken by the Company with respect to the Market Place Business including operating the market place, rendering services in relation to the Market

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

Place Business including promotional activities, payment gateway facilities, customer support services and other ancillary activities is transferred to the Step Down Subsidiary. During the year, all assets, contracts, employees, customer database and account payables in relation to the Market Place Business is also transferred to the Step Down Subsidiary.

**35 Value of imports calculated on CIF basis**

| Particulars | 2017-18 (₹) | 2016-17 (₹) |
|---|---|---|
| Traded Goods | 8,85,546 | - |
| **Total** | 8,85,546 | - |

**36 Capital Commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) – ₹ 68,07,091 (2016-17: ₹ 42,14,167).

**37** Minimum Alternate Tax (MAT) credit entitlement of ₹ 3,38,64,754 (2016-17: ₹ 3,66,66,139) although available as tax credit for set off in future years as per Income Tax Act, 1961, has not been accounted for in view of accounting policy specified in Note 2.1 (xii) herein.

**38** Sastasundar Healthbuddy Limited (formerly Microsec Health Buddy Limited) ("the SHL"), subsidiary of the company has executed a Share Subscription Agreement (SSA) on 22nd May, 2017 with Rohto Pharmaceuticals Co. Ltd (ROHTO), a company incorporated in Japan. As per the said SSA, Rohto has acquired 24,35,583 (Nominal value ₹ 10 per share and Security Premium ₹ 122.10 per share) aggregating USD 5 million (₹ 32.17 crores) which constitute 13.23% of the share capital of SHL on preferential allotment and private placement basis.

**39 Related Party in terms of Accounting Standard 18 and as per the Companies Act, 2013 are given below:**

**(a) Name of the related parties and description of their relationship**

**Key Management Personnel**

Mr. Banwari Lal Mittal (Chairman and Managing Director)

Mr. Ravi Kant Sharma [Managing Director & Chief Executive Officer in Sastasundar Healthbuddy Limited (formerly Microsec Health Buddy Limited)]

Mr. Ramesh Kumar Sharma [Whole Time Director in Sastasundar Healthbuddy Limited (formerly Microsec Health Buddy Limited)]

Mr. Deepak Kumar Agarwal (Whole time Director in Microsec Wealth Management Limited)

Mr. Naveen Kumar Vyas (Whole time Director in Microsec Wealth Management Limited)

Mr. Mahesh Kumar Singhi [Whole time Director in Sastasundar Marketplace Limited (Formerly Sasta Sundar Shop Private Limited)]

Mr. Vinay Kumar Khaitan [Whole time Director in Sastasundar Marketplace Limited (Formerly Sasta Sundar Shop Private Limited)]

Mr. Nishi Kant Mehta [Whole time Director in Sastasundar Marketplace Limited (Formerly Sasta Sundar Shop Private Limited)]

Mr. Pankaj Harlalka (Director in Microsec capital Limited)

Mr. Manoj Singh (Director in Myjoy Pharmaceuticals Private Limited) (upto 30th November, 2016)

Mr. Chetan Chand Jain [Director in Myjoy Pharmaceuticals Private Limited) (upto 30th November, 2016)]

Mr. Amrit Daga (Chief Financial Officer)

Mr. Biplab Kumar Mani (Company Secretary)

Mr. Abhishek Singhi [Chief Financial Officer in Sastasundar Healthbuddy Limited (formerly Microsec Health Buddy Limited)]

Mr. Pratap Singh [Company Secretary in Sastasundar Healthbuddy Limited (formerly Microsec Health Buddy Limited)]

Mr. Rahul Kumar Singh (Company Secretary in Microsec Wealth Management Limited)

**Enterprises exercising significant influence**

Rohto Pharmaceuticals Co. Private Limited (w.e.f, 22nd May, 2017)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

