P. Saraf & CO.
Chartered Accountant

249A, N. S. C. Bose Road,
Kolkata - 700 047
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: prakashsaraf1966@yahoo.co.in

Independent Auditor's Report
To the Members of Innogrow Technologies Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Innogrow Technologies Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss and 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 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 the design, implementation and maintenance of adequate internal financial control 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 thereunder. We conducted our audit 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 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 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 we have obtained 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, its profit, and its cash flows for the year ended on that date.

Chartered Accountants ★ P. SARAF & CO. ★ KOLKATA

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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 paragraphs 3 and 4 of the Order.

2. As required by section 143 (3) of the Act, we report that:

(a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

(b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

(c) the Balance Sheet, Statement of Profit and Loss, and 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 written representations received from the directors as on 31 March 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 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; and

(g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   (i) The Company does not have any pending litigations which would impact its financial position.

   (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For P Saraf & Co.
Chartered Accountants
Firm Registration Number: 323888E



Prakash Saraf
Proprietor
Membership Number: 059347

Kolkata
19 May 2018

P. Saraf & CO.
Chartered Accountant

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Annexure - A to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements 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) All fixed assets were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management the title deeds of immovable properties are held in the name of the company except for 5 immovable properties having a gross block of Rs. 20,920,012 and net block of Rs. 1,94,97,607 for which the title deeds are pending for registration as at March 31, 2018 for more than one year.

(ii) The business carried out by the Company during the year did not require it to maintain inventory and accordingly 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) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of paragraph 3 (iii) (a) and (b) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of investments made have been complied with by the Company. In our opinion and according to the information and explanations given to us, there are no loans, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

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

(vi) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under section 148 (1) of the Companies Act, 2013, for the products of the Company.

(vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other undisputed statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.



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

Name of the Statue	Nature of dues	Amount (Rs)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	798,300	Financial Year 2009-10	ITAT, Kolkata
Finance Act, 1994	Service Tax	543,274	From 2005-2008	CESTAT, Kolkata

According to the information and explanation given to us, there are no dues towards sales tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute.

(viii) Apart from unsecured loans from debenture holders which are fully convertible, the Company does not have any loans or borrowings from any financial institutions, banks, government during the year. The Company has not defaulted in the repayment of any dues.

(ix) The Company did not raise any money by the 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) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud /material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.

(xi) The Company has not paid any managerial remuneration during the year. Accordingly paragraph 3(xi) of the Order is not applicable.

(xii) In our opinion and according to the information and explanations given to us, 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 to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with the sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in 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 the directors or persons connection with him. Accordingly, paragraph 3(xv) of the Order is not applicable.



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(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For P Saraf & Co.
Chartered Accountants
Firm Registration Number: 323888E

Prakash Saraf
Proprietor
Membership Number: 059347

Kolkata
19 May 2018

P. Saraf & CO.
Chartered Accountant

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Annexure – B to the Independent Auditors' Report

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

We have audited the internal financial controls over financial reporting of Innogrow Technologies Limited ("the Company") as of 31 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 on 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 Companies Act, 2013.

Auditors' 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 the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

P. SARAF & CO. KOLKATA Chartered Accountants

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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.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 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 the Institute of Chartered Accountants of India.

For P Saraf & Co.
Chartered Accountants
Firm Registration Number: 323888E

Prakash Saraf
Proprietor
Membership Number: 059347

P. SARAF & CO. KOLKATA Chartered Accountants

Kolkata
19 May 2018

INNOGROW TECHNOLOGIES LIMITED
(Formerly Microsec Technologies Limited)

Corporate Identity No. (CIN) - U72200WB2002PLC094642
Innovation Tower, Premises No. 16-315, Plot No. DH 6/32
Action Area - 1D, New Town, Rajarhat, Kolkata - 700 156

BALANCE SHEET AS AT 31ST MARCH, 2018

	Notes	As at 31.03.2018 Rs.	As at 31.03.2017 Rs.
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital	3	**3,310,180**	3,310,180
(b) Reserves and Surplus	4	**257,002,544**	187,719,068
2. Non Current Liabilities			
Long Term Borrowings	5	**119,999,076**	119,999,076
3. Current Liabilities			
(a) Trade Payables	6		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		**441,640**	1,910,696
(b) Other Current Liabilities	7	**447,372**	696,937
		381,200,812	313,635,957
II. ASSETS			
1. Non Current Assets			
(a) Fixed Assets			
(i) Property, Plant and Equipment	8	**140,772,656**	156,313,236
(ii) Intangible Assets		**1,957,736**	4,094,475
(b) Non Current Investments	9	**178,098,549**	121,151,538
(c) Long Term Loans and Advances	10	**10,597,729**	10,727,226
(d) Other Non Current Assets	11	**160,782**	37,961
2. Current Assets			
(a) Cash and Bank Balances	12	**38,005,590**	2,592,142
(b) Short Term Loans and Advances	11	**11,594,147**	18,603,479
(c) Other Current Assets	13	**13,623**	115,900
		381,200,812	313,635,957
Summary of Significant Accounting Policies	2		

The accompanying notes are an integral part of the financial statements

As per our report of even date
For P Saraf & Co.
Firm Registration No. : 323888E
Chartered Accountants

