



RP-Sanjiv Goenka  
Group

Growing Legacies

**CESC**  
VENTURES



# ANNUAL REPORT 2019-20



## Board of Directors

Sanjiv Goenka, Chairman  
 Shashwat Goenka  
 Arjun Kumar  
 Kalaikuruchi Jairaj  
 Grace Elizabeth Koshie  
 Rajeev Ramesh Chand Khandelwal, *Whole-time Director*

## Chief Financial Officer

Arvind Vats

## Company Secretary

Sudip Kumar Ghosh

## Auditors

Batliboi, Purohit & Darbari

## Solicitors

Khaitan & Co.

## Registered Office

CESC House,  
 Chowringhee Square,  
 Kolkata 700 001, India  
 Tel : 033-2225 6040  
 CIN : L74999WB2017PLC219318  
 E-mail : cescventures@rpsg.in  
 Website : www.cescventures.com

## Corporate Office

RPSG House,  
 2/4, Judges Court Road,  
 Kolkata - 700 027, India

## Bankers

ICICI Bank Limited  
 RBL Bank Limited

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*Dear Shareholder,*

Who would have known at the same time last year that the world and India would be engulfed by a virulent pandemic originating from China? A pandemic that has already globally infected over 11 million people and claimed more than 525,000 lives? Covid-19 has changed all of us. How we live. How we work. What precautions we take. And how we think of the future.

With over 650,000 tested positive for Covid-19 in India at the time of my writing this letter, and the cumulative number of infections rising at an exponential rate of 4% per day, it is very difficult to tell when this will begin to flatten out. Till then we will all need to live safely and work in an office environment that is very different from anything that we have seen before.

Coming now to your Company, I am happy to inform you that it has performed well in 2019-20. The standalone results —which reflect CESC Ventures IT activities related mostly to the power generation and distribution businesses — are as follows:

- Revenue from operations was stable at ₹ 63.9 crore. Thanks largely to a significant dividend income from its subsidiary, Firstsource Solutions Limited, total income increased by 88% to ₹ 234.1 crore.
- Profit before taxes (PBT) grew by 137% to ₹ 175.8 crore.
- Profit after taxes (PAT) increased by 165% to ₹ 174.3 crore.
- Diluted earnings per share (EPS) went up from ₹ 24.8 in 2018-19 to ₹ 65.7 in 2019-20.

As you know, your Company has several subsidiaries spanning IT-Business Process Management (BPM), through Firstsource; fast moving consumer goods, through Guiltfree Industries Limited; real estate, through Quest Properties India Limited; restaurants, through Bowlopedia Restaurants India Limited; and Ayurveda, through Herbolab India Private Limited.

Firstsource is a globally recognised BPM entity with a client base consisting of large enterprises in the US, the UK, India and Philippines, including several Fortune 500 and FTSE 100 companies. In 2019-20, Firstsource earned a total income of ₹ 4,107.5 crore and a PAT of ₹ 339.7 crore.

Guiltfree has been one of the fastest growing FMCG companies in India, and its brand "TOO YUMM!" has garnered a gross brand awareness of 75%, and a market share of 2.3% of total western snacks in India. For 2019-20, Guiltfree's total income was ₹ 289.8 crore.

Quest Properties India Limited (QPIL), launched the Quest, Kolkata's first upscale shopping mall in November 2013. Despite slowdown in economic activity in 2019-20 and the closure of the mall in the last 12 days in March 2020 due to Covid-19, both footfalls and combined gross sale of all retailers in the mall remained at the last year's level — at over 16 million and ₹ 700 crore respectively. Moreover, QPIL is implementing a residential project in Haldia spread across 3.5 acres of land. In 2019-20, it completed Phase I of the project comprising about 0.2 million square feet of saleable area; most of the apartments that were constructed have been handed over. During 2019-20, QPIL's total income was ₹ 107.1 crore and PAT was ₹ 17.5 crore.

From your Company's perspective, these are still relatively early days for both the restaurants and the Ayurveda businesses. I am sure that both will do well over the passage of time.

The consolidated financial results for your Company in 2019-20 were:

- Revenue from operations was ₹ 4,578.4 crore and total income was ₹ 4,613.2 crore.
- PBT was ₹ 185 crore.
- PAT was ₹ 147.1 crore.

I expect the first two quarters of 2020-21 to be difficult on account of lockdowns in India and elsewhere as well as the very slow run rate across all businesses in the world, barring healthcare and pharmaceuticals. Thereafter, we should see a gradual build-up and reach normalcy towards the end of 2020-21. This is not in anybody's control. We will have to deal with it the best we can.

Thank you for your support. My prayers for good health for your families and you. Stay safe. Stay healthy. And, together, we shall overcome.

With my best regards,

Yours sincerely,



Dr. Sanjiv Goenka  
Chairman

26 June, 2020

## CESC Ventures Limited

(Formerly known as RP-SG Business Process Services Limited)

Registered Office : CESC House, Chowringhee Square, Kolkata-700001, India  
Tel : 033 – 2225 6040, E-mail : cescentures@rpsg.in, Website : www.cescentures.com  
Corporate Identity Number: L74999WB2017PLC219318

### NOTICE TO MEMBERS

Notice is hereby given that the Third Annual General Meeting of the Members of CESC Ventures Limited will be held on Monday, 3 August 2020 at 3.00 P.M., Indian Standard Time (IST), through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following business:

#### ORDINARY BUSINESS

1. To receive, consider and adopt:
  - a. audited financial statements for the year ended 31 March, 2020 and Reports of the Board of Directors and the Auditors thereon.
  - b. audited consolidated financial statements for the year ended 31 March, 2020 and Reports of the Auditors thereon
2. To appoint a Director in place of Dr. Sanjiv Goenka (Director Identification Number: 00074796) who retires by rotation and, being eligible, offers himself for re-appointment.

#### SPECIAL BUSINESS

To consider and if, thought fit, to pass, with or without modifications, the following Resolutions:

##### 3. AS AN ORDINARY RESOLUTION

“RESOLVED THAT Mr. Rajeev Ramesh Chand Khandelwal (Director Identification Number 08763979), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 26 June, 2020 and who holds office upto the date of the forthcoming Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of a Director, be and is hereby appointed a Director of the Company.”

##### 4. AS A SPECIAL RESOLUTION

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 198, 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and rules made thereunder read with the Articles of Association of the Company and subject to such other approvals as may be necessary, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, consent of the Members of the Company be and is hereby accorded for the appointment, including payment of remuneration, of Mr. Rajeev Ramesh Chand Khandelwal (Director Identification Number 08763979) as a Whole-time Director of the Company for a period of three years with effect from 26 June, 2020 on the terms and conditions contained in a letter to be issued to Mr. Rajeev Ramesh Chand Khandelwal, the main terms of

which are included in the explanatory statement annexed hereto.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in respect of the aforesaid appointment without being required to seek any further consent or approval of the Members of the Company, or otherwise to the end and intent that they shall be deemed to have given their approval thereto.”

##### 5. AS A SPECIAL RESOLUTION

“RESOLVED THAT in supersession of the earlier resolution passed by the members of the Company at the Second Annual General Meeting held on 19 July, 2019 pursuant to Section 180(1)(a) and other applicable provisions of the Companies Act, 2013 read with relevant Rules made thereunder, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board”) to create a charge on the movable and immovable properties of the Company, both present and future, and in such form and manner as the Board may deem fit, for securing any financial assistance in the form of term loan/debenture/bonds/working capital facilities including overdraft etc. to be availed of by the Company, in one or more installments, for meeting its requirements from any bank, financial institution, Non Banking Financial Company (NBFC), body corporate or any other person etc. (hereinafter referred to as “Lenders”), within an overall limit of ₹ 300 crore (Rupees Three Hundred Crores only), with such ranking of charge as may be settled with the Lenders.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be required for giving effect to creation of the aforesaid charge, including but not limited to finalizing and executing necessary deeds and documents and filing necessary e-forms with the Registrar of Companies.”

By Order of the Board

Sudip Kumar Ghosh  
Company Secretary

Kolkata, 26 June, 2020

ICSI Membership No. ACS 18707

**NOTES:**

1. The Statement pursuant to Section 102(1) of the Companies Act, 2013 ('the Act') in respect of the special business under items 3 to 5 of the Notice convening the Third Annual General Meeting of the Members of the Company (AGM) is annexed hereto.
2. (A) Pursuant to the General Circular numbers 14/2020, 17/2020, 20/2020 dated 8 April, 2020, 13 April, 2020 and 5 May, 2020 respectively issued by Ministry of Corporate Affairs (MCA), Government of India, and Circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12 May, 2020 issued by Securities and Exchange Board of India (SEBI) (hereinafter collectively referred to as "the Circulars"), companies are allowed to hold AGM during the calendar year 2020 through Video Conferencing (VC) / Other Audio Visual Means (OAVM).
 

**(B) AGM through VC/OAVM**

  - i) **Members are requested to join the AGM on Monday, 3 August, 2020 through VC/OAVM mode latest by 2.45 P.M. IST by clicking on the link <https://www.evoting.nsdl.com/> under members login, where the EVEN of the Company will be displayed, by using the remote evoting credentials and following the procedures mentioned later in these Notes. The said process of joining the AGM will commence from 2.00 P.M. IST and may be closed at 3.30 P.M. IST, or, soon thereafter.**
  - ii) **The facility of attending the AGM will be made available to 1000 members on a first-come-first-served basis.**
  - iii) **Members who would like to express any views, or, during the AGM ask questions may do so in advance by sending in writing their views or questions, as may be, along with their name, DP ID and Client ID number/folio number, email id and mobile number, to reach the Company's email address at [cescventuresagm2020@rpsg.in](mailto:cescventuresagm2020@rpsg.in) latest by Saturday, 1 August, 2020 by 5.00 P.M. (IST).**
  - iv) **When a pre-registered speaker is invited to raise at the AGM his/her questions, already emailed in advance as requested in para (iii) above, but he / she does not respond, the turn will go to the next pre-registered speaker to raise his/her questions. Accordingly, all speakers are requested to get connected to a device with a video/ camera along with stable internet speed.**
  - v) **The Company reserves the right to restrict the number of questions/speakers, as appropriate, for smooth conduct of the AGM.**
3. SEBI has decided that securities of listed companies can be transferred only in dematerialized form and, therefore,

- members are advised to dematerialize as early as possible the shares of the Company held by them in physical form.
4. The Register of Members of the Company will remain closed from 27 July, 2020 to 3 August, 2020, both days inclusive.
  5. All documents referred to in the Notice are put up on the Company's website and can be accessed at <https://www.cescventures.com>
  6. **Instructions for attending the AGM**
    - (i) In view of the outbreak of the COVID-19 pandemic, social distancing norm has to be followed and pursuant to the Circulars, physical attendance of the members at the AGM is not required and AGM has to be held through VC/OAVM. Hence, members can attend and participate in the ensuing AGM only through VC/OAVM as mentioned in Note 2(B) above, as arranged by the Company with National Securities Depository Limited (NSDL).
      - (ii) Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the Notice to avoid last minute rush. Further, members can also use the OTP based login for logging into the e-Voting system of NSDL.
      - (iii) Since the AGM will be held through VC/ OAVM, where physical attendance of members has been dispensed with, there is no requirement of proxies and hence, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, Bodies Corporate are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting. Corporate Members intending to authorize their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution / authorization letter to the Scrutinizer by e-mail to [shawmanoj2003@gmail.com](mailto:shawmanoj2003@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
      - (iv) The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first-come-first-served basis. This will not include Large Members (i.e. members holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first-come-first-served basis.
      - (v) In compliance with the Circulars, Notice of the AGM along with the Annual Report for the year 2019-20 is being sent only through electronic mode to those members whose email addresses are registered with the Company or Central Depository Services (India) Limited / NSDL

("Depositories"). Members may note that the Notice and Annual Report for the year 2019-20 will also be available on the Company's website [www.cescventures.com](http://www.cescventures.com), websites of the Stock Exchanges where the shares of the Company are listed i.e. BSE Limited, National Stock Exchange of India Limited and the Calcutta Stock Exchange Limited at [www.bseindia.com](http://www.bseindia.com), [www.nseindia.com](http://www.nseindia.com) and [www.cse-india.com](http://www.cse-india.com) respectively, and on the website of the Company's Registrar and Share Transfer Agent, Link Intime India Private Limited ('Linkintime') at <https://www.linkintime.co.in>. Additionally, Notice of the AGM will also be available at <https://www.evoting.nsdl.com>.

(vi) Members whose email addresses are not registered as above can register the same in the following manner:

- a. Members holding share(s) in physical mode are requested to send the following details for registration of their email id: Folio No., Name of shareholder, Mobile no., email id and self-attested scanned copy of PAN card by email to the Company at [cescventuresagm2020@rpsg.in](mailto:cescventuresagm2020@rpsg.in) or to Linkintime at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) or upload the same at [https://linkintime.co.in/emailreg/email\\_register.html](https://linkintime.co.in/emailreg/email_register.html)
- b. Members holding share(s) in electronic mode are requested to register / update their e-mail addresses with their respective Depository Participants ("DPs") for receiving all communications from the Company electronically

(vii) Participation of members through VC/OAVM will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Act.

(viii) Since the AGM will be held through VC / OAVM, the Route Map is not annexed to this Notice.

(ix) During the AGM, members may access the scanned copy of Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act, upon logging to the NSDL e-voting system at <https://www.evoting.nsdl.com>.

(x) Members who need assistance before or during the AGM with regard to use of technology, can:

- (a) Send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or use Toll free no.: 1800-22-990 or
- (b) Contact Ms. Pallavi Mhatre, Manager, NSDL at the designated email ID: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in) or at telephone no. 022 2499 4545.

(xi) Members are encouraged to join the Meeting through Laptops for better experience. When the meeting is in progress, please keep your device under 'Mute' mode, except when you have pre-registered yourself as a speaker and are invited to speak at the AGM.

(xii) Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

(xiii) Institutional Investors who are Members of the Company, are encouraged to attend and vote in the AGM of the Company through VC/OAVM facility.

## 7. Instructions for attending the Voting through electronic means:

The remote e-voting period begins on Friday, 31 July, 2020 at 9.00 A.M. IST and ends on Sunday, 2 August, 2020 at 5.00 P.M. IST. The remote e-voting module shall be disabled by NSDL for voting thereafter.

I. Pursuant to the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended) and the Company is providing the facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with NSDL for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system during the meeting on the date of the AGM will also be provided by NSDL.

II. How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

**Step 1:** Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com>

**Step 2:** Cast your vote electronically on NSDL e-Voting system.

**Details on Step 1 are mentioned below:**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID For example: if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your

'User ID' and your 'initial password'.

- (ii) If your email ID is not registered, please follow steps mentioned below in Section III

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

**Details on Step 2 are given below:**

**How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number

of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.

6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### General Guidelines for shareholders

- 1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to shawmanoj2003@gmail.com with a copy marked to evoting@nsdl.co.in.
  - 2 It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsd.com to reset the password.
  - 3 In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsd.com or call on toll free no.: 1800-222-990 or send a request to Ms. Pallavi Mhatre, Manager at evoting@nsdl.co.in / pallavid@nsdl.co.in or at telephone no. +91-022 2499 4545.
- III. Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:
1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), self-attested scanned copy of PAN card, self-attested scanned copy of Aadhar Card/Voter ID/Passport by

email to [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).

2. In case shares are held in demat mode, please provide DPID-Client ID (16-digit DPID + Client ID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, self-attested scanned copy of PAN card, self-attested scanned copy of Aadhar Card/Voter ID/Passport by email to [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).

Alternatively members may send an e-mail request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for obtaining User ID and Password by proving the details mentioned in Point (1) or (2) as the case may be.

- IV. The Instructions for Members For E-Voting on the day of the AGM are as under:
1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
  2. Only those Members, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in course of the AGM.
  3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
  4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for remote e-voting.
- V. Other Instructions:
1. The voting rights of the members shall be in proportion to their shares on the paid-up equity share capital of the Company as on the cut-off date of Monday, 27 July 2020.
  2. Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. Monday, 27 July 2020, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).
  3. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using

“Forgot User Details/Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.

4. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting or casting vote through e-Voting system during the Meeting.
5. Mr. Manoj Shaw, Practicing Company Secretary, (Membership No. FCS 5517) has been appointed as the Scrutinizer to scrutinize the Remote e-Voting process and casting vote through the e-Voting system during the Meeting in a fair and transparent manner.
6. The Scrutinizer shall after the conclusion of e-Voting at the AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-Voting system and shall make a consolidated Scrutinizer’s Report.
7. The Results of voting will be declared within 48 hours from the conclusion of AGM. The declared results along with the Scrutinizer’s Report will be available forthwith on the website of the Company [www.cescventures.com](http://www.cescventures.com) and on the website of NSDL. Such results will also be displayed on the Notice Board at the Registered Office of the Company and shall be forwarded to the National Stock Exchange of India Limited, BSE Limited and Calcutta Stock Exchange Limited.

**PARTICULARS OF DIRECTORS WHO ARE PROPOSED TO BE APPOINTED/RE-APPOINTED AT THE MEETING ARE GIVEN BELOW:**

**Dr. Sanjiv Goenka**

Dr. Sanjiv Goenka is the Chairman of the Company and also of ₹ 44,000 crore RP Sanjiv Goenka Group which has over 45,000 employees and over five hundred thousand shareholders with annual revenue of more than ₹ 26,000 crores.

Dr. Goenka was the youngest-ever President of the Confederation of Indian Industry (CII) and of the Indian Chamber of Commerce. He is also former President of the All India Management Association. He is presently the Chairman of the Board of Governors of the Indian Institute of Technology, Kharagpur. This is the fourth time Dr. Goenka has been bestowed this honour. Dr. Goenka is also the Chairman of the Board of Governors of International Management Institute, Delhi, Bhubaneswar and Kolkata.

Dr. Goenka is aged 59 years and is a Commerce Graduate from

St. Xavier’s College, Kolkata. Dr. Sanjiv Goenka has received numerous awards and three Honorary Doctoral Degrees.

Dr. Goenka has been on the Board from 14 November, 2018 and also the Chairman of the Board of Directors of CESC Limited (member of Audit Committee, Nomination & Remuneration Committee and Chairman of Stakeholders Relationship Committee and CSR Committee), Phillips Carbon Black Limited, Saregama India Limited (Chairman of Stakeholders Relationship Committee), Firstsource Solutions Limited, Spencer’s Retail Limited (member of Nomination & Remuneration Committee & Chairman of Stakeholders Relationship Committee and CSR Committee) Spencer International Hotels Limited, Spencer and Company Limited and Haldia Energy Limited.

Dr. Goenka holds 26,958 shares in the Company and is related to Mr. Shashwat Goenka, son of Dr. Goenka and a Director in the Company.

Save and except above, Dr. Goenka is not related to any other director or key managerial personnel of the Company or their relatives. Please refer to the Report on Corporate Governance forming part of this Annual Report for other necessary details.

**Mr. Rajeev Ramesh Chand Khandelwal**

Mr. Rajeev Ramesh Chand Khandelwal (“Mr. Khandelwal”), aged 51 years, holds a Bachelor’s degree in Engineering and a Master degree in Business Administration in Marketing. He has extensive experience in FMCG sales, marketing and P&L leadership roles with leading companies such as Gillette, P&G and Reckitt Benckiser. In his immediate past role, he was Regional Director - Sub Saharan Africa and Sales Director - India with Reckitt Benckiser.

He does not hold any share in the Company and is not related to any director or key managerial personnel of the Company or their relatives.

**STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 IN RESPECT OF ITEMS OF SPECIAL BUSINESS SET OUT IN THE NOTICE CONVENING THE THIRD ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD ON MONDAY 3 AUGUST, 2020, AT 3.00 PM.**

**Item Nos. 3 and 4**

The Board of Directors of the Company (“the Board”) at its meeting held on 26 June, 2020 appointed Mr. Rajeev Ramesh Chand Khandelwal (Mr. Khandelwal) as an Additional Director, with effect from the aforesaid date, in terms of the provisions of Section 161 of the Companies Act 2013 (the ‘Act’). Mr. Khandelwal would hold office as Additional Director up to the date of the forthcoming Annual General Meeting of the Company and is proposed to be appointed a Director of the Company immediately thereafter.

A Notice in writing pursuant to Section 160 of the Act has been received by the Company from a member proposing the appointment of Mr. Khandelwal as a Director of the Company.

Further, Mr. Khandelwal was also appointed by the Board at its aforesaid meeting as a Whole-time Director of the Company for a period of three years from 26 June, 2020, subject to necessary approval of the shareholders in a general meeting.

The proposed appointment and the terms of remuneration are in accordance with the applicable provisions of the Act and the schedule thereunder read with relevant rules.

The terms and conditions governing the appointment referred to above are contained in a letter proposed to be issued by the Company to Mr. Khandelwal, the principal terms and conditions of which are as follows:

Basic Salary: ₹ 12,50,000 per month and a monthly special allowance of ₹ 12,06,700 per month with such periodical increments as may be decided by the Nomination and Remuneration Committee (“Committee”) of the Board.

He would also be entitled from time to time to bonus, incentives and such other allowances, benefits and perquisites as may be permissible in terms of the Company’s rules and regulations.

Mr. Khandelwal does not have any interest in the share capital of the Company or any of its subsidiaries, directly or indirectly, and does not also have any direct or indirect interest and has not been related to any of the directors or promoters of the Company at any time before or after the date of his appointment and has necessary qualification with expert and specialized knowledge in the field of the Company’s operation.

The terms and conditions of the said appointment of Mr. Khandelwal may be altered and varied from time to time by the Board in such manner as it may deem fit in consultation with the Nomination and Remuneration Committee of the Board subject to the provisions of the Act.

In view of the present pandemic situation and its impact on the future working of the Company, the remuneration payable to Mr. Khandelwal during his tenure may in future exceed the applicable limit laid down in the Act. Accordingly, it is proposed to seek the approval of the members by way of a special resolution for payment of remuneration to Mr. Khandelwal during his three year tenure of proposed appointment in compliance with the applicable provisions of the Act including Schedule V thereto.

Additional information in respect of Mr Khandelwal pursuant to the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Rules 2015 and the Secretarial Standard on General Meetings, appear in the note to the accompanying Notice.

The Information required under item (B) of Section II, Part II of Schedule V to the Act is given below.

I. General Information

1. Nature of Industry: Information Technology (IT) Services.
2. Date of commencement of commercial production:

Date of incorporation of the Company is 7 February, 2017. IT Service operations of CESC Limited, erstwhile Holding Company, were transferred to CESC Ventures Limited with effect from 1 October, 2017, in terms of a Restructuring Scheme under Sections 230 to 232 and other applicable provisions of the Act amongst the Company and nine other companies.

3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not applicable
4. Financial performance based on given indicators:

(₹ Crore)

Summary of Financial Results	2019-20	2018-19
Total Income	234.06	124.50
Profit before Taxation	175.78	74.18
Profit after tax	174.29	65.77

5. Foreign investments or collaborations, if any : None

II. Information About the Appointee

1. Background details: Mr. Khandelwal, holds a Bachelor’s degree in Engineering and a Master degree in Business Administration in Marketing. He has a rich experience in FMCG sales, marketing and P&L leadership roles with leading companies such as Gillette, P&G and Reckitt Benckiser. In his immediate past role, he was Regional Director - Sub Saharan Africa and Sales Director - India with Reckitt Benckiser.
2. Past remuneration : ₹ 549 lakh per annum.
3. Recognition or awards : Please see II above.
4. Job profile and his suitability :Please see II above.
5. Remuneration proposed : As set out hereinabove in this Statement.

