



S. K. AGRAWAL & CO.

Chartered Accountants

Firm Registration No. 306033E

SUITE NOS : 606-608

THE CHAMBERS, OPP. GITANJALI STADIUM

1865, RAJDANGA MAIN ROAD, KASBA

KOLKATA - 700 107

PHONE : 033-4008 9902/9903/9904

FAX : 033-40089905, Website : www.skagrwal.co.in

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF **RETAILER SHAKTI SUPPLY CHAIN PRIVATE LIMITED (Formerly Brandbuddy Engage Analytics Private Limited)**

Report on the Financial Statements

We have audited the accompanying financial statements of **Retailer Shakti Supply Chain Private Limited (Formerly Brandbuddy Engage Analytics Private Limited)** ("the Company") which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of the 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 and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cashflows 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 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 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.





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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 31st March, 2018, and its losses and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- I. 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, to the extent applicable.
- II. As required by Section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of accounts 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 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, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has no pending litigations.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. The company was not required to transfer any amount to the Investor Education and Protection Fund.



Place: Kolkata

Dated: May 18, 2018

For, **S.K. Agrawal & Co.**

Chartered Accountants

Firm's Registration Number- 306033E

Mamta Jain

(Mamta Jain)

Partner

Membership No: 061299



S. K. AGRAWAL & CO.

Chartered Accountants

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Annexure A to the Independent Auditors' Report

The Annexure referred to in our Independent Auditor's Report to the members of **Retailer Shakti Supply Chain Private Limited (Formerly Brandbuddy Engage Analytics Private Limited)** ("the Company"), on the financial statements for the year ended on 31st March 2018. We report that:

- (i) The Company does not have any Fixed Assets at the year end. Accordingly, the provisions of paragraph 3(i)(a) to (c) of the Order are not applicable.
- (ii) The Company does not have any Inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable to the Company.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, paragraph 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and the provision of Section 186 of the Companies Act, 2013 in respect to loans, investments, guarantees and securities made.
- (v) The Company has not accepted any deposits from the public.
- (vi) As explained to us, the Company is not required to maintain cost records prescribed by the Central Government under sub-section (1) of section 148 of the Act.
- (vii) According to information and explanations given to us in respect of statutory dues:
 - (a) The Company has been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales Tax, Service Tax, Value Added Tax, Duty of Custom, Duty of Excise, Cess, Goods and Service Tax and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were outstanding as at March 31, 2018 for a period of more than six months from the date on which they became payable.
 - (b) According to the information and explanations given to us, there are no material dues in respect of Income Tax, Custom Duty, Service Tax and Cess, Goods and Service Tax which have not been deposited with the appropriate authority on account of any dispute. During the year, the Company did not have any dues towards sales tax, wealth tax custom duty excise duty and value added tax.
- (viii) In our opinion and according to the information and explanations given to us by the management, the Company has not defaulted in the repayment of dues to banks, financial institutions and debenture holders.
- (ix) The Company did not raise any moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions of clause 3(ix) of the Order is not applicable.





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- (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 year.
- (xi) The Company has not paid any managerial remuneration during the year under review. Accordingly, the provisions of clause 3(xi) of the Order is not applicable.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provision of clause 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us all transactions with the related parties are in compliance with section 177 and 188 of the Act and the details 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 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 records of the Company, the Company has not entered into any non-cash transactions with Directors or persons connected with them. Accordingly, the provisions of clause 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.



Place: Kolkata

Dated: May 18, 2018

For, S.K. Agrawal & Co.

Chartered Accountants

Firm's Registration Number- 306033E

(Mamta Jain)

Partner

Membership No: 061299



S. K. AGRAWAL & CO.

Chartered Accountants

Firm Registration No. 306033E

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Annexure B to the Independent Auditor's 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 **Retailer Shakti Supply Chain Private Limited (Formerly Brandbuddy Engage Analytics Private Limited)** ("the Company") in conjunction with our audit of the financial statements of the company as of and for the year ended 31st March, 2018.

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. 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 Act, 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.

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.





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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 31st 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.