For and on behalf of the Board of Directors

Prakash Saraf
Proprietor
Membership No. : 059347

P. SARAF & CO. KOLKATA Chartered Accountants

Banwari Lal Mittal
Director
DIN : 00365809

Ravi Kant Sharma
Director
DIN : 00364066

Place : Kolkata
Date : 19th May, 2018

INNOGROW TECHNOLOGIES LIMITED KOLKATA

INNOGROW TECHNOLOGIES LIMITED
(Formerly Microsec Technologies Limited)

Corporate Identity No. (CIN) - U72200WB2002PLC094642
Innovation Tower, Premises No. 16-315, Plot No. DH 6/32
Action Area - 1D, New Town, Rajarhat, Kolkata - 700 156

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

	Notes	2017-18	2016-17
		Rs.	Rs.
I. Revenue from operations	14	**27,239,130**	19,023,866
II. Other Income	15	**72,089,011**	1,918,292
III. Total Revenue		**99,328,141**	20,942,158
IV. EXPENSES			
Employees Benefit Expense	16	**4,412,813**	5,907,146
Finance Costs	17	**6,707**	1,066,306
Depreciation and Amortisation Expense	18	**17,735,895**	16,716,680
Other Expenses	19	**7,107,581**	15,137,513
Share of Loss from Limited Liability Partnership [Refer Note 27]		**781,669**	761,660
		30,044,665	39,589,305
V. PROFIT / (LOSS) BEFORE TAX (IV - III)		**69,283,476**	(18,647,147)
VI. Tax Expenses :			
(a) Current Tax		-	-
(b) Excess Provision for taxation of earlier year		-	-
(c) Deferred Tax		-	-
		-	-
VII. PROFIT / (LOSS) FOR THE YEAR (V + VI)		**69,283,476**	(18,647,147)
VIII. PROFIT / (Loss) per equity share :			
Basic and Diluted [Nominal Value per share Rs. 10 (2016-17: Rs. 10)]	20	**209.30**	**(56.33)**
Summary of Significant Accounting Policies	2		

The accompanying notes are an integral part of the financial statements

As per our report of even date
For P Saraf & Co.
Firm Registration No. : 323888E
Chartered Accountants

For and on behalf of the Board of Directors

Prakash Saraf
Proprietor
Membership No. : 059347

P. SARAF & CO. KOLKATA Chartered Accountants

Banwari Lal Mittal
Director
DIN : 00365809

Ravi Kant Sharma
Director
DIN : 00364066

Place : Kolkata
Date : 19th May, 2018

INNOGROW TECHNOLOGIES LIMITED KOLKATA

INNOGROW TECHNOLOGIES LIMITED
(FORMERLY MICROSEC TECHNOLOGIES LIMITED)

Corporate Identity No. (CIN) - U72200WB2002PLC094642
Innovation Tower, Premises No. 16-315, Plot No. DH 6/32
Action Area - 1D, New Town, Rajarhat, Kolkata - 700 156

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

(Amount in Rs.)

		2017-18	2016-17
A.	**Cash Flow from Operating Activities**		
	Loss before tax	**69,283,476**	(18,647,147)
	Adjustments for :		
	Interest on Fixed Deposits and Others	**(2,550,156)**	(362,556)
	Profit on Sale of Non Trade Investments Quoted Shares	**(7,305,800)**	
	Profit on sale of Current Investments	**(748,968)**	(109,553)
	Dividend Received	**(58,700)**	-
	Liabilities no longer required written back	**(159,639)**	(151,459)
	Bad debt written off (net)	**-**	1,767,086
	(Profit) / Loss on sale/discard of fixed assets (net)	**(33,749)**	53,669
	Government Grant [Refer Note 29]	**(252,090)**	-
	Interest Expenses	**6,707**	1,066,306
	Share of Profit from Limited Liability Partnership	**(52,161,644)**	-
	Share of Loss from Limited Liability Partnership	**781,669**	761,660
	Depreciation and amortization expense	**17,735,895**	16,716,680
	Operating loss before working capital changes	**24,537,001**	1,094,686
	Increase in trade payables	**(1,309,417)**	(2,556,572)
	Increase / (Decrease) in current liabilities	**(249,565)**	(4,873,975)
	Increase in short term provisions	**-**	(383,242)
	Decrease / (Increase) in trade receivables	**-**	856,367
	Decrease / (Increase) in long-term loans and advances	**10,129,497**	2,624,003
	Decrease / (Increase) in short-term loans and advances	**(2,469,775)**	985,376
	Decrease / (Increase) in other current assets	**-**	51,300,000
	Cash used in operations	**30,637,741**	49,046,643
	Direct tax paid (Net of refunds)	**11,993,559**	2,114,642
	Net cash flow used in operating activities	**42,631,300**	51,161,285
B.	**Cash Flow from Investing Activities**		
	Purchase of fixed assets (including capital work in progress and capital advances)	**(10,300,347)**	(31,489,356)
	Sale Proceeds from Fixed Asset	**49,358**	321,730
	Investment in Limited Liability Partnership	**(17,172,000)**	(122,011,834)
	Redemption from Investment in Limited Liability Partnership	**15,782,883**	100,000
	Purchase of Current Investments	**(133,385,734)**	(20,250,000)
	Proceeds from sale of Current Investments	**134,134,702**	20,359,554
	Purchase of Non Trade Investments Quoted Shares	**(57,362,904)**	-
	Proceeds from sale of Non Trade Investments Quoted Shares	**62,104,430**	-
	Dividend Received	**58,700**	-
	Purchase of Non Trade Investment Unquoted Shares	**(1,613,645)**	-
	Proceeds from Government Grant [Refer Note 29]	**478,252**	-
	Investment in Fixed Deposits (having original maturity of more than 12 months)	**-**	1,100,000
	Interest on Fixed Deposits and others	**15,160**	678,461
	Net cash flow from / (used in) investing activities	**(7,211,145)**	(151,191,445)
C.	**Cash Flows from Financing Activities**		
	Interest Paid	**(6,707)**	(1,311,342)
	Proceeds from Long Term Borrowings	**-**	119,999,076
	Proceeds from Short Term Borrowings	**1,600,000**	86,248,674
	Repayment of Short Term Borrowings	**(1,600,000)**	(105,048,674)
	Net cash flow from financing activities	**(6,707)**	99,887,734
D.	**Net (decrease) in cash and cash equivalents (A+B+C)**	**35,413,448**	(142,426)
E.	**Cash and Cash equivalents at the beginning of the year**	**492,142**	634,568
F.	**Cash and Cash equivalents at the end of the year ***	**35,905,590**	492,142
	Components of cash and cash equivalents as indicated in Note 12 comprises of:		
	Cash on hand	**12,654**	2,500
	Balances with scheduled banks on Current Account	**3,392,936**	489,642
	Fixed Deposit with original maturity less than 3 months	**32,500,000**	-
	Total	**35,905,590**	492,142

