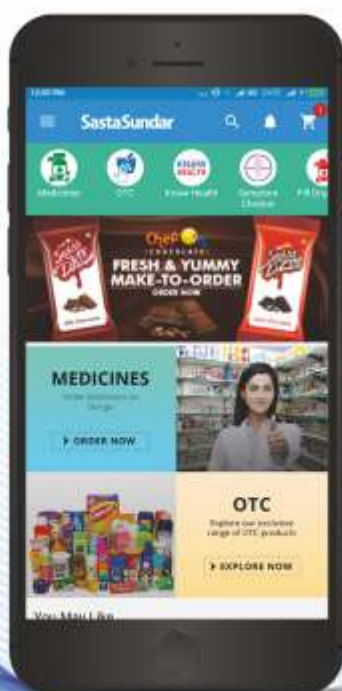


AN ONLINE TO OFFLINE DIGITAL HEALTHCARE NETWORK



SASTASUNDAR VENTURES LIMITED
(Formerly Microsec Financial Services Limited)
ANNUAL REPORT 2016-17



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

Corporate Information

BOARD OF DIRECTORS

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

CHIEF FINANCIAL OFFICER

Amrit Daga

COMPANY SECRETARY

Biplab Kumar Mani

REGISTERED OFFICE

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

BANKERS

HDFC Bank Limited

AUDITORS

S.R. Batliboi & Co. LLP,
Chartered Accountants
22, Camac Street, Block-'C'
3rd Floor, Kolkata - 700 016

REGISTRAR AND SHARE TRANSFER AGENT

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

Inside this Report

Statutory Reports 6-63

Directors' Report	6
Management Discussion & Analysis Report	33
Corporate Governance Report	41

Standalone Financial Statements 64-92

Independent Auditors' Report	64
Balance Sheet	70
Statement of Profit and Loss	71
Cash Flow Statement	72
Notes to the Financial Statements	74

Consolidated Financial Statements 93-136

Independent Auditors' Report	93
Balance Sheet	98
Statement of Profit and Loss	99
Cash Flow Statement	100
Notes to the Financial Statements	102

CHAIRMAN'S MESSAGE

Dear Shareholders,

SastaSundar.com is building India's leading digital network of healthcare, managing efficient pharma & wellness products' supply chain & connecting doctors, diagnostic services, healthcare clinics and health information services.

We are a start-up company in the healthcare domain which has the potential to solve one of the biggest problems in India.

Despite being one of the biggest producers of drugs and having a large pool of talented doctors and health care executives, it is surprising that a major portion of the Indian population does not have consistent access to affordable healthcare in a convenient manner. The reasons of which are:

1. Lack of systematic health information and counselling,
2. Unorganised distribution system largely based on artificially created SKUs of branded generics,
3. Lack of connectivity between doctors, path labs, service providers, and producers with customers,
4. A system which works on assumptions and past experiences rather than on data and futuristic intelligence,
5. Lack of systematic tracking of the production, delivery and services creating a life risk model of fake drugs and services,
6. An environment which is relatively less focused on preventive care and wellness and defines healthcare as post disease care and pill management.

Forget nutrition, preventive care, and even accessibility! You will also be surprised to know that in spite of spending adequate money and having enough resources, up to 25% of the drugs sold in India are fake.

Therefore, the bottom-line of this persistent crisis and thereby health and life-threat is the "absence of organised connectivity".

Now, can we not organise?

Today's digital technology has opened doors of enormous opportunities to organise and establish connectivity across the country and we, at SastaSundar.com have taken this as our mission to use knowledge and digital connectivity to reduce cost and add convenience in making available high-quality medicines, healthcare products and services to make life simple and happy.

SastaSundar.com's business model is focussed on customer's health which relaxes on the four strong pillars of genuinity, accessibility, affordability, and convenience. We primarily work on the following four-fold ways to gift health and happiness to our customers:

One, we establish an emotional bond and understanding with our customers through our Healthbuddies. Two, we use data and artificial intelligence to make our app and website entirely customer specific. Three, we provide counselling to our customers by pharmacies and Health Information services in our app and website, by the "Know Health" tab. Four, we work towards our social accountability through the segment, "donate your unused medicine."