6. Comparative remuneration profile with respect to industry, size of the company, profile with respect of the position and person : The remuneration proposed to be paid to Mr. Khandelwal is in line with the remuneration in similar sized companies in the same segment.

7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any: Except for receiving remuneration from the Company as a Whole-Time Director, Mr. Khandelwal has no other pecuniary relationship with the Company. Mr. Khandelwal does not hold any shares of CESC Ventures Limited.

### III. Other Information

1. Company's performance: The Company is in its third year of operation and its profit after tax for the year 2019-20 is ₹ 174.29 Crore (previous year ₹ 65.77 Cr)
2. Outlook: The Company was incorporated on 7 February, 2017. Being in the third year of its operations, the Company is in the process of consolidation and has been looking for further growth opportunities.
3. Expected increase in productivity and profits in measurable terms: The profitability is expected to increase in the future, barring due to circumstances arising out of the COVID-19 related current uncertainties.

### IV. Disclosures

Mr. Khandelwal's appointment is effective from 26 June 2020 and the terms of his appointment have been set out hereinabove in this Statement. Further details of his remuneration pertaining to the current year, i.e., 2020-21 and thereafter will be ascertainable after the expiry of the relevant year and such details will be provided in the Report on Corporate Governance to be attached to the financial statements for the respective years.

The Company has not defaulted in payment of dues to any bank or public financial institution or to non-convertible debenture holders or to any other secured creditor and accordingly their prior approval is not required, in respect of the special resolution.

The Nomination and Remuneration Committee and Board of Directors at their respective meetings held on 26 June 2020 have considered this proposal and recommended/ approved the remuneration payable to Mr. Khandelwal, subject to the approval of Members by Special Resolution

Mr. Khandelwal may be deemed to be concerned or interested in the Resolutions appearing in item nos. 3 and 4 of this Notice. None other Director or Key Managerial Personnel of the

Company or their relative is concerned or interested therein.

The Board considers the aforesaid two items of business to be urgent in nature and recommends the said two resolutions as set out in Item Nos 3 & 4 of the Notice for approval by the members.

### Item No. 5

At the Second Annual General Meeting of the Company, held on 19 July, 2019, a special resolution was passed for creation of appropriate security on the Company's movable and immovable properties in terms of the provisions of Section 180 (1) (a) and all other applicable provisions of the Companies Act., 2013 for the purpose of securing financial assistance/credit facilities to be availed of by the company within and overall limit of ₹ 100 crore. Considering the commitment made by the Company in between and its future fund requirements, the Company proposes to avail of facilities in the form of term loan/debenture/bonds/working capital facilities including overdraft etc. from Financial Institutions, Banks, Non-Banking Financial Companies (NBFCs) and other lenders (hereinafter referred to as Lenders) for an amount aggregating upto ₹ 300 crores (Rupees Three Hundred Crores only).

In order to facilitate raising of the said funds, it would be necessary to create appropriate security on the movable and immovable properties of the Company, both present and future, by way of mortgage / charge / assignment / hypothecation / pledge etc. in favour of the Lender(s) to secure the said financial assistance(s) proposed to be availed of by the Company in due course.

The Special Resolution set out under Item No. 5 of the Notice is for obtaining a fresh approval of the Members in terms of the provisions of Section 180(1)(a) and all other applicable provisions of the Companies Act, 2013 to enable the Company to create the aforesaid security by way of mortgage and / or charge on the movable and immovable properties of the Company in a form satisfactory to the said Lenders.

None of the Directors, key managerial personnel or their relatives is concerned or interested in the Resolution.

The Board considers the aforesaid item of business to be urgent in nature and recommends the Special Resolution as set out in Item No 5 of the Notice for approval of the members.

Registered Office :  
CESC House  
Chowringhee Square  
Kolkata - 700 001  
Date : 26 June, 2020

By Order of the Board  
Sudip Kumar Ghosh  
Company Secretary  
ICSI Membership No. ACS 18707

## Report of the Board of Directors

The Directors are pleased to present the Third Annual Report on the business and operations of the Company along with the Audited Financial Statements for the year ended 31 March 2020.

### FINANCIAL RESULTS

₹ in Crores

Item	2019-20	2018-19
Revenue from operations	63.90	62.60
Other Income	170.16	61.90
Total Income	234.06	124.50
Profit before Taxation	175.78	74.18
Tax Expenses	1.49	8.41
Profit after tax	174.29	65.77
Other Comprehensive Income	0.02	(0.79)
Total Comprehensive Income	174.31	64.98

### PERFORMANCE OVERVIEW

During the year under review, total income was ₹ 234.06 crore as against ₹ 124.50 crore for the previous year. Profit after tax (PAT) for the year 2019-20 stands at ₹ 174.29 crore as against ₹ 65.77 crore in 2018-19. Total Comprehensive Income for year was ₹ 174.31 crore. Retained earnings at the end of the year under report stood at ₹ 242.81 crore (previous year ₹ 68.50 crore) after adjustments for miscellaneous items.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A detailed review of the operations of the Company for the year ended 31 March 2020 is given in the section of Management Discussion and Analysis (Annexure 'A'), as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

### DIVIDEND

The Board considers it prudent to conserve resources for the Company's growth and expansion and accordingly does not recommend payment of any dividend on its Equity shares for the year ended on 31 March 2020.

### PANDEMIC AND SUPERCYCLONE

The impact of the Covid-19 crisis on the Company's performance in 2019-20 was limited as it struck towards the end of March 2020. However, future performance will depend on when the pandemic fades and normalcy returns, which remains uncertain at this stage. In assessing the recoverability of its assets including receivables, the Company has considered internal and external information as on date including economic forecasts. Based on current indicators

of future economic conditions, the Company expects to recover the carrying amount of its assets. The impact of global health pandemic may be different from that estimated as on date and the Company will continue to closely monitor any material changes to future economic conditions.

Since close of the financial year, a devastating super cyclone, Amphan, struck the city of Kolkata and certain adjoining districts in the state of West Bengal in May, 2020. The resultant dislocations were massive in these areas and affected the operations of the Company and some of its subsidiaries, operating in these locations for a brief period.

### RESTRUCTURING

As reported last year, a Composite Scheme of Arrangement under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ('the Act') involving the Company, CESC Limited ('CESC') and some of CESC'S erstwhile and present subsidiaries and their respective shareholders ("Scheme") as previously approved by the Hon'ble National Company Law Tribunal, Kolkata Bench ("NCLT"), subject to the terms and conditions mentioned in NCLT'S Order dated 28 March 2018, was implemented with CESC'S non-power investments demerged into two entities – IT business into this Company and retail business into Spencer'S Retail Limited.

The proposal of demerger of CESC'S Generation Undertaking however has been withdrawn with effect from 14 November, 2019. Accordingly, parts of the Scheme dealing with the aforesaid demerger of the said Generation Undertaking and matters related thereto have become null and void.

### SHARE CAPITAL

There was no change in the share capital of the Company and the paid-up share capital as at 31 March, 2020 stood at ₹ 26,51,14,090 divided into 2,65,11,409 fully paid equity shares of ₹ 10/- each and such shares remained listed on BSE Limited, National Stock Exchange of India Limited and The Calcutta Stock Exchange Limited. The Company has paid the requisite listing fees to the stock exchanges up to the financial year 2020-21.

### SUBSIDIARIES

As on 31 March 2020, the Company had twenty-three subsidiaries including Herbolab India Private Limited, a manufacturer of Ayurveda medicines and products, which became a subsidiary of the Company during the year under review. Broad details of operations of the subsidiaries of the Company are given in the Management Discussion & Analysis (Annexure 'A'), which forms a part of this report.

In accordance with the Act, consolidated financial statements of the Company with all its subsidiaries for the year 2019-20 have been prepared and duly audited by Messrs. Batliboi, Purohit & Darbari, Chartered Accountant, in compliance with the applicable accounting standards and the SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2011 (“the Listing Regulations”). The said consolidated statements form a part of the annual report and accounts and shall be laid before the ensuing Annual General Meeting of the Company while laying financial statements of the Company as required under the Act. A separate statement containing the salient features of the financial statements of the subsidiaries is attached. The Company has a policy on material subsidiaries pursuant to Regulation 16(1) (c) of the Listing Regulations. The same is available on website of the Company <https://www.cescventures.com/uploads/policies/POLICY%20ON%20MATERIAL%20SUBSIDIARY.pdf>.

#### **COST RECORDS**

Neither maintenance of cost records nor audit thereof in terms of Section 148 of the Act is applicable to the Company.

#### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Dr. Sanjiv Goenka retires as a Director in the forthcoming Annual General Meeting of the Company (AGM) and, being eligible, offers himself for re-appointment.

On separation from the Company’s services, Mr. Suhail Sameer ceased to be the Whole-time Director of the Company with effect from 13 February 2020. On the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company (‘the Board’) at its meeting held on 26 June, 2020 appointed Mr. Rajeev Ramesh Chand Khandelwal (Mr. Khandelwal) as an Additional Director, with effect from the aforesaid date, in terms of the provisions of Section 161 of the Act. Mr. Khandelwal would hold office as an Additional Director up to the date of the AGM and is proposed to be appointed a Director of the Company immediately thereafter.

A Notice in writing pursuant to Section 160 of the Act has been received by the Company from a member proposing the appointment of Mr. Khandelwal as a Director of the Company.

Further, Mr. Khandelwal was also appointed by the Board at its aforesaid meeting as a Whole-time Director of the Company for a period of three years from 26 June, 2020, subject to necessary approval of the shareholders in the AGM. The proposed appointment and the terms of remuneration are in accordance with the applicable provisions of the Act read with the relevant rules and the Schedule thereunder.

The Notice convening the AGM includes appropriate Resolutions seeking shareholders’ approval in respect of all the above matters.

The details on Directors’ appointments and remuneration including criteria for determining qualifications, positive attributes, independence of Directors, and also remuneration of Key Managerial Personnel and other employees form part of the Report on Corporate Governance (Annexure-‘B’). During the year, performance evaluation of independent directors and other board members as well as committees of the board was done in terms of the Act and the Listing Regulations.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence prescribed under the Act and the Listing Regulations.

Six meetings of the Board were held during the year on 17 May 2019, 19 July 2019, 14 August 2019, 14 November 2019, 10 February 2020 and 11 March 2020. The Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meeting and Annual General Meeting.

Mr. Soumit Banerjee ceased to be the Chief Financial Officer of the Company with effect from August 19, 2019 and Mr. Arvind Vats was appointed in his place as the Chief Financial Officer with effect from the same date.

#### **DIRECTORS’ RESPONSIBILITY STATEMENT**

Your Directors hereby state and confirm that:

- i) in the preparation of the accounts for the financial year ended 31 March, 2020, the applicable accounting standards have been followed alongwith proper explanation relating to the material departures, if any;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii) the Directors have taken proper and sufficient care for the 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 fraud and other irregularities;
- iv) the Directors have prepared the annual accounts on a going concern basis;
- v) the Directors have laid down internal financial controls to

be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

- vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### **CORPORATE GOVERNANCE**

A separate Report on Corporate Governance (Annexure 'B') along with Additional Shareholder Information (Annexure 'C') as prescribed under the Listing Regulations, are annexed as a part of this Report along with the Auditor's Certificate thereon.

#### **CORPORATE SOCIAL RESPONSIBILITY**

In accordance with Section 135 of the Act and the rules made thereunder, the Company has formulated a Corporate Social Responsibility Policy, a brief outline of which along with the required disclosures and a detailed section on the activities in this behalf during the year under review is disclosed in Annexure 'D', which form a part of this report. There has not been any change in the policy during the current year. The CSR Policy is put up on the Company's website and can be accessed at <https://www.cescventures.com/uploads/policies/CSR BPS.pdf>

#### **BUSINESS RESPONSIBILITY REPORT**

A separate Business Responsibility Report as required under the Listing Regulations is annexed and forms a part of this report (Annexure 'E').

#### **RELATED PARTY TRANSACTIONS**

All contracts / arrangements / transactions entered into by the Company during the financial year with related parties were in its ordinary course of business and on an arm's length basis. There was no materially significant related party transaction that had a potential conflict with the interests of the Company. The Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions as approved by the Board is put up on the Company's website and can be accessed at [https://www.cescventures.com/uploads/policies/Policy\\_statement\\_on\\_materiality\\_and\\_dealing\\_with\\_Related\\_Parties.pdf](https://www.cescventures.com/uploads/policies/Policy_statement_on_materiality_and_dealing_with_Related_Parties.pdf).

Transactions with related parties entered into in the normal course of business are periodically placed before the Audit Committee of the Board for its approval. Members may please refer to Note 29 to the Standalone Financial Statement for requisite disclosure in respect of related parties and transactions entered into with them during the year.

#### **RISK MANAGEMENT**

The Company has an elaborate Risk Management Policy, which is designed to enable risks to be identified, assessed and mitigated appropriately. The same can be viewed at [https://www.cescventures.com/uploads/policies/RISK\\_MANAGEMENT\\_POLICY\\_BPS.pdf](https://www.cescventures.com/uploads/policies/RISK_MANAGEMENT_POLICY_BPS.pdf). Detailed discussion on risk management is covered in Management's Discussion and Analysis and Report on Corporate Governance, which form part of the Annual Report. Internal Financial Controls are an integral part of the risk management process and the Board is of the opinion that it has been working effectively. In view of its importance, the Company makes efforts on an ongoing basis to strengthen its internal financial control system.

#### **VIGIL MECHANISM**

Pursuant to Section 177 of the Act, the rules made thereunder and the SEBI Regulations, the Company has a Whistle Blower Policy (Vigil Mechanism) in place for reporting genuine concerns over happening of instances of any irregularity, unethical practice and/or misconduct for directors, employees and stakeholders.

The details of the said policy have been disclosed in the Company's website [https://www.cescventures.com/uploads/policies/BPS\\_Whistle.pdf](https://www.cescventures.com/uploads/policies/BPS_Whistle.pdf)

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Loan(s) given, investment(s) made and guarantee(s) given or security(ies) provided, as the case may be, were in compliance with the provisions of the Act and relevant details thereof are referred to in Notes 5, 29 and 32 to the standalone financial statements of the Company.

#### **FIXED DEPOSITS**

The Company, during the year, has not accepted any deposits and, as such, no amount of principal or interest was outstanding as on the date of the Balance Sheet.

#### **AUDITORS**

Messrs. Batliboi, Purohit & Darbari, Chartered Accountants, (Firm Registration No. 303086E) were appointed as the statutory auditors for a term of five consecutive years, holding office from the first Annual General Meeting of the Company until the conclusion of the Sixth Annual General Meeting.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation,

adverse remark or disclaimer. The Auditors have not reported any instance of fraud referred to in Section 134(3)(ca) of the Act.

#### **SECRETARIAL AUDITOR**

The Board had appointed Messrs. S.M. Gupta & Co., Company Secretaries, as the Secretarial Auditors of the Company to conduct the secretarial audit for the financial year 2019-20.

The Secretarial Audit Report for the financial year ended 31 March, 2020 is annexed (Annexure 'F'). The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

#### **CONSERVATION OF ENERGY, RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information relating to conservation of energy, research & development, technology absorption and foreign exchange earnings and outgo, as required under Section 134 of Act read with the Companies (Accounts) Rules, 2014 is given in (Annexure 'G'), which forms a part of this Report.

#### **ANNUAL RETURN**

An extract of the Annual Return is required to be attached and forms a part of this report (Annexure 'H'). The annual return of the Company as required under the Act will be available on the website of the Company at [www.cescventures.com/annual\\_return.php](http://www.cescventures.com/annual_return.php)

#### **PARTICULARS OF EMPLOYEES**

The information required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is attached as (Annexure-'I'). Details of employee remuneration as required under provisions of Section 197 of the Act and Rules 5(2) and 5(3) of the aforesaid Rules

are provided in Annexure 'J' forming a part of this Report. However, the Report and Accounts are being mailed to the Members excluding the aforesaid Annexure 'J'. Any member interested in obtaining the same may write to the Company Secretary at [cescventuresagm2020@rpsg.in](mailto:cescventuresagm2020@rpsg.in). None of the employees listed in Annexure 'J' are related to any Director of the Company.

The Company has in place a Remuneration Policy for Directors, key managerial personnel and other employees, duly recommended by the Nomination & Remuneration Committee and approved by the Board. Other details relating to remuneration paid during the year to directors and key managerial personnel are furnished in the Report on Corporate Governance which forms a part of this report. Employee relations in the Company, during the year, continued to be cordial.

#### **ACKNOWLEDGEMENT**

The Board wishes to place on record its sincere appreciation for the continued assistance and support extended to your Company by its customers, banks, vendors, government authorities and employees.

Your Directors are also grateful for your continued encouragement and support.

For and on behalf of the Board

Dr. Sanjiv Goenka  
Chairman

Kolkata, 26 June 2020

DIN:00074796

CESC Ventures Limited ('CESC Ventures', 'CVL' or 'the Company'), is part of the RP-Sanjiv Goenka Group ('RP-SG Group' or 'Group'), a leading business conglomerate in India. Along with its subsidiaries, the Company operates a diversified portfolio of businesses including information technology (IT) services, business process management (BPM), fast moving consumer goods (FMCG), real estate, restaurants and ayurvedic formulations. Other than IT services, which constitute its standalone operations, all other businesses are carried out through various subsidiary companies.

**Box 1: CESC Ventures Limited — Key Businesses and Operating Entities**

CESC Ventures' core business operations as a standalone entity consists of information technology (IT) services, which are currently being provided mainly to certain Group companies operating in the power sector. Its key subsidiaries include:

- Firstsource Solutions Limited which, along with fourteen subsidiaries, is a leading provider of customised business process management (BPM) services in the areas of customer management, transaction processing and collection services in the US, the UK, India and Philippines.
- Guiltfree Industries Limited which, along with its step-down subsidiary Apricot Foods Private Limited, operates in the packaged snacks segment in the Indian FMCG sector under the brands "TOO YUMM!" and "Evita".
- Quest Properties India Limited, which operates in the real estate sector. It manages Kolkata's first luxury shopping mall and is developing a residential project in Haldia, West Bengal.
- Herbolab India Private Limited, which markets ayurvedic formulations in innovative formats relevant for the new-age consumer.
- Bowlopedia Restaurants India Limited, which runs restaurants in the Desserts, North Indian Cuisine and Indian Comfort Food segments.

CESC Ventures also leverages emerging opportunities in India through incubation of new businesses and investments in venture capital funds.

*This report presents a review of operational and financial performance of CVL's businesses during the year. It also discusses the strategy and important initiatives taken by the Company and its key operating subsidiaries to meet their business objectives.*

**MACRO ECONOMIC OVERVIEW**

Global economic growth decelerated significantly during 2019.

According to the IMF, world output growth is pegged at 2.9% in 2019, down from 3.8% in 2018. India, too, registered a considerable decline in performance during 2019-20, with GDP growing at 4.2% in 2019-20, compared to 6.1% in 2018-19. As shown in Table 1, the slowdown was broad based with both industry and services registering a substantial drop in performance. The one positive was resilience in the agriculture sector, which grew at 4% during 2019-20, up from 2.4% in the previous year.

**Table 1: GDP Growth in India and Key Sectors**

	2018-19	2019-20
Agriculture	2.4%	4.0%
Industry	4.9%	0.9%
Services	7.7%	5.5%
<b>GDP</b>	<b>6.1%</b>	<b>4.2%</b>

*Source: Central Statistics Office (CSO); Provisional Estimates*

The decline in economic performance was reflected in subdued demand, particularly for consumer facing businesses of the Company such as FMCG, restaurants and real estate. In contrast, the performance was better for India's IT services and BPM sector which, according to NASSCOM, grew at 7.7% during 2019-20, versus 7% in 2018-19.

The Covid-19 pandemic has caused unprecedented disruptions across the globe as countries imposed restriction on mobility and economic activity to contain the health emergency. In India, a strict nation-wide lockdown was imposed starting 25 March 2020, which resulted in significant loss of output and employment. Although the restrictions have eased since mid-May, there is considerable uncertainty regarding the future course of the pandemic and the time it will take for the situation to get back to normal. Considering this, the macroeconomic outlook for 2020-21 remains subdued.

As far as the Company's performance is concerned, the impact of the Covid-19 crisis in 2019-20 and afterwards is discussed later in this Report.

After close of the financial year, a devastating super cyclone, Amphan, struck Kolkata and the adjoining districts in West Bengal in May 2020. This resulted in massive dislocations which also affected operations of the Company and some of its subsidiaries.

**IT SERVICES**

**Service Portfolio and Opportunity**

CESC Ventures' primary strength lies in implementing best-in-

class IT solutions in the power sector through a robust mix of the capabilities and experience in existing and emerging technology tools. This is reflected in its intellectual property of 300+ applications and a strong team consisting of diverse skill sets, viz. project management, programming, networking and security. Box 2 presents key services provided by the Company.

**Box 2 : CESC Ventures’ portfolio of IT services**

- Application Development and Management
- Setup and Operations and Maintenance (O&M) of IT Infrastructure
- Cyber Security Management
- IT Consultancy

Some of CVL’s major applications developed for the power sector include electricity billing, data processing and MIS reporting, online consumer query processing, monitoring and management of distribution assets and operational processes such as fault management, loss minimisation and field-force automation. There are others that are more functional in nature and can be utilised across industries: customer relations (CRM), human resources (HRMS), treasury management system, administration, e-services, digital communication solutions, applications around Social Media, Mobility, Analytics and Cloud Computing (or the SMAC Framework).

These capabilities present CESC Ventures with a unique opportunity to market its services to clients both within and outside the power sector. In 2019-20, such services were provided to various Group entities — CESC Limited, Haldia Energy Limited, Dhariwal Infrastructure and the Group’s distribution franchisees (DFs) in Rajasthan and Maharashtra. Going forward, the objective is to expand the scope of its operations beyond the power sector.

**Operational Performance**

CVL continued to innovate and help its clients develop a competitive edge by providing quality services, ensuring that its clients had high availability of the core network and that the infrastructure met stringent parameters of reliability, security and scalability.

During the year, several new applications were implemented. In addition, several upgradation projects were executed to improve the efficiency and manageability of existing applications to provide better insights to users in the form of new dashboards and reports— all geared to meet the changing needs of the business users. The important initiatives undertaken in key service areas during 2019-20 are presented below:

- **Power Generation:** CVL developed applications for new technology platforms like tablet computers and mobile for operations and maintenance (O&M) activities, thus enabling enhanced efficiency through data analytics based decision making. It also developed a new centralised software for ‘defect management system’ of generation assets, ensuring system driven O&M in case of managing equipment defects with maximum safety measures.
- **Power Distribution:** New applications were developed for power loss audit, construction and materials handling. The transformer lifecycle management system was also revamped along with a new dashboard for the engineering asset management system. Systems are being put in place for productive use and management of huge volume of data emanating from smart meters.
- **Customer Service:** Major process re-engineering of the billing system was carried out to reduce the meter to cash cycle by enabling parallel bill processing runs. It also implemented innovations in communicating with customers through SMS and e-mail as well as integration of new payment gateways for additional payment options.
- **Cost Management:** Significant application changes were implemented for ‘SBU Cost Restructuring’ of CESC Limited to segregate all major costs according to SBUs. A comprehensive dashboard was also implemented to view and monitor these costs.
- **Human Resources:** New applications were deployed to facilitate different reward and recognition schemes for different segments of employees and site assessment for workplace organisation following the 5S methodology.