Place: Kolkata
Dated: May 18, 2018

For, S.K. Agrawal & Co.
Chartered Accountants
Firm's Registration Number- 306033E

(Mamta Jain)
Partner

Membership No: 061299

RETAILER SHAKTI SUPPLY CHAIN PRIVATE LIMITED
(Formerly Brandbuddy Engage Analytics Private Limited)
CORPORATE IDENTITY NO. (CIN) - U72300WB2015PTC205351
Innovative 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	2	24,500,000	24,500,000
(b) Reserves and Surplus	3	(34,013,409)	(26,887,322)
2. Non-Current Liabilities			
(a) Long Term Borrowings	4	11,500,000	4,000,000
(b) Long term Provisions	5	-	746,588
3. Current Liabilities			
(a) Trade Payables	6		
Total outstanding dues of micro enterprises and small enterprises		-	120,048
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,833,264	1,397,648
(b) Other Current Liabilities	7	105,308	1,151,009
(c) Short Term Provisions	8	-	5,729
		3,925,163	5,033,700
II. ASSETS			
1. Current Assets			
(a) Current Investment	9	-	3,000,000
(b) Cash and Cash Equivalents	10	2,346,942	779,166
(c) Short term Loan & Advances	11	1,577,646	1,254,534
(d) Other Current Assets	12	575	-
		3,925,163	5,033,700
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S. K. Agrawal & Co.
Firm Registration No.: 306033E
Chartered Accountants

Mamta Jain

Mamta Jain
Partner
Membership No.: 061299



For and on behalf of the Board of Directors

B. C. Mittal *Rishabh*

Banwari Lal Mittal
Director
DIN : 00365809

Ravi Kant Sharma
Director
DIN : 00364066

Place : Kolkata
Date : 18th May, 2018

RETAILER SHAKTI SUPPLY CHAIN PRIVATE LIMITED
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STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

		2017-18	2016-17
	Notes	Rs.	Rs.
Income			
Revenue from Operations	13	11,214	290,888
Other Income	14	879,725	1,478,674
I. Total Revenue		890,939	1,769,562
II. EXPENSES			
Employees Benefit Expense	15	4,227,350	15,490,880
Finance Cost		105,896	3,764
Other Expenses	16	3,683,780	10,335,779
		8,017,026	25,830,423
III. (Loss) Before Tax		(7,126,087)	(24,060,861)
IV. Tax Expenses:			
(a) Current Tax		-	-
(b) Deferred Tax		-	-
V. (Loss) for the Year		(7,126,087)	(24,060,861)
VI. Earnings Per Equity Share:	17		
Basic and Diluted (Nominal Value per Share Rs. 10/-)		(2.91)	(12.73)
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S. K. Agrawal & Co.
 Firm Registration No.: 306033E
 Chartered Accountants

Mamta Jain

Mamta Jain
 Partner
 Membership No.: 061299



For and on behalf of the Board of Directors

B. L. Mittal *Ravi Kant Sharma*

Banwari Lal Mittal
 Director
 DIN : 00365809

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Cash Flow Statement for the Year Ended March 31, 2018

Particulars	2017-18	2016-17
	(Rs.)	(Rs.)
A. Cash Flow from Operating Activities		
Net Profit/(Loss) before tax	(7,126,087)	(24,060,861)
Adjustments for :-		
Profit on sale of Current Investment	(89,145)	(394,453)
Gratuity Provision no longer required written back	(752,317)	-
Finance Cost	105,896	3,764
Interest on Fixed Deposit	(575)	-
Operating cash flow before working capital changes	(7,862,228)	(24,451,550)
Increase / (Decrease) in Trade Payables	315,568	1,500,521
Increase / (Decrease) in other Current liabilities	(293,384)	1,151,009
Increase / (Decrease) in Long Term Provisions	(746,588)	746,588
Increase / (Decrease) in Short Term Provisions	(5,729)	5,729
(Increase) / Decrease in Trade Receivables	-	-
(Increase) / Decrease in Short term Loan & Advances	(323,112)	(1,254,534)
(Increase) / Decrease in Other Current Assets	-	51,300,000
Cash (used in)/generated from operations	(8,915,473)	28,997,763
Income Taxes paid	-	-
Net cash (used in)/generated from operating activities	(8,915,473)	28,997,763
B. Cash Flow from Investing Activities		
Purchase of Current Investments	(5,955,556)	(20,600,000)
Sale of Current Investments	9,044,701	18,294,453
Net cash (used in)/generated from investing activities	3,089,145	(2,305,547)
C. Cash Flows from Financing Activities		
Proceeds from issue of Share Capital	-	23,500,000
Finance Cost	(105,896)	(3,764)
Proceeds from issue of Compulsorily Convertible Debentures	7,500,000	4,000,000
Redemption of Compulsorily Convertible Debentures	-	(53,500,000)
Net cash generated from/(used in) financing activities	7,394,104	(26,003,764)
D. Net change in cash and cash equivalents (A+B+C)	1,567,776	688,452
E. Cash and Cash equivalents - Opening Balance	779,166	90,714
F. Cash and Cash equivalents - Closing Balance*	2,346,942	779,166

Note :

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

* Components of Cash and Cash Equivalents as indicated in Note 10 comprises of:

Cash On Hand	7,130	755
Balance with Scheduled Bank	839,812	778,411
Fixed Deposit with Original Maturity Less than 3 months	1,500,000	-
Total	2,346,942	779,166

As per our attached report of even date

For S. K. Agrawal & Co.
Firm Registration No.: 306033E
Chartered Accountants

Mamta Jain

Mamta Jain
Partner
Membership No.: 061299



Place : Kolkata
Date : 18th May, 2018

For and on behalf of the Board of Directors

Ravi Kant Sharma

Banwari Lal Mittal
Director
DIN : 00365809

Ravi Kant Sharma
Director
DIN : 00364066

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Notes to the financial statements for the year ended March 31, 2018

1 Summary of Significant Accounting Policies

i Basis of preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material aspects with the accounting standards notified under Section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules 2014 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.

ii Use of Estimates

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

iii Revenue Recognition

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

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rates applicable. Interest income is included under the head "Other Income" in the statement of profit and loss.

Profit / (loss) on sale of current investments is determined based on the weighted average cost of the investments sold. Profit / (loss) on sale of current investments is included under the head "Other Income" in the statement of profit and loss.

iv Property, Plant and Equipment

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

v Depreciation

a) Depreciation on Property, Plant and Equipment is calculated on a WDV basis using the rates arrived at based on the useful lives estimated by the management which is as per the rates specified in Schedule II to the Companies Act, 2013.

b) Depreciation on Property, Plant and Equipment added/disposed off during the year is provided on prorata basis with reference to the date of addition/disposal.

vi Investments

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



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Notes to the financial statements for the year ended March 31, 2018

vii Taxes on Income

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

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

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

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

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.

viii Cash & Cash Equivalents

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

ix Earning Per Shares

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

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

x Provisions

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

xi Contingent Liabilities

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



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Innovative Tower, Premises No. 16-315, Plot No. DH 6/32
 Action Area - 1D, New Town, Rajarhat, Kolkata - 700 156



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

	As at 31.03.2018 Rs.	As at 31.03.2017 Rs.
2. SHARE CAPITAL		
Authorised		
25,00,000(25,00,000) Equity Shares of Rs. 10/- each	25,000,000	25,000,000
	<u>25,000,000</u>	<u>25,000,000</u>
Issued, Subscribed and Paid-up		
24,50,000(24,50,000) Equity Shares of Rs. 10/- each	24,500,000	24,500,000
	<u>24,500,000</u>	<u>24,500,000</u>

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

Equity Shares	As at 31st March, 2018		As at 31st March, 2017	
	Nos.	Rs.	Nos.	Rs.
At the beginning of the Year	2,450,000	24,500,000	100,000	1,000,000
Issued during the year	-	-	2,350,000	23,500,000
Outstanding at the end of the year	<u>2,450,000</u>	<u>24,500,000</u>	<u>2,450,000</u>	<u>24,500,000</u>

(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. 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 in the 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) Share held by Holding Company

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

	31.03.2018 (Rs.)	31.03.2017 (Rs.)
24,50,000 (2016-17: 24,50,000) Equity Shares of Rs. 10 each, fully paid up		
Innogrow Technologies Limited	24,500,000	1,000
PRP Technologies Limited	-	24,499,000
Total	<u>24,500,000</u>	<u>24,500,000</u>

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

Name of the shareholder	As at 31st March, 2018		As at 31st March, 2017	
	No. of shares	% of holding	No. of shares	% of holding
(Equity shares of Rs. 10 each full paid up)				
Innogrow Technologies Limited (including shares held by its nominees)	2,450,000	100.00%	100	0.01%
PRP Technologies Limited	-	-	2,449,900	99.99%



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

As at	As at
31.03.2018	31.03.2017
Rs.	Rs.

3. RESERVES AND SURPLUS

Surplus / (Deficit) in the Statement of Profit and Loss

As per the last Financial Statements	(2,68,87,322)	(28,26,461)
(Loss) for the Year transferred from the Statement of Profit and Loss	(71,26,087)	(2,40,60,861)
	(3,40,13,409)	(2,68,87,322)

4. LONG TERM BORROWINGS

(Unsecured)

11,50,000 (4,00,000) Zero Coupon Compulsorily Convertible Unsecured Debentures of Rs. 10 each	1,15,00,000	40,00,000
	1,15,00,000	40,00,000

4,00,000 Zero Coupon Compulsorily Convertible Unsecured Debentures are convertible within a maximum period of 60 months from the date of allotment. 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.

7,50,000 Zero Coupon Compulsorily Convertible Unsecured Debentures are convertible within a maximum period of 60 months from the date of allotment. 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.