While working hard on our present mission, we also keep the following points in mind:

1. We have exited from the domain of financial services as our core business because, in the next ten years, we cannot certainly be the market leaders of financial services in India.

Finding ourselves in the same Red Ocean as others, we cannot be happy having the present cash flow at the cost of future cash flow and growth. Focus, has been instrumental in our working methodologies and we decided to employ our entire focus currently on the healthcare domain as our core business.

2. We choose to be like a 'child' again as "being child" is our culture.

Like a child, we innovate and explore the unknown, connect emotionally with trusted people, are content and focused, live in the present, believe in fearless relationships, are accountable for our work, build to rebuild ideas, treat everyone equally, acquire knowledge, and think big and act small.

With the support of our team (GenSS), who are emotionally connected with each other, we take up risks to scale steady levels of growth.

3. Our business stands on the plinth of our core value, which is "Being Genuine".

Our entire model ensures Genuinity in all the dealings with our stakeholders, shareholders, and consumers. We firmly believe that the transparency of our conduct and reporting along with our genuine products and efficient services will reflect our genuinity.

4. Our model - an Indian innovation for Indian population.

We are working on an Online to Offline chain of digital healthcare based upon digital technology connected with physical healthbuddy centres specialised in counselling.

5. We are growing.

Our steady growth is testified by our GMV by the end of the financial year on 31.3.2017 which was ₹ 153.10 crores, considerably higher than ₹ 89.81 crores, in the financial year 15-16. Consequently, it is evident that we have grown by more than 70 percent!

Beginning the model with an experimentation, we have now established our healthbuddy networks in every district of West Bengal with a current number of 183 healthbuddies and in terms of distribution network too, we stand as leaders. Our model is being constantly enhanced with every passing day and we are now in the process of finalising the infrastructure in Delhi. We intend to commence the operations there soon.

Gaining experience on our model in a different state will help us mature the learning curve and expand the model pan India in leaps and bounds.

Our practice of thinking big and acting small will aid us in taking control of our cost and learning the implications of our decisions.

6. We are not just a pharmacy but a digital healthcare network.

The delivery of medicines and healthcare products form an important part of our portfolio but along with that we are working on an integrated digital healthcare network which includes the following:

- a. Health information service,
- b. Path labs connect,
- c. Doctors and hospitals association,
- d. Health data using artificial intelligence.

We are working to setup our own brand of pathological laboratories soon, aiming to start their services and connecting doctors as well.

7. Why we are reporting losses.

I would like to draw your attention on the following matrix in the year ending on 31.03.2017.

Gross Merchandise Value (GMV) - ₹ 153.10 Crores

Sales reported in accounts - ₹ 111.30 Crores

Cost incurred in purchases - ₹ 108.56 Crores

Contribution - ₹ 2.74 Crores

Our sales are the net of customer discount and Pay-outs of healthbuddies for promotions, services and last mile logistics. We are investing in the intangibles for future cash flow and these costs are being debited in the profit and loss account. We shall be expanding and therefore continue to invest as at least in the next three years, we shall be reporting losses.

8. Our business will positively impact the society.

The DNA of our business is positive social change and our success will not only be making money but also bringing a smile of health and happiness on millions of faces.

9. We have initiated innovation.

Our initiative of the customised health supplement "DNAVITA", make-to-order bakery and confectionery- "Chef On", will certainly revolutionise the way people produce and consume.

10. We are small but our mission is great.

In the journey of creating something unique which can make a difference in the way businesses are done, we shall be making partners and companioning with them. You must also be aware that we have allotted 13% of the stake to Rohto Pharmaceuticals Co. Ltd., Japan, as we share a similarity with them in our mission of good health.

11. Let us be together on SastaSundar Pray Day, let us all stand for 2 minutes at 3 pm on 7th of every month and pray for the world's health and happiness – a SastaSundar.com initiative.

B L Mittal

Chairman & Managing Director

LETTER FROM THE CEO

Dear Shareholders,

Thank you very much for your continued support and trust. I am pleased to write to you to update on performance of the company. The performance of your company during the financial year 2017 was encouraging with growth of more than 70% in GMV of Sastasundar.com, wider distribution reach covering entire geography of State with increasing number of brand association and integration of service module.