The Company already provides its full range of IT services for the three DFs of CESC Limited in Rajasthan. During the year, it extended its IT platform and services to CESC’S new DF in Malegaon, Maharashtra, for complete management and control of its operations. This includes corporate website, billing and CRM, HT and LT fault management systems, integrated operation system for field jobs, non-energy bill generation, input metering system, generation of power purchase invoices, as well as a complete range of dashboards and reports for monitoring operational and financial performance, system status and regulatory reporting.

CESC Ventures continues to expand its expertise in IT infrastructure and security to benefit from opportunities. Some of its key projects in 2019-20 are presented in Box 3.

**Box 3 : IT Infrastructure and Security Projects**

- **RPSG Corporate Office:** Design and implementation of best-in-class IT infrastructure for the new 1,200 employee corporate office of the RP-SG Group in Kolkata. Apart from conventional redundant network and security infrastructure, it rolled out new-age solutions such as smart meeting rooms, video conferencing and IP telephony. CVL is also responsible for managing the IT infrastructure and related services.
- **Cyber Crisis Management Plan:** Initiated work on a cyber crisis management plan for the critical information infrastructure of CESC Limited. The project is being executed by a top-ranking audit and advisory firm.
- **Business Continuity Planning:** This involved evaluating vulnerabilities and consolidating all critical IT applications of CESC Limited under its data centre and disaster recovery (DC-DR) sites. An IT audit covering network, security and applications was carried out to identify gaps and implement corrective actions. A DC-DR drill for infrastructure and security devices was also carried out.
- **Hyper Converged Infrastructure (HCI):** A six-node HCI cluster with associated network infrastructure was commissioned at CESC Limited in 2019 to replace 33 ageing physical servers that hosted many business critical applications. This cost-efficient cluster is optimised to withstand multi-point failure so that business computing data is not lost or impacted.
- **Work From Home:** With the mobility restrictions following the Covid-19 pandemic, enabling work from home and remote locations became a priority. CVL ensured security of using self-owned devices and provided 130-odd users with encrypted VPN connectivity to meet security compliances. Besides, it was available 24x7, both remotely and at key sites, to assist users during the lockdown.

**Human Resources (HR)**

As a company operating in a highly specialised and niche segment of the IT services sector, CVL's people are its greatest asset. Its recruitment strategy is designed to identify and fill positions in line with its service obligations and requirements. This requires it to focus on skilled talent through lateral placement process as well as fresh graduates from the premiere engineering institutions through its summer internship programme.

Learning and development is a key focus area, given that mastering of new skills, processes and technologies are critical for success in IT.

In 2019-20, the Company offered various technical training programmes: (i) IT Project Management Skills from IIMA, (ii) Big Data, IoT and AI from Jadavpur University, and (iii) Data Analytics and Skill Development in collaboration with the Great Lakes Institute of Management. To facilitate continuous learning of its employees, the Company also offered them online membership of the Association of Computing Machinery, an online platform for IT professionals for nurturing knowledge, collaboration and innovation. During the year, it also organised a Leadership Retreat in collaboration with the School of Inspired Leadership to bring greater synergy in performing as a team and to formulate shared organisational goals and vision.

CESC Ventures worked with a reputed global HR consultant to develop robust structure, processes and transition plans in line with those practiced by the benchmarked IT Companies to facilitate delivery of the highest standards of customer services.

During the year, CVL introduced a system driven process of annual performance appraisal for its employees. It has effective, employee-friendly HR policies and processes that keep employee engagement high and enhance welfare. Communication meetings are regularly organised by the leadership team to percolate client expectations, address queries of employees and generate a free flow of ideas. As on 31 March 2020, CESC Ventures had 86 employees as a standalone entity.

**Financial Performance**

**Table 2: Abridged Financial Performance of CESC Ventures (Standalone)**

₹ in crore

Item	2019-20	2018-19
Revenue from operations	63.9	62.6
Other Income	170.2	61.9
Total Income	234.1	124.5
Total Expenses	58.3	50.3
Profit before Tax (PBT)	175.8	74.2
Tax Expense	1.5	8.4
Profit After Taxes (PAT)	174.3	65.8
Total Comprehensive Income	174.3	65.0

Total income (including other income) increased from ₹ 124.5 crore in 2018-19 to ₹ 234.1 crore in 2019-20 due to increase in other income.

Accordingly, profit before tax stood at ₹ 175.8 crore in 2019-20, compared to ₹ 74.2 crore in 2018-19.

Key Financial Ratios are as follows:-

**Table 3: Key Financial Ratios (Standalone)**

Item	2019-20	2018-19
Debtors Turnover	2.8	4.2
Current Ratio	9.4	5.9
Operating Profit Margin (%)	8.8%	19.6%
Net Profit Margin (%)	74.5%	52.8%
Return on Net Worth (%)	10.3%	4.3%

Table 3 presents key financial ratios for CESC Ventures as a standalone entity. Certain ratios are not relevant to the CVL's financial performance and have not been reported: (1) Inventory Turnover as the Company does not carry any inventory and (2) Interest Coverage Ratio and Debt Equity Ratio as the Company does not have any long term debt on its books. The change in each of the financial ratios is significant as defined under the amended SEBI LODR Regulations, i.e. over 25% compared to previous year.

- Change in Debtors Turnover as shown above is due to normalised average debtors balance.
- Change in Current Ratio is Primarily due to higher Cash and Bank Balance as at 31.3.2020.
- Change in Operating Profit Margin is primarily due to increase in some operational expenses.
- Change in Net Profit Margin and Return on Net worth is primarily due to increase in Other Income.

**Box 4 : Covid-19 – Risks and Response**

The impact of the Covid-19 crisis on the Company's performance in 2019-20 was limited as it stuck towards the end of March, 2020. However future performance will depend on when the pandemic fades and normalcy returns, which remains uncertain at this stage. In assessing the recoverability of its assets including receivables, the Company has considered internal and external information as on date including economic forecasts. The Company has performed analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The impact of global health pandemic may be different from that estimated as on the date as aforesaid and the Company will continue to closely monitor any material changes to future economic conditions.

**BUSINESS PROCESS MANAGEMENT (BPM)**

CESC Ventures is present in the BPM industry through its subsidiary Firstsource Solutions Limited (FSL), a listed entity where it holds 54.12% stake.

FSL is in the business of providing customised services in the areas of:

- Customer Interaction Management
- Data and Transaction Processing
- Collections Management
- Consulting and Analytics

FSL's client base consists of large companies in the US, the UK, India and Philippines, which include Fortune 500 and FTSE 100 companies. It has a total employee strength of 21,203 and supports clients from 36 service facilities spread across the US, the UK, Philippines and India. Its 'right-shore' delivery model offers solutions encompassing complete customer-lifecycle management across its verticals: Healthcare, Utilities, Telecom & Media (T&M), Banking, Financial Services and Insurance (BFSI) and Mortgage.

**Box 5 : Firstsource Solution's Top Client Profile**

- **Banking, Financial Services and Insurance:** Six of the top 10 US credit card issuers, a leading Irish bank, the largest credit card issuer in the UK, the largest retail bank and mortgage lender in the UK, one of the top three motor insurance companies in the UK, one of the leading auto insurers in the US, one of the largest independent loan servicers in the US, and the sixth largest bank in North America.
- **Telecoms & Media:** UK's largest news and broadcasting company; one of the top 10 US telecom companies; a leading Mobile Virtual Network Operator (MVNO) in the UK.
- **Healthcare:** Five of the top 10 health insurance / managed care companies in the US; over 650 hospitals in the US.

FSL delivers innovative and value added business process management services through a combination of deep domain knowledge, strategic alliances and internal competence building, backed by the right technology. It has developed applications and tools in areas such as automation, communication, customer intelligence and productivity, where it owns intellectual property.

FSL's status as an industry leader is underscored by the diverse set

of awards and recognitions it received during the year. Some of these are:

- ‘Best Complaint Handling’ and ‘Best Complaint Handling Team of the Year – Financial Services’ at the UK Complaints Handling (UKCH) Awards 2020.
- ‘Technology-Enabled Project of the Year’ and ‘Customer Experience Provider of the Year’ at the Global Sourcing Association (GSA) UK Awards 2019.
- Winner of ‘Best Use of Technology in HR’ at Employee Engagement Summit, Mumbai, India.
- Gold Award for ‘Best Use of Customer Insight’ at the UK Customer Experience Award (CXA2019).
- ‘Outsourced Contact Centre of the Year’ recognition at the Contact Centre Network Northern Ireland (CCNNI) Awards 2019.
- Winner in ‘Creating an Impact: Business Skills’ category at the India Innovation Awards at Perspectives 2019.
- ‘Best Outsourcing Partnership’ at the North East Contact Centre Awards 2019.

During the year FSL’s total income (including other income) increased by 7.2% from ₹ 3,830.2 crore in 2018-19 to ₹ 4,107.5 crore in 2019-20. Expenses grew at 9.4%, from ₹ 3,394.2 crore in 2018-19 to ₹ 3,713.2 crore in 2019-20. PBT amounted to ₹ 394.2 crore in 2019-20 and PAT for the year stood at ₹ 339.7 crore.

#### **Covid-19 – Risks and Response**

The Covid-19 pandemic has resulted in unprecedented uncertainty across the globe. FSL has implemented its business continuity strategies, including work from home, and has put in place processes and guidelines to ensure safety of workplace once offices start functioning.

FSL is also in continuous engagement with all its clients to ascertain the likely impact of Covid-19 and is accordingly devising strategy to mitigate the impact.

#### **FAST MOVING CONSUMER GOODS (FMCG)**

CESC Ventures made its foray in the FMCG business in 2017-18 through its wholly owned subsidiary Guiltfree Industries Limited (GIL). In April 2017, the company launched packaged snacks under the brand “TOO YUMM!” — positioned as healthy snacks (baked and not fried). GIL also has a 70% stake in Rajkot-based Apricot Foods Private Limited (AFPL) which markets snacks under the brand name “Evita”.

GIL has been one of the fastest growing FMCG companies in India

— crossing the milestone of ₹ 200 crore in sales value within just two years. With its innovative and disruptive approach to scale up its operations and presence, its brand “TOO YUMM!” garnered a gross brand awareness of 75% and a market share of 2% of total western snacks in India (at an all-India – urban level), by the start of this financial year.

Following this strong performance, GIL’s approach for 2019-20 was to consolidate the progress and optimise its operations. During the year, the company rationalised its product portfolio to ensure efficiencies in marketing and distribution. With the start of commercial operations of its Kolkata plant, which is equipped to make extruded products, it also consolidated manufacturing to four large units in all four geographical regions in India.

GIL has setup a R&D centre with a centralised analytical lab to develop and improve products. Utilising this expertise, GIL expanded its core target group to include kids with the launch of three new products in 2019-20 viz. Puffs, Potato Stix and Rings. Existing products recipes were improved. Driven by innovative products, thoughtful packaging and effective marketing campaigns, the market awareness and consumer acceptance of the brand has continued to grow. GIL’s market share improved to 2.3% of total western snacks in India.

GIL received several awards that recognise the success of its branding and marketing efforts. Some of these were: (i) ‘Nielsen Superstar’, the annual recognition by Nielsen India honouring Breakthrough Brands; (ii) ‘Eat Right Awards’ by FSSAI, Government of India; and (iii) ‘Product of the Year 2019’ for Too Yumm! Multigrain Chips.

During the period under review GIL’s total consolidated income (including other income) stood at ₹ 289.8 crore in 2019-20, versus ₹ 366.2 crore in the previous year. In line with its focus on consolidating its operations, consolidated expenses came down by 8.9% from ₹ 578.4 crore in 2018-19 to ₹ 526.6 crore in 2019-20.

#### **Covid-19 – Risks and Response**

The Covid-19 crisis has as further affected demand in the packaged snacks industry, which was already battling the economic slowdown. It also led to severe supply chain disruptions and production losses. Although there are significant uncertainties regarding the future course of the pandemic, some of the operational challenges have reduced with the gradual opening-up since mid-May 2020.

GIL is following the government guidelines and taking all necessary precautions to deal with the Covid-19 pandemic. Given the huge untapped potential for the packaged snacks segment in India, the

medium to long term fundamentals of the business remain strong. It expects significant gains in business volumes as the pandemic fades and the macroeconomic situation improves.

#### REAL ESTATE

Quest Properties India Limited (QPIL), a wholly owned subsidiary of CESC Ventures Limited, launched Kolkata's first upscale shopping mall, 'the Quest' in November 2013. Despite slowdown in economic activity in 2019-20 and the closure of the mall in the last 12 days in March 2020 due to Covid-19 induced restrictions and lockdown, both footfalls and combined gross sale of all retailers in the mall remained at the last year's level— at over 16 million and ₹ 700 crore respectively.

Over the years, the Quest mall has become an iconic shopping centre brand with pan-India fame, winning several awards and accolades. In 2019-20, it won:

- 'Shopping Centre of The Year – Luxury' for Excellence in Shopping Centre and Mall Marketing – East at the Global Awards for Retail Excellence, 2019.
- 'Shopping Mall of the Year (East)' for Excellence in Shopping Centres and Mall Marketing at National Award for Marketing Excellence, 2019.
- 'Best Use of Mobile in Marketing' for Excellence in Shopping Centre and Mall at Pride of West Bengal, 2019.
- 'Marketing Campaign of the Year – Quest Floral Fantasy' at ABP News Presents Business Excellence Awards, 2019
- 'Best Developer of the Year' at Realty Plus Conclave & Excellence Awards – East, 2019

QPIL is implementing a residential project in Haldia which is spread across 3.5 acres of land and is being carried out in phases. During the year, the company completed Phase I of the project comprising about 0.2 million square feet of saleable area. Most of the apartments have been handed over with only a few units remaining in the inventory. Given the current environment, planning for Phase II has been kept on hold. A decision to undertake it will be taken based on market conditions.

During the year under review QPIL's total income (including other income) stood at ₹ 107.1 crore in 2019-20, compared to ₹ 120.8 crore in the previous year. However, the Company made up for this decline in income through reduction in expenses, which came down by 15% from ₹ 92.2 crore in 2018-19 to ₹ 78.4 crore in 2019-20. Consequently, PBT remained stable at ₹ 28.7 crore in 2019-20, compared ₹ 28.6 crore in 2018-19. PAT for the year was ₹ 17.5 crore.

#### Covid-19 – Risks and Response

The impact of Covid-19 crisis on QPIL's performance in 2019-20 was limited. However, the lockdown had a significant impact on businesses operating in the Quest mall, with shops other than groceries remaining shut for April and most part of May 2020.

Although the mall has since opened for business, it will be a while before footfalls and spending get back to their pre-Covid levels.

#### RESTAURANT

Bowlopedia Restaurants India Limited (BRIL), a 100% subsidiary of CESC Ventures Limited, started operations in 2017-18 with restaurants in Kolkata and Delhi NCR. During the year, BRIL expanded its portfolio with the launch of "Biryani Battuta", a specialty biryani and kebabs brand in the Mughlai, North Indian Cuisine segment. This added to its existing brands of "Waffle Wallah" and "Bombay Toastee", which operate in the Desserts and Indian Comfort Food segments, respectively.

BRIL will continue to concentrate on Kolkata and Delhi NCR as its primary markets. Even as the focus is on expanding the network of dine-in outlets, it is also looking at other channels such as kiosks and cloud kitchens for take-aways and deliveries through third-party online apps as well as its own service infrastructure to leverage its presence and reach in the market.

At the end of 2019-20, BRIL had 24 outlets, compared to 21 a year ago. The Company's total income (including other income) grew by 27.1% from ₹ 7 crore in 2018-19 to ₹ 8.9 crore in 2019-20. Expenses, too, increased with expansion in its portfolio of locations and outlets.

#### Covid-19 – Risks and Response

Although the impact of Covid-19 crisis on BRIL's performance during the year was limited, there is uncertainty regarding the pandemic's impact on business in 2020-21. Although the lockdown restrictions have been lifted, demand is low given the concerns around safety of dining out in the current environment. BRIL has put in place SOPs to ensure safe and hygienic operations, and is following all government guidelines that have been issued from time to time. It also believes that its focus on take-aways and deliveries will help in mitigating the risk associated with lower dine-in volumes.

#### AYURVEDA

CESC Ventures is present in the Ayurveda industry through its subsidiary Herbolab India Private Limited (Herbolab), in which it acquired a 64.63% stake on 3 June 2019. Herbolab brings a 150-year legacy and expertise in ayurvedic formulations in user-friendly and innovative formats such as capsules and toffees that are relevant

to the new-age 21st century consumer. It has over 100 proprietary Ayurvedic formulations approved by the Ministry of AYUSH, which it offers under the brand “Dr. Vaidya’s”.

Herbolab markets more than 50 SKUs across illness categories like diabetes, arthritis, asthma, indigestion, hypertension, kidney ailments as well as wellness products and supplements for immunity, energy, sexual wellness, weight management, hair and skin care, among others. Although these products continue to be marketed through traditional retail channels and store networks, the focus has been on building its online presence — in line with the need and expectations of its target consumer base. *In a short span of time, it has emerged as one of India’s largest Ayurveda brands in the digital space with over 90% of its sales coming from online sources— through its portal drvaidyas.com as well as its presence in 30+online market place such as Amazon, Flipkart, Netmeds and 1mg. By the end of 2019-20, it fulfilled online orders to over 15,000 pin codes across the country.*

Herbolab is a vertically integrated business with a 15,000 square feet (ISO 9001:2015 and WHO:GMP certified) manufacturing facility in Silvassa, Dadra & Nagar Haveli, which is approved by the Ministry of AYUSH and is registered with the US Food and Drug Administration (USFDA). It employs stringent quality controls, rigorous trials and asynergised approach to ensure that each product reaches its maximum potential.

During the year under review, total income (including other income) grew seven-times from ₹ 2 crore in 2018-19 to ₹ 16.3 crore in 2019-20. *In recognition of its achievements, Herbolab was awarded ‘Amazon Youth SMB of the Year 2020’ and was runner-up at the Retail Association of India award for ‘Retail Startup of the Year 2020’. It also featured in the ‘Top 25 Growing Indian Startups – 2020’ by Talent Stack.*

#### Covid-19 – Risks and Response

The Covid-19 pandemic is an unprecedented health crisis. The lockdown affected the Herbolab’s operations by disrupting supply chains and deliveries in the initial period of the lockdown. However, being an essential product, these pressures eased considerably since mid-April 2020. The company is following all government guidelines and has taken adequate precautions to ensure safe and hygienic environment for its employees and other stakeholders.

As a company marketing ayurvedic formulations, it is relatively insulated from the crisis. Initiatives taken by Ministry of AYUSH to promote ayurveda are likely to open-up further opportunities for the sector. Herbolab has seen robust demand for its health and wellness products, especially immunity and hygiene focussed

formulations during this period. It believes that its strong online presence also mitigates some of the risks associated with expanding its market reach during the crisis. Therefore, the overall outlook for the business in 2020-21 is positive.

#### CONSOLIDATED FINANCIAL RESULTS

**Table 9: Abridged Financial Performance of CESC Ventures (Consolidated)**

₹ in crore		
Item	2019-20	2018-19
Revenue from operations	4,578.4	4,369.9
Other Income	34.8	22.7
Total Income	4,613.2	4,392.6
Total Expenses	4,428.2	4,138.6
Profit Before Taxes (PBT)	185.0	254.0
Tax Expense	37.9	19.5
Profit After Taxes (PAT)	147.1	234.5
Other Comprehensive Income	119.2	96.3
Total Comprehensive Income	266.3	330.8

Total consolidated income (including other income) of CESC Ventures grew at 5% during the year from ₹ 4,392.6 crore in 2018-19 to ₹ 4,613.2 crore in 2019-20. Total expenses — which includes operating and other expenses, employee costs, depreciation and finance costs — grew at 7% from ₹ 4,138.6 crore in 2018-19 to ₹ 4,428.2 crore in 2019-20.

As a result, profit before taxes (PBT) stood at ₹ 185 crore in 2019-20, versus ₹ 254 crore in the previous year. Consolidated PAT for 2019-20 was ₹ 147.1 crore.

#### ENVIRONMENT SOCIAL GOVERNANCE (ESG)

CESC Ventures is committed to responsible business practices to promote sustainable and inclusive growth of the ecosystem in which it operates. As a part of the RP-Sanjiv Goenka Group, CESC Ventures, along with its major operating subsidiary companies, has embraced ESG principles, incorporating them into its operations both as a risk mitigation tool and for long-term value creation. Some of its areas of intervention are:

- Environment: energy efficiency and emission control; tree plantation; water resource management; promoting green buildings and awareness campaigns.
- Social: employee rights, benefits, diversity and engagement; workplace safety; customer rights, engagement and satisfaction; supply chain management; CSR initiatives in education, health and sanitation, community engagement and development.
- Governance: Board composition and committees; ethics

and code of conduct; whistle blower mechanism and anti-corruption; disclosures, reporting and transparency; and, shareholders' rights and participation.

Box 6 provides information on some key initiatives in the areas of Environment and Social. Further details on ESG initiatives can be found in the Report on CSR, Business Responsibility Report, and Report on Corporate Governance which form a part of this Annual Report.

**Box 6: ESG Initiatives**

**Environment**

- Energy efficiency and emission control: energy conservation, thermal monitoring systems, LED lights, GHG emissions reduction, shifting to low carbon
- Tree plantation: roof gardening, water efficient landscape design, use of eco-friendly fertilizer
- Water management: efficient water fixtures conserving more than 50% water compared to conventional building, 100% waste water treatment and reuse
- Waste Management: both dry and wet
- Green buildings: Quest Mall (IGBC Platinum), Quest Residency (IGBC Pre-certified Gold)
- Renewable Energy: 60 KW solar rooftop in Quest Mall; eco-friendly low VOC paints in interiors; Quest Mall has sun control film on sky light area to reduce building heat load
- Awareness: Green education, sustainable fashion

**Social**

- Workplace Safety: technology adoption, cyber security
- Employees: rights, benefits, diversity and engagement
- Customers: rights, engagement and satisfaction; FSL office, Quest Mall and Quest Residency have facilities for differently abled persons

These initiatives are communicated to its stakeholders and the public at large through various documents and forums such as annual reports, investor communication and its website.

**INTERNAL CONTROLS**

CESC Ventures internal control systems are commensurate with the size and nature of its operations. It has well documented policies, procedures and authorisation guidelines to ensure that all transactions are properly authorised, recorded and reported, and

all applicable laws and regulations are complied with.

The effectiveness of internal control mechanism is tested and certified by a process of Internal Audit. Major audit observations and follow-up actions are reviewed and monitored by the Audit Committee and placed before the Board of Directors, where necessary. Internal Audit also assesses the effectiveness of risk management and governance process.

**RISKS AND CONCERNS**

CVL's risk management framework consists of identification of risks, assessment of their nature, severity and potential impact, and measures to mitigate them. The Company has identified the following key areas of risks and concerns.

**Macroeconomic Risks**

India has witnessed a considerable deceleration in growth in 2019-20. With the Covid-19 crisis, the macroeconomic outlook is even more subdued.