**Relatives of Key Management Personnel**

Mrs. Abha Mittal (Wife of Mr. Banwari Lal Mittal)
Mr. Narsingh Mittal (Brother of Mr. Banwari Lal Mittal)
Mr. Sajjan Kumar Sharma (Father of Mr. Ravi Kant Sharma)
Mrs. Bharati Sharma (Wife of Mr. Ravi Kant Sharma)
Mrs. Rasmi Harlalka (Wife of Mr. Pankaj Harlalka) (upto 1st December, 2017)
Mrs. Kanta Devi Sharma (Mother of Mr. Ravi Kant Sharma)
Mr. Man Mohan Harlalka (Father of Mr. Pankaj Harlalka) (upto 1st December, 2017)
Mr. Arjun Mittal (Brother of Mr. Banwari Lal Mittal)
Mrs. Sushila Devi Khaitan (Sister of Mr. Banwari Lal Mittal)
Mrs. Gomti Devi Mittal (Mother of Mr. Banwari Lal Mittal)
Master Krishna Mittal (Son of Mr. Banwari Lal Mittal)
Mr. Rajiv Sharma (Brother of Mr. Ravi Kant Sharma)
Mrs. Laxmi Gupta (Sister of Mr. Pankaj Harlalka) (upto 1st December, 2017)
Ms. Saloni Mittal (Daughter of Mr. Banwari Lal Mittal)
Ms. Vidhi Mittal (Daughter of Mr. Banwari Lal Mittal)

**Enterprises on which Key Management Personnel and / or their relative exercise significant influence**

Topview Enclaves LLP
Shri Krishna Creative Ideas LLP

**b) Related party transactions**

(Amount in ₹)

| Particulars | Key Management personnel | Relatives of Key Management personnel | Enterprise in which Management personnel Exercise Significant Influence | Enterprise exercising Significant Influence | Total |
|---|---|---|---|---|---|
| **Directors' s Remuneration** | | | | | |
| Mr. Banwari Lal Mittal | **59,83,085** | - | - | - | **59,83,085** |
| | (69,83,074) | (-) | (-) | (-) | (69,83,074) |
| Mr. Ravi Kant Sharma | **59,83,085** | - | - | - | **59,83,085** |
| | (59,83,074) | (-) | (-) | (-) | (59,83,074) |
| Mr. Pankaj Harlalka | - | - | - | - | - |
| | (4,00,000) | (-) | (-) | (-) | (4,00,000) |
| Mr. Ramesh Kumar Sharma | **17,42,822** | - | - | - | **17,42,822** |
| | (14,47,213) | (-) | (-) | (-) | (14,47,213) |
| Mr. Deepak Kumar Agarwal | **3,65,931** | - | - | - | **3,65,931** |
| | (-) | (-) | (-) | (-) | (-) |
| Mr. Naveen Kumar Vyas | **12,67,598** | - | - | - | **12,67,598** |
| | (-) | (-) | (-) | (-) | (-) |
| Mr. Mahesh Kumar Singhi | **12,98,122** | - | - | - | **12,98,122** |
| | (2,98,485) | (-) | (-) | (-) | (2,98,485) |
| Mr. Vinay Kumar Khaitan | **28,71,632** | - | - | - | **28,71,632** |
| | (-) | (-) | (-) | (-) | (-) |
| Mr. Nishi Kant Mehta | **12,11,719** | - | - | - | **12,11,719** |
| | (-) | (-) | (-) | (-) | (-) |
| Mr. Manoj Singh | - | - | - | - | - |
| | (1,72,552) | (-) | (-) | (-) | (1,72,552) |
| Mr. Chetan Chand Jain | - | - | - | - | - |
| | (3,47,256) | (-) | (-) | (-) | (3,47,256) |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in ₹)