* Excluding Rs. 21,00,000 (2016-17: Rs. 21,00,000) being deposits with restricted use and with maturity of more than three months.

As per our report of even date
For P Saraf & Co.
Firm Registration No. : 323888E
Chartered Accountants

Prakash Saraf
Proprietor
Membership No. : 059347

For and on behalf of the Board of Directors

Banwari Lal Mittal
Director
DIN : 00365809

Ravi Kant Sharma
Director
DIN : 00364066

Place : Kolkata
Date : 19th May, 2018

INNOGROW TECHNOLOGIES LIMITED (FORMERLY MICROSEC TECHNOLOGIES LIMITED)

Notes to Financial Statements as at and for the year ended 31st March, 2018

1. 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, except for change in accounting policy explained below.

2. 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, 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

a. 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. Revenue from Consumer Engagement Activity is recognized when the related activities that generates revenue for the Company has been completed.

b. Fees from Professional Services are recognized as and when the services are rendered to the customers and when there is reasonable certainty of its ultimate realisation/collection.

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

d. Dividend income is recognised when the shareholder's right to receive the payment is established by the balance sheet.

iii) Tangible 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. Any trade discount and rebates are deducted in arriving at the purchase price.

Gains or losses arising from de-recognition of fixed assets 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.

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) 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.

P. SARAF & CO. KOLKATA Chartered Accountants

INNOGROW TECHNOLOGIES LIMITED KOLKATA

vi) **Borrowing Cost**

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.

vii) **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. 90 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.

c. 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.

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

viii) **Investments**

Investments that are readily realizable 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 market rate on an individual investment basis. Long term Investments are considered "at cost" on individual investment basis, unless there is a decline other than temporary in the value, in which case adequate provision is made against such diminution in the value of investments.

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) **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.





x) **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.

xi) **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.

xii) **Earning Per Share**

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

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

xiii) **Cash and Cash Equivalents**

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash at bank and cash in hand and short term investments with an original maturity of three months or less.

xiv) **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.

xv) **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 recognised 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 recognised because it cannot be measured reliably. The company does not recognise a contingent liability but discloses its existence in the financial statements.

xvi) **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.

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

3. SHARE CAPITAL	**As at 31.03.2018 Rs.**	As at 31.03.2017 Rs.
Authorised		
3,50,000 (2016-17: 3,50,000) Equity Shares of Rs. 10 each (2016-17: Rs. 10 each)	**3,500,000**	3,500,000
	3,500,000	3,500,000
Issued, Subscribed and Fully Paid up Shares		
Equity		
3,31,018 (2016-17: 3,31,018) Equity shares of Rs. 10/- each (2016-17: Rs. 10 each)	**3,310,180**	3,310,180
	3,310,180	3,310,180

(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.	**Rs.**	Nos.	Rs.
At the beginning of the year	**331,018**	**3,310,180**	331,018	3,310,180
Issued during the year	**-**	**-**	-	-
Outstanding at the end of the year	**331,018**	**3,310,180**	331,018	3,310,180

(b) Terms / Rights attached to the equity shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

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) Share held by Holding Company

Out of the share issued by the company, shares held by it holding company are as below :

	31.03.2018 (Rs.)	31.03.2017 (Rs.)
3,31,018 (2016-17: 3,31,018) Equity Shares of Rs. 10 each, fully paid up		
Sastasundar Ventures Limited (Formerly Microsec Financial Services Limited)*	**3,310,180**	2,802,570

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

Name of the Shareholders	**As at 31.03.2018**		As at 31.03.2017	
	No of shares	**% of holding**	No of shares	% of holding
Equity shares of Rs. 10 each fully paid up				
Sastasundar Ventures Limited (Formerly Microsec Financial Services Limited) (including shares held by its nominees)*	**331,018**	**100.00**	280,257	84.67
PRP Technologies Limited*	**-**	**-**	50,761	15.33

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 beneficial ownership of shares.

* The Scheme of Arrangement (the Scheme) for amalgamation of PRP Technologies Limited (PTL), Myjoy Tasty Food Private Limited (MTFPL) and Myjoy Hospitality Private Limited (MHPL) (Transferor Companies) with the Company under section 233 of the Companies Act, 2013 and the rules made there under has been approved by Regional Director, Eastern Region on 9th January, 2018. The appointed date of the said scheme is 1st April' 2016. The effect of the scheme has been taken in financial year 2017-18.