The Company recognises these risks. Its response to the Covid-19 crisis and related macroeconomic challenges have already been outlined in Box 4. It also believes that the potential impact of these risks is limited given the size of its operations, zero-debt and no direct exposure to foreign currency movements.

**Operational Risks**

Key operational risks include reliance on a limited number of clients and sectors, keeping up with technology and related advancements to stay competitive, need to attract and retain talent and ensure adequate employee utilisation to maintain profitability and monitoring customer satisfaction. This also include risks arising out of possible failure to comply with laws and regulations or possible failure to successfully meet our contractual obligations including IT security and related services, leading to fines, penalties and lengthy litigations.

The Company addresses these risks through a well-structured framework which assigns ownership to monitor and mitigate the risks. It strives to expand its client-base beyond the Group as well as the power sector in the future. It believes its HR policies and processes effectively mitigate some of the employee related risks.

**Regulatory Risks**

The Company is subject to data privacy laws and related rules and regulations that could have material adverse effect on the business.

It is also subject to labour laws and regulations governing its relationships with employees and contractors.

CVL is conscious of these risks and believes that its governance policies and procedures ensure transparency in operations, timely disclosures and adherence to regulatory compliances.

**Cautionary Statement**

The financial statements appearing above are in conformity with accounting principles generally accepted in India. The statements in the report which may be considered 'forward looking statements' within the meaning of applicable laws and regulations, have been

based upon current expectations and projection about future events. The management cannot, however, guarantee that these forward looking statements will be realised or achieved.

For and on behalf of the Board of Directors

Dr. Sanjiv Goenka

Chairman

Kolkata, 26 June, 2020

DIN: 00074796

## The Company's Philosophy on Corporate Governance

Corporate Governance is a process that aims to allocate corporate resources in a manner that maximizes value for all stakeholders such as shareholders, investors, employees, customers, suppliers, environment and the community at large. We strongly believe that establishing good corporate governance practices in each and every function of the organization leads to increased operational efficiencies and sustained long term value creation for all the stakeholders. The Company always endeavours to carry its business operations in a fair, transparent and ethical manner and also holds itself accountable and responsible to the society it belongs.

In India, corporate governance standards for listed companies are regulated through the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). This chapter, along with the chapters on Management Discussion and Analysis and Additional Shareholder Information, reports the status of compliance of corporate governance norms of the Listing Regulations by CESC Ventures Limited ('CVL' or 'CESE Ventures') for the year ended 31 March 2020.

## BOARD OF DIRECTORS

### COMPOSITION AND ATTENDANCE

As on 31 March 2020, CVL's Board of Directors ('the Board') had two non-independent directors including the Chairman and three Independent Directors, including a Woman Director. On 26 June 2020 the Board has appointed Mr. Rajeev Ramesh Chand Khandelwal as an Additional Director of the Company with the designation of Whole-time Director for a period of three years subject to necessary approval of the Company's shareholders in the forthcoming Annual General Meeting. The composition of the Board satisfies the requirements of Section 149 of the Companies Act, 2013 ("the Act") and the Listing Regulations.

Composition of the Board and attendance record of the Directors are detailed in Table 1 below. None of the Directors is a member of more than ten Board-level Committees of public companies in which they are Directors or is Chairman of more than five such Committees.

**Table 1 : Composition of the Board of Directors as on 31 March, 2020**

Name of the Directors	Category	No. of other Directorships and Committee membership / Chairmanships in other Indian public companies			Attendance Particulars		
		Director (Note -1)	Member (Note -2)	Chairman (Note -2)	No. of Board Meetings Held	No. of Board Meetings Attended	Attendance at last AGM
Dr. Sanjiv Goenka	Promoter/ Non-Executive/ Non Independent	8	1	3	6	5	No
Mr. Shashwat Goenka	Promoter/ Non-Executive/ Non Independent	5	2	0	6	6	Yes
Mr. Arjun Kumar	Independent	0	0	0	6	4	No
Mr. Kalaikuruchi Jairaj	Independent	7	1	3	6	4	No
Ms. Grace Elizabeth Koshie	Independent	2	1	1	6	5	Yes
Mr. Suhail Sameer (Note 4)	Executive	-	-	-	6	5	Yes

### Notes :

- Directorships held by Directors as mentioned in Table 1 do not include alternate directorships, directorship of foreign companies, Section 8 companies, one person companies and private limited companies.
- Memberships / Chairmanships of only the Audit Committees and the Stakeholders Relationship Committees of public limited companies have been considered.
- None of the Directors except Dr. Sanjiv Goenka and Mr. Shashwat Goenka are related to each other.
- Mr. Suhail Sameer ceased to be a Director with effect from 13 February, 2020.

5. The details of the familiarisation programme for Independent Directors are disclosed on the Company's website at [https://www.cescventures.com/uploads/policies/Familiarization\\_Programme\\_for\\_Independent\\_Director.pdf](https://www.cescventures.com/uploads/policies/Familiarization_Programme_for_Independent_Director.pdf).
6. Independent Directors have confirmed that they meet the criteria of independence u/s 149(6) of the Act and the Listing Regulations. The Board is of the opinion that the Independent Directors fulfill the conditions specified in Listing Regulations and are independent of the management. None of the Independent Directors resigned before the expiry of his /her tenure since the last Annual General Meeting of the Company and the maximum tenure of the Independent Directors is in compliance with the Act. The terms and conditions of the appointment of Independent Directors are available on the Company's website at: <https://www.cescventures.com/uploads/investor/Appointment-letter.pdf>.

**Table : 2 Details of directorship of present Directors in other Listed Entities**

Name of the Directors	Directorship in Listed Entities	Category
Dr. Sanjiv Goenka	a) CESC Limited b) Phillips Carbon Black Limited c) Saregama India Limited d) Firstsource Solutions Limited e) Spencer's Retail Limited	Chairman / Non- Executive / Non-Independent
Mr. Shashwat Goenka	a) Phillips Carbon Black Limited b) Spencer's Retail Limited c) Firstsource Solutions Limited d) CESC Limited	Non-Executive / Non-Independent
Mr. Arjun Kumar	Nil	Nil
Mr. Kailaikuruchi Jairaj	a) CESC Limited b) Adani Transmission Limited	Non-Executive / Independent
Ms. Grace Elizabeth Koshie	a) Firstsource Solutions Limited b) Federal Bank Limited	Non-Executive / Independent Non-Executive / Independent
Mr. Rajeev Ramesh Chand Khandelwal	Nil	Nil

#### EXPERTISE AND COMPETENCE OF THE BOARD OF DIRECTORS

The Board of directors of the Company comprises of six directors -one executive and five being non-executive directors. They are highly experienced in diverse fields and this enables them to contribute effectively to the deliberations of the Board and enhances the quality of the Boards' decision making process.

Dr. Sanjiv Goenka, Chairman, steers the deliberations of the Board with inputs from independent and non-independent directors. Mr. Rajeev Khandelwal, the only executive director on the Board, is a well qualified professional with rich corporate level experience.

The Board has identified the following skills/expertise/competencies fundamental in the context of the Company's business and the industry or sector in which it operates.

Business & Strategic Planning	Expert knowledge of the Company's business and understanding of the business environment in which it functions or operates, benefitting the Company and its business prospects.
Financial Expertise	Proficiency in financial management and reporting processes, capital allocation and understanding the financial policies.
Leadership	Keeping the organisation focussed on its primary goals. Ability to motivate, inspire, analyse and bring in objectivity in decision making. Leading management teams help them to make decisions in present uncertain environments.
Board Service and Governance	Develop insights about maintaining board and management accountability. Encouraging, developing and observing good corporate governance practices, driving corporate ethics and values, serving towards the best interest of the stakeholders and maximising stakeholders' value.
Environment	Experience in leading the Sustainability and Environment, Social and Governance visions of the organisation to be able to integrate these into the strategy of the Company.

## **BOARD MEETINGS**

In 2019-20, the Board met six times on 17 May 2019, 19 July 2019, 14 August 2019, 14 November 2019, 10 February 2020 and 11 March 2020. The maximum gap between any two Board meetings was less than one hundred and twenty days.

## **MEETINGS OF INDEPENDENT DIRECTORS**

During 2019-20, Independent Directors met on 10 February, 2020 to, inter-alia, review the performance of non-Independent directors including that of the Chairman, assess the effectiveness of flow of information between the company management and the Board and other related matters. All the Independent Directors attended the meeting.

## **CONFIRMATION OF INDEPENDENCE**

The Independent Directors have confirmed that they meet the criteria of independence under section 149(6) of the Act and the Listing Regulations. The Board of Directors of the Company is of the opinion that the Independent Directors fulfill the conditions specified in Listing Regulations and are independent of the management. None of the Independent Directors resigned before the expiry of tenure since the last Annual General Meeting of the Company.

## **INFORMATION PLACED BEFORE THE BOARD**

Along with the agenda papers, the Directors are presented with detailed notes including necessary information as required under the statute and in line with the guidelines on Corporate Governance. These papers are circulated to the Directors well in advance so that they can come prepared at the meetings. The Board periodically reviews compliance reports prepared by the Company regarding all laws applicable to it. There has not been any instance of any non-compliance.

Important operational matters are brought to the notice of the Board at its meetings and various divisional heads, incharge of the Company's operations attend the Board Meetings to provide inputs and explain any queries pertaining to their respective areas of operation to enable the Board to take informed decisions.

## **CODE OF CONDUCT**

The Code of Business Conduct and Ethics ('the Code') relating to matters concerning Board members and Senior Management Personnel and their duties and responsibilities have been meticulously followed. All Directors and Senior Management Personnel have affirmed compliance of the provisions of the Code during 2019-20 and a declaration from the Whole-time Director to that effect is given at the end of this report. The Code is posted on the Company's website [www.cescventures.com](http://www.cescventures.com).

## **COMMITTEES OF THE BOARD**

The Board currently has four committees namely:

1. Audit Committee
2. Stakeholder's Relationship Committee
3. Nomination & Remuneration Committee and
4. Corporate Social Responsibility Committee

The terms of reference of the Board Committees are governed by relevant legislations and/or determined by the Board from time to time.

### **1. AUDIT COMMITTEE**

#### **(i) Composition:**

As on 31 March 2020, Audit Committee consisted of Dr. Sanjiv Goenka, Ms. Grace Elizabeth Koshie, Mr. K. Jairaj and Mr. Arjun Kumar, being the Chairman of the Committee. All members of the Audit Committee have accounting and financial management expertise.

**(ii) Meetings:**

The Committee met four times during the year on 17 May 2019, 13 August 2019, 14 November 2019, 10 February 2020. The attendance record of the Members at the Meeting is given below in Table 3.

**Table 3 : Attendance Record of Audit Committee**

Name of Members	Status	Category	No. of Meetings	
			Held	Attended
Mr. Arjun Kumar	Chairman	Independent / Non-Executive	4	4
Dr. Sanjiv Goenka	Member	Non-Executive	4	3
Ms. Grace Elizabeth Koshie	Member	Non-Executive / Independent	4	4
Mr. K. Jairaj*	Member	Non-Executive / Independent	4	2

\* Mr. K. Jairaj was appointed as a member of the Audit Committee w.e.f 14 August 2019.

The chief of finance and representatives of the statutory auditors and internal auditors are invited by the Audit Committee to its meetings. The auditors are heard in the meetings of the Audit Committee when it considers the financial results of the Company and auditors' views thereon. The Company Secretary is the secretary to the Committee.

**(iii) Terms of reference**

The functions of the Audit Committee of the Company include the following:

- a) oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b) provide recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- c) approve payment to statutory auditors for any other services rendered by them;
- d) review with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - i. matters required to be included in the Director's Responsibility Statement to be included in the board of directors report in terms of clause (c) of sub Section 3 of Section 134 of the Act;
  - ii. changes, if any, in accounting policies and practices and reasons for the same;
  - iii. major accounting entries involving estimates based on the exercise of judgment by the management of the Company;
  - iv. significant adjustments made in the financial statements arising out of audit findings;
  - v. compliance with listing and other legal requirements relating to financial statements;
  - vi. disclosure of any related party transactions; and
  - vii. modified opinion(s) in the draft audit report.
- e) review, with the management, the quarterly and any other periodic financial statements before submission to the board of directors for their approval;
- f) review, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to our board of directors to take up steps in this matter;
- g) review and monitor the auditor's independence and performance and effectiveness of audit process;

- h) approve or subsequently modify transactions of the Company with related parties;
- i) scrutinize inter-corporate loans and investments;
- j) provide valuation of undertakings or assets of the Company, wherever it is necessary;
- k) evaluate internal financial controls and risk management systems;
- l) review, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- m) review the adequacy of internal audit function, if any ;
- n) discuss with internal auditors of any significant findings and follow up there on;
- o) review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- p) discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- q) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- r) to review the functioning of the whistle blower mechanism;
- s) approve the appointment of the Chief Financial Officer of the Company after assessing the qualifications, experience and background, etc. of the candidate;
- t) oversee the vigil mechanism established by the Company and the chairman of audit committee shall directly hear grievances of victimisation of employees and directors, who use vigil mechanism to report genuine concerns; and
- u) carry out any other function as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the Board of Directors of the Company or specified/provided under the Act or by the Listing Regulations or by any other regulatory requirement.
- v) reviewing the utilisation of loans and / advances from investment by the Company in its subsidiaries for an amount exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower, including existing loans/ advances / investments

The Company has systems and procedures in place to ensure that the Audit Committee mandatorily reviews:

- I. Management discussion and analysis of financial position and results of operations.
- II. Statement of significant related party transactions, management letters / letters of internal control weaknesses issued by the statutory auditors.
- III. Internal audit reports relating to internal control weaknesses.
- IV. Whenever applicable, monitoring end use of funds raised through public issues, rights issues, preferential issues by major category (capital expenditure, sales and marketing, working capital, etc), as part of the quarterly declaration of financial results.

In addition, Audit Committee of the Board is also empowered to review the financial statements, in particular, investments made by the unlisted subsidiary companies, in view of the requirements under Regulation 24 of the Listing Regulations.

## 2. STAKEHOLDERS' RELATIONSHIP COMMITTEE

### (i) Composition:

As on 31 March 2020, the Stakeholders Relationship Committee consisted of Dr. Sanjiv Goenka, Chairman of the Committee, Mr. Shashwat Goenka and Mr. Arjun Kumar. Mr. Sudip Kumar Ghosh, Company Secretary is the compliance officer of the Company reporting to the Committee.

**(ii) Meetings:**

The Committee met four times on 17 May 2019, 13 August 2019, 13 November 2019 and 10 February 2020.

The attendance record of the Members at the Meeting is given below in Table 4.

**Table 4 : Attendance Record of Stakeholders Relationship Committee**

Name of Members	Status	Category	No. of Meetings	
			Held	Attended
Dr. Sanjiv Goenka	Chairman	Non-Executive	4	4
Mr. Shashwat Goenka	Member	Non-Executive	4	4
Mr. Arjun Kumar	Member	Independent / Non-Executive	4	4
Mr. Suhail Sameer*	Member	Executive	4	4

\* ceased to be a Member w.e.f 13 February 2020

Details of the number and nature of complaints received and redressed during the financial year 2019-20 are given in the section titled "Additional Shareholder Information".

**(iii) Terms of reference:**

The terms of reference of the Stakeholders Relationship Committee include the following:

- (a) Redressal of all security holders' and investors' grievances such as complaints related to transfer of shares, including non-receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures, non-receipt of balance sheet, non-receipt of declared dividends, non-receipt of annual reports, etc. and assisting with quarterly reporting of such complaints;
- (b) Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- (c) Giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time; Overseeing the performance of the registrars and transfer agents of our Company and to recommend measures for overall improvement in the quality of investor services; and
- (d) Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Act or the Listing Regulations, or by any other regulatory authority.

For expediting the above processes, the Board has delegated necessary power to the Company Secretary who is also the Compliance Officer.

**3. NOMINATION & REMUNERATION COMMITTEE**

**(i) Composition:**

As on 31 March, 2020, the Nomination & Remuneration Committee comprised of Dr. Sanjiv Goenka, Ms. Grace Elizabeth Koshie and Mr. Arjun Kumar, Chairman.

**(ii) Meetings:**

The Committee met three times on 17 May 2019, 13 August 2019 and 10 February 2020 .

The attendance record of the Members at the Meeting is given below in Table 5.

**Table 5 : Attendance Record of Nomination & Remuneration Committee**

Name of Members	Status	Category	No. of Meetings	
			Held	Attended
Mr. Arjun Kumar	Chairman	Independent / Non-Executive	3	3
Dr. Sanjiv Goenka	Member	Non-Executive	3	3
Ms. Grace Elizabeth Koshie	Member	Independent / Non-Executive	3	3

**Remuneration Policy:**

In accordance with the recommendation of the Committee, the Company has formulated a Remuneration Policy for directors, key managerial personnel and other employees of the Company.

**iii) Terms of Reference:**

The role of the Nomination & Remuneration Committee includes:

- (a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- (b) Formulation of criteria for evaluation of performance of Independent Directors and the Board;
- (c) Devising a policy on Board diversity;
- (d) Identifying persons who are qualified to become directors of the Company and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;
- (e) Analysing, monitoring and reviewing various human resource and compensation matters;
- (f) Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
- (g) Determining remuneration, in whatever form, payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;
- (h) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- (i) Determining whether to extend or continue the term of appointment of the Independent Directors, on the basis of the report of performance evaluation of independent directors;
- (j) Perform such functions as are required to be performed under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (k) Administering any employee stock option plan ("Plan");
- (l) Determining the eligibility of employees to participate under the Plan;
- (m) Granting options to eligible employees and determining the date of grant;

- (n) Determining the number of options to be granted to an employee;
- (o) Determining the exercise price under the Plan;
- (p) Construing and interpreting the Plan and any agreements defining the rights and obligations of the Company and eligible employees under the Plan and prescribing, amending and/or rescinding rules and regulations relating to the administration of the Plan;
- (q) Framing suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:
  - a) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended;
  - b) and the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, as amended.
- (r) Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee.

**(iv) Performance Evaluation Criteria:**

The performance evaluation criteria for Non-Executive including Independent Directors laid down by the Committee and taken on record by the Board includes:

- Attendance and participation in the Meetings
- Preparedness for the Meetings
- Understanding of the Company and the external environment in which it operates and contributes to strategic direction
- Raising of valid concerns to the Board and constructive contribution to issues and active participation at meetings
- Engaging with and challenging the management team without being confrontational or obstructionist.

**4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

**(i) Composition:**

As on 31 March 2020, the Corporate Social Responsibility Committee consisted of Mr. Shashwat Goenka, Chairman and Mr. Arjun Kumar. Mr. Rajeev Ramesh Chand Khandelwal has been inducted in the Committee with effect from 26 June 2020.

**(ii) Meetings:**

The attendance record of the Members at the Meeting held on 17 May, 2019 is given below in Table 6.

**Table 6: Attendance Record of Corporate Social Responsibility Committee**

Name of Members	Status	Category	No. of Meetings	
			Held	Attended
Mr. Shashwat Goenka	Chairman	Non-Executive	1	1
Mr. Arjun Kumar	Member	Independent / Non-Executive	1	1
Mr. Suhail Sameer *	Member	Executive	1	1

\* ceased to be a Member w.e.f 13 February 2020

**(iii) Terms of reference:**

The terms of reference of the Corporate Social Responsibility Committee are as follows:

- (a) To formulate and recommend to the board, a corporate social responsibility policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act and the rules made thereunder and make any revisions therein as and when decided by the Board;
- (b) To identify corporate social responsibility policy partners and corporate social responsibility policy programmes;
- (c) To recommend the amount of expenditure to be incurred for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;
- (d) To delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;
- (e) To review and monitor the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes; and
- (f) To perform such other duties and functions as the Board may require the Corporate Social Responsibility Committee to undertake to promote the corporate social responsibility activities of the Company and exercise such other powers as may be conferred upon the CSR Committee in terms of the provisions of Section 135 of the Companies Act, 2013.

**Committee Recommendation**

There were no instances of any recommendation by the Committee that was not accepted by the Board.

**REMUNERATION OF DIRECTORS**

Payment of remuneration to the Whole-time Director will be governed by a letter of appointment to be issued to him by the Company and will be governed by Board and Shareholders' resolutions. The remuneration structure comprises salary, variable pay, perquisites and allowances and retirement benefits in the forms of superannuation and gratuity. The details of remuneration to the Directors have been given below.

**Remuneration to Non-Executive Directors for the year ended 31 March 2020:**

Details of Sitting Fees paid to Non-Executive Directors during the Financial Year 2019-20 are as follows:

Dr. Sanjiv Goenka, Chairman – ₹ 10,00,000, Mr. Shashwat Goenka – ₹ 8,50,000, Mr. Arjun Kumar – ₹ 10,50,000, Ms. Grace Elizabeth Koshie – ₹ 9,00,000, Mr. K.Jairaj – ₹ 5,50,000.

Sitting fees include payment for Board-level committee meetings. Apart from sitting fees, no other payments have been made to the Non-Executive Directors during the year.

**Remuneration of the Whole-time Director:**

The remuneration to Mr. Suhail Sameer, former Whole Time Director on the Board, in accordance with the Resolution passed by the Shareholders at the Second Annual General Meeting held on July 2019 was : Salary – ₹ 133.42 lakh, Contribution to Pension and Provident Fund and Gratuity – ₹ 16.01 lakh, Estimated value of other benefits – ₹ 328.07 lakh, Total ₹ 477.50 lakh.

**Shares held by Non-Executive Directors as on 31 March, 2020:**

Name	No of shares held
Dr. Sanjiv Goenka	26,958
Mr. Shashwat Goenka	22,281

As on 31 March 2020, no convertible instruments of the Company were outstanding.

## SUBSIDIARY COMPANIES

As on 31 March 2020, CESC Ventures had 23 subsidiaries. Guiltfree Industries Limited and Quest Properties India Limited are material unlisted subsidiaries of the Company during the year.

Web link of policy for determining material subsidiaries is given below: <https://www.cescventures.com/uploads/policies/POLICY%20ON%20MATERIAL%20SUBSIDIARY.pdf>

## MANAGEMENT DISCUSSION AND ANALYSIS

This Annual Report has a detailed chapter on Management Discussion and Analysis (Annexure 'A').

## DISCLOSURES BY MANAGEMENT TO THE BOARD

All disclosures relating to financial and commercial transactions where Directors may have a potential interest are provided to the Board, and the interested Directors neither participate in the discussion nor do they vote on such matters.

## DISCLOSURE OF ACCOUNTING CONVENTION IN PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared to comply in all material aspects with the applicable accounting principles in India, including accounting standards notified under Section 133 of the Act and other relevant provisions of the Act. The financial statements have also been prepared in accordance with relevant presentational requirements of the Act.

## FEES PAID TO THE STATUTORY AUDITORS BY THE COMPANY AND ITS SUBSIDIARIES:

Services Rendered	Fees Paid (₹ in Lakhs)
Fees as Statutory Auditor	11.35
Fees as Tax Auditor	2.00
Fees for Other Service	0.22
<b>Total</b>	<b>13.57</b>

## CODE FOR PREVENTION OF INSIDER TRADING PRACTICES

The Company has in place a code – “Code of Conduct to Regulate, Monitor and Report Trading in Securities of the Company” in compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015. The code lays down guidelines, which advises the insiders on procedures to be followed and disclosures to be made, while dealing with the Company’s securities. The code clearly specifies, among other matters, that “Designated Persons” including Directors of the Company can trade in the Company’s securities only when the ‘Trading Window’ is open. The trading window is closed during the time of declaration of financial results, dividend and other important events as mentioned in the Code.