| Particulars | Key Management personnel | Relatives of Key Management personnel | Enterprise in which Management personnel Exercise Significant Influence | Enterprise exercising Significant Influence | Total |
|---|---|---|---|---|---|
| **Remuneration** | | | | | |
| Mr. Amrit Daga | **17,74,119** | - | - | - | **17,74,119** |
| | (15,58,326) | (-) | (-) | (-) | (15,58,326) |
| Mr. Biplab Kumar Mani | **15,32,833** | - | - | - | **15,32,833** |
| | (14,24,963) | (-) | (-) | (-) | (14,24,963) |
| Mr. Abhishek Singhi | **13,85,972** | - | - | - | **13,85,972** |
| | (11,56,335) | (-) | (-) | (-) | (11,56,335) |
| Mr. Pratap Singh | **5,80,178** | - | - | - | **5,80,178** |
| | (5,35,493) | (-) | (-) | (-) | (5,35,493) |
| Mr. Rahul Kumar Singh | **1,09,237** | - | - | - | **1,09,237** |
| | (-) | (-) | (-) | (-) | (-) |
| **Employee Payable** | | | | | |
| Mr. B.L.Mittal | **3,75,724** | - | - | - | **3,75,724** |
| | (2,68,365) | (-) | (-) | (-) | (2,68,365) |
| Mr. Ravi Kant Sharma | **2,60,711** | - | - | - | **2,60,711** |
| | (2,64,532) | (-) | (-) | (-) | (2,64,532) |
| Mr. Ramesh Kumar Sharma | **1,26,703** | - | - | - | **1,26,703** |
| | (1,39,840) | (-) | (-) | (-) | (1,39,840) |
| Mr. Mahesh Kumar Singhi | **1,21,500** | - | - | - | **1,21,500** |
| | (-) | (-) | (-) | (-) | (-) |
| Mr. Vinay Kumar Khaitan | **3,77,842** | - | - | - | **3,77,842** |
| | (-) | (-) | (-) | (-) | (-) |
| Mr. Nishi Kant Mehta | **1,05,878** | - | - | - | **1,05,878** |
| | (-) | (-) | (-) | (-) | (-) |
| Mr. Amrit Daga | **23,847** | - | - | - | **23,847** |
| | (63,071) | (-) | (-) | (-) | (63,071) |
| Mr. Biplab Kumar Mani | **58,911** | - | - | - | **58,911** |
| | (39,493) | (-) | (-) | (-) | (39,493) |
| Mr. Abhishek Singhi | **78,697** | - | - | - | **78,697** |
| | (1,17,689) | (-) | (-) | (-) | (1,17,689) |
| Mr. Pratap Singh | **54,817** | - | - | - | **54,817** |
| | (54,891) | (-) | (-) | (-) | (54,891) |
| **Brokerage and related Income** | | | | | |
| Top View Enclaves LLP | - | - | - | - | - |
| | (-) | (-) | (2,84,619) | (-) | (2,84,619) |
| Shree Krishna Creative Ideas LLP | - | - | - | - | - |
| | (-) | (-) | (3,11,548) | (-) | (3,11,548) |
| Others | - | - | - | - | - |
| | (24,464) | (62,631) | (70,770) | (-) | (1,57,865) |
| **Sale of Traded Goods** | | | | | |
| Banwari Lal Mittal | - | - | - | - | - |
| | (4,219) | (-) | (-) | (-) | (4,219) |
| Ravi Kant Sharma | - | - | - | - | - |
| | (1,24,472) | (-) | (-) | (-) | (1,24,472) |
| Ramesh Kumar Sharma | - | - | - | - | - |
| | (6,148) | (-) | (-) | (-) | (6,148) |
| Biplab Kumar Mani | - | - | - | - | - |
| | (8,720) | (-) | (-) | (-) | (8,720) |
| Amrit Daga | - | - | - | - | - |
| | (8,178) | (-) | (-) | (-) | (8,178) |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in ₹)

| Particulars | Key Management personnel | Relatives of Key Management personnel | Enterprise in which Management personnel Exercise Significant Influence | Enterprise exercising Significant Influence | Total |
|---|---|---|---|---|---|
| Chetan Chand Jain | - | - | - | - | - |
| | (23,566) | (-) | (-) | (-) | (23,566) |
| Manoj Kumar Singh | - | - | - | - | - |
| | (8,768) | (-) | (-) | (-) | (8,768) |
| Abha Mittal | - | - | - | - | - |
| | (-) | (1,90,405) | (-) | (-) | (1,90,405) |
| **Advance Given** | | | | | |
| Abhishek Singhi | **8,00,000** | **-** | **-** | **-** | **8,00,000** |
| | (-) | (-) | (-) | (-) | (-) |
| **Refund of Advance Given** | | | | | |
| Abhishek Singhi | **2,80,000** | **-** | **-** | **-** | **2,80,000** |
| | (1,25,000) | (-) | (-) | (-) | (1,25,000) |
| **Balance Receivable** | | | | | |
| Abhishek Singhi | **5,20,000** | **-** | **-** | **-** | **5,20,000** |
| | (-) | (-) | (-) | (-) | (-) |
| **Proceeds from Issue of Equity Share Capital in Sastasundar Healthbuddy Limited, a subsidiary company** | | | | | |
| Rohto Pharmaceuticals Co. Ltd | - | - | - | **2,43,55,830** | **2,43,55,830** |
| | (-) | (-) | (-) | (-) | (-) |
| **Proceeds from Securities Premium in Sastasundar Healthbuddy Limited, a subsidiary company** | | | | | |
| Rohto Pharmaceuticals Co. Ltd | **-** | **-** | **-** | **29,73,84,684** | **29,73,84,684** |
| | (-) | (-) | (-) | (-) | (-) |