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	As at 31.03.2018 Rs.	As at 31.03.2017 Rs.
4. RESERVES AND SURPLUS		
Capital Redemption Reserve (Balance as per the last financial statements)	**200,000**	200,000
Securities Premium Account		
Balance as per the last financial statements	**397,865,263**	397,865,263
	397,865,263	397,865,263
Deficit in the Statement of Profit and Loss		
Balance as per the Last financial statements	**(210,346,195)**	(191,699,048)
Profit / (Loss) for the year	**69,283,476**	(18,647,147)
	(141,062,719)	(210,346,195)
	257,002,544	187,719,068

5. BORROWINGS

	Non Current	
	As at 31.03.2018 Rs.	As at 31.03.2017 Rs.
Debentures		
1,89,572(1,89,572) Compulsorily Convertible Debentures of Rs. 633 each (unsecured)	**119,999,076**	119,999,076
	119,999,076	119,999,076

1,89,572 Zero Coupon Compulsorily Convertible Unsecured Debentures are convertible within a maximum period of 60 months from the date of allotment i.e, 78,988 alloted on 22nd March, 2017 and 1,10,584 alloted on 24th March, 2017. However, the same may be converted fully or in such trenches at the option of the subscriber. The conversion of debenture into equity share shall be made at the book value of the shares or such other value as may be derived by the mutual consent of the subscriber and the company at the time of conversion.

6. TRADE PAYABLES

Due to Micro and Small Enterprises*	-	-
Due to Others	**441,640**	1,910,696
	441,640	1,910,696

* Based on the information / documents available with the Company, no creditor is covered under Micro, Small and Medium Enterprise Development Act, 2006. As a result, no interest provisions / payments have been made by the company to such creditors, if any, and no disclosures thereof are made in these financial statements.

7. OTHER CURRENT LIABILITIES

Other liabilities		
- Advance from customers	**148,032**	152,447
- Statutory Dues Payable	**145,285**	273,852
- Other Payables	**154,055**	270,638
	447,372	696,937

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INNOGROW TECHNOLOGIES LIMITED (FORMERLY MICROSEC TECHNOLOGIES LIMITED)

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

8. FIXED ASSETS

(i) Property, Plant and Equipment

(Amount in Rs.)

Particulars	Freehold Land	Building / Office Premises	Computers	Furniture and Fixtures	Electrical Equipments	Office Equipments	Vehicles	Total
Gross Block								
At April 1, 2016	40,22,289	12,04,77,123	2,14,41,348	2,34,56,568	1,44,98,878	1,08,62,188	20,87,220	**19,68,45,614**
Additions	-	2,17,68,787	5,97,232	66,42,171	6,93,442	35,50,399	-	**3,32,52,030**
Disposals	-	-	9,13,850	-	-	-	8,23,229	**17,37,079**
At March 31, 2017	**40,22,289**	**14,22,45,910**	**2,11,24,730**	**3,00,98,739**	**1,51,92,320**	**1,44,12,587**	**12,63,991**	**22,83,60,565**
Additions	-	-	-	-	-	3,00,347	-	**3,00,347**
Disposals	-	-	2,73,217	-	-	-	-	**2,73,217**
Government Grant [Refer Note 29]	2,26,162	-	-	-	-	-	-	**2,26,162**
At March 31, 2018	**37,96,127**	**14,22,45,910**	**2,08,51,513**	**3,00,98,739**	**1,51,92,320**	**1,47,12,934**	**12,63,991**	**22,81,61,533**
Depreciation								
At April 1, 2016	-	**1,53,90,663**	**1,55,04,805**	**1,33,51,549**	**55,25,839**	**78,62,948**	**12,09,392**	**5,88,45,196**
Charge For the Year		55,26,181	25,59,941	26,01,004	23,23,201	13,19,118	2,34,368	**1,45,63,813**
Disposals			6,74,245				6,87,435	**13,61,680**
At March 31, 2017	**-**	**2,09,16,844**	**1,73,90,501**	**1,59,52,553**	**78,49,040**	**91,82,066**	**7,56,325**	**7,20,47,329**
Charge For the Year	-	59,08,725	17,05,744	35,99,255	19,00,871	23,26,017	1,58,544	**1,55,99,156**
Disposals	-	-	2,57,608	-	-	-	-	**2,57,608**
At March 31, 2018	**-**	**2,68,25,569**	**1,88,38,637**	**1,95,51,808**	**97,49,911**	**1,15,08,083**	**9,14,869**	**8,73,88,877**
Net Block								
At March 31, 2017	**40,22,289**	**12,13,29,066**	**37,34,229**	**1,41,46,186**	**73,43,280**	**52,30,521**	**5,07,666**	**15,63,13,236**
At March 31, 2018	**37,96,127**	**11,54,20,341**	**20,12,876**	**1,05,46,931**	**54,42,409**	**32,04,851**	**3,49,122**	**14,07,72,656**

(ii) Intangible Assets

(Amount in Rs.)