Apart from the above, the Company also has in place a “Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information” in terms of the aforesaid regulations. Company Secretary is the Compliance Officer who also heads the investor relation functions. The above two codes are posted on the Company’s website [www.cescventures.com](http://www.cescventures.com).

## CREDIT RATINGS

The Company has not obtained any credit rating during the financial year 2019-20.

## UTILIZATION OF FUNDS

Since its incorporation, the Company has not raised any funds through preferential allotment or qualified institutions placement.

## RELATED PARTY TRANSACTIONS

Details of transactions of a material nature with any of the related parties as specified in Indian Accounting Standard (IND AS-24) issued by the Institute of Chartered Accountants of India are disclosed in Note 29 to the financial statements for the year 2019-20. There has been no material transaction with any of the related parties which may have potential conflict with the interests of the Company. There has been no material pecuniary relationship or transaction between the Company and its Non-Executive Directors during the year. The Company’s policy on dealing with Related Party Transactions is posted at: [https://www.cescventures.com/uploads/policies/Policy\\_statement\\_on\\_materiality\\_and\\_dealing\\_with\\_Related\\_Parties.pdf](https://www.cescventures.com/uploads/policies/Policy_statement_on_materiality_and_dealing_with_Related_Parties.pdf).

## WHISTLE BLOWER POLICY

As required under the Act and Listing Regulations, the Company has formulated a Vigil Mechanism and Whistle Blower Policy for its Directors and permanent employees. Under the Policy, instances of any irregularity, unethical practice and / or misconduct can be reported to the

management for appropriate action. No such case has been reported during the year and accordingly, the question of denying any personnel due access to audit committee does not arise.

#### PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 (“POSH Act”) and Rules made thereunder, the Company has formed Internal Complaints Committee for various work places to address complaints pertaining to sexual harassment in accordance with the POSH Act. No complaint for any sexual harassment has been received during the year.

#### CEO/CFO CERTIFICATION

Certification by the CEO and the CFO as to the financial statements for the year has been submitted to the Board of Directors, as required under the Listing Regulations.

#### SHAREHOLDERS

#### APPOINTMENT OF DIRECTORS

Dr. Sanjiv Goenka retires at the conclusion of the forthcoming Annual General Meeting of the Company, and being eligible, offers himself for reappointment.

Mr. Rajeev Ramesh Chand Khandelwal, appointed by the Board as an Additional Director, shall hold office up to the date of the forthcoming Annual General Meeting and is proposed to be appointed as Director in the meeting. Mr. Khandelwal is designated as Whole time Director of the Company.

The details of the above directors are given below:

Name of the Director	Dr. Sanjiv Goenka (DIN : 00074796)
Age	59
Brief Resume	<p>Dr. Sanjiv Goenka is the Chairman of the Company and also of ₹ 44,000 crores RP Sanjiv Goenka Group which has over 45,000 employees and over five hundred thousand shareholders with annual revenues of more than ₹ 26,000 crores.</p> <p>Dr. Goenka was the youngest-ever President of the Confederation of Indian Industry (CII) and of the Indian Chamber of Commerce. He is also former President of the All India Management Association. He is presently the Chairman of the Board of Governors of the Indian Institute of Technology, Kharagpur. This is the fourth time Dr. Goenka has been bestowed this honour. Dr. Goenka is also the Chairman of the Board of Governors of International Management Institute, Delhi, Bhubaneswar and Kolkata.</p> <p>Dr. Goenka is aged 59 years and is a Commerce Graduate from St. Xavier’s College, Kolkata. Dr. Sanjiv Goenka has received numerous awards and three Honorary Doctoral Degrees.</p>
Other Directorship	Mr. Goenka is the Chairman of the Board of Directors of CESC Limited (member of Audit Committee, Nomination & Remuneration Committee and Chairman of Stakeholders Relationship Committee and CSR Committee), Phillips Carbon Black Limited, Saregama India Limited (also Chairman of its Stakeholder Relationship Committee), Firstsource Solutions Limited, Spencer’s Retail Limited (member of its Nomination & Remuneration Committee and also Chairman of its Stakeholders Relationship Committee & CSR Committee) Spencer International Hotels Limited, Spencer and Company Limited and Haldia Energy Limited.
Shareholding	26,958 Equity shares

Name of the Director	Mr. Rajeev Ramesh Chand Khandelwal (DIN : 08763979)
Age	51
Brief Resume	Mr. Khandelwal, holds a Bachelor’s degree in Engineering and a Master degree in Business Administration in Marketing from SP Jain Institute of Management. He has extensive experience in FMCG sales, marketing and P&L leadership roles with leading companies such as Gillette, P&G and Reckitt Benckiser. In his immediate past role, he was Regional Director -Sub Saharan Africa and Sales Director India with Reckitt Benckiser
Other Directorship	Nil
Shareholding	Nil

## COMMUNICATION TO SHAREHOLDERS

The Company puts forth key information about the Company and its performance, including quarterly results, official news releases and presentations to Analysts, on its website [www.cescventures.com](http://www.cescventures.com) regularly for the benefit of its shareholders and the public at large.

During the year, the Company's quarterly/half-yearly/yearly results have been published in English and Bengali newspapers i.e. Business Standard and Aajkaal and the annual results have been posted on its website. Hence, they are not separately sent to the Shareholders. However, the Company furnishes the quarterly results on receipt of a request from any Shareholder.

## COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES:

The Company does not deal in commodities and does not have any foreign currency exposure.

## GENERAL BODY MEETINGS

The date, time and venue of the last two annual general meeting is given below.

Financial year	Date	Time	Venue	Special Resolutions Passed
2017-18	29 October, 2018	10-00 A.M	CESC House, Chowringhee Square, Kolkata - 700001	Three
2018-19	19 July, 2019	10.30 A.M.	G.D Birla Sabhagar (Basement Auditorium of Birla Mandir), 29 Ashutosh Choudhury Avenue, Kolkata - 700 019	Two

No special resolution passed at the above Annual General Meeting was required to be put through postal ballot. No resolution is proposed to be passed at the forthcoming Annual General Meeting through postal ballot.

There was no Extra-Ordinary General Meeting held and no Postal Ballot conducted during the year under review.

## COMPLIANCE

### MANDATORY REQUIREMENTS

The Company is fully compliant with the applicable mandatory requirements of Listing Regulations.

### NON-MANDATORY / DISCRETIONARY REQUIREMENTS

The details of compliance of the non-mandatory/discretionary requirements are listed below:

a) Shareholder Rights

Details of the shareholders' rights in this regard are given in the section 'Communication to Shareholders'.

b) No Audit Qualifications

During the current financial year, there are no audit qualifications in the financial statements of the Company. The Company continues to adopt appropriate best practices in order to ensure unqualified financial statements.

## CONFIRMATION

The Company has obtained a Certificate from the Secretarial Auditor regarding compliance of conditions of corporate governance, as mandated in Regulation 27 of the Listing Regulations. The certificate is annexed to this report. The Company has also obtained a Certificate from the

Secretarial Auditor confirming that none of its Directors has been debarred or disqualified from being appointed or continuing on the Board as Directors of any company by any statutory authority.

There were no instances of any recommendation by the Committees that was not accepted by the Board.

The Company has complied with the requirements prescribed under Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

To the best of its knowledge, CESC Ventures has complied with all requirements of the Regulatory Authorities. No penalties/strictures were imposed on the Company by stock exchanges or SEBI or any Statutory Authority on any matter related to capital markets from the date of listing.

For and on behalf of the Board of Directors

Dr. Sanjiv Goenka

Chairman

DIN: 00074796

Kolkata, 26 June, 2020

## **CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE**

for the financial year ended 31.03.2020

To the Members of  
CESC Ventures Limited  
(formerly known as 'RP-SG Business Process Services Limited')  
CIN: L74999WB2017PLC219318

1. We have examined the compliance of conditions of corporate governance by CESC Ventures Limited for the year ended March 31, 2020 as stipulated in Regulation 17 to 27 and 34(3) read with Schedule-V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. The compliance of conditions of corporate governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Corporate Governance Certificate issued by the Institute of Company Secretaries of India and was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us and based on the Audit conducted by us physically and also by way of remote audit, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations to the extent applicable to it.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
5. This Certificate is being issued under the conditions of lockdown due to COVID-19 with limited resources available to us.

Place : Kolkata  
Date : 26 June, 2020

S. M. GUPTA  
Partner  
S. M. Gupta & Co  
Company Secretaries  
Firm Registration No. P1993WB046600  
Membership No.: FCS-896,  
C.P. No.: 2053  
Peer Review No.: 718/2020  
UDIN: F000896B000384290

## Additional Shareholder Information (Annexure 'C' to the Report of the Board of Directors)

### ANNUAL GENERAL MEETING

Date	:	Monday, 3 August, 2020
Time	:	3 PM
Venue	:	AGM by Video Conferencing/Other Audio Visual Means

**FINANCIAL CALENDAR** : 1 April to 31 March

For the year ended 31 March, 2020, results were announced on :

First quarter	-	14 August, 2019
Second quarter	-	14 November, 2019
Third quarter	-	10 February, 2020
Fourth quarter and annual	-	26 June, 2020

For the year ended 31 March, 2021, results will be announced by:

First quarter	Within 14 August, 2020 *
Second quarter	Within 14 November, 2020 *
Third quarter	Within 14 February, 2021*
Fourth quarter and annual	Within 30 May, 2021*

\* The above dates are subject to any statutory extension, if allowed in future.

### DIVIDEND

During the year ended 31 March, 2020, the Company has not declared any dividend to its shareholders.

### LISTING

Equity shares of CESC Ventures Limited are listed on National Stock Exchange of India Limited, Mumbai (NSE), BSE Limited, Mumbai (BSE) and The Calcutta Stock Exchange Limited, Kolkata (CSE).

Stock Exchange	Address	Stock Code
NSE	Bandra Kurla Complex, Bandra (E), Mumbai – 400 051	CESCVENT
BSE	Phiroze Jeejeeboy Tower, Dalal Street, Mumbai – 400 001	542333
CSE	7, Lyons Range, Kolkata – 700 001	13343
ISIN No.		INE425Y01011

All listing and custodial fees to the stock exchanges and depositories have been duly paid upto financial year 2020-21

## STOCK DATA AND PERFORMANCE

Table 1 below gives the monthly high and low prices of CESC Ventures 's equity shares at BSE and NSE for the year 2019-20.

**Table 1: High and Low Prices at the BSE and NSE (₹)**

Month	Bombay Stock Exchange (BSE)		National Stock Exchange (NSE)	
	High	Low	High	Low
April, 2019	657.00	475.00	659.00	475.00
May, 2019	509.00	447.60	508.25	446.30
June, 2019	488.70	400.05	490.00	400.00
July, 2019	511.90	387.00	511.00	386.00
August, 2019	422.05	330.05	422.00	331.00
September, 2019	408.95	301.00	410.90	300.50
October, 2019	371.30	315.00	376.90	314.00
November, 2019	357.00	290.00	355.70	295.00
December, 2019	319.50	275.10	324.90	273.10
January, 2020	389.00	312.55	389.95	313.00
February, 2020	385.00	272.45	385.50	272.00
March, 2020	285.30	112.05	289.95	109.00

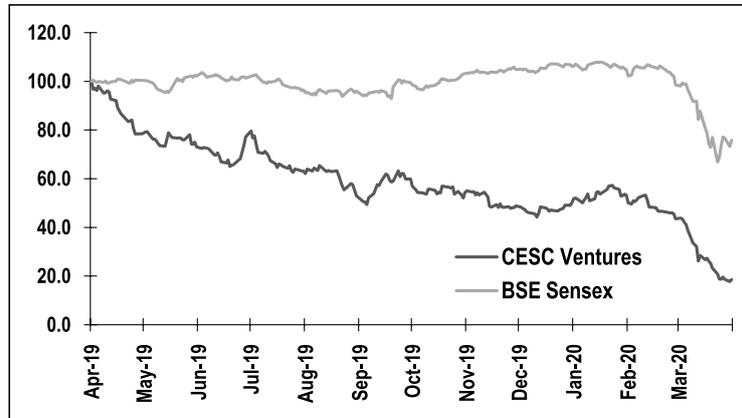
Note: There is no trading in the shares of the Company at CSE during the year.

Table 2 provides the closing price of CESC Ventures equity shares on NSE with leading market and sector indices at the last trading day for each month during the financial year 2019-20:

**Table 2: Performance in Comparison to NSE, BSE Sensex, and BSE 500:**

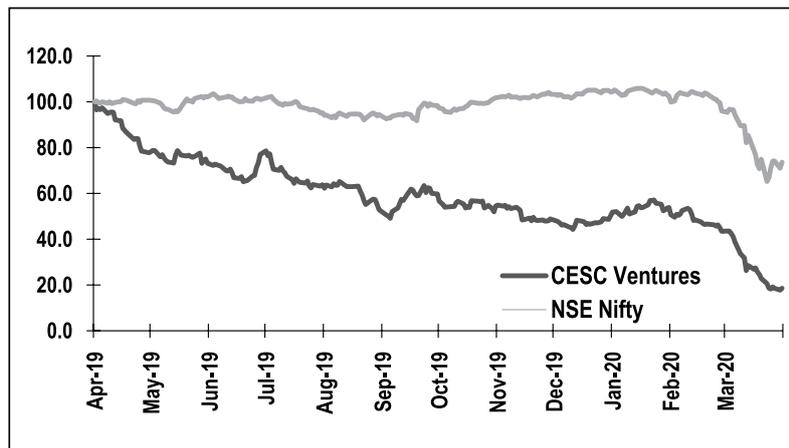
As on close of last trading day for each month	CVL's Closing Price on NSE (₹)	NSE Nifty	BSE Sensex	BSE 500 Index
April, 2019	492.10	11748.15	39031.55	15293.75
May, 2019	462.95	11922.80	39714.20	15517.90
June, 2019	487.35	11788.85	39394.64	15291.70
July, 2019	403.80	11118.00	37481.12	14324.12
August, 2019	334.95	11023.25	37332.79	14234.07
September, 2019	378.15	11474.45	38667.33	14810.02
October, 2019	344.75	11877.45	40129.05	15387.13
November, 2019	309.20	12056.05	40793.81	15567.67
December, 2019	317.50	12168.45	41253.74	15667.44
January, 2020	341.10	11962.10	40723.49	15649.81
February, 2020	274.60	11201.75	38297.29	14627.62
March, 2020	117.95	8597.75	29468.49	11098.23

Chart A plots the movement of CESC Ventures' equity shares' adjusted closing prices compared to the BSE Sensex.



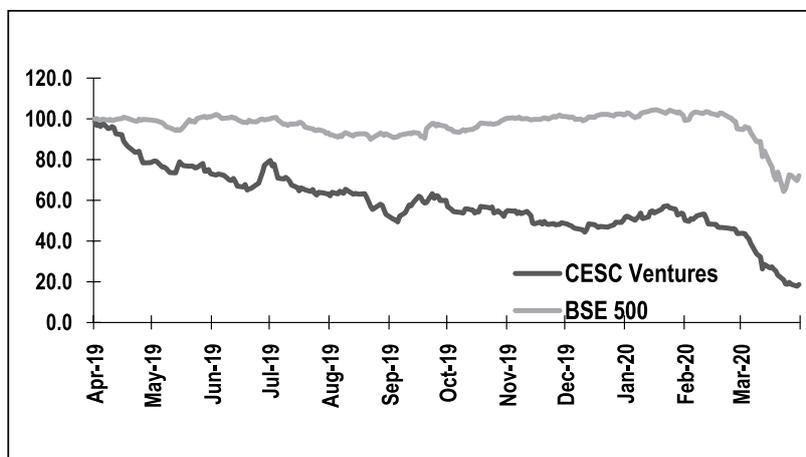
Note: Share price of CESC Ventures and BSE Sensex have been indexed to 100 on 1 April 2019.

Chart B plots the movement of CESC Ventures' equity shares' adjusted closing prices compared to the NSE NIFTY.



Note: Share price of CESC Ventures and NSE NIFTY have been indexed to 100 on 1 April 2019.

Chart C plots the movement of CESC Ventures' equity shares' adjusted closing prices compared to the BSE 500.



Note: Share price of CESC Ventures and BSE 500 have been indexed to 100 on 1 April 2019.

## SHARE TRANSFER ARRANGEMENT, INVESTOR GRIEVANCES & CONTACT INFORMATION

CESC Ventures processes share transfers through its registrar and share transfer agent, whose details are given below:

Name of the Contact Person : Ms. Sangeeta Lotankar  
 Address : LINK INTIME INDIA PRIVATE LIMITED  
 C 101, 1st Floor, 247 Park,  
 L B S Marg, Vikhroli West,  
 Mumbai – 400083.  
 Tel : +91 22 49186270  
 Email : mumbai @linkintime.co.in  
 Website : www.linkintime.co.in

Investors correspondence and /or grievances, if any may be sent to the Company's registrar and share transfer agent at the above address or at the Company's registered address given below:

Name of the Compliance Officer : Mr. Sudip Kumar Ghosh  
 Registered Address : CESC Ventures Limited  
 CESC House  
 Chowringhee Square  
 Kolkata – 700 001  
 Tel No. : 033-66340684  
 E-mail : cescentures@rpsg.in

In compliance with the SEBI circular dated 27 December, 2002, requiring share registry in terms of both physical and electronic mode to be maintained at a single point, CESC Ventures has established direct connections with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), the two depositories, through its registrar and share transfer agent.

The Company's equity shares are under compulsory dematerialised trading. Shares held in the dematerialised form are electronically traded in the Depository. The Registrar and Share Transfer Agent of the Company periodically receives data regarding the beneficiary holdings, so as to enable them to update their records and send all corporate communications, dividend warrants, etc.

Securities and Exchange Board of India (SEBI) has decided that securities of listed companies can be transferred only in dematerialized form with effect from 1st April, 2019.

Equity shares of the company are available for dematerialisation. Addresses of both the Depositories are given below:

National Securities Depository Limited Trade World, A wing, 4th Floor, Kamala Mills Compound, Lower Parel, Mumbai - 400013	Central Depository Services (India) Limited Marathon Futurex, A-Wing, 25th floor, NM Joshi Marg, Lower Parel, Mumbai 400013
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As on 31 March 2020, dematerialised shares accounted for 26251784 shares (99.02% of total equity). The Company has not issued any GDRs /ADRs /Warrants and there are no convertible instruments outstanding as on 31 March 2020. There is no subsisting court order in legal proceedings against CESC Ventures Limited in any share transfer matter. Table 3 give details of the number and nature of complaints for the year 2019-20:

**Table 3: Complaints from Shareholders during 2019-20**

Particulars	Complaints				
	Non receipts of certificates	Non-Receipt of Dividend	Non Receipt of Annual Reports / Non Receipt of Demat Credit	Others	Total
Received during the year	11	-	10	6	27
Attended to the satisfaction of the shareholders during the year	11	-	10	6	27
Pending as on 31 March, 2020	-	-	-	-	-

\* As confirmed by the Stock Exchanges and Registrar and Transfer Agent.

## SHAREHOLDING PATTERN

Tables 4 and 5 give the pattern of shareholding by ownership and share class respectively.

**Table 4: Pattern of Shareholding by Ownership as on 31 March 2020**

Category	As on 31 March, 2020	
	Total No. of Shares	Percentage
<b>1. Management Group / Families</b>	132,34,437	<b>49.92%</b>
<b>2. Institutional Investors</b>		
a. Mutual Funds	7,21,821	2.72%
b. Banks, Financial Institutions, Insurance Companies	12,02,596	4.54%
c. FIs	39,29,363	14.82%
<b>Total</b>	<b>58,53,780</b>	<b>22.08%</b>
<b>3. Others</b>		
a. Bodies Corporate	14,25,589	5.38%
b. Indian Public	45,35,851	17.11%
c. NRIs	12,19,568	4.60%
d. Others	2,42,184	0.91%
<b>Total</b>	<b>74,23,192</b>	<b>28.00%</b>
<b>Grand Total</b>	<b>2,65,11,409</b>	<b>100.00%</b>

**Table 5 : Pattern of Shareholding by Share Class as on 31 March, 2020**

Shareholding Class	No of shareholders	No of shares held	Shareholding %
1 to 500	40167	12,67,300	4.78
501 to 1,000	1111	8,37,545	3.16
1,001 to 2,000	502	7,02,742	2.65
2,001 to 3,000	137	3,40,764	1.29
3,001 to 4,000	64	2,23,879	0.84
4,001 to 5,000	31	1,41,014	0.53
5,001 to 10,000	57	4,04,546	1.53
10,001 to *****	84	2,25,93,619	85.22
<b>Total</b>	<b>42153</b>	<b>2,65,11,409</b>	<b>100.00</b>

### PLANT AND OTHER OFFICE LOCATIONS:

The Company does not have any other plant. The address of the corporate office of the Company is mentioned elsewhere in the Annual Report.

### TRANSFER OF UNCLAIMED DIVIDEND AND SHARES TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

The Company was incorporated on 7 February, 2017 and since the Company has not yet completed 7 years of its incorporation, IEPF provisions are not applicable to the Company.

## UNCLAIMED SHARES

In terms of the Listing Regulations, the Company opened separate Unclaimed Suspense Account wherein 26,022 equity shares were credited and reminder has also been given to its shareholders for claiming shares from Unclaimed Suspense Account. These shares may be claimed back by the concerned shareholders on compliance of necessary formalities.

It may also be noted that all the corporate benefits accruing to these shares shall also be credited to the said “Unclaimed Shares Suspense Account” and the voting rights of these shares shall remain frozen until the rightful owner claims the shares.

The status of equity shares lying in CESC Venture’s Unclaimed Suspense Account is given below:

SI No	Particulars	No of shareholders	No. of equity shares held
1	Aggregate number of shareholders and the outstanding shares lying in the suspense account at the beginning of the year	132	26022
2.	No of shareholders who approached the Company for transfer of shares from the suspense account	-	-
3.	No of shareholders to whom shares were transferred from the suspense account	-	-
4.	Aggregate number of shareholders and the outstanding shares lying in the suspense account at the end of the year	132	26022

For and on behalf of the Board of Directors

Dr. Sanjiv Goenka  
Chairman  
DIN : 00074796

Kolkata, 26 June, 2020

## DECLARATION

As required under the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is confirmed that all Directors and Senior Management Officers have affirmed compliance of the Code of Business Conduct and Ethics during the year 2019-20.