**40** The Company has invested in deep discount bonds redeemable after a period of 20 years issued by another subsidiary company. The company has not accounted for income on such deep discount bonds whereas the investee company has accounted for interest expense in its books. As per policy consistently followed, the company will account for such interest income at the time of redemption of the bonds in their books. However, at the time of consolidation, to follow uniform accounting policies for like transactions, income accrued on such bonds has been duly considered as a consolidated adjustment and eliminated with the corresponding expenses recognised by another subsidiary. The consequential deferred tax liability of ₹ 4,74,31,795 (2016-17: ₹ 4,35,27,921) on such interest income has also been considered in these consolidated financial statements.

**41 Segment Reporting**

The Group has identified the following as business segments :-

a. Financial Services : consists mainly of financing of loans and investment in shares and securities, financial consultancy, professional fees, debt syndication, wealth management, distribution and related services. [Refer Note 44]

b. Healthcare Network : includes activities for food processing, preservation and marketing of healthcare products through e-commerce portal www.sastasundar.com.

c. Other Segment : includes activities under www.foreseegame.com till consolidation of operation with sastasundar.com

Geographical Segments :- The Company operates in only one geographical segment i.e. 'Within India' and no separate information for geographical segment has been given.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

The Company's segment information as at and for the year ended March 31, 2018 are as below:

(Amount in ₹)

| Particulars | Financial Services | Healthcare Network | Other | Total |
|---|---|---|---|---|
| Segment Revenue | **11,07,88,757** | **1,48,26,07,686** | **11,214** | **1,59,34,07,657** |
| | (20,34,46,904) | (1,12,48,44,930) | (5,10,405) | (1,32,88,02,239) |
| Segment Results | **9,55,77,662** | **(25,25,99,883)** | **(1,25,17,786)** | **(16,95,40,007)** |
| | (6,25,49,586) | (-27,75,15,169) | (-5,91,87,126) | (-27,41,52,709) |
| Add: Unallocated Income net of unallocated expenses | | | | **(4,59,25,519)** |
| | | | | (53,86,505) |
| Profit / (Loss) Before Tax | | | | **(12,36,14,488)** |
| | | | | (-27,95,39,214) |
| Tax Expense | | | | **2,36,76,631** |
| | | | | (61,87,333) |
| Profit / (Loss) after Tax | | | | **(14,72,91,119)** |
| | | | | (-28,57,26,547) |
| Segment Assets | **72,69,98,050** | **1,12,56,15,652** | **-** | **1,85,26,13,702** |
| | (99,34,79,665) | (1,00,93,49,000) | (18,03,09,475) | (2,18,31,38,140) |
| Unallocated Corporate Assets | | | | **50,24,12,864** |
| | | | | (32,69,72,599) |
| Total Assets | | | | **2,35,50,26,566** |
| | | | | (2,51,01,10,739) |
| Segment Liabilities | **88,29,578** | **1,39,361,141** | **-** | **14,81,90,719** |
| | (29,03,65,166) | (21,59,38,596) | (51,72,290) | (51,14,76,052) |
| Unallocated Corporate Liabilities | | | | **17,31,39,516** |
| | | | | (4,48,39,524) |
| Total Liabilities | | | | **32,13,30,235** |
| | | | | (55,63,15,576) |
| Capital Expenditure | **1,11,82,140** | **3,38,40,907** | **3,00,347** | **4,53,23,394** |
| | (1,73,93,708) | (84,96,548) | (1,23,32,017) | (3,82,22,273 |
| Unallocated Capital Expenditure | | | | - |
| | | | | (3,03,68,047) |
| **Total Liabilities** | | | | **4,53,23,394** |
| | | | | (6,85,90,320) |
| Depreciation/Amortization | **24,79,765** | **3,20,61,907** | **2,09,00,289** | **5,54,41,961** |
| | (98,05,786) | (4,11,74,147) | (1,82,03,149) | (6,91,83,082) |
| Non Cash expenses | **14,311** | **14,963** | **2,86,626** | **3,15,900** |
| | (54,007) | (5,11,576) | (17,67,979) | (23,33,562) |

