

INDEPENDENT AUDITOR'S REPORT

To The Trustees of RP-SG Ventures Fund I Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of RP-SG Ventures Fund I ("the Fund"), which comprise the Balance Sheet as at 31 March 2020, the Statement of Income and Expenditure, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in conformity with the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and other accounting principles generally accepted in India, of the state of affairs of the Fund as at 31 March 2020, and its excess of expenditure over income and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing issued by ICAI (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the Code of Ethics issued by the ICAI together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Management's Responsibility for the Financial Statements

The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Fund in accordance with the Accounting Standards issued by ICAI and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Fund 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Management is also responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

Deloitte Haskins & Sells LLP

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

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

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Abhijit Bandyopadhyay
(Partner)
(Membership No. 054785)
UDIN: 20054785AAAABD9907

Place: Kolkata
Date: 12 June 2020

RP-SG VENTURES FUND-I

Balance Sheet as at March 31, 2020

Particulars	Note No.	As at	As at
		March 31, 2020	March 31, 2019
		Rupees	Rupees
EQUITY AND LIABILITIES			
Contributors' Funds			
(a) Unit Capital	3	49,28,00,000	22,15,01,698
(b) Reserves & Surplus	4	(8,53,68,945)	(3,71,68,870)
		40,74,31,055	18,43,32,828
Current liabilities			
(a) Trade payables	5	6,22,454	13,12,000
(a) Other current liabilities	6	-	33,50,000
		6,22,454	46,62,000
TOTAL		40,80,53,509	18,89,94,828
ASSETS			
Non-current assets			
(a) Non-current investments	7	38,42,81,442	11,99,80,000
(b) Long-term loans and advances	8	-	3,970
		38,42,81,442	11,99,83,970
Current assets			
(a) Current investments	9	-	1,82,67,601
(b) Cash and cash equivalents	10	1,00,05,400	2,66,51,590
(c) Other current assets	11	1,37,66,667	2,40,91,667
		2,37,72,067	6,90,10,858
TOTAL		40,80,53,509	18,89,94,828
See accompanying notes forming part of the financial statements			

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

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Date: 2020.06.12
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Abhijit Bandyopadhyay
Partner
Membership No - 054785

Place: Kolkata
Date: 11.06.2020

For RP-SG VENTURES FUND-I



Trustee

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Place: Kolkata
Date: 11.06.2020



RP-SG VENTURES FUND-I

Statement of Income and Expenditure for the year ended March 31, 2020

Particulars	Note No.	For the year ended March 31, 2020	For the period from October 11, 2018 to March 31, 2019
		Rupees	Rupees
Income:			
(a) Other income	12	10,63,318	3,07,300
Total Income		10,63,318	3,07,300
Expenditure:			
(a) Fund Set Up Expenses		-	1,68,92,700
(b) Investment Management Fees		4,13,00,000	1,72,08,333
(c) Trusteeship Fees		2,94,192	3,47,147
(d) Other expenses	13	76,69,200	30,27,990
Total Expenditure		4,92,63,392	3,74,76,170
Excess of Income over Expenditure / (Expenditure over Income)		(4,82,00,074)	(3,71,68,870)
See accompanying notes forming part of the financial statements			

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

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Abhijit Bandyopadhyay
Partner
Membership No - 054785