Rajeev Ramesh Chand Khandelwal  
Whole-time Director  
DIN : 08763979

Kolkata, 26 June, 2020

# Annual Report on Corporate Social Responsibility Activities

undertaken during the year ended 31 March 2020 (Annexure 'D' to the Report of the Board of Directors)



1. A brief outline of the Company's CSR policy etc. including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:

The Company is dedicated to the cause of providing access to basic services, empowering people, educating them and to improving their quality of life. The Company intends to undertake programmes based on the identified needs such as :-

- a) Provision of access to basic healthcare services/facilities, safe drinking water & sanitation and conducting health awareness camps;
- b) Promoting education including special education and empowerment of the disadvantaged sections of society through promoting inclusive education for all, as well as through livelihood generation and skill development;
- c) Supporting environmental and ecological balance through energy conservation, adoption of initiatives resulting into Greenhouse Gas Emissions (GHG) reduction and transformation into a low carbon business practices;
- d) Undertaking livelihood generation/promotion and women empowerment projects;
- e) Undertaking / supporting sports activities and programmes of art & culture in various forms and
- f) Any other programme that falls under the Company's CSR Policy and is aimed at the empowerment of disadvantaged sections of the society

The Company's policy on CSR is posted at [https://www.cescventures.com/uploads/policies/CSR\\_BPS.pdf](https://www.cescventures.com/uploads/policies/CSR_BPS.pdf)

2. Composition of CSR Committee: The CSR Committee consists of Mr. Shashwat Goenka, Chairman, Mr. Arjun Kumar, Independent Director and Mr. Rajeev Ramesh Chand Khandelwal, Whole Time Director.
3. Average net profit for the last three financial years: ₹ 1123.72 lakhs
4. Prescribed CSR Expenditure (two percent of the above amount as in item 3 above) is ₹ 22.47 lakhs
5. (a) Total amount spent for the financial year 2019-20 is ₹ 22.47 lakhs  
(b) Unspent amount for financial year 2019-20 is Nil  
(c) Manner in which the amount was spent during the financial year is detailed below:

1	2	3	4	5	6	7	8
Sl. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or programs 1) Local area or other 2) Specify the State and District where projects or programs was undertaken	Amount outlay (budget) project or programs wise (₹)	Amount spent on the projects or programs Sub-heads; 1) Direct expenditure on projects or programs 2) Overheads (₹)	Cumulative Expenditure upto the reporting period (₹)	Amount spent: Direct or through implementing agency
1	Setting up of an Institution of excellence	Sector Permitted by Schedule-VII to the Companies Act, 2013	Kolkata (West Bengal)	22,47,000	22,47,000	22,47,000	Through Implementing Agency (RP-SG Group CSR Trust)

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report: Not Applicable
7. Responsibility Statement: It is stated that the implementation and monitoring of CSR policy is in compliance with CSR objectives and Policy of the Company.

Rajeev Ramesh Chand Khandelwal  
Whole time Director and Member, CSR Committee

Shashwat Goenka  
Chairman, CSR Committee

Kolkata, 26 June, 2020

DIN : 08763979

DIN : 03486121

# Business Responsibility (BR) Report

(Annexure 'E' to the Report of the Board of Directors)



## Section A: General Information about Company

1	Corporate Identity Number	L74999WB2017PLC219318
2	Name of the Company	CESC Ventures Limited ('CVL' or 'CESC Ventures' or 'the Company')
3	Registered address	CESC House, Chowringhee Square, Kolkata- 700 001
4	Website	www.cescventures.com
5	Email	cescventures@rpsg.in
6	Financial Year Reported	2019-20
7	Sectors engaged in	Code 63999 – Information Technology and information technology related services
8	Key products / services company manufacturers	software development support, IT consultancy support and services
9	Locations where business activities are undertaken by the Company.	Kolkata
10	Markets served by the company	CESC Ventures Limited's core business operations as a standalone entity consists of information technology (IT) services, which are currently being provided mainly to certain Group companies operating in the power sector.

## Section B: Financial Details of the Company

1	Paid-up Capital (in INR)	26.51 crore
2	Total Income (in INR)	234.06 crore
3	Total profit after taxes (in INR)	174.29 crore
4	Total Spending on CSR as % profit after tax	2% of the average net profit of last three years
5	List of activities in which CSR expenses incurred	Please see Annexure – 'D' of Directors Report.

## Section C: Other Details

1	Details on subsidiary companies	As on 31 March 2020, the Company has twenty three subsidiaries.
2	Participation of subsidiary companies in the BR initiatives of the parent company	The Company and its subsidiaries are participating in various BR/CSR (Corporate Social Responsibility) initiatives in the respective local areas in which it operates. The Company is contributing to RP-Sanjiv Goenka Group CSR Trust, which has an established track record of carrying out CSR activities.
3	Participation of other entities (suppliers, contractors etc) in the BR initiatives of the Company	No other entity participates in BR initiatives of the Company.

## Section D: BR Information

1	Details of Director / Directors responsible for BR		CSR Committee of the Board of Directors of the Company formed in terms of Section 135 of the Companies Act, 2013 inter alia also monitors the BR functions of the Company.
	a.	Details of director responsible for implementation of BR policies.	The CSR Committee of the Board functions under the Chairmanship of Mr. Shashwat Goenka with Mr. Arjun Kumar, Independent Director and Mr. Rajeev Ramesh Chand Khandelwal, Whole Time Director of the Company.
	b.	Details of BR Head	Mr. Rajeev Ramesh Chand Khandelwal, Whole time Director is currently entrusted with the overall responsibility for BR activities. Details of Mr. Khandelwal are as under: i) DIN : 08763979 ii) Designation: Whole time Director iii) Telephone Nos: 033 – 2225 6040 iv) Email id :cescventures@rpsg.in

## 2. Principle-wise BR policy - As per National Voluntary Guidelines

	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have a policy /policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national/ international standards? If yes, specify	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Has the policy been approved by the Board? Is yes, has it been signed by MD / owner / CEO / appropriate BoardDirector?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	i) Code of conduct: <a href="http://www.cescventures.com/uploads/policies/Code_of_conduct_BPS.pdf">www.cescventures.com/uploads/policies/Code_of_conduct_BPS.pdf</a> ii) Whistle Blower Policy : <a href="http://www.cescventures.com/uploads/policies/BPS_Whistle.pdf">www.cescventures.com/uploads/policies/BPS_Whistle.pdf</a> iii) CSR Policy: <a href="http://www.cescventures.com/uploads/policies/CSR_BPS.pdf">www.cescventures.com/uploads/policies/CSR_BPS.pdf</a>								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes. Policies have been communicated to the key internal stakeholders. Communication is an ongoing process and hence intended to cover both internal and external stakeholders.								
8.	Does the company have in-house structure to implement the policy/policies?	Yes.								
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?	Yes. Stakeholders' Relationship Committee (SRC) entrusted with the responsibilities to redress the grievances of the shareholders of the Company. Further, the Company also has in place a whistle blower mechanism to enable the Directors and employees of the Company to address their concerns about any instance of perceived irregularity, unethical practice and/or misconduct etc. to the Chairperson of the Audit Committee.								
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The evaluation of CSR activities undertaken by the Company and its subsidiaries are in line with the CSR policies formulated by the respective companies as per the prevailing laws. Policies are reviewed periodically to address necessities of the requirements and also based on inputs received from the stakeholders.								

## 3. Governance related to BR

(a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	CSR Committee of the Board and senior management of the Company annually review/assess the performance of the BR policies.
(b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	Yes, annually. The same is available on the website of the Company and can be viewed at <a href="http://www.cescventures.com">http://www.cescventures.com</a>

## Section E: Principle-Wise Performance Disclosure of Performance in Annual Report

### Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

#### 1. Does the policy relating to ethics, bribery and corruption cover only the company

**Yes/No. Does it extend to the Group/JointVentures/ Suppliers/Contractors/NGOs/Others?**

For the members of the Board and Senior Management Officers, the Company has in place a "Code of Business Conduct and Ethics" to serve as a source of guiding principles for the Directors and the senior management team.

CESC Ventures employees are bound by "Ethics and Code of Conduct for RP–Sanjiv Goenka group employees" for taking part in activities

outside their jobs in a lawful and ethical manner and without any conflict with their responsibilities as employees. It is also intended for ensuring fair and ethical dealing with customers, suppliers and colleagues.

Any violation of ethics attracts appropriate disciplinary action.

**2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?**

**If so, provide details thereof, in about 50 words or so.**

No stakeholder complaint pertaining to the above Codes has been received during the last financial year. The Company did receive complaints from its shareholders from time to time and satisfactorily resolved the same. The details as to the number and nature of shareholders' complaints received and resolved during the financial year have been separately shown in Additional Shareholder Information section of this Annual Report (Annexure -'C').

**Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their lifecycle**

CESC Ventures Limited is into the business of providing software development support, IT consultancy support and also related IT infrastructural support to its customers. At present the customers of CVL are in the business of Generation and Distribution of electricity. The entire IT support systems of these customers are being taken care of by the Company. IT support is an integral part of any business concern of modern age and accordingly CVL plays a very important role in the process of providing uninterrupted support system to its customers. It provides long term sustainable and continuous support to its customers. The element of "care" is embedded in the system for environment, shareholders, community and people including employees, customers and suppliers. Necessary safety measures are ensured as part of policy of the Company. Occupational health of employees is considered important. All the support systems are covered under the long term maintenance agreement. State of the art backup systems are also in place in order to address any emergency situation.

**Principle 3: Businesses should promote the well being of all employees**

1. Please indicate the total number of employees.

Total number of permanent employees: 86 (as on 31.03.2020)

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis

Total number of employees hired on	Temporary Basis	NIL
	Casual Basis	NIL
	Contractual Basis	27

3. Please indicate the Number of permanent women employees.

Total number of permanent women employees: 20

4. Please indicate the Number of permanent employees with disabilities.

Total number of employees with permanent disabilities: NIL

5. Do you have an employee association that is recognized by management?

No

6. What percentage of your permanent employees is members of this recognized employee association?

NIL

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
Child labour/ forced labour/ involuntary labour	Not applicable	Not Applicable
Sexual harassment	NIL	NIL
Discriminatory employment	NIL	NIL

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

% Skill upgradation training in the last year for under mentioned employees	No of persons As on 31.03.2020	% of Total Strength in respective category
Permanent Employees	62	72.09%
Permanent Women Employees	2	10.00%
Casual/ Temporary/ Contractual Employees	NIL	Not Applicable
Employees with Partial Disability	NIL	Not Applicable

**Principle 4 : Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.**

1. Has the company mapped its internal and external stakeholders? Yes/No

CESC Ventures has a detailed stakeholder mapping for its internal and external stakeholders, including segmented classification.

2. Out of the above, has the company identified the disadvantaged, vulnerable and marginalized stakeholders.

CESC Ventures follows methods for capturing the feedback from the stakeholders at regular intervals.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

Based on the feedback, as received from time to time, action plans are drawn up in order to address the issues raised by different stakeholders.

**Principle 5 : Businesses should respect and promote human rights**

1. Does the policy of the company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The various aspects of human rights are embedded in Organizational values/ policies/ guidelines and are taken care of judiciously by the management.

Existing Values / Policy / Guidelines	Aspect on Human Rights	Applicability
Core values of CESC Ventures	<ul style="list-style-type: none"> <li>Humaneness</li> </ul>	All employees
Management Staff Regulations	<ul style="list-style-type: none"> <li>Ethics &amp; Code of Conduct</li> <li>Prevents acts of sexual harassment</li> </ul>	All Management Staff
CSR Policy	<ul style="list-style-type: none"> <li>Promote employability</li> <li>Promote education, health, hygiene &amp; environment</li> </ul>	Community beneficiaries
Anti-Sexual Harassment Policy	<ul style="list-style-type: none"> <li>Prevention of sexual harassment at workplace</li> </ul>	All employees
Safety Policy	<ul style="list-style-type: none"> <li>To safeguard occupational health &amp; safety hazards</li> </ul>	All regular and contractual personnel including external stakeholders
Whistle Blower Policy	<ul style="list-style-type: none"> <li>Right to freedom of expression</li> </ul>	All employees
Remuneration Policy	<ul style="list-style-type: none"> <li>Harmonizing the aspirations of human resources consistent with the goals of the Company</li> </ul>	All employees
Recruitment Policy	<ul style="list-style-type: none"> <li>No discrimination on the basis of caste, sex, creed &amp; religion</li> </ul>	Management staff & other employees

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

The following customer complaints were received during the financial year.

Customer Name	No. of complaints	Percentage of complaints resolved
CESC Limited – Distribution wing	62	99%
CESC Limited – Generation wing	2	99.75%
Haldia Energy Limited	5	99%
Dhariwal Infrastructure Limited	4	99%
Kota Electricity Distribution Limited	25	99%
Bharatpur Electricity Services Limited	10	99%
Bikaner Electricity Supply Limited	15	99.2%
RPSG Corporate	495	98.5%

**Principle 6 : Business should respect, protect, and make efforts to restore the environment**

Please refer the Environment Social Governance (ESG) section in Annexure ‘A’ of Directors Report.

**Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with: No
2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

Not Applicable

**Principle 8 : Businesses should support inclusive growth and equitable development**

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8 ? If yes details there of.

CESC Venture Limited is a part of RP-Sanjiv Goenka Group CSR Trust and contributes its CSR obligation to the said CSR Trust. The object of the CSR Trust includes promoting education including special education and educating under privileged section of the community, improving their health condition, quality of life etc. Through its CSR initiatives in the areas of education, health, environment and community development, the Company seeks to empower the under privileged sections of the community.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

CSR projects are mostly undertaken through external/implementing agencies. The Company encourages its own employees to volunteer in various CSR projects

3. Have you done any impact assessment of your initiative?

The entire CSR Fund of CESC Ventures Limited is routed through RP-Sanjiv Goenka Group CSR Trust. Impact assessment and other controlling measures are monitored centrally by the Trust.

4. What is your Company’s direct contribution to community development projects - amount in INR and the details of the projects undertaken?

The Company has not made any direct contribution to any community development project. The entire CSR contribution has been routed through the CSR Trust formed for the purpose as detailed in Annexure ‘D’ of the Directors’ Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

The Company as such does not have any such mechanism but Group CSR Trust has a system in place whereby it ensures a particular community development initiative is successfully adopted by the community.

**Principle 9 : Businesses should engage with and provide value to their customers and consumers in a responsible manner.**

1. What percentage of customer complaints / consumer cases is pending as on the end of financial year.

The details of pending complaints are mentioned below:

Customer Name	Percentage of complaints pending at the end of the financial year
CESC Limited – Distribution wing	1%
CESC Limited – Generation wing	0.25%
Haldia Energy Limited	1%
Dhariwal Infrastructure Limited	1%
Kota Electricity Distribution Limited	1%
Bharatpur Electricity Services Limited	1%
Bikaner Electricity Supply Limited	0.8%
RPSG Corporate	1.5%

2. Does the Company display product information on the product label, over and above what is mandated as per local laws?

The Company is in the business of providing software development support, IT infrastructural support and IT consultancy services to the power generation and distribution companies. It is not a product and hence labelling is not required.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviors during the last five years and pending as on end of financial year. If so, please provide details there of, in about 50 words or so.

There is no case pending with regard to unfair trade practices, irresponsible advertising and/or anti competitive behaviour as on 31st March 2020.

4. Did your Company carry out any consumer survey / consumer satisfaction trends?

CESC Ventures Limited renders customised services to its business partners and interaction with the clients on a regular basis is considered to be an integral part of the entire system. Client's feedback is obtained based on regular interactions and immediate corrective measures are taken based on the aforesaid feedback. The top priority of the service team is to ensure client's satisfaction and this is considered to be the most important benchmark for the internal evaluation process of the Company.

For and on behalf of the Board of Directors

Dr. Sanjiv Goenka

Chairman

DIN: 00074796

Kolkata, 26 June 2020

**SECRETARIAL AUDIT REPORT (Form No. MR - 3)  
FOR THE FINANCIAL YEAR ENDED – 31st March, 2020**

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

To,  
The Members,  
CESC Ventures Limited  
(formerly known as 'RP-SG Business Process Services Limited)  
CIN : L74999WB2017PLC219318  
CESC House,  
Chowringhee Square,  
Kolkata-700 001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by CESC VENTURES LIMITED (hereinafter called "the Company"). Secretarial Audit was conducted in accordance with the Guidance Note issued by the Institute of Company Secretaries of India (a statutory body constituted under the Company Secretaries Act, 1980) and in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

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

Our responsibility is to express an opinion on the secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.

We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the Company and read with the Statutory Auditors' Report on Financial Statements and Certificate on compliance of conditions of Corporate Governance and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, physically and by way of remote audit, we hereby report that in our opinion and to the best of our information, knowledge and belief and according to the

explanations given to us, the Company has, during the audit period covering the financial year ended on 31.03.2020 generally complied with the applicable statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:-

We have examined the books, papers, minute books, forms and returns filed and other records maintained by "the Company" for the financial year ended on 31.03.2020 according to the applicable provisions of:

1. The Companies Act, 2013 (the Act) and the Rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act; 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings to the extent applicable to the Company: As reported to us, there were no FDI and ODI transactions in the Company during the year under review.
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) to the extent applicable to the Company:
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; as amended
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; as amended
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009: Not applicable during the year under review.
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase

Scheme) Guidelines, 1999, as replaced by the SEBI (Share Based Employee Benefits) Regulations, 2014: Not Applicable during the year under review.

- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008: No instances were reported during the year under review.
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client: The Company has duly appointed a SEBI authorized Category I Registrar and Share Transfer Agent as required under Law.
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009: No Delisting was done during the year under review.
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998: No buy – back was done during the year under review.

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

- i. Secretarial Standards issued by the Institute of Company Secretaries of India;
- ii. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

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

We further report that as far as we have been able to ascertain-

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors and the changes, if any, in the composition of Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

4. Based on the compliance mechanism established by the Company and on the basis of the certificates placed before the Board and taken on record by the Directors at their meetings, we are of the opinion that the Company has adequate systems and processes commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines and the Company has complied with the following laws specifically applicable to it, as reported to us:-

- (i) The Information Technology Act, 2000.
- (ii) The Payment of Bonus Act, 1965.
- (iii) The Industrial Disputes Act, 1947.
- (iv) The Employees Provident Fund and Miscellaneous Provisions Act, 1952.
- (v) The Employees' State Insurance Act, 1948.

We further report that as informed to us, the Company has had the following specific events/ updates:

1. A charge was created on the assets of the Company during the year to guarantee payment of loans taken by one of its wholly owned subsidiary.
2. Except for the Demerger of the generation undertaking of CESC Limited and its transfer and vesting into Haldia Energy Limited, "(the said demerger)" the composite scheme of arrangement amongst the Company, CESC Limited and eight other companies and their respective shareholders has been made fully effective from 1st October, 2017.

However, "the said demerger" proposal with respect to the transfer and vesting of the generation undertaking of CESC Limited into Haldia Energy Limited has been withdrawn w.e.f. 14.11.2019 and hence it is no longer being pursued with the Kolkata Bench of the Hon'ble National Company Law Tribunal.

3. All IEPF provisions are not applicable to the Company as the Company has not yet completed seven years of its Incorporation. The Company was incorporated on 07.02.2017.
4. During the year under review the Company has acquired 8.49% stake in Peel Works Private Limited, Mumbai.
5. During the year under review Herbolab India Private Limited was added as a subsidiary and ISGN Fulfillment Agency LLC ceased to be a subsidiary.
6. Mr. Suhail Sameer resigned as Whole-time Director of the Company on and from 13.02.2020 and further Mr. Rajeev Ramesh Chand Khandelwal was appointed by the Board as

a Whole-time Director of the Company for a period of three years from 26 June, 2020, subject to necessary approval of the shareholders at the ensuing Annual General Meeting of the Company.

7. Mr. Soumit Banerjee resigned as CFO on and from 19.08.2019 and Mr. Arvind Vats was appointed as CFO on the same day.

This Report is being issued under the conditions of lockdown due to COVID-19 with limited resources available to us.

It is stated that the compliance of all the applicable provisions of the Companies Act, 2013 and other laws is the responsibility of the management. We have relied on the representation made by the

Company and its officers for systems and mechanism set-up by the Company for compliances under applicable Laws. Our examination, on a test-check basis, was limited to procedures followed by the Company for ensuring the compliance with the said provisions. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted its affairs. We further state that this is neither an audit nor an expression of opinion on the financial activities / statements of the Company. Moreover, we have not covered any matter related to any other law which may be applicable to the Company except the aforementioned corporate laws of the Union of India.

(S.M.Gupta)

Partner

S. M.Gupta & Co.,

Company Secretaries

Firm Registration No. : P1993WB046600

Membership No.- FCS No : 896

C P No:2053

Peer Review No: 718/2020

UDIN : F000896B000384246

Place: Kolkata

Date: 26 June, 2020

Encl : Annexure 'A' forming an integral part of this Report

“Annexure A”

To,  
The Members,  
CESC Ventures Limited  
*(Formerly known as “RP-SG Business Process Services Limited”)*  
CIN: L74999WB2017PLC219318  
CESC House,  
Chowringhee Square,  
Kolkata-700 001

Our Report of even date is to be read alongwith this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on such secretarial records based on our audits.
2. We have followed the audit practices and processes as we considered appropriate to obtain reasonable assurance on the correctness and completeness of the secretarial records. Our verification was conducted on a test basis to ensure that all entries have been made as per statutory requirements. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of the financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained Management representation with respect to compliance of laws, rules and regulations and of significant events during the year.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations is the responsibility of the management. Our examination was limited to the verification of secretarial records on test basis to the extent applicable to the Company.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

(S.M.Gupta)

Partner

S.M.Gupta & Co.

Company Secretaries

Firm Registration No. : P1993WB046600

Membership No.- FCS No : 896

C P No:2053

Peer Review No: 718/2020

UDIN : F000896B000384246

Place: Kolkata

Date: 26 June, 2020

**Particulars relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo for the year ended 31 March, 2020**

**A. Conservation of energy**

Operations of the Company do not consume high levels of energy. Adequate measures have been initiated for conservation of energy by using energy-efficient computers and related equipment with the latest technologies. The Company strives for newer and efficient energy conservation technologies and introduces them appropriately. As the cost of energy consumed in carrying out day to day operations forms a miniscule portion of the total costs, the impact of changes in energy cost on total costs is insignificant.

**B. Technology Absorption, Adaptation and Innovation:**

The Company realizes the importance of innovation and constant improvement in key areas of business. It is focused on driving innovation and adopting solutions in line with rapidly evolving technological trends. Inherent culture of innovation of the Company has enabled to develop a track record of product innovation, expand the range of our offerings and improve the delivery of our products and services. The Company has a dedicated team of skilled individuals with technical background and domain expertise in various fields with a focus on evolving technologies.

**C. Research and Development:**

Research and Development activities are an area of focus for the Company for achieving constant improvements in various operational functions for enhancing quality, productivity and consumer satisfaction.

**D. Foreign Exchange Earnings and Outgo**

There has been no foreign exchange earnings and outgo (previous year- Nil) during the year.