**42 Operating Lease:**

Sastasundar Healthbuddy Limited (formerly Microsec Health Buddy Limited), a subsidiary Company has entered into lease transactions for office and warehouse premises etc. These lease agreements are for periods from 1 to 9 years. The office premises are generally rented on cancellable terms with no escalation clause and renewable at the option of the Company. However, the office and warehouse premises has been obtained for a period of 9 years cancellable at the option of the company with an escalation clause of 15% after every 3 years. The operating lease charges for the period amount to ₹ 44,73,783 (2016-17: ₹ 38,66,973).

| Particulars | 2017-18 (₹) | 2016-17 (₹) |
|---|---|---|
| Within one year | **96,00,000** | - |
| After one year but not more than five years | **4,14,34,000** | - |
| More than five years | **4,79,45,500** | - |
| **Total** | **9,89,79,500** | - |

Rent as indicated in Note 29 includes ₹ 1,62,000 (2016-17: ₹ Nil) being the lease rent adjustments considered by the Company in respect of future years rent but accounted for during the year as lease equalisation in terms of an opinion of

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

the Expert Advisory Committee of The Institute of Chartered Accountants of India (ICAI) and Accounting Standard 19 on Lease which requires lease rental to be charged by the Company on straight line basis over the lease term.

**43** The Company is a Core Investment Company (CIC) and does not require registeration as per notification no. DNBS.PD.CC. No.274/03.02.089/2011-12 dated 11th May, 2012 and which was confirmed by Reserve Bank of India in the letter dated 16th July, 2015. As per the said notification a Company having an asset size of more than ₹ 100 crores and less than 500 crores and not accessing public funds is exempt from registration as CIC-NDSI with RBI.

**44** The Company has also entered into a Share Purchase Agreement on April 19, 2016 for sale of its entire shareholding in Microsec Capital Limited (MCL) and its wholly owned subsidiaries Microsec Commerze Limited and Microsec Insurance Brokers Limited. During the year, the conditions for execution of the agreement has been complied with and the Company has sold its entire shareholding as per the SPA. Non Compete Fees (net of expense) amounting to ₹ 7,24,63,901/- has been recognised as an exceptional item in the statement of Profit & Loss. During the year Loss on sale of Investment of Microsec Capital Limited & its wholly owned subsidiaries amounting to ₹ 72,66,556 has been recognised in the statement of Profit and Loss.

**45 Material Consumed**

| Particulars | 2017-18 | | 2016-17 | |
|---|---|---|---|---|
| | Amount (₹) | % | Amount (₹) | % |
| Imported | - | - | - | - |
| Indigenous* | **1,71,56,422** | 100 | 1,40,95,551 | 100 |
| **Total** | **1,71,56,422** | 100 | 1,40,95,551 | 100 |

* Includes innumerable items in respect of which disclosure of quantitative detail is not practical.

**46 Details of dues to Micro and Small Enterprises as defined under the MSMED Act,2006**

| Particulars | | As at 31.03.2018 (₹) | As at 31.03.2017 (₹) |
|---|---|---|---|
| i) | The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year | | |
| | Principal amount due to micro and small enterprises | **12,71,886** | 17,73,326 |
| | Interest due on above | **Nil** | Nil |
| ii) | The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year | | |
| | Principal | **Nil** | Nil |
| | Interest | **Nil** | Nil |
| iii) | The amount of interest due and payable for the period of delay in making payment (which been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006 | **Nil** | Nil |
| iv) | The amount of interest accrued and remaining unpaid at the end of each accounting year | **Nil** | Nil |
| v) | The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006. | **Nil** | Nil |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

**47 Deferred Tax Asset / (Liability) (Net)**

| Particulars | As at 31.03.2018 (₹) | As at 31.03.2017 (₹) |
|---|---|---|
| **Deferred Tax Liability (A)** | | |
| Fixed Assets: Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting. | **2,00,37,941** | 2,35,03,213 |
| **Total (A)** | **2,00,37,941** | 2,35,03,213 |
| **Deferred Tax Assets (B)** | | |
| Provision for Gratuity | **14,16,377** | 28,53,469 |
| Share Issue Expense | **38,32,386** | - |
| Business Loss and Unabsorbed Depreciation | **29,21,43,790** | 33,12,08,563 |
| **Total (B)** | **29,73,92,553** | 33,40,62,032 |
| **Net Deferred Tax Asset (B – A)** | **27,73,54,612** | 31,05,58,819 |
| Less : Deferred Tax Asset not recognized | **27,73,54,612** | 31,05,58,819 |
| Net Deferred Tax asset recognized | **Nil** | Nil |

Deferred Tax Asset as above has not been recognized in these accounts in view of the Accounting Policy specified in Note 2.1(xii) above.