Particulars	Computer Software	Total
Gross Block		
At April 1, 2016	1,09,68,733	**1,09,68,733**
Purchase	-	**-**
At March 31, 2017	**1,09,68,733**	**1,09,68,733**
Purchase	-	**-**
At March 31, 2018	**1,09,68,733**	**1,09,68,733**
Amortization		
At April 1, 2016	47,21,391	**47,21,391**
Charge For the Year	21,52,867	**21,52,867**
At March 31, 2017	**68,74,258**	**68,74,258**
Charge For the Year	21,36,739	**21,36,739**
At March 31, 2018	**90,10,997**	**90,10,997**
Net Block		
At March 31, 2017	**40,94,475**	**40,94,475**
At March 31, 2018	**19,57,736**	**19,57,736**

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9. NON-CURRENT INVESTMENTS			**As at 31.03.2018 Rs.**	As at 31.03.2017 Rs.
In Fellow Subsidiary Company				
Non Trade Investments (At cost unless stated otherwise)	**No.**	**Face Value per share Rs.**		
Quoted- Equity Shares (fully paid up)				
Sreeleathers Limited	12,654	10	**2,564,274**	-
	(-)			
Unquoted- Equity Shares (fully paid up)				
Retailer Shakti Supply Chain Private Limited (Formerly Brandbuddy Engage Analytics Private Limited)	2,450,000	10	**11,000**	1,000
	(100)			
Compulsorily Convertible Debentures (fully paid up)				
Retailer Shakti Supply Chain Private Limited (Formerly Brandbuddy Engage Analytics Private Limited)	1,150,000	10	**1,603,645**	-
	(-)			
In Limited Liability Partnership				
Microsec Invictus Advisors LLP			**148,591,732**	90,386,006
Bhavya Advisory Services LLP			**-**	5,680,794
Alokik Advisory Services LLP			**13,478,595**	13,485,942
Dreamscape Advisors LLP			**8,193,527**	7,679,840
Stuti Advisory Services LLP			**3,645,776**	3,871,535
Kailashwar Advisory Services LLP			**-**	36,421
Ruchika Advisory Services LLP			**10,000**	10,000
			178,098,549	121,151,538
Aggregate Value of Quoted Investments			**2,564,274**	-
Aggregate Value of Unquoted Investments			**175,534,275**	121,151,538
Market Value of Quoted Investments			**3,036,960**	-

The details of Investment in Limited Liability Partnership are as follows :

(a) Investment in Microsec Invictus Advisors LLP		
Name of the Partner and Share in Profits (%)		
Microsec Capital Limited (Weighted Average Basis upto 26th March,2017)		
Microsec Commerze Limited (Weighted Average Basis upto 26th March,2017)		
PRP Technologies Limited (Weighted Average Basis upto 26th March,2017)		
Innogrow Technologies Limited (Weighted Average Basis w.e.f. 10th Feb, 2017 upto 26th March,2017)		
Innogrow Technologies Limited (99% w.e.f 27th March, 2017)		
Bharatiya Sanskriti Village Private Limited (1% w.e.f 27th March, 2017)		
Total Capital of the firm (Rs.)	**300,000,000**	300,000,000
(b) Investment in Bhavya Advisory Services LLP		
Name of the Partner and Share in Profits (%)		
Dhanlabh Consultancy Private Limited (1%) (Weighted Average Basis upto 26th March,2017)		
Finestar Consultancy Private Limited (!%) (Weighted Average Basis upto 26th March,2017)		
Innogrow Technologies Limited (98% w.e.f 27th March, 2017 upto 20th June, 2017)		
Total Capital of the firm (Rs.)	**-**	1,000,000,000
(c) Investment in Alokik Advisory Services LLP		
Name of the Partner and Share in Profits (%)		
Innogrow Technologies Limited (99% w.e.f 10th February, 2017)		
Bharatiya Sanskriti Village Private Limited (1% w.e.f 10th February, 2017)		
Total Capital of the firm (Rs.)	**50,000,000**	50,000,000
(d) Investment in Dreamscape Advisors LLP		
Name of the Partner and Share in Profits (%)		
Innogrow Technologies Limited (99% w.e.f 29th March, 2017)		
Bharatiya Sanskriti Village Private Limited (1% w.e.f 29th March, 2017)		
Total Capital of the firm (Rs.)	**50,000,000**	50,000,000
(e) Investment in Stuti Advisory Services LLP		
Name of the Partner and Share in Profits (%)		
Innogrow Technologies Limited (99% w.e.f 27th March, 2017)		
Bharatiya Sanskriti Village Private Limited (1% w.e.f 27th March, 2017)		
Total Capital of the firm (Rs.)	**20,000,000**	20,000,000
(f) Investment in Kailashwar Advisory Services LLP		
Name of the Partner and Share in Profits (%)		
Innogrow Technologies Limited (99% w.e.f 27th March, 2017)		
Bharatiya Sanskriti Village Private Limited (1% w.e.f 27th March, 2017 upto 16th January, 2018)		
Total Capital of the firm (Rs.)	**-**	100,000,000
(g) Investment in Ruchika Advisory Services LLP		
Name of the Partner and Share in Profits (%)		
Innogrow Technologies Limited (1% w.e.f 27th March, 2017)		
Bharatiya Sanskriti Village Private Limited (99%)		
Total Capital of the firm (Rs.)	**150,000,000**	150,000,000

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10. LOANS AND ADVANCES
(Unsecured, Considered Good)