GST Implementation, National Health Policy 2017, proposed E-Portal to regulate sale of medicines, Govt focus to make healthcare accessible for all citizens, these are few steps which are highly positive for your company, and we see exciting time ahead. The healthcare sector will undergo major transformation in India and there exists tremendous opportunity for companies in healthcare domain including yours to grow, innovate and seize the opportunity. Your company is geared up to take utmost advantage of this opportunity with Technology playing the center role.

As a part of strategy, your company has successfully implemented the first block of Digital Network of Healthcare – having most efficient supply chain management business model in pharma and wellness products. Leveraging technology and physical network Healthbuddy Stores, we are integrating healthcare services – Doctor Appointment, Online consultation, Diagnostic Services, Healthcare at Home, Data Analytics as next block to make Sastasundar a one stop solution for all healthcare needs, which will be accomplished in financial year 2017-18 and will complete “Sastasundar Eco-System”.

You will be happy to note that with more than 6000 daily average orders and GMV of ₹ 153 crores in financial year ended 2017, Sastasundar.com is India’s largest platform in digital healthcare space. This is despite the fact that the operations of Sastasundar.com are only limited to one state. As part of PAN India growth strategy, we will be starting operations in Delhi in next few months followed by other states.

We believe the measures taken by the Govt in recent time will result in huge consolidation in healthcare sector and will fuel the shift from unorganized to organized sector. With having significant experience in supply chain management of pharma and wellness products, your company has decided to start B2B initiative in format of Cash & Carry wholesale business under the brand “Retailer Shakti” leveraging the same supply chain management without any significant cost. Retailer Shakti will be focused on supplying pharma and wellness products to Retailers, empowering them with convenience to buy all brands at a single place, higher margins and option to increase their basket of offerings to their customers with more than 20,000 products.

We are working to be ready for future.

We are moving towards a new Artificial Intelligence driven digital world and this Digital Transformation will have major impact on businesses, processes, customer experience and all stakeholders in next 10 years. With technology convergence, the businesses will have to invest on technology so as to realign the technology with their business needs to make them more relevant.

We have integrated and continuously working to develop, integrate and connect applications leveraging Artificial Intelligence (AI) and Big data to collect, integrate and interpret data for all users – Customers, Doctors, Pharma Manufacturers, Brands, Regulators, Government.

With Symptom checkers and Health Articles section using AI, we are engaging our users to make radical changes in their health habits and assisting them to move towards preventive care.

AI powered personalised interface for users with more relevant products, services and health articles optimizes the engagement level of users.

What next, We are working to integrate health data of customers generated from wearable technology, OCR, Voice and medical reports in order to make the app a one-stop, comprehensive companion of healthcare for User.

I would like to thank you to Our Customers who have posed faith on us, Our Shareholders for continued support and faith, Our Board for continued guidance, Our Team members (GenSS) for their hardwork, dedication and sharing vision and mission of the Company.

I would like to highlight following paragraph from my last year letter to you which drives us.

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

Yours Sincerely

Ravi Kant Sharma

Chief Executive Officer

SastaSundar.com



Directors' Report

Dear Members,

Your Directors are pleased to present the Twenty-Eighth Annual Report together with Audited Annual Financial Statements (including Audited Consolidated Financial Statements) of the Company for the Financial Year ended 31st March, 2017.

FINANCIAL HIGHLIGHTS

(₹ in lacs)

	Standalone		Consolidated	
	FY 2016-17	FY 2015-16	FY 2016-17	FY 2015-16
Total Revenue	97.69	221.47	13702.51	8899.16
Profit/(Loss) before Interest, Depreciation & Tax	-82.29	18.78	-1822.57	-2855.36
Less: Depreciation	27.49	33.89	691.83	727.92
Less: Interest	-	-	280.99	100.17
Profit/(Loss) before Tax and Exceptional Item	-109.78	-15.11	-2795.39	-3683.45
Exceptional Item	-134.00	-237.00	-	-
Profit/(Loss) before Tax	-243.78	-252.11	-2795.39	-3683.45
Less: Tax Expenses				
- Current Tax	-	-	0.43	4.41
- Adjustment of tax relating to earlier periods	0.04	- 44.82	1.66	-39.60
- Deferred Tax	-	-	59.78	7.13
Profit/(Loss) for the year before Minority Interest	-243.82	-207.29	-2857.26	-3655.39
Less: Minority Interest	-	-	5.25	5.43
Profit/(Loss) for the year	-243.82	-207.29	-2862.51	-3660.82

DIVIDEND

In view of loss incurred by the Company, the Board of Directors do not recommend any dividend for the financial year 2016-17.