Place: Kolkata
Date: 11.06.2020

For RP-SG VENTURES FUND-I



Trustee

Signature



Place: Kolkata
Date: 11.06.2020



RP-SG VENTURES FUND-I

Cash Flow Statement for the year ended March 31, 2020

Particulars	For the year ended		For the period from
	March 31, 2020		October 11, 2018 to
	Rupees	Rupees	March 31, 2019
A. CASH FLOW FROM OPERATING ACTIVITIES			
Excess of Income over Expenditure / (Expenditure over Income)		(4,82,00,074)	(3,71,68,870)
Adjustments for:			
Interest on Fixed Deposit			(39,699)
Profit on sale of current investments	(10,63,278)		
		(10,63,278)	(39,699)
Operating loss before working capital changes		(4,92,63,352)	(3,72,08,569)
Adjustments for:			
(Increase)/ Decrease in other current assets	1,03,25,000		(2,43,59,268)
Trade payables and other current liabilities	(40,39,546)		46,62,000
		62,85,453	(1,96,97,268)
Cash used in operations		(4,29,77,899)	(5,69,05,837)
Income-tax paid (net)		3,970	(3,970)
NET CASH USED IN OPERATING ACTIVITIES		(4,29,73,929)	(5,69,09,807)
B. CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of current investments		47,87,30,879	-
Purchase of current investments		(45,94,00,000)	(1,80,00,000)
Purchase of non-current investments		(26,43,01,442)	(11,99,80,000)
Interest income		-	39,699
NET CASH FROM/(USED IN) INVESTING ACTIVITIES		(24,49,70,563)	(13,79,40,301)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Contribution towards trust fund		27,12,98,302	22,15,01,698
NET CASH (USED IN)/FROM FINANCING ACTIVITIES		27,12,98,302	22,15,01,698
Net increase/(decrease) in cash and cash equivalents		(1,66,46,190)	2,66,51,590
Cash and cash equivalents at the beginning of the year		2,66,51,590	-
Cash and cash equivalents at the end of the year		1,00,05,400	2,66,51,590

Particulars	As at	As at
	March 31, 2020	October 11, 2018 to
	Rupees	Rupees
Reconciliation of Cash and cash equivalents at the end of the year:		
(i) Cash and bank balances in current accounts	1,00,05,400	2,66,51,590
Cash and cash equivalents at the end of the year as per Cash Flow Statement	1,00,05,400	2,66,51,590

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

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Abhijit Bandyopadhyay
Partner
Membership No - 054785

Place: Kolkata
Date: 11.06.2020

RP-SG Ventures Fund-I



Achothe
Trustee



Place: Kolkata
Date: 11.06.2020



RP-SG VENTURES FUND-I

Notes forming part of the financial statements

Note 1 : About the Fund

RP-SG Ventures Fund-I ("the Fund") is a Scheme of RP-SG Ventures Investment Trust, registered as a venture capital fund as one of the sub-categories of Category I Alternative Investment Fund, under the SEBI (Alternative Investment Funds) Regulations, 2012. The fund is incorporated on October 11, 2018 and is domiciled in India with registered office at 30 Forjett Street, Spencer Building, 2nd Floor, Mumbai - 400036.

Objective of the Fund is to invest primarily in portfolio entities targeting the Indian consumer opportunity directly (e.g. sectors such as personal care, food and beverages, retail, lifestyle and fashion, ecommerce) or indirectly (e.g. sectors such as retail analytics, consumer technology, B2B suppliers).

The Investment manager of the fund is RP-SG Ventures Advisory LLP and term of the fund is eight years which can be extended by two years with the consent of two-third majority of contributors.

Note 2 : Significant accounting policies

a. Basis of accounting and preparation of financial statements

The financial statements have been prepared to comply with Generally Accepted Accounting Principles in India (Indian GAAP), which include the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI).

b. Use of estimates

The preparation of financial statements, in conformity with Indian GAAP, requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reported period. Differences between the actual results and estimates are recognized in the period in which the results are known / materialize.

c. Investments

Investments classified as long-term (non-current) investments are stated at cost. Provision is made to recognise a diminution, other than temporary, in the value of such investments. Current investments are carried at lower of cost and fair value.

d. Revenue recognition

Revenue is recognised when no significant uncertainty as to its determination or realization exists.

Interest income is accounted for on a time proportion basis.

Dividend income is recognised when right to receive dividend is established.

e. Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Fund are segregated based on the available information.

f. Income taxes

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised.

g. Provision, Contingent Liabilities and Contingent Assets

A provision is recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes to the financial statements. Disclosure is not made if the possibility of an outflow of future economic benefits is remote. Contingent assets are neither recognised nor disclosed in the financial statements.