**48** During the previous year, Sastasundar Healthbuddy Limited (formerly Microsec Health Buddy Limited), PRP Technologies Limited and Microsec Invictus Advisors LLP (subsidiaries of the reporting entity) have sold their Investment in Myjoy Pharmaceuticals Private Limited and Joybuddy Fun Products Private Limited on 30th November, 2016.

**49** The Urban Improvement Trust (UIT), Rajasthan has allotted Bharatiya Sanskriti Village Private Limited (BSVPL), subsidiary of the Company, a plot at Resort No. 3 at Tiger Hill, Udaipur for set up resort. As per the lease deed dated 22nd July, 2012 executed between UIT and BSVPL, the BSVPL shall within a period of 3 years from 18th April 2012 and after obtaining sanction to the building plan, construct at its own expenses on the Resort plot and complete in a substantial and workman like manner resort building for private dwelling in accordance with the sanction plan and obtain the completion certificate from the UIT. BSVPL vides its letter dated January 23, 2013 has requested the UIT to provide the basic facilities such as availability of water, sewerage, electricity and roads for setup of resort. On the basis of reply received from UIT and considering the current market condition, the BSVPL is studying the feasibility of various mean to plan its future course of action. As per the notification no. F.3(50) UDH/3/2012 dated 31.3.2012 issued by the Government of Rajasthan, "Urban assessment" means annual charges recoverable from the lessee or sub-lessee for the grant of lease hold rights. The BSVPL has not paid the Urban Assessment for the FY 2017-18. As per the lease deed executed with the Urban Improvement Trust dated 27th July, 2012, all the arrears of Urban assessment and other payments which become due in respect of the Resort Plot shall be recoverable in the same manner as arrears of land revenue.

**50** The Urban Improvement Trust (UIT), Rajasthan has allotted Ruchika Advisory Services LLP (Ruchika), subsidiary of the Company, plot at Resort No. 4 at Tiger Hill, Udaipur for set up resort. As per the lease deed dated 27th July, 2012 executed between UIT and Ruchika, the Ruchika shall within a period of 3 years from and after obtaining sanction to the building plan, construct at its own expenses on the Resort plot and complete in a substantial and workman like manner resort building for private dwelling in accordance with the sanction plan and obtain the completion certificate from the UIT. Ruchika vides its letter dated April, 26, 2016 has requested the UIT to provide the basic facilities such as availability of water, sewerage, electricity and roads for setup of resort. On the basis of reply received from UIT and considering the current market condition, the Ruchika is studying the feasibility of various mean to plan its future course of action. As per the notification no. F.3(50) UDH/3/2012 dated 31.3.2012 issued by the Government of Rajasthan, "Urban assessment" means annual charges recoverable from the lessee or sub-lessee for the grant of lease hold rights. The Ruchika has not paid the Urban Assessment for the FY 2017-18. As per the lease deed executed with the Urban Improvement Trust, all the arrears of Urban assessment and other payments which become due in respect of the Resort Plot shall be recoverable in the same manner as arrears of land revenue.

**51** The Scheme of Amalgamation ("the Scheme") of PRP Technologies Limited (PTL), Myjoy Tasty Food Private Limited (MTFPL) and Myjoy Hospitality Private Limited (MHPL) ( the Transferor Companies) with the Company under section 233 of the Companies Act, 2013 and the rules made there under and has been approved by the Central Government through Regional Director, Eastern Region on 9th January, 2018. The appointed date of the said scheme is 1st April' 2016.

**52** Additional information in respect of net assets and profit / loss of each entity within the Group and their proportionate share of the totals