For and on behalf of the Board of Directors

Kolkata, 26 June, 2020

Dr. Sanjiv Goenka  
Chairman  
DIN : 00074796

## EXTRACT OF ANNUAL RETURN (Annexure – ‘H’ to the Report of the Board of Directors

### Form No. MGT - 9

#### EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2020

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

#### I. REGISTRATION AND OTHER DETAILS:

i)	CIN:	L74999WB2017PLC219318
ii)	Registration Date:	7 February, 2017
iii)	Name of the Company:	CESC Ventures Limited
iv)	Category / Sub-Category of the Company:	A public company limited by shares
v)	Address of the Registered office and contact details :	CESC House, Chowringhee Square, Kolkata - 700001 Tel: (033) 2225 6040 E-mail : cescventures@rpsg.in Website : www.cescventures.com
vi)	Whether listed company :	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any:	Link Intime India Pvt Ltd. C 101, 247 Park, LBS Marg, Vikhroli (West), Mumbai - 400083, Maharashtra Contact no.: 022 4918 6270

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

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Information technology and information technology related services	63999	100

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

Sl. No.	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1.	Bowlopedia Restaurants India Limited	31, Netaji Subhas Road, 1st Floor Duncan House, Kolkata - 700 001	U55209WB2017PLC220862	Subsidiary	100	2(87)
2.	Guiltfree Industries Limited	31, Netaji Subhas Road, 1st Floor Duncan House, Kolkata - 700 001	U15549WB2017PLC218864	Subsidiary	100	2(87)
3.	Apricot Foods Private Limited	2410, G.I.D.C. Lodhika, Almighty Gate, Post: Khirasra Metoda - 360021	U15499GJ2003PTC043068	Subsidiary	70	2(87)
4.	Quest Properties India Limited	CESC House , Chowringhee Square Kolkata 700 001	U70101WB2006PLC108175	Subsidiary	100	2(87)
5.	Metromark Green Commodities Private Limited	Jala Dhulagori, Sankrail Station Road J. L. No-2, Plot No -1854, 1855, 1856 & 1865 Howrah - 711302	U51221WB2004PTC098581	Subsidiary	100	2(87)

Sl. No.	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
6.	Herbolab India Private Limited	F-15, 6th Floor, Plot-78, Commerce Centre, Pandit Madan Mohan Malviya Marg, Tardeo, Mumbai - 400034	U51909MH1980PTC022628	Subsidiary	64.63	2(87)
7.	Firstsource Solutions Limited	5th Floor, Paradigm 'B' wing, Mindspace, Link Road, Malad (West) Mumbai - 400064	L64202MH2001PLC134147	Subsidiary	53.90	2(87)
8.	Firstsource Process Management Services Limited (formerly known as Anunta Tech Infrastructure Services Limited)	3rd Floor, Block 5A & 5B, Pritech Park - SEZ, Marathalli, Sarjapur Outer Ring Road, Bellandur, Bangalore - 560103 Karnataka	U72200KA2010PLC055713	Subsidiary	53.90	2(87)
9.	Firstsource Solutions UK Limited	Space One, 1 Beadon Road, London W6 0EA, UK	Foreign Company	Subsidiary	53.90	2(87)
10.	Firstsource Solutions S.A.	San Marn 344, 4th Floor, Buenos Aires, Argentina	Foreign Company	Subsidiary	53.89	2(87)
11.	Firstsource Group USA, Inc.	National Registered Agents, Inc., 160 Greentree Drive Suite 101, Dover, DE, 19904, USA	Foreign Company	Subsidiary	53.90	2(87)
12.	Firstsource Business Process Services, LLC	National Registered Agents, Inc., 160 Greentree Drive Suite 101, Dover, DE, 19904, USA	Foreign Company	Subsidiary	53.90	2(87)
13.	Sourcepoint, Inc.	National Registered Agents, Inc., 160 Greentree Drive Suite 101, Dover, DE, 19904, USA	Foreign Company	Subsidiary	53.90	2(87)
14.	Sourcepoint Fulfillment Services, Inc.	Naonal Registered Agents, Inc., 600 North 2nd Strret, Suite 401, HArrisburg, PA 17101-1071 USA	Foreign Company	Subsidiary	53.90	2(87)
15.	Firstsource Advantage LLC	C T Corporation System 28 Liberty St New York, NY 10005	Foreign Company	Subsidiary	53.90	2(87)
16.	One Advantage LLC	The Corporation Trust Company Corporation Trust Center 1209 Orange St Wilmington, De 19801	Foreign Company	Subsidiary	53.90	2(87)
17.	MedAssist Holdings LLC	National Registered Agents, INC., 160 Greefree Drive Suite 101, Dover, Delaware 19904, USA	Foreign Company	Subsidiary	53.90	2(87)
18.	Firstsource Solutions USA, LLC	National Registered Agents, INC., 160 Greefree Drive Suite 101, Dover, Delaware 19904, USA	Foreign Company	Subsidiary	53.90	2(87)
19.	Firstsource Transaction Services LLC	National Registered Agents, INC., 160 Greefree Drive Suite 101, Dover, Delaware 19904, USA	Foreign Company	Subsidiary	53.90	2(87)
20.	Firstsource BPO Ireland Limited	Stokes Place, Saint Stephen's Green, Dublin 2, Ireland	Foreign Company	Subsidiary	53.90	2(87)
21.	Firstsource Dialog Solutions Pvt. Ltd.	Level I, Access South Tower, No 278/4, Union Place, Columbo -2, Sri Lanka	Foreign Company	Associate	39.89	2(6)

Sl. No.	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
22.	RP-SG Ventures Advisory LLP	2nd Floor, Spencer Building, 30 Forjett street, Grant Road Mumbai - 400036	AAL-0975	Subsidiary	100	2(87)
23	RP-SG Unique Advisory LLP	2nd Floor, Spencer Building, 30 Forjett street, Grant Road Mumbai - 400036	AAL-1899	Subsidiary	100	2(87)
24	RP-SG Venture Fund -I		-	Subsidiary	100	2(87)

#### IV. SHAREHOLDING PATTERN (Equity Share Capital Break up as percentage of Total Equity)

##### i) Category-wise Share Holding

Sl. No.	Category of Shareholders	Shareholding at the beginning of the year - 2019 (As on 01-04-2019)				Shareholding at the end of the year - 2020 (As on 31-03-2020)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(A)</b>	<b>Promoters</b>									
[1]	<b>Indian</b>									
	(a) Individuals / Hindu Undivided Family	56842	0	56842	0.21	56842	0	56842	0.21	0.00
	(b) Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
	(c) Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
	(d) Any Other (Specify)		0		0.00		0		0.00	0.00
	Bodies Corporate	13177595	0	13177595	49.71	13177595	0	13177595	49.71	0.00
	<b>Sub Total (A)(1)</b>	<b>13234437</b>	<b>0</b>	<b>13234437</b>	<b>49.92</b>	<b>13234437</b>	<b>0</b>	<b>13234437</b>	<b>49.92</b>	<b>0.00</b>
[2]	<b>Foreign</b>							0.00	0.00	
	(a) Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
	(b) Government	0	0	0	0.00	0	0	0	0.00	0.00
	(c) Institutions	0	0	0	0.00	0	0	0	0.00	0.00
	(d) Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	0.00
	(e) Any Other (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
	<b>Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)</b>	<b>13234437</b>	<b>0</b>	<b>13234437</b>	<b>49.92</b>	<b>13234437</b>	<b>0</b>	<b>13234437</b>	<b>49.92</b>	<b>0.00</b>
<b>(B)</b>	<b>Public Shareholding</b>		0		0.00		0		0.00	
[1]	<b>Institutions</b>		0		0.00		0		0.00	
	(a) Mutual Funds / UTI	1143847	547	1144394	4.32	721274	547	721821	2.72	-1.59
	(b) Financial Institutions / Banks	322	4569	4891	0.02	34305	4569	38874	0.15	0.13

Sl. No.	Category of Shareholders	Shareholding at the beginning of the year - 2019 (As on 01-04-2019)				Shareholding at the end of the year - 2020 (As on 31-03-2020)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(c)	Central Government / State Government(s)	1670	430	2100	0.01	1670	430	2100	0.01	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	739414	1130	740544	2.79	621605	1130	622735	2.35	-0.44
(f)	Foreign Portfolio Investor	4605203	1239	4606442	17.38	3928124	1239	3929363	14.82	-2.55
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Any Other (Alternate Investment Funds)	217612	0	217612	0.82	539927	0	539927	2.04	1.22
	<b>Sub Total (B)(1)</b>	<b>6708068</b>	<b>7915</b>	<b>6715983</b>	<b>25.33</b>	<b>5846905</b>	<b>7915</b>	<b>5854820</b>	<b>22.08</b>	<b>-3.25</b>
[2]	<b>Non-Institutions</b>		0		0.00		0		0.00	0.00
(a)	Bodies Corporate		0		0.00		0		0.00	0.00
	(i) Indian	981065	39623	1020688	3.85	1399286	6902	1406188	5.30	1.45
	(ii) Overseas	0	19401	19401	0.07	0	19401	19401	0.07	0.00
(b)	Individuals		0		0.00		0		0.00	0.00
(i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh.	1874149	149502	2023651	7.63	2565925	133631	2699556	10.18	2.55
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1617101	0	1617101	6.10	1836295	0	1836295	6.93	0.83
(c)	Any other		0		0.00		0		0.00	0.00
	NRI/OCBs	751572	87548	839120	3.17	1133285	86283	1219568	4.60	1.44
	Clearing Member	250630	0	250630	0.95	30522	0	30522	0.12	-0.83
	Trusts	4084	0	4084	0.02	2875	0	2875	0.01	0.00
	Foreign Nationals	3375	5493	8868	0.03	3375	5493	8868	0.03	0.00
	Hindu Undivided Family	136581	0	136581	0.52	138674	0	138674	0.52	0.01
	Unclaimed Shares	26022	0	26022	0.10	26022	0	26022	0.10	0.00
	IEPF	33123	0	33123	0.12	33123	0	33123	0.12	0.00
	NBFCs registered with RBI	581720	0	581720	2.19	1060	0	1060	0.00	-2.19

Sl. No.	Category of Shareholders	Shareholding at the beginning of the year - 2019 (As on 01-04-2019)				Shareholding at the end of the year - 2020 (As on 31-03-2020)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	<b>Sub Total (B)(2)</b>	6259422	301567	6560989	24.75	7170442	251710	7422152	28.00	3.25
	<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	12967490	309482	13276972	50.08	13017347	259625	13276972	50.08	0.00
	<b>Total (A)+(B)</b>	26201927	309482	26511409	100.00	26251784	259625	26511409	100.00	0.00
	<b>(C) Shares held by Custodian for GDRs</b>	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Total (A)+(B)+(C)</b>	<b>26201927</b>	<b>309482</b>	<b>26511409</b>	<b>100.00</b>	<b>26251784</b>	<b>259625</b>	<b>26511409</b>	<b>100.00</b>	<b>0.00</b>

**(ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2019)			Shareholding at the end of the year (As on 31.03.2020)			% change in shareholding during the year
		No. of shares held	% of total Shares of the company	% of shares pledged/encumbered to total shares	No. of shares held	% of total Shares of the company	% of shares pledged/encumbered to total shares	
1	Rainbow Investments Limited	11759326	44.36	-	11759326	44.36	-	-
2	STEL Holdings Limited	498694	1.88	-	498694	1.88	-	-
3	Phillips Carbon Black Limited	337239	1.27	-	337239	1.27	-	-
4	Saregama India Limited	251997	0.95	-	251997	0.95	-	-
5	Integrated Coal Mining Limited	215072	0.81	-	215072	0.81	-	-
6	Kolkata Metro Networks Limited	57000	0.22	-	57000	0.22	-	-
7	Castor Investments Limited	50000	0.19	-	50000	0.19	-	-
8	Sanjiv Goenka	26958	0.10	-	26958	0.10	-	-
9	Shashwat Goenka	22281	0.08	-	22281	0.08	-	-
10	Dotex Merchandise Private Limited	8267	0.03	-	8267	0.03	-	-

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2019)			Shareholding at the end of the year (As on 31.03.2020)			% change in shareholding during the year
		No. of shares held	% of total Shares of the company	% of shares pledged/encumbered to total shares	No. of shares held	% of total Shares of the company	% of shares pledged/encumbered to total shares	
11	Preeti Goenka	5044	0.02	-	5044	0.02	-	-
12	Sanjiv Goenka (HUF)	2459	0.01	-	2459	0.01	-	-
13	Avarna Jain	100	0.00	-	100	0.00	-	-
	<b>Total</b>	<b>13234437</b>	<b>49.92</b>	<b>-</b>	<b>13234437</b>	<b>49.92</b>	<b>-</b>	<b>-</b>

(iii) Change in Promoters' Shareholding

Sl. No.	Name & Type of Transaction	Shareholding at the beginning of the year (As on 01.04.2019)		Transactions during the year		Cumulative Shareholding at the end of the year (As on 31-03-2020)	
		No. of shares held	% of total shares of the company	Date of transaction	No. of shares	No of shares held	% of total shares of the company
1	RAINBOW INVESTMENTS LIMITED	11759326	44.36			11759326	44.36
	AT THE END OF THE YEAR					11759326	44.36
2	STEL HOLDINGS LIMITED	498694	1.88			498694	1.88
	AT THE END OF THE YEAR					498694	1.88
3	PHILLIPS CARBON BLACK LIMITED	337239	1.27			337239	1.27
	AT THE END OF THE YEAR					337239	1.27
4	SAREGAMA INDIA LIMITED	251997	0.95			251997	0.95
	AT THE END OF THE YEAR					251997	0.95
5	INTEGRATED COAL MINING LIMITED	215072	0.81			215072	0.81
	AT THE END OF THE YEAR					215072	0.81
6	KOLKATA METRO NETWORKS LIMITED	57000	0.22			57000	0.22
	AT THE END OF THE YEAR					57000	0.22
7	CASTOR INVESTMENTS LIMITED	50000	0.19			50000	0.19
	AT THE END OF THE YEAR					50000	0.19

Sl. No.	Name & Type of Transaction	Shareholding at the beginning of the year (As on 01.04.2019)		Transactions during the year		Cumulative Shareholding at the end of the year (As on 31-03-2020)	
		No. of shares held	% of total shares of the company	Date of transaction	No. of shares	No of shares held	% of total shares of the company
8	SANJIV GOENKA	26958	0.10			26958	0.10
	AT THE END OF THE YEAR					26958	0.10
9	SHASHWAT GOENKA	22281	0.08			22281	0.08
	AT THE END OF THE YEAR					22281	0.08
10	DOTEX MERCHANDISE PRIVATE LIMITED	8267	0.03			8267	0.03
	AT THE END OF THE YEAR					8267	0.03
11	PREETI GOENKA	5044	0.02			5044	0.02
	AT THE END OF THE YEAR					5044	0.02
12	SANJIV GOENKA (HUF)	2459	0.01			2459	0.01
	AT THE END OF THE YEAR					2459	0.01
13	AVARNA JAIN	100	0.00			100	0.00
	AT THE END OF THE YEAR					100	0.00

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

Sl. No.	Name & Type of Transaction	Shareholding at the beginning of the year (As on 01-04-2019)		Transactions during the year		Cumulative Shareholding at the end of the year (As on 31-03-2020)	
		No. of shares held	% of total shares of the company	Date of transaction	No. of shares	No of shares held	% of total shares of the company
1	BRIARWOOD CAPITAL MASTER FUND, LTD	1256801	4.7406			1256801	4.7406
	Transfer			20 Mar 2020	63000	1319801	4.9782
	AT THE END OF THE YEAR					1319801	4.9782
2	KOTAK MAHINDRA (INTERNATIONAL) LIMITED	1283489	4.8413			1283489	4.8413
	AT THE END OF THE YEAR					1283489	4.8413
3	ASHISH DHAWAN	818609	3.0878			818609	3.0878
	AT THE END OF THE YEAR					818609	3.0878
4	ELLIPSIS PARTNERS LLC	0	0.0000			0	0.0000

Sl. No.	Name & Type of Transaction	Shareholding at the beginning of the year (As on 01-04-2019)		Transactions during the year		Cumulative Shareholding at the end of the year (As on 31-03-2020)	
		No. of shares held	% of total shares of the company	Date of transaction	No. of shares	No of shares held	% of total shares of the company
	Transfer			17 May 2019	264765	264765	0.9987
	Transfer			24 May 2019	196000	460765	1.7380
	Transfer			31 May 2019	12935	473700	1.7868
	Transfer			07 Jun 2019	29108	502808	1.8966
	Transfer			14 Jun 2019	23150	525958	1.9839
	Transfer			21 Jun 2019	20319	546277	2.0605
	Transfer			26 Jul 2019	13723	560000	2.1123
	Transfer			02 Aug 2019	22238	582238	2.1962
	Transfer			09 Aug 2019	822	583060	2.1993
	Transfer			30 Aug 2019	12692	595752	2.2472
	Transfer			06 Sep 2019	20000	615752	2.3226
	Transfer			13 Sep 2019	7219	622971	2.3498
	AT THE END OF THE YEAR					622971	2.3498
5	BNK CAPITAL MARKETS LIMITED	580502	2.1896			580502	2.1896
	AT THE END OF THE YEAR					580502	2.1896
6	LIFE INSURANCE CORPORATION OF INDIA	442256	1.6682			442256	1.6682
	Transfer			08 Nov 2019	-2119	440137	1.6602
	Transfer			15 Nov 2019	-305	439832	1.6590
	AT THE END OF THE YEAR					439832	1.6590
7	SATPAL KHATTAR	0	0.0000			0	0.0000
	Transfer			29 Nov 2019	414183	414183	1.5623
	AT THE END OF THE YEAR					414183	1.5623
8	FRANKLIN INDIA PRIMA FUND	362461	1.3672			362461	1.3672
	AT THE END OF THE YEAR					362461	1.3672
9	EQ INDIA FUND	0	0.0000			0	0.0000
	Transfer			21 Jun 2019	80000	80000	0.3018
	Transfer			06 Sep 2019	20000	100000	0.3772
	Transfer			13 Sep 2019	9000	109000	0.4111

Sl. No.	Name & Type of Transaction	Shareholding at the beginning of the year (As on 01-04-2019)		Transactions during the year		Cumulative Shareholding at the end of the year (As on 31-03-2020)	
		No. of shares held	% of total shares of the company	Date of transaction	No. of shares	No of shares held	% of total shares of the company
	Transfer			20 Sep 2019	5000	114000	0.4300
	Transfer			27 Sep 2019	50000	164000	0.6186
	Transfer			22 Nov 2019	5000	169000	0.6375
	Transfer			06 Dec 2019	13000	182000	0.6865
	Transfer			20 Dec 2019	17999	199999	0.7544
	Transfer			31 Dec 2019	13066	213065	0.8037
	Transfer			03 Jan 2020	10000	223065	0.8414
	Transfer			07 Feb 2020	11000	234065	0.8829
	Transfer			14 Feb 2020	25000	259065	0.9772
	Transfer			06 Mar 2020	30935	290000	1.0939
	Transfer			13 Mar 2020	53000	343000	1.2938
	Transfer			20 Mar 2020	10000	353000	1.3315
	AT THE END OF THE YEAR					353000	1.3315
10	ELARA GLOBAL FUNDS- ELARA EMERGING MARKETS FUND	254800	0.9611			254800	0.9611
	Transfer			02 Aug 2019	4200	259000	0.9769
	Transfer			01 Nov 2019	-3700	255300	0.9630
	Transfer			31 Mar 2020	-13501	241799	0.9121
	AT THE END OF THE YEAR					241799	0.9121
11	RELIANCE CAPITAL TRUSTEE CO LTD- A/C NIPPON INDIA GROWTH FUND	298071	1.1243			298071	1.1243
	Transfer			05 Jul 2019	-25781	272290	1.0271
	Transfer			09 Aug 2019	24014	296304	1.1176
	Transfer			16 Aug 2019	5034	301338	1.1366
	Transfer			23 Aug 2019	70952	372290	1.4043
	Transfer			14 Feb 2020	-50638	321652	1.2133
	Transfer			21 Feb 2020	-56665	264987	0.9995
	Transfer			28 Feb 2020	-55008	209979	0.7920
	AT THE END OF THE YEAR					209979	0.7920
12	ARVIND KHATTAR	293003	1.1052			293003	1.1052
	Transfer			05 Apr 2019	10000	303003	1.1429
	Transfer			21 Jun 2019	17700	320703	1.2097
	Transfer			05 Jul 2019	56000	376703	1.4209
	Transfer			12 Jul 2019	1280	377983	1.4257

Sl. No.	Name & Type of Transaction	Shareholding at the beginning of the year (As on 01-04-2019)		Transactions during the year		Cumulative Shareholding at the end of the year (As on 31-03-2020)	
		No. of shares held	% of total shares of the company	Date of transaction	No. of shares	No of shares held	% of total shares of the company
	Transfer			19 Jul 2019	7200	385183	1.4529
	Transfer			02 Aug 2019	7000	392183	1.4793
	Transfer			20 Sep 2019	25000	417183	1.5736
	Transfer			25 Oct 2019	-3000	414183	1.5623
	Transfer			29 Nov 2019	-414183	0	0.0000
	AT THE END OF THE YEAR					0	0.0000
13	ROCHDALE EMERGING MARKETS (MAURITIUS)	270537	1.0205			270537	1.0205
	Transfer			12 Apr 2019	-6500	264037	0.9959
	Transfer			19 Apr 2019	-45700	218337	0.8236
	Transfer			26 Apr 2019	-1000	217337	0.8198
	Transfer			03 May 2019	-43700	173637	0.6550
	Transfer			10 May 2019	-27800	145837	0.5501
	Transfer			17 May 2019	-95000	50837	0.1918
	Transfer			24 May 2019	-50837	0	0.0000
	AT THE END OF THE YEAR					0	0.0000

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Directors and KMPs	Shareholding at the beginning of the year (As on 01.04.2019)		Cumulative Shareholding at the end of the year (As on 31.03.2020)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
A)	Name of the Director	-	-		
1	Dr. Sanjiv Goenka	26958	0.10	26958	0.10
2	Mr. Shashwat Goenka	22281	0.08	22281	0.08
B)	Key managerial personnel (KMP's)	-	-	-	-
At the End of the year		-	-	49239	0.18

## V. INDEBTEDNESS

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

(₹ in Crore)

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

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration of Whole time Director

(₹ in Crore)

Sl. No.	Particulars of Remuneration	Mr. S. Sameer (01.04.2019 - 12.02.2020)
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 (b) Value of perquisites u/s 17(2) Income Tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	4.62
2.	Stock Option	-
3.	Sweat equity	-
4.	Commission - as % of profit - others.	
5.	Others – Contribution to Provident, Superannuation Fund and Gratuity Fund	0.16
	Total	4.78
	Ceiling as per the Companies Act, 2013	9.06

**B. Remuneration to other directors :**

(₹ in Crore)

Sl. No.	Particulars of Remuneration	Name of the Director			Total Amount
		G.E. Koshie	A. Kumar	K. Jairaj	
1	<b>Independent Directors</b>				
	(a) Fee for attending board / committee meetings	0.09	0.11	0.06	0.26
	(b) Commission	-	-	-	-
	(c) Others	-	-	-	-
	<b>Total (1)</b>	<b>0.09</b>	<b>0.11</b>	<b>0.06</b>	<b>0.26</b>
2	<b>Other Non Executive Directors</b>	<b>Sanjiv Goenka</b>	<b>Shashwat Goenka</b>		
	(a) Fee for attending board and committee meetings	0.10	0.09		0.19
	(b) Commission	-	-		-
	(c) Others	-	-		-
	<b>Total (2)</b>	<b>0.10</b>	<b>0.09</b>		<b>0.19</b>
	<b>Total (B) = (1+2)</b>				<b>0.45</b>
	Total Managerial Remuneration				5.23
	Overall ceiling as per the Companies Act, 2013				19.93

**C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD**

(₹ in Crore)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	
		Mr. S.K. Ghosh	Mr. S. Banerjee (01.04.2019 - 19.08.2019)	Mr. A. Vats (19.08.2019 - 31.03.2020)
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	0.76	0.07	0.98
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.02	-	-
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission – as % of profit – others	-	-	-
5	Others – Contribution to Provident Fund and Superannuation Fund	0.07		0.06
	<b>Total</b>	<b>0.85</b>	<b>0.07</b>	<b>1.04</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**

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

For and On behalf of the Board of Directors

Dr. Sanjiv Goenka  
Chairman  
DIN : 00074796

Kolkata, 26 June, 2020

(1)The ratio of the remuneration ( including sitting fees) of the Directors- Mr. S.Sameer, Mr. Shashwat Goenka, Dr. Sanjiv Goenka, Mr. K. Jairaj, Mr. A. Kumar and Ms. G. Koshie to the median remuneration of the employees of the Company for the financial year 2019-20 and increase in their remuneration during the said financial year (percentage) is 29.96:1 : (171.41% \*), 0.53 : 1 (750%\*), 0.63: 1 (566.67%\*), 0.35 :1 (NA), 0.66 : 1 (425 %\*) and 0.56 : 1 (350 %\*) respectively. During the said financial year, there was an increase of 26.13 % in the median remuneration of employees on the rolls as at 31 March, 2020. There were 86 permanent employees on the rolls of Company as on the said date. (2) During the financial year 2019-20 the average increase in remuneration was 36.04% (3) The average percentage increase in the salaries of employees on roll as at 31.3.2020 other than the managerial personnel was 24.17%in 2019-20 whereas the increase in the managerial remuneration for the same financial year was 39.61%. (4) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

(\*Figures are not comparable since appointed for part of the year in Financial year 2018-19).