5. LONG TERM PROVISION

For Gratuity [Refer Note 21]	-	7,46,588
	-	7,46,588

6. TRADE PAYABLES

Total outstanding dues of micro and small enterprises [Refer Note 22]	-	1,20,048
Total outstanding dues of creditors other than micro and small enterprises	18,33,264	13,97,648
	18,33,264	15,17,696

7. OTHER CURRENT LIABILITIES

Other liabilities		
- Advance from customers	-	36,060
- Statutory Dues Payable	1,05,308	2,41,958
- Other Payables	-	8,72,991
	1,05,308	11,51,009



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

	As at	
	31.03.2018	As at
	Rs.	31.03.2017
	Rs.	Rs.
8. SHORT TERM PROVISION		
For Gratuity [Refer Note 21]	-	5,729
	-	5,729
9. CURRENT INVESTMENT		
	Face Value	No of Units
	(Rs.)	
(Valued at Cost or Market Value- Whichever is lower)		
Reliance Liquid Fund-Treasury Plan- Growth Plan- Growth Option	-	3,000,000
	1,000	(756.549)
	-	3,000,000
Aggregate Value Of Investments		
Unquoted	-	3,000,000
Aggregate Net Asset Value of Mutual Fund Units	-	3,001,501
10. CASH AND CASH EQUIVALENTS		
Cash on Hand	7,130	755
Balances with Scheduled Banks on Current Accounts	839,812	778,411
Fixed Deposit with Original Maturity Less than 3 months	1,500,000	-
	2,346,942	779,166
11. SHORT TERM LOAN & ADVANCES		
(Unsecured considered good)		
Security Deposit	-	50,000
Balance with Government Authorities	1,577,136	1,047,366
Prepaid Expenses	-	152,479
Advance Income Tax and Tax Deducted at Source	510	4,689
	1,577,646	1,254,534
12. OTHER ASSETS		
Accrued Interest on Fixed Deposit	575	-
	575	-



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

	2017-18	2016-17
	Rs.	Rs.
13. REVENUE FROM OPERATIONS		
Consumer Engagement Activity	11,214	290,888
	<u>11,214</u>	<u>290,888</u>
14. OTHER INCOME		
Interest on Fixed Deposit	575	-
Profit on sale of Current Investments	89,145	394,453
Gratuity Provision no longer required written back [Refer Note 21]	752,317	-
Liabilities No Longer Required Written Back	37,060	-
Share of Profit from Limited Liability Partnership	-	1,082,993
Miscellaneous Income	628	1,228
	<u>879,725</u>	<u>1,478,674</u>
15. EMPLOYEE BENEFITS EXPENSE		
Salary, Bonus	4,087,698	14,347,139
Contribution to Provident Fund	52,125	224,094
Contribution to Employees' State Insurance	14,494	45,686
Gratuity Expense	-	752,317
Staff Welfare Expenses	73,033	121,644
	<u>4,227,350</u>	<u>15,490,880</u>
16. OTHER EXPENSES		
Consumer engagement expenses	6,390	1,694,240
Server hosting, bandwidth and other data service charges	2,001,360	3,689,352
Communication Expenses	352,237	967,838
Advertisement and Business Promotion	36,818	354,148
Legal and Professional fees	21,000	3,000
Rates & Taxes	4,250	7,150
Filing Fees	7,600	340,068
Postage and Courier	120	8,494
Printing & Stationery	8,843	21,272
Irrecoverable Balance Written off	-	893
Service Charges	652,292	1,429,891
Repair & Maintenance	186,774	713,959
Software Expense	157,326	741,927
Travelling and Conveyance	101,564	309,106
Auditor's Remuneration		
Audit Fees	30,000	30,150
Miscellaneous Expenses	117,206	24,291
	<u>3,683,780</u>	<u>10,335,779</u>
17. EARNINGS PER SHARE		
Basis for calculation of Basic and Diluted Earnings Per Share is as under:		
Basic and Diluted Earning Per Share		
Profit / (Loss) after tax (Rs.)	(7,126,087)	(24,060,861)
Weighted Average Number of Equity Shares (Nos)	2,450,000	1,889,863
Nominal Value of each Equity Share (Rs.)	10	10
Basic Earnings Per Share (Rs.)	(2.91)	(12.73)



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Notes to the financial statements for the year ended March 31, 2018

18 The Company has only one business segment and its operations are also confined to one geographical segment i.e. India. As such, no further disclosure under Accounting Standard 17 "Segment Reporting" is required.