RP-SG VENTURES FUND-I

Notes forming part of the financial statements

Note 3 : Unit Capital

Particulars	As at March 31, 2020		As at March 31, 2019	
	Units	Rupees	Units	Rupees
Contribution towards Unit Capital:				
Class A units of Rs. 1,00,000/- each				
As per last Balance Sheet	2,104.27	21,04,26,613	-	-
Add : Received during the year	2,577.33	25,77,33,387	2,104.27	21,04,26,613
	4,681.60	46,81,60,000	2,104.27	21,04,26,613
Class B units of Rs. 1,00,000/- each				
As per last Balance Sheet	110.751	1,10,75,085	-	-
Add : Received during the year	135.649	1,35,64,915	110.75	1,10,75,085
	246.400	2,46,40,000	110.75	1,10,75,085
Total		49,28,00,000		22,15,01,698

Note 4 : Reserves & Surplus

Particulars	As at March 31, 2020	As at March 31, 2019
	Rupees	Rupees
Balance in the Statement of Income and Expenditure		
As per last balance sheet	(3,71,68,870)	-
Excess of Income over Expenditure / (Expenditure over Income)	(4,82,00,074)	(3,71,68,870)
Total	(8,53,68,945)	(3,71,68,870)

Note 5 : Trade Payables

Particulars	As at March 31, 2020	As at March 31, 2019
	Rupees	Rupees
Trade payable for services	6,22,454	13,12,000
Total	6,22,454	13,12,000

Note 6 : Other current liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
	Rupees	Rupees
Statutory liabilities	-	33,50,000
Total	-	33,50,000



RP-SG VENTURES FUND-I

Notes forming part of the financial statements

Note 7: Non-current investments (at cost)

Particulars	As at March 31, 2020	As at March 31, 2019
	Rupees	Rupees
<u>I. Unquoted investments</u>		
Equity shares of The Souled Stores Private Limited - 143 shares (Previous Year 143 shares)	2,00,20,000	2,00,20,000
Compulsorily Convertible Preference shares of The Souled Stores Private Limited - 714 shares (Previous Year 714 shares)	9,99,60,000	9,99,60,000
Compulsorily Convertible Preference shares of Pep Technologies Private Limited (6,171 shares)	7,15,05,126	-
Compulsorily Convertible Preference shares of Reybhav Technologies Private Limited (956 shares)	2,28,00,600	-
Compulsorily Convertible Preference shares of Incnut Digital Private limited (16,461 shares)	16,99,95,716	-
	38,42,81,442	11,99,80,000
Total	38,42,81,442	11,99,80,000



RP-SG VENTURES FUND-I

Notes forming part of the financial statements

Note 8: Long-term loans and advances (Unsecured, considered good)

Particulars	As at March 31, 2020	As at March 31, 2019
	Rupees	Rupees
Advance payment of income-tax (tax deducted at source)	-	3,970
Total	-	3,970

Note 9: Current investments

Particulars	As at March 31, 2020	As at March 31, 2019
	Rupees	Rupees
<u>Investment in Mutual Funds:</u>		
Reliance Liquid Fund Direct Plan- Growth Plan (Previous Year 4,004.39 units Rs.4,561.88/- each)	-	1,82,67,601
Total	-	1,82,67,601

Note 10: Cash and cash equivalents

Particulars	As at March 31, 2020	As at March 31, 2019
	Rupees	Rupees
Balances with banks - in current account	1,00,05,400	2,66,51,590
Total	1,00,05,400	2,66,51,590

Note 11: Other current assets

Particulars	As at March 31, 2020	As at March 31, 2019
	Rupees	Rupees
Prepaid expenses	1,37,66,667	2,40,91,667
Total	1,37,66,667	2,40,91,667

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RP-SG VENTURES FUND-I

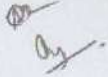
Notes forming part of the financial statements

Note 12: Other income

Particulars	For the year ended March 31, 2020	For the period from October 11, 2018 to March 31, 2019
	Rupees	Rupees
Profit on sale of current investments	10,63,278	-
Interest on Fixed Deposit	-	39,699
Other Income	-	2,67,601
Interest on Income Tax Refund	40	-
Total	10,63,318	3,07,300

Note 13: Other expenses

Particulars	For the year ended March 31, 2020	For the period from October 11, 2018 to March 31, 2019
	Rupees	Rupees
Audit Fees	2,72,000	2,00,000
Legal and professional fees	73,97,200	28,27,990
	76,69,200	30,27,990
Total	76,69,200	30,27,990



RP-SG VENTURES FUND-I

Notes forming part of the financial statements

Note 14: Related party transactions**(a) List of related parties and relationships**