| Name of the Entity | As at 31.03.2018 | | 2017-18 | | As at 31.03.2017 | | 2016-17 | |
|---|---|---|---|---|---|---|---|---|
| | Net assets i.e. total assets minus total liabilities | | Share in Profit or Loss | | Net assets i.e. total assets minus total liabilities | | Share in Profit or Loss | |
| | As % of consolidated net assets | Amount (₹) | As % of consolidated profit or loss | Amount (₹) | As % of consolidated net assets | Amount (₹) | As % of consolidated profit or loss | Amount (₹) |
| **Parent** | | | | | | | | |
| Sastasundar Ventures Limited (formerly Microsec Financial Services Limited) | **41.67%** | **84,75,11,787** | **24.78%** | **3,64,92,486** | 31.30% | 61,14,70,503 | -6.71% | (1,91,83,733) |
| **Indian Subsidiaries** | | | | | | | | |
| Sastasundar Healthbuddy Limited (formerly Microsec Health Buddy Limited) | **18.68%** | **37,98,31,976** | **-107.38%** | **(15,81,54,524)** | 16.96% | 33,13,63,177 | -93.65% | (26,75,73,638) |
| Innogrow Technologies Limited (Formerly Microsec Technologies Limited) | **9.42%** | **19,14,87,015** | **6.58%** | **96,96,309** | 9.65% | 18,85,21,860 | -12.01% | (3,43,19,002) |
| Microsec Resources Private Limited | **7.80%** | **15,86,19,349** | **13.92%** | **2,05,10,136** | 8.36% | 16,32,62,556 | 7.85% | 2,24,20,962 |
| Sastasundar Marketplace Limited (formerly Sasta Sundar Shop Private Limited) | **0.53%** | **1,08,64,665** | **-58.76%** | **(8,65,42,486)** | 0.25% | 49,46,857 | 0.13% | 3,60,697 |
| Genu Path Labs Private Limited (w.e.f, 1st September, 2017) | **1.42%** | **2,88,47,502** | **-0.67%** | **(9,86,367)** | 0.00% | - | 0.00% | - |
| Microsec Wealth Management Limited (w.e.f, 23rd January, 2018) | **2.84%** | **5,77,37,133** | **-1.54%** | **(22,62,867)** | 0.00% | - | 0.00% | - |
| Retailer Shakti Supply Chain Private Limited (Formerly Brandbuddy Engage Analytics Private Limited) | **0.10%** | **19,86,591** | **-4.77%** | **(70,20,191)** | 0.08% | 16,12,678 | -8.80% | (2,51,40,090) |
| Myjoy Technologies Private Limited | **1.41%** | **2,86,58,094** | **-1.22%** | **(18,01,685)** | 1.56% | 3,04,59,779 | -0.83% | (23,68,899) |
| Bharatiya Sanskriti Village Private Limited | **2.93%** | **5,96,62,611** | **-0.68%** | **(9,94,783)** | 3.10% | 6,06,48,002 | -0.51% | (14,67,077) |
| Microsec Capital Limited (upto 1st December, 2017) | **0.00%** | **-** | **0.00%** | **-** | 6.77% | 13,23,20,730 | 7.38% | 2,10,90,175 |
| Microsec Commerze Limited (upto 1st December, 2017) | **0.00%** | **-** | **0.00%** | **-** | 0.88% | 1,71,48,660 | -0.56% | (15,92,341) |
| Microsec Insurance Brokers Limited (upto 1st December, 2017) | **0.00%** | **-** | **0.00%** | **-** | 0.66% | 1,28,91,423 | 0.07% | 1,91,079 |
| PRP Technologies Limited | **0.00%** | **-** | **0.00%** | **-** | 9.02% | 17,62,10,293 | 3.43% | 98,04,866 |
| Myjoy Tasty Food Private Limited | **0.00%** | **-** | **0.00%** | **-** | 0.10% | 19,28,757 | -0.01% | (25,657) |
| Myjoy Hospitality Private Limited | **0.00%** | **-** | **0.00%** | **-** | 0.00% | 42,050 | -0.01% | (23,699) |
| Joybuddy Fun Products Private Limited (upto 30th November, 2016) | **0.00%** | **-** | **0.00%** | **-** | 0.00% | - | -0.01% | (21,364) |
| Myjoy Pharmaceuticals Private Limited (upto 30th November, 2016) | **0.00%** | **-** | **0.00%** | **-** | 0.00% | - | -3.46% | (98,98,290) |
| Microsec Invictus Advisors LLP | **7.33%** | **14,90,74,025** | **32.08%** | **4,72,53,259** | 4.64% | 9,06,38,132 | 8.52% | 2,43,49,682 |
| Alokik Advisory Services LLP | **0.66%** | **1,34,88,420** | **-0.01%** | **(17,522)** | 0.62% | 1,21,57,628 | -0.01% | (33,741) |
| Dreamscape Advisors LLP | **0.40%** | **81,99,453** | **-0.70%** | **(10,25,077)** | 0.39% | 76,89,636 | 0.02% | 63,442 |
| Ruchika Advisory Services LLP | **4.63%** | **9,40,75,342** | **-1.77%** | **(26,01,158)** | 4.95% | 9,66,75,988 | -0.64% | (18,30,515) |
| Stuti Advisory Services LLP | **0.18%** | **36,52,369** | **-0.22%** | **(3,23,999)** | 0.20% | 38,78,849 | -0.15% | (4,29,980) |
| Bhavya Advisory Services LLP (upto 20th June, 2017) | **0.00%** | **-** | **0.34%** | **5,01,732** | 0.51% | 98,81,301 | -0.03% | (86,770) |
| Kailashwar Advisory Services LLP (upto 16th January, 2018) | **0.00%** | **-** | **-0.01%** | **(14,382)** | 0.00% | 46,304 | 0.00% | (12,654) |
| **Total** | **100.00%** | **2,03,36,96,331** | **100.00%** | **(14,72,91,119)** | 100.00% | 1,95,37,95,163 | 100.00% | (28,57,26,547) |
| Minority Interests in a subsidiary | | **27,93,04,228** | | **(2,84,84,348)** | | 43,48,726 | | 5,24,737 |
| Preference Shares issued by subsidiary company | | - | | - | | 5,31,00,000 | | - |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