	Non Current		Current	
	As at 31.03.2018 Rs.	As at 31.03.2017 Rs.	**As at 31.03.2018 Rs.**	As at 31.03.2017 Rs.
Capital Advances	**10,000,000**	-	**-**	-
Security Deposits	**597,729**	839,965	**-**	-
Balance with Government Authorities	**-**	9,887,261	**4,763,799**	30,029
Gratuity (Refer Note 23)	**-**	-	**882,128**	855,601
Advances recoverable in cash or kind or value to be received or pending adjustments	**-**	-	**65,004**	1,821,017
Prepaid Expenses	**-**	-	**364,206**	898,715
Advance Income Tax and Tax Deducted at Source [Net of Provision of Rs. 9,69,749 (2016-17: Rs. 1,91,64,126)]	**-**	-	**5,519,010**	14,998,117
	10,597,729	10,727,226	**11,594,147**	18,603,479

11. OTHER NON CURRENT ASSETS (Unsecured, Considered Good)	**As at 31.03.2018 Rs.**	As at 31.03.2017 Rs.
Accrued Interest on Fixed Deposits	**160,782**	37,961
	160,782	37,961

12. CASH AND BANK BALANCES	**As at 31.03.2018 Rs.**	As at 31.03.2017 Rs.
(i) Cash and Cash Equivalents		
Cash on hand	**12,654**	2,500
Balances with Scheduled Banks on Current Accounts	**3,392,936**	489,642
Fixed Deposits with original maturity for less than 3 months	**32,500,000**	-
(ii) Other Bank Balances		
Fixed Deposits with original maturity for more than 12 months *	**2,100,000**	2,100,000
	38,005,590	2,592,142

* Fixed Deposit aggregating Rs. 21,00,000 (2016-17 : Rs. 21,00,000) pledged with HDFC Bank Limited as security against Corporate Credit Card and bank guarantee

13. OTHER CURRENT ASSETS (Unsecured, Considered Good)	**As at 31.03.2018 Rs.**	As at 31.03.2017 Rs.
Accrued Interest on fixed deposits	**13,623**	-
Interest on Income Tax Refund Receivable	**-**	115,900
	13,623	115,900

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	2017-18	2016-17
14. REVENUE FROM OPERATIONS	**Rs.**	Rs.
Consumer Engagement Activity	-	219,517
Professional Fees [TDS Rs. 27,23,913 (17,80,000)]	**27,239,130**	18,804,349
	27,239,130	19,023,866
15. OTHER INCOME		
Profit on sale of Current Investments	**748,968**	109,553
Profit on sale of Fixed Asset	**33,749**	-
Interest Income		
On Fixed Deposits	**151,604**	234,287
On Income Tax Refund	**2,398,552**	128,269
Dividend Received	**58,700**	-
Profit on Sale of Non Trade Investments Quoted Shares	**7,305,800**	-
Government Grants [Refer Note 29]	**252,090**	-
Rental Income	**7,714,926**	-
Maintenance Income	**1,068,606**	-
Provision for Gratuity no longer required written back [Refer Note 23]	**26,527**	1,238,843
Bad Debt Recovery	-	15,000
Liabilities no longer required written back	**159,639**	151,459
Share of Profit from Limited Liability Partnership [Refer Note 26]	**52,161,644**	-
Miscellaneous Income	**8,206**	40,881
	72,089,011	1,918,292
16. EMPLOYEE BENEFITS EXPENSE		
Salary, Bonus	**4,220,106**	5,643,088
Contribution to Provident Fund	**32,638**	97,234
Contribution to Employees' State Insurance	**17,649**	25,412
Staff Welfare Expenses	**142,420**	141,412
	4,412,813	5,907,146
17. FINANCE COSTS		
Interest Expense	**6,707**	1,066,306
	6,707	1,066,306
18. DEPRECIATION AND AMORTIZATION EXPENSE		
Depreciation of Property, Plant and Equipment	**15,599,156**	14,563,813
Amortization of Intangible Assets	**2,136,739**	2,152,867
	17,735,895	16,716,680
19. OTHER EXPENSES		
Electricity Expenses	**2,297,221**	4,015,354
Rent [Refer Note 24]	-	387,595
Repairs and Maintenance - Building	**646,069**	361,037
Repairs and Maintenance - Others	**1,996,898**	1,732,812
Service Charges	**190,636**	765,147
Advertisement and Business Promotion	-	1,322,101
Communication Expenses	**283,117**	788,137
Insurance Premium	**76,860**	55,909
Legal and Professional fees	**214,938**	1,932,717
Printing and Stationery	**20,432**	12,897
Postage and Courier	**400**	947
Travelling and Conveyance	**343,658**	237,315
Security Service Charges	**496,884**	444,751
Consumer engagement expenses	-	649,310
Server hosting, bandwith and other data service charges	-	431,822
Loss on sale/discard of Fixed Assets (net)	-	53,669
Rates and Taxes	**128,058**	109,527
Filing Fees	**4,500**	26,405
Cenvat Balance Written off	**286,626**	-
Bad debts and advances written off (net)	-	1,767,086
Auditors' Remuneration		
- As Audit Fees	**25,000**	25,000
Miscellaneous Expenses	**96,284**	17,975
	7,107,581	15,137,513
20. PROFIT / (LOSS) PER SHARE		
Basis for calculation of Basic and Diluted Earnings Per Share is as under:		
Profit / (Loss) after Tax (Rs.)	**69,283,476**	(18,647,147)
Weighted Average Number of Equity Shares (Nos.)	**331,018**	331,018
Nominal Value of each Equity Share (Rs.)	**10**	10
Loss per equity share :	**209.30**	(56.33)

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21 Contingent Liabilities not provided for in respect of:

(a) Service tax demand under appeal – Rs. 5,43,274 (2016-17: Rs. 5,43,274). The management believes that the Company has a good case for success in this matter and therefore no provision there against is considered necessary.