19 In terms of Accounting Standard 18 – the related party disclosure is given below:-

(a) Name of the Related Parties

Holding Company

Sastasundar Ventures Limited (Ultimate Holding Company)
PRP Technologies Limited (amalgamated with Sastasundar Ventures Limited)
Innogrow Technologies Limited (Formerly Microsec Technologies Limited) (w.e.f 30th December, 2017)

Enterprise in which significant influence is exercised

Microsec Resources Private Limited
Kailashwar Advisory Services LLP (upto 16th January, 2018)
Bhavaya Advisory Services LLP (w.e.f, 7th May, 2016 upto 29th June, 2016)

(Amount in Rs.)

(b) Details of Related Party Transaction

Particulars	Holding Company	Enterprise in which significant influence is exercised	Total
Issue of Share Capital			
Sastasundar Ventures Limited	(23,500,000)	(-)	(23,500,000)
Issue of Compulsorily Convertible Debentures			
Sastasundar Ventures Limited	7,500,000	(-)	7,500,000
	(4,000,000)	(-)	(4,000,000)
Redemption of Compulsorily Convertible Debentures			
Kailashwar Advisory Services LLP	(-)	(53,500,000)	(53,500,000)
Loan Received			
Microsec Resources Private Limited	(-)	4,700,000	4,700,000
	(-)	(1,250,000)	(1,250,000)
Loan Repaid			
Microsec Resources Private Limited	(-)	4,700,000	4,700,000
	(-)	(1,250,000)	(1,250,000)
Interest Expense			
Microsec Resources Private Limited	(-)	105,896	105,896
	(-)	(3,764)	(3,764)
Investment in Limited Liability Partnership			
Bhavaya Advisory Services LLP	(-)	(51,300,000)	(51,300,000)
Redemption from Investment in Limited Liability Partnership			
Bhavaya Advisory Services LLP	(-)	(51,300,000)	(51,300,000)
Share of Profit from Investment in Limited Liability Partnership			
Bhavaya Advisory Services LLP	(-)	(1,082,993)	(1,082,993)

20 Deferred Tax Asset

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

21 The Company have a defined benefit gratuity plan. Every employee, who has completed five years or more of services, is entitled to gratuity on terms not less favorable than the provisions of the payment of Gratuity Act, 1972. The scheme is unfunded.

The following tables summaries the components of gratuity expenses recognised in the Statement of Profit and Loss and in Balance Sheet.

SI No.	Particulars	2016-17 Rs.
(i)	Net Employee Expense / (benefit)	
	Current service cost	172,111
	Interest cost	
	Expected return on plan assets	
	Net Actuarial (gain) /loss recognised in the period.	580,206
	Total employer (income)/expense recognised in Profit and Loss Account	752,317
(ii)	Actual Return on Plan Assets	-
(iii)	Benefit Asset/ (Liability)	
	Defined benefit obligation	172,111
	Fair value of Plan Assets	-
	Benefit Asset / (Liability)	172,111
(iv)	Movement in benefit liability	
	Opening defined benefit obligation	-
	Interest cost	-
	Current service cost	172,111
	Actuarial (gains)/losses on obligation	580,206
	Closing benefit obligation	752,317
(v)	The principal actuarial assumptions are as follows	
	Discount Rate	7.39%
	Salary increase	6.00%
	Withdrawal rates	1.00%



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Notes to the financial statements for the year ended March 31, 2018

(vi)	Amount incurred as expense for defined contribution plans	
	Contribution to Provident fund - Rs. 52,125 (2016-17: Rs. 2,24,094)	
	Contribution to Employees State Insurance Rs. 14,494 (2016-17: Rs. 45,686)	
(vii)	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.	
(viii)	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.	
(ix)	Amounts for the current year and previous year are as follows :*	Year Ended 31st March, 2017
	Gratuity	
	Defined benefit obligation	752,317
	Plan Asset	-
	Surplus/ (Deficit)	(752,317)
	Experience adjustment on plan liabilities	580,206
	Experience adjustment on plan assets	-
	*there is no employee on payroll of the company as on 31.03.2018, therefore no actuarial valuation has been done.	

22 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 the end of each accounting year		
Principal amount due to micro and small enterprises	Nil	120,048
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

23 Previous year's/periods figures has been regrouped / rearranged wherever necessary.

As per our report of even date

For S. K. Agrawal & Co.
Firm Registration No.: 306033E
Chartered Accountants

Mamta Jain

Mamta Jain
Partner
Membership No.: 061299

For and on behalf of the Board of Directors

B. L. Mittal *Ravi Kant Sharma*

Banwari Lal Mittal
Director
DIN : 00365809

Ravi Kant Sharma
Director
DIN:00364066

Place: Kolkata
Date : 18th May, 2018