TRANSFER TO RESERVE

The Company does not propose to transfer any amount to reserve.

Directors' Report

OPERATIONAL UPDATE

As you are aware, the Company has entered in a Share Purchase Agreement (SPA) on 19th April, 2016 for sale of 100% shareholding in Microsec Capital Limited. Implementation of the said SPA is conditional upon sanction of proposed scheme of Arrangement between Microsec Capital Limited, wholly owned subsidiary company and Microsec Commerce Limited, a wholly owned subsidiary of Microsec Capital Limited and PRP Technologies Limited. The Hon'ble High Court, Calcutta has approved the said scheme of arrangement vide its order dated 21.11.2016 and the certified copy of the order was received on 4th January, 2017. Post which, the application have been made to stock exchanges, depository participants and other regulatory authorities for their approval for sale.

The Board of Directors at their meeting held on 5th January, 2017 has approved the proposed scheme of amalgamation of PRP Technologies Limited, Myjoy Tasty Food Private Limited, its wholly owned subsidiaries and Myjoy Hospitality Private Limited, the wholly owned subsidiary of Myjoy Tasty Food Private Limited with the Company under section 233 of the Companies Act, 2013 and the notice of the same for inviting objections and suggestions was filed with the Registrar of Companies, West Bengal and Official Liquidator on 20th March, 2017. The Registrar of Companies, West Bengal vide its letter dated 20th April, 2017 has issued the in principal approval of the proposed merger with some observation/ comments for inclusion in the proposed scheme of Amalgamation.

CHANGE IN NAME OF THE COMPANY

During the year under review the name of the Company has been changed to SASTASUNDAR VENTURES LIMITED to represent correctly the business of the Company.

OPERATIONS

On a standalone basis, the revenue of your Company is ₹ 97.69 Lacs as against ₹ 221.47 Lacs during the previous year. EBIDTA for the current year is ₹ (82.29) Lacs as compared to EBIDTA of ₹ 18.78 Lacs during the previous financial year. The net loss for the year under review is ₹ 243.82 Lacs as against loss of ₹ 207.29 Lacs in the previous year.

On a consolidated basis, the revenue of your Company stood at ₹ 13702.51 Lacs as against ₹ 8899.16 Lacs during the previous year. The EBIDTA for the current year is ₹ (1822.57) Lacs as compared to EBIDTA of ₹ (2855.36) Lacs during the previous financial year. The net loss for the year under review is ₹ 2862.51 Lacs as against loss of ₹ 3660.82 Lacs in the previous year.

We are investing in the intangibles for future cash flow and these costs are being debited in the profit and loss account.

DEPOSITS

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

SHARE CAPITAL

The paid up Equity share capital of the Company as at 31st March, 2017 stood at ₹ 31.81 crores. During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock option or sweat equity shares. As on 31st March, 2017, none of the Directors of the Company holds instrument convertible into equity shares of the Company. Your Company has not made any provision of money for purchase of its own shares by employees or by trustees for the benefit of employees during the year under review.

CHANGE IN NATURE OF BUSINESS, IF ANY

There has been no change in the nature of business of the Company during the financial year ended 31st March, 2017.

LOANS, GUARANTEES AND INVESTMENTS

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



Directors' Report

MATERIAL CHANGES AND COMMITMENTS

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

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

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

The Audit Committee have laid down internal financial controls to be followed by the Company and such policies and procedures have been adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

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

SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

As on March 31, 2017 the Company has thirteen subsidiaries (both direct and step down).

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

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

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

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

BOARD OF DIRECTORS:

a) Directors and Key Managerial Personnel

As per the provision of the Companies Act, 2013 Mr. Ravi Kant Sharma (DIN: 00364066) retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Your Directors recommended the re-appointment of Mr. Ravi Kant Sharma as Director.

The Nomination and Remuneration Committee at its meeting held on 26th May, 2016 and the Board at its meeting held on 26th May, 2016 has approved the appointment of Mr. Banwari Lal Mittal as an Executive