(b) Income Tax Demand under appeal - Rs. Nil (2016-17: Rs. 98,98,300). The Management Believe that the company has a good case for success in this matter and therefore no provision there against considered necessary.

(c) Bank Guarantee outstanding in favour of West Bengal State Electricity Distribution Company Limited - Rs. 20,99,036 (2016-17: 20,99,036).

22 Segment Reporting

The Company is engaged in the business of Digital marketing and consumer engagement and accordingly has only one reportable business segment as per Accounting Standard 17 – "Segment Reporting" notified by the Companies Accounting Standard Rules, 2006. The Company continues to have only one reportable geographical segment in India.

23 Employee Benefits

The Company 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 year of service. The Scheme is funded with Life Insurance Corporation of India.

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

	Particulars	2017-18 (Rs.)	2016-17 (Rs.)
(i)	**Net Employee Expense /(benefit)**		
	Current service cost	**47,316**	41,130
	Interest cost on benefit obligation	**15,563**	105,705
	Expected return on plan assets	**81,615**	80,618
	Net Actuarial (gain) / loss recognised in the year	**(7,791)**	(1,305,059)
	Total employer expense recognised in Statement of Profit and Loss	**(26,527)**	(1,238,842)
(ii)	Actual Return on Plan Assets	**137,018**	79,774
(iii)	**Benefit Asset/(Liability)**		
	Defined benefit obligation	**312,078**	201,587
	Fair value of Plan Assets	**1,194,206**	1,057,188
	Benefit Asset / (Liability)	**882,128**	855,601
(iv)	**Movement in benefit liability**		
	Opening defined benefit obligation	**201,587**	1,458,160
	Interest cost	**15,563**	105,705
	Current service cost	**47,316**	41,130
	Benefits paid	**-**	97,504
	Actuarial (gains) / losses on obligation	**47,612**	(1,305,904)
	Closing benefit obligation	**312,078**	201,587
(v)	**Movement in fair value of plan assets**		
	Opening fair value of plan assets	**1,057,188**	1,074,918
	Expected Return on plan assets	**81,615**	80,618
	Contributions by employer	**-**	-
	Benefits paid	**-**	97,504
	Actuarial gains on plan assets	**55,403**	(844)
	Closing fair value of plan assets	**1,194,206**	1,057,188
(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	**7.72%**	7.50%
	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	**32,638**	97,234
	Contribution to Employees' State Insurance	**17,649**	25,412
(ix)	The estimates of future salary increases 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)	**Amounts for the current year and previous years are as follows :**	**Year Ended March 31, 2018 (Rs.)**	Year Ended March 31, 2017 (Rs.)	Year Ended March 31, 2016 (Rs.)	Year Ended March 31, 2015 (Rs.)	Year Ended March 31, 2014 (Rs.)
	Defined Benefit Obligation	**312,078**	201,587	1,458,160	1,127,552	589,372
	Plan Assets	**1,194,206**	1,057,188	1,074,918	879,630	559,200
	Surplus / (Deficit)	**882,128**	855,601	(383,242)	(247,922)	(30,172)
	Experience adjustments on plan liabilities	**56,536**	(1,323,582)	(169,063)	(180,970)	(141,492)
	Experience adjustments on plan assets	**53,077**	4,531	(35,468)	13,651	5,130
(xii)	The Company expects to contribute Rs. Nil (2016-17: Rs. Nil) to Gratuity Fund in 2018-19.					

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24 Lease:

a) Certain office premises are obtained on operating lease. The lease term is upto 11 months and renewable for further period either mutually or at the option of the Company. These leases are cancellable. The details of Lease Payments are as follows:

Particulars	**2017-18**	2016-17
Lease payments made for the year	**Nil**	**387,595**
Contingent rent recognised in Profit and Loss Account	**Nil**	Nil

25 Minimum Alternate Tax (MAT) credit entitlement of Rs. 1,80,78,228 (2016-17: Rs. 1,80,78,228) related to earlier financial years 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 (ix) herein.

26 The Company is partner in various LLP's. The details of Company's share of Profit from the LLP's is as under :

Name of the Limited Liability Partnership	**Share of Profit/ (Loss) (Rs.)**
Microsec Invictus Advisors LLP	46,780,726
Bhavya Advisory Services LLP	5,380,918
Total	**52,161,644**

27 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) Holding Company
Sastasundar Ventures Limited (Formerly Microsec Financial Services Limited)

b) Subsidiary Company
Retailer Shakti Supply Chain Private Limited (Formerly Brandbuddy Engage Analytics Private Limited) (w.e.f. 30th December, 2017)

ii) Other related parties with whom transactions have taken place during the year

a) Fellow subsidiary companies / entity
Microsec Resources Private Limited
Sastasundar Healthbuddy Limited (Formerly Microsec Healthbuddy Limited)
Sastasundar Marketplace Limited (Formerly Sasta Sundar Shop Private Limited)
Genu Path Labs Limited
Microsec Capital Limited (upto 1st December, 2017)
b) Partner
Microsec Invictus Advisors LLP (w.e.f. 10th February, 2017)
Bhavya Advisory Services LLP (w.e.f. 27th March, 2017 upto 20th June, 2017)
Alokik Advisory Services LLP (w.e.f. 27th March, 2017)
Dreamscape Advisors LLP (w.e.f. 29th March, 2017)
Kailashwar Advisory Services LLP (w.e.f. 27th March, 2017 upto 16th January, 2018)
Ruchika Advisory Services LLP (w.e.f. 27th March, 2017)
Stuti Advisory Services LLP (w.e.f. 27th March, 2017)