**53** Previous year's figures including those in brackets have been regrouped and / or reclassified to confirm to this year's classification.

As per our report of even date

**For Singhi & Co.**
**Firm Registration No: 302049E**
***Chartered Accountants***

**Rajiv Singhi**
***Partner***
**Membership No. 053518**

**Place : Kolkata**
**Date : 21st May, 2018**

**For and on behalf of the Board of Directors**

**B. L. Mittal**
***Chairman & Managing Director***
**DIN : 00365809**

**Amrit Daga**
***Chief Financial Officer***

**Ravi Kant Sharma**
***Director***
**DIN : 00364066**

**Biplab Kumar Mani**
***Company Secretary***

## NOTES

## NOTES

## NOTES

# “BEING GENUINE”

is the core value of ours upon which we never compromise

We are and we shall always be Genuine in our dealings with our stakeholders

We are and we shall always be Genuine to our shareholders and we believe that transparency of our conduct and reporting will reflect our genuinity

We are and we shall always be Genuine to our consumers and we believe that genuine product and genuine services at genuine Pricing will reflect our genuinity

We are and we shall always be Genuine to our employees and we believe that Genuine conduct with them will reflect our genuinity

We are and we shall always be Genuine to Government and we believe that Genuine compliance of law in letter and spirit will reflect our genuinity

We are and we shall always be genuine to Society and we believe our genuinity to make DNA of our business social responsible will reflect our genuinity towards society

We are and we shall always be genuine to the God and we believe that our Genuine efforts to make positive impact for goodness of Humanity, animals, birds, forest and environment will reflect our genuinity towards God


**Innovation Tower**

Premises no 16-315,
Plot no DH 6/32
Action Area -1D
Newtown, Rajarhat
Kolkata 700156
Tel: 91 33 6651 2100

**Registered Office**

Azimganj House, 2nd Floor
7, Abanindra Nath Thakur Sarani
(Formerly Camac Street)
Kolkata - 700 017
Tel: 91 33 2282 9330

**Elevation Centre**

Purba Salepur
Dr. Narman Bethun Sarani
P.O:- Baruipur, Kolkata- 700144
South 24 Parganas, West Bengal
Tel: 91 33 3080 3080

- GENUINE MEDICINES
- DIAGNOSTIC TESTS
- DOCTORS' CONSULTATION
- DOCTORS' APPOINTMENT
- NURSING CARE AT HOME
- WEIGHT LOSS & DIET COUNSELLING
- HERBAL & AYURVEDIC PRODUCTS
- HEALTH DRINKS & PACKAGED FOODS
- WELLNESS PRODUCTS
- BEAUTY CARE PRODUCTS
- HOUSEHOLD SUPPLIES
- HEALTH ARTICLES, VIDEOS & INFO
- GIFT HAPPY BOX

Printed by MANJARI ENTERPRISES (print@manjari.net)

BOOK POST

If undelivered, please return to

**SASTASUNDAR VENTURES LIMITED**
**CIN : L65993WB1989PLC047002**
Regd. Office : Azimganj House, 2nd Floor, 7, Abanindra Nath Thakur Sarani
(Formerly Camac Street), Kolkata - 700 017
Phone:+91 33 2282 9330 | Fax:+91 33 2282 9335

DOWNLOAD SastaSundar app
Google Play | App Store | Windows Store