Name of the Related Parties	Description of Relationship
Milestone Trusteeship Services Private Limited	Company having significant influence over the Fund (Trustee Company)
RP-SG Ventura Advisory LLP	Limited Liability Partnership (LLP) having significant influence over the Fund (Fund Investment Manager)
Quest Properties Limited	Company having significant influence over the Fund (Unitholder)
RP-SG Unique Advisory LLP	Fellow Subsidiary
CESC Venture Ltd	Ultimate Parent/ Contributor

(b) Related party transactions during the period ended March 31, 2020 and balances outstanding as at March 31, 2020

Particulars	For the period ended March 31, 2020	For the period from Oct 11, 2018 to March 31, 2019
	Rupees	Rupees
Entities having significant influence over the Fund		
(i) Milestone Trusteeship Services Private Limited Trusteeship fees	2,94,192	3,47,147
(ii) RP-SG Ventura Advisory LLP: Investment management fees	4,13,00,000	1,72,08,333
Professional Fees	57,95,396	28,27,990
Reimbursement of fund set up expense	-	1,68,92,700
(iii) Quest Properties Limited Subscription to units of fund	24,41,68,472	19,93,51,528
(iv) RP-SG Unique Advisory LLP Subscription to units of fund	1,35,64,915	1,10,75,085
(v) CESC Venture Ltd Subscription to units of fund	1,35,64,915	1,10,75,085



RP-SG VENTURES FUND-I

Notes forming part of the financial statements

Note 15: Taxation

No provision for income-tax under the provisions of Income-tax Act, 1961 (the Act), is made since:

(a) The Fund is registered with the Securities and Exchange Board of India ('SEBI') as a Venture Capital Fund ('VCF') under the SEBI (VCF) Regulations, 1996 and as per section 10(23FB) of the Act, read with section 115U of the Act, any income of the Fund from investments in Venture Capital Undertakings (VCUs) is not taxable in the hands of the Fund, but is taxable in the hands of the contributors as if such income had accrued to them directly.

(b) The income of the Fund, other than from investments in VCUs is liable to tax in accordance with the provisions of the Act governing taxation of trusts and the Fund on a regular basis informs the contributors of their share of such income from the Fund for payment of tax.

Note 16: Disclosure required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

There are no dues to Micro and Small Enterprises as at March 31, 2020. Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management.

Note 17: Segment Information

The principal object of the Fund is of making investments for the benefit of the contributors to the Fund. All other activities of the Fund revolve around / are connected with its main object. Considering this, the Fund has only one reportable segment.

Note 18: Investment management fees

The investment management fees paid by the Fund to the Investment Manager are calculated in accordance with the terms and conditions of the Investment Management Agreement entered into with Investment Manager.

Note 19: Expenses relating to investee companies

The Fund is of the view that such expenses are required to be incurred by it in connection with monitoring and/or holding the Fund's portfolio investments, and are therefore permitted under the Contribution Agreements.

Note 20: Fund set-up cost

Fund Set up cost is the one time fees charged from the Unitholders which is capped at the rate of 0.5% of Capital Commitments for Class A and Class B Units.

Note 21: Distribution of income

The Fund is entitled to withhold from any Investment Proceeds amounts necessary to create, in the Investment Manager's discretion, appropriate reserves for expenses and liabilities of the Fund, as well as for any required tax withholdings. Investment Proceeds as reduced by expenses and reserves as provided herein ("Distribution Proceeds"), is distributed by the Investment Manager time to time and no redemption at the discretion of any Contributor is permitted during the Term of the Fund. The Distribution Proceeds is made to the different class of unit holders as agreed in the private placement memorandum.

Note 22: Previous year's figures

The figures of the previous period have been regrouped, wherever necessary, to correspond with those of the current year. Since the Fund was incorporated on October 11, 2018, the figures in the Statement of Income and Expenditure, Cash Flow Statement and certain notes forming part of financial statements, relating to the previous period are for the period from October 11, 2018 to March 31, 2019 and hence are not comparable to those of the current year.

Signature to Accounting Policies and Notes from 1 to 22

For RP-SG VENTURES FUND-I

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Abhijit Bandyopadhyay
Partner
Membership Number - 054785

Place: Kolkata
Date: 11.06.2020



Trustee

Place: Kolkata
Date: 11.06.2020