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Notes to the financial statements as at and for the year ended 31st March, 2018

	Holding Company	Fellow Subsidiary Companies / Partner											
Particulars	**Sastasundar Ventures Limited (Formerly Microsec Financial Sevices Limited)**	**Microsec Resources Private Limited**	**Sastasundar Healthbuddy Limited (Formerly Microsec Healthbuddy Limited)**	**Sastasundar Marketplace Limited (Formerly Sasta Sundar Shop Private Limited)**	**Genu Path Labs Limited**	**Microsec Capital Limited**	**Microsec Invictus Advisors Limited Liability Partnership**	**Bhavya Advisory Services Limited Liability Partnership**	**Alokik Advisory Services Limited Liability Partnership**	**Dreamscape Advisors Limited Liability Partnership**	**Kailashwar Advisory Services Limited Liability Partnership**	**Ruchika Advisory Services Limited Liability Partnership**	**Stuti Advisory Services Limited Liability Partnership**
Loans taken	-	**1,600,000**	-	-	-	-	-	-	-	-	-	-	-
	(15,000,000)	(70,289,000)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Repayment of Loan taken	-	**1,600,000**	-	-	-	-	-	-	-	-	-	-	-
	(15,073,973)	(88,989,776)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Professional Fees Received	-	-	-	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(17,500,000)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Service Charges	-	-	-	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(960)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Interest Expense	-	**6,707**	-	-	-	-	-	-	-	-	-	-	-
	(73,973)	(992,333)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Investment in Limited Liability Partnership	-	-	-	-	-	-	**16,100,000**	**50,000**	**10,000**	**917,000**	-	-	**95,000**
	(-)	(-)	(-)	(-)	(-)	(-)	(91,161,238)	(5,704,549)	(13,500,000)	(7,700,000)	(48,004)	(10,000)	(3,888,043)
Redemption from Investment in Limited Liability Partnership	-	-	-	-	-	-	**4,675,000**	**11,111,712**	-	-	**22,183**	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(100,000)	(-)	(-)	(-)	(-)	(-)	(-)
Share of Profit/(Loss) From Limited Liability Partnership	-	-	-	-	-	-	**46,780,726**	**5,380,918**	**(17,347)**	**(403,313)**	**(14,238)**	**(26,012)**	**(320,759)**
	(-)	(-)	(-)	(-)	(-)	(-)	(-6,75,232)	(-23,755)	(-14,058)	(-20,160)	(-11,583)	(-364)	(-16,508)
Purchase of Property	-	-	-	-	-	-	-	**10,000,000**	-	-	-	-	-
	(9,637,512)	(-)	(11,282,500)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Issuance of Comulsorily Convertible Debentures	-	-	-	-	-	-	-	-	-	-	-	-	-
	(119,999,076)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Investment in Equity Share Capital of Retailer Shakti Supply Chain Private Limited (Formerly Brandbuddy Engage Analytics Private Limited)	**10,000**	-	-	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Investment in Compulsorily Convertible Debentures of Retailer Shakti Supply Chain Private Limited (Formerly Brandbuddy Engage Analytics Private Limited)	**1,603,645**	-	-	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Rental Income	-	-	**2,391,642**	**4,783,284**	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Office Maintenance Income	-	-	**356,202**	**712,404**	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Electricity Charges Reimbursement	-	-	**615,835**	**1,231,669**	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Purchase of Traded Goods	-	-	**29,633**	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-364)	(-)
Advance from customer	-	-	-	-	**148,032**	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-364)	(-)
Amount Payable	-	-	-	-	-	-	-	-	-	-	-	- **26,012**	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-364)	(-)

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28 Deferred Tax Asset / (Liability) (Net)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Deferred Tax Liability (A)		
Fixed Assets: Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting.	3,530,034	4,136,598
Provision for Gratuity	-	-
Deferred Tax Assets (B)		
Provision for Gratuity		-
Business Loss and Unabsorbed Depreciation	92,296,525	102,397,048
Net Deferred Tax Asset / (Liability) (B – A)	88,766,491	98,260,450
Less : Deferred Tax Asset not recognized	88,766,491	98,260,450
Net Deferred Tax asset / (Liability) recognized	Nil	Nil

In the absence of virtual certainty, the Company has recognized Deferred Tax Asset in the current year only to the extent of Deferred Tax Liability as at 31st March, 2018 i.e. Rs. 35,41,929 (2016-17: Rs. 41,36,598)

29 The Company has received government grant under West Bengal IT Incentive Scheme (2009) amounting to Rs. 4,78,252 on 20th April, 2017 against Stamp duty subsidy amounting to Rs. 2,26,162/- which was capitalised in the year 2013-14 under the head "Freehold Land". The Company has opted to reduce the government grant from the cost of fixed asset and Employee Provident Fund subsidy amounting to Rs. 2,52,090 which have been disclosed under the head "Other Income".

30 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 P Saraf & Co.
Firm Registration No. : 323888E
Chartered Accountants

Prakash Saraf
Proprietor
Membership No. : 059347

For and on behalf of Board of Directors

B. L. Mittal
Director
DIN : 00365809

Ravi Kant Sharma
Director
DIN : 00364066

Place : Kolkata
Date : 19th May, 2018

P. SARAF & CO. KOLKATA Chartered Accountants

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