For and on behalf of the Board of Directors

Dr. Sanjiv Goenka  
Chairman  
DIN : 00074796

Kolkata, 26 June, 2020

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## **STANDALONE FINANCIAL STATEMENTS**

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### **Opinion**

We have audited the accompanying standalone financial statements of CESC Ventures Limited (**Formerly RP-SG Business Process Services Limited**) ("**the Company**"), which comprise the Balance Sheet as at 31st March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, its profit and total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

### **Basis for Opinion**

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, 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 Standalone Financial Statements.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. We have determined that there are no key audit matters to communicate in our report.

### **Information Other than the Financial Statements and Auditor's Report Thereon**

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report including Annexures to Board's Report and Management Discussion and Analysis Report, but does not include the Consolidated Financial Statements, Standalone Financial Statements and our auditor's report thereon.
- Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 Standalone Financial Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management is responsible for assessing the Company'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 liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibility for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone 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 Standalone 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 Standalone 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. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- 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 Company'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 Standalone 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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone 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 standalone 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.

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.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable 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 account as required by law have been kept by the Company so far as it appears from our examination of those books.

**Independent Auditor's Report**  
**To The Members of CESC Ventures Limited**  
**(Formerly RP-SG Business Process Services Limited)**



- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in

the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For Batliboi, Purohit & Darbari**  
Chartered Accountants  
(Firm's Registration No.303086E)

CA Hemal Mehta  
(Partner)

Place: Kolkata

(Membership No. 063404)

Date: 26 June 2020

(UDIN:20063404AAAADT3544)

## Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

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

We have audited the internal financial controls over financial reporting of CESC Ventures Limited (Formerly RP-SG Business Process Services Limited) (“the Company”) as of March 31, 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

#### Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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.

#### Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

#### Meaning of Internal Financial Controls over Financial Reporting

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

#### 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, to the best of our information and according to the explanations given to us, 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 March 31, 2020, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Batliboi, Purohit & Darbari**  
Chartered Accountants  
(Firm’s Registration No.303086E)

(CA Hemal Mehta)  
(Partner)

Place: Kolkata

(Membership No. 063404)

Date: 26th June, 2020

(UDIN:20063404AAAADT3544)

## Annexure “B” to the Independent Auditor’s Report

### (Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the CARO 2016 is not applicable.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.
- (iii) According to the information and explanations given to us, 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.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year or did not had any unclaimed deposits at the beginning of the year and accordingly reporting under clause (v) of CARO 2016 is not applicable.
- (vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.
- (vii) According to the 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, Goods and Service Tax, Customs Duty, cess and other material statutory dues applicable to it to the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income-tax, Goods and Service Tax, Customs Duty, cess and other material statutory dues in arrears as at 31st March, 2020 for a period of more than six months from the date they became payable.
- (c) There are no dues of Income-tax, Goods and Service Tax and Customs Duty as on 31st March, 2020 on account of disputes.
- (viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of CARO 2016 is not applicable to the Company.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Batliboi, Purohit & Darbari**  
Chartered Accountants  
(Firm’s Registration No.303086E)

CA Hemal Mehta  
(Partner)

Place: Kolkata

(Membership No. 063404)

Date: 26th June, 2020

(UDIN:20063404AAAADT3544)

## Balance Sheet as at 31st March, 2020

₹ in Lakhs

Particulars	Note No.	As at 31st March, 2020	As at 31st March, 2019
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, Plant & Equipment	4A	187.37	-
Intangible Assets	4B	1.23	-
<b>Financial Assets</b>			
Investments	5	1,55,280.78	1,35,909.96
Loans	6	49.74	34.08
Other Non-current financial assets	7	-	6,023.35
Deferred Tax Assets (net)	35	131.23	74.77
Non-current Tax Assets (net)		840.31	406.56
Other Non-current Assets	8	2,337.30	2,337.30
	<b>(A)</b>	<b>1,58,827.96</b>	<b>1,44,786.02</b>
<b>Current Assets</b>			
<b>Financial Assets</b>			
Trade receivables	9	2,034.63	2,472.53
Cash and cash equivalents	10	10,240.59	6,441.76
Bank balances other than cash and cash equivalent	11	3.52	5.84
Loans	12	12.85	9.32
Others	13	1.87	1.89
Other current Assets	14	130.43	46.37
	<b>(B)</b>	<b>12,423.89</b>	<b>8,977.71</b>
<b>TOTAL ASSETS</b>	<b>(A+B)</b>	<b>1,71,251.85</b>	<b>1,53,763.73</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	15	2,651.14	2,651.14
Other Equity	16	1,66,275.20	1,48,844.23
<b>Total equity</b>	<b>(C)</b>	<b>1,68,926.34</b>	<b>1,51,495.37</b>
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
Provisions	17	869.00	713.17
Other Non-current liabilities	18	141.47	37.50
	<b>(D)</b>	<b>1,010.47</b>	<b>750.67</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Trade Payables			
(a) Total outstanding dues to Micro Enterprises & Small Enterprises	31	-	-
(b) Total outstanding dues of Creditors other than Micro Enterprises & Small Enterprises		397.28	10.84
Others	19	234.54	31.37
Other current liabilities	20	426.43	1,209.75
Provisions	21	256.79	265.73
	<b>(E)</b>	<b>1,315.04</b>	<b>1,517.69</b>
<b>Total Liabilities</b>		<b>2,325.51</b>	<b>2,268.36</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>(C+D+E)</b>	<b>1,71,251.85</b>	<b>1,53,763.73</b>
Notes forming part of Financial Statements	1 - 37		

This is the Balance Sheet referred to in our Report of even date.

For and on behalf of Board of Directors

For Batliboi, Purohit & Darbari  
Chartered Accountants  
Firm Registration Number - 303086E

CA Hemal Mehta  
Partner  
Membership No. 063404  
Place: Kolkata  
Date: 26 June, 2020

Chairman Sanjiv Goenka DIN : 00074796  
Director Shashwat Goenka DIN : 03486121  
Whole-time Director Rajeev Ramesh Chand Khandelwal DIN : 08763979  
Company Secretary Sudip Kumar Ghosh  
Chief Financial Officer Arvind Vats

# Statement of Profit and Loss for the year ended 31st March, 2020



Particulars	Note No.	₹ in Lakhs	
		Year ended 31st March, 2020	Year ended 31st March, 2019
Revenue from operations	22	6,390.00	6,260.00
Other income	23	17,015.81	6,190.57
<b>Total Revenue</b>		<b>23,405.81</b>	<b>12,450.57</b>
<b>Expenses</b>			
Employee benefit expense	24	2,603.75	1,615.25
Depreciation & Amortisation expense	25	6.66	-
Other expenses	26	3,217.58	3,416.99
<b>Total expenses</b>		<b>5,827.99</b>	<b>5,032.24</b>
<b>Profit before tax</b>		<b>17,577.82</b>	<b>7,418.33</b>
<b>Tax expense</b>	35		
Current tax		205.26	880.54
Deferred tax - (credit) / charge		(56.46)	(39.99)
<b>Total Tax expenses</b>		<b>148.80</b>	<b>840.55</b>
<b>Profit after tax (PAT)</b>		<b>17,429.02</b>	<b>6,577.78</b>
<b>Other comprehensive income (OCI)</b>			
<i>Items not to be reclassified to profit or loss</i>			
Remeasurement of defined benefit plan		2.60	(111.19)
Income Tax on above		(0.65)	(2.88)
Deferred Tax credit on above	35	-	34.78
<b>Total Other Comprehensive Income</b>		<b>1.95</b>	<b>(79.29)</b>
<b>Total comprehensive income for the period</b>		<b>17,430.97</b>	<b>6,498.49</b>
<b>Earnings per equity share</b>			
	27		
Basic & Diluted (Face value of ₹ 10 per share)		65.74	24.81
Notes forming part of Financial Statements	1 - 37		

This is the Statement of Profit and Loss referred to in our Report of even date.

For and on behalf of Board of Directors

For Batliboi, Purohit & Darbari  
Chartered Accountants  
Firm Registration Number - 303086E

CA Hemal Mehta  
Partner  
Membership No. 063404  
Place: Kolkata  
Date: 26 June, 2020

Chairman	Sanjiv Goenka	DIN : 00074796
Director	Shashwat Goenka	DIN : 03486121
Whole-time Director	Rajeev Ramesh Chand Khandelwal	DIN : 08763979
Company Secretary	Sudip Kumar Ghosh	
Chief Financial Officer	Arvind Vats	

## Statement of Changes in Equity for the year ended 31st March, 2020

### A. Equity Share Capital

₹ in Lakhs

Particulars	Balance at the beginning of the reporting year	Changes in equity share capital during the year	Balance at the end of the reporting year
Equity Share Capital			
As at 31st March, 2019	-	2,651.14	2,651.14
As at 31st March, 2020	2,651.14	-	2,651.14

### B. Other Equity

Particulars	Reserves and Surplus		
	Capital Reserve	Retained Earnings (refer Note 16)	Total
<b>Balance as at 1st April 2018</b>	141,993.82	351.92	142,345.74
Profit after Tax	-	6,577.78	6,577.78
Other Comprehensive Income (Net of Tax)	-	(79.29)	(79.29)
<b>Balance as at 31st March, 2019</b>	<b>141,993.82</b>	<b>6,850.41</b>	<b>148,844.23</b>
Profit after Tax	-	17,429.02	17,429.02
Other Comprehensive Income (Net of Tax)	-	1.95	1.95
<b>Balance as at 31st March, 2020</b>	<b>141,993.82</b>	<b>24,281.38</b>	<b>166,275.20</b>

This is the Statement of Changes in Equity referred to in our Report of even date.

For and on behalf of Board of Directors

For Batliboi, Purohit & Darbari  
Chartered Accountants  
Firm Registration Number - 303086E

CA Hemal Mehta  
Partner  
Membership No. 063404  
Place: Kolkata  
Date: 26 June, 2020

Chairman Sanjiv Goenka DIN : 00074796  
Director Shashwat Goenka DIN : 03486121  
Whole-time Director Rajeev Ramesh Chand Khandelwal DIN : 08763979  
Company Secretary Sudip Kumar Ghosh  
Chief Financial Officer Arvind Vats

# Cash Flow Statement for the year ended 31st March, 2020



₹ in Lakhs		
Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>A. Cash flow from Operating Activities</b>		
Profit before Taxation	17,577.82	7,418.33
Adjustments for:		
Gain on sale/fair value of current investments (net)	(158.10)	(572.85)
Dividend Income	(16,828.95)	(5,609.65)
Interest Income	(4.73)	(8.07)
Other Miscellaneous Income	(24.03)	-
Depreciation and Amortisation expense	6.66	-
<b>Operating Profit before Working Capital Change</b>	<b>568.67</b>	<b>1,227.76</b>
Adjustments for change in:		
Trade and other receivables	335.11	6,469.32
Other payables	(279.55)	1,379.76
<b>Cash Generated from Operations</b>	<b>624.23</b>	<b>9,076.84</b>
Income Tax paid (net of refund)	(639.66)	(1,492.18)
<b>Net cash flow from Operating Activities</b>	<b>(15.43)</b>	<b>7,584.66</b>
<b>B. Cash flow from Investing Activities</b>		
Purchase of property, plant and equipment	(195.26)	-
Purchase of non-current investments	(2,099.91)	-
Sale/(purchase) of Current/Non-current Investments (net)	158.10	4,655.89
Dividend received	16,828.95	5,609.65
Interest received	6.62	6.18
Investment in Subsidiaries including Share Application	(10,884.24)	(12,305.76)
<b>Net cash used in Investing Activities</b>	<b>3,814.26</b>	<b>(2,034.04)</b>
<b>C. Cash flow from Financing Activities</b>		
<b>Net Cash flow from Financing Activities</b>	<b>-</b>	<b>-</b>
<b>Net Increase / (Decrease) in cash and cash equivalents</b>	<b>3,798.83</b>	<b>5,550.62</b>
<b>Cash and Cash equivalents - Opening Balance [Refer Note 10]</b>	<b>6,441.76</b>	<b>891.14</b>
<b>Cash and Cash equivalents - Closing Balance [Refer Note 10]</b>	<b>10,240.59</b>	<b>6,441.76</b>
<b>Financing transactions that do not require cash and cash equivalents:</b>		
Equity Shares issued pursuant to scheme of restructuring [refer Note: 15(g)]	-	2651.14

This is the Standalone Cash Flow Statement referred to in our Report of even date.

For and on behalf of Board of Directors

For Batliboi, Purohit & Darbari  
Chartered Accountants  
Firm Registration Number - 303086E

CA Hemal Mehta  
Partner  
Membership No. 063404  
Place: Kolkata  
Date: 26 June, 2020

Chairman	Sanjiv Goenka	DIN : 00074796
Director	Shashwat Goenka	DIN : 03486121
Whole-time Director	Rajeev Ramesh Chand Khandelwal	DIN : 08763979
Company Secretary	Sudip Kumar Ghosh	
Chief Financial Officer	Arvind Vats	

## Notes forming part of Financial Statement

### NOTE-1 Corporate Information

CESC Ventures Limited (formerly RP-SG Business Process Services Limited) (“the Company”) is a limited company incorporated and domiciled in India. The registered office of the Company is located at CESC House, Chowringhee Square, Kolkata - 700001. The Company operates in the fields of information technology and allied services including making investment in subsidiaries.

### NOTE-2 Significant accounting policies

This note provides a list of significant accounting policies adopted in the preparation of these financial statements.

#### (a) Basis of preparation

(i) The standalone financial statements have been prepared to comply in all material aspects with Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) under Section 133 of the Companies Act, 2013 and other provisions of the Companies Act, 2013. These financial statements were authorised for issue in accordance with a resolution of the Directors on June 26, 2020.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

a) Investment except investments in subsidiaries are carried at fair value;

(iii) Use of estimate

As required under the provisions of Ind AS for preparation of financial statements in conformity thereof, the management has made judgements, estimates and assumptions that affect the application of accounting policies, and the reported amount of assets, liabilities, income, and expenses and disclosures. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

#### (b) Revenue from Operations

The Company recognizes revenue from contracts with customers at transaction price, which is the fair value of the consideration received or receivable, stated net of tax. Revenue is recognised when its amount can be reliably measured and it is probable that future economic benefits will flow to the entity. Revenue from contact centre and transaction processing services comprises fixed fee based service contracts. Revenue from fixed fee based service contracts is recognized on achievement of performance milestones specified in the customer contracts.

#### (c) Other Income

Income from investments and deposits etc. is accounted for on accrual basis inclusive of related tax deducted at source, where applicable. Interest income arising from financial assets is accounted for using amortised cost method.

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

#### (d) Taxes

Current tax represents the amount payable based on computation of tax as per prevailing taxation laws under the Income Tax Act, 1961. Provision for deferred taxation is made using liability method on temporary difference arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred Tax Assets are recognized subject to the consideration of prudence and are periodically reviewed to reassess realization thereof. Deferred Tax Liability or Asset will give rise to actual tax payable or recoverable at the time of reversal thereof. Current and Deferred tax relating to items recognised outside profit or loss, that is either in other comprehensive income (OCI) or in equity, is recognised along with the related items.

#### (e) Property, plant and equipment

Tangible assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase cost, borrowing cost, if capitalised, and other directly attributable cost of bringing the asset to its working condition for intended use. Any trade discount and rebate are deducted in arriving at the purchase price. Subsequent acquisition of these assets, are stated at cost of acquisition together with any incidental expenses related to acquisition and appropriate borrowing costs. An impairment loss is recognized where applicable, when the carrying value of tangible assets of cash generating unit exceed its market value or value in use, whichever is higher.

Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The management believes that these estimated useful life are realistic and reflect fair approximation of the period over which the assets are likely to be used. These useful lives are different in some cases than those indicated in Schedule II of the Companies Act 2013, which are disclosed at Note-4A.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**(f) Intangible assets**

Intangible assets comprising Computer Softwares are expected to provide future enduring economic benefits are stated at cost of acquisition / implementation / development less accumulated amortisation. An impairment loss is recognized where applicable, when the carrying value of intangible assets of cash generating unit exceed its market value or value in use, whichever is higher.

Software purchased together with the related hardware is capitalized and depreciated at the rates applicable to related assets.

Software product development costs are expensed as incurred during the research phase until technological feasibility is established. Software development costs incurred subsequent to the achievement of technological feasibility are capitalized and amortized over the estimated useful life of the products as determined by the management. This capitalization is done only if there is an intention and ability to complete the product, the product is likely to generate future economic benefits, adequate resources to complete the product are available and such expenses can be accurately measured. Such software development costs comprise expenditure that can be directly attributed, or allocated on a reasonable and consistent basis, to the development of the product.

Cost of intangible assets are amortised over its estimated useful life based on managements' external or internal assessment. Management believes that the useful lives so determined best represent the period over which the management expects to use these assets. The useful lives are as disclosed at Note 4B.

The useful life is reviewed at the end of each reporting period for any changes in the estimates of useful life and, accordingly, the asset is amortized over the remaining useful life.

**(g) Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks, on hand and deposits with original maturity of 3 months or less. For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalent consist of balances as defined above.

**(h) Financial asset**

The financial assets are classified in the following categories:

1. Financial assets measured at amortised cost,
2. Financial assets measured at fair value through profit and loss,
3. Financial assets measured at fair value through other comprehensive Income, and,
4. Equity Instruments.

The classification of financial assets depends on the Company's business model for managing financial assets and the contractual terms of the cash flow.

**Initial Recognition :**

At initial recognition, the financial assets are measured at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

**Financial assets measured at amortised cost**

Assets that are held for collection of contractual cash flows and where those cash flows represent solely payments of principal and interest are measured at amortised cost. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method. The losses arising from impairment are recognised in the Statement of Profit and Loss.

**Financial instruments measured at fair value through profit and loss (FVTPL)**

Financial instruments included within fair value through profit and loss category are measured initially as well as at each reporting period at fair value plus transaction costs as applicable. Fair value movements are recorded in statement of profit and loss. Investments in mutual funds are measured at fair value through profit and loss.

**Financial instruments measured at fair value through other comprehensive income (FVTOCI)**

Financial instruments included within fair value through other comprehensive income category are measured initially as well as at each reporting period at fair value plus transaction costs as applicable. Fair value movements are recorded under other comprehensive income (OCI).

**Equity Instruments**

Equity investments in scope of Ind AS 109 are measured at fair value. At initial recognition, the Company make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. Investment in subsidiaries are carried at cost less provision for impairment loss, if any. Investments are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

**Impairment of financial assets**

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables the simplified approach of expected lifetime losses has been recognised from initial recognition of the receivables as required by Ind AS 109 Financial Instruments.

**(i) Financial Liabilities**

Financial liabilities are measured at amortised cost using the effective interest rate method.

For trade and other payables maturing within one year from the balance sheet date, the carrying amount approximates fair value to short-term maturity of these instruments.

A financial liability (or a part of financial liability) is de-recognised from Company's balance sheet when obligation specified in the contract is discharged or cancelled or expired.

**(j) Employee Benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Contributions to Provident Fund are accounted for on accrual basis.

The Company, as per its schemes, extend employee benefits current and/or post retirement, which are accounted for on accrual basis and includes actuarial valuation as at the Balance Sheet date in respect of gratuity, leave encashment and certain other retiral benefits, to the extent applicable, made by independent actuary.

Re-measurements, comprising of actuarial gains and losses, excluding amounts included in net interest on the net defined benefit liability, are recognized immediately in Other Comprehensive Income in the period in which they occur.

Re-measurements are not reclassified to profit or loss in subsequent periods. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- (i) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- (ii) Net interest expense or income

The current and non-current bifurcation has been done as per the Actuarial report.

**(k) Earnings per Share**

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- a) The profit attributable to owners of the Company
- b) by the weighted average number of equity shares to be issued during the financial year, adjusted for bonus elements in equity shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in their determination of basic earnings per share to take into account:

- a) the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- b) the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**(l) Leases**

Ind AS 116 Leases was notified in March 2019 and it replaces Ind AS 17 Leases. Ind AS 116 has been effective for annual periods beginning on or after 1 April 2019. It sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessee to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Ind AS 116 requires lessees and lessors to make more extensive disclosures than under Ind AS 17. The Company has evaluated the requirements of the standard and there is no impact on its financial statements.

**(m) Provisions and contingencies**

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

A disclosure for contingent liabilities is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of the amount cannot be made.

**(n) Business combination**

Business combination involving entities or businesses under common control are accounted for using the pooling of interest method whereby the assets and liabilities of the combining entities / business are reflected at their carrying value and necessary adjustments, if any, have been given effect to as per the scheme approved by National Company Law Tribunal.

**NOTE-3 Summary of significant judgements and assumptions**

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. Estimated Fair Valuation of certain Investments - Note 2(h) and 28

Estimates used in Actuarial Valuation of Employee benefits - Note 24

**NOTE-3A Changes in Accounting policies**

Ind AS 116 "Leases" has become mandatory for reporting period beginning on or after April 01, 2019 superseding Ind AS 17 "Leases". The Company has adopted Ind AS 116 with the initial application date of April 01, 2019. However, the application of standard does not have any impact on retained earning as at April 01, 2019 and results for the year ended March 31, 2020.

**NOTE-4A PROPERTY PLANT AND EQUIPMENT**

₹ in Lakhs

Particulars	Gross Block at Cost				Depreciation				Net Block	
	As at 1st April, 2019	Additions/ Adjustments	Less: Withdrawals/ Adjustments	As at 31st March, 2020	As at 1st April, 2019	Additions/ Adjustments	Less: Withdrawals/ Adjustments	As at 31st March, 2020	As at 31st March, 2020	As at 31st March, 2019
Computers	-	171.78	-	171.78	-	5.27	-	5.27	166.51	-
Furniture and Fixtures	-	1.77	-	1.77	-	0.21	-	0.21	1.56	-
Office Equipment	-	9.36	-	9.36	-	0.91	-	0.91	8.45	-
Vehicles	-	11.02	-	11.02	-	0.17	-	0.17	10.85	-
	-	193.93	-	193.93	-	6.56	-	6.56	187.37	-
Previous Year	-	-	-	-	-	-	-	-	-	-

## Useful Life of Property Plant &amp; Equipment

Particulars	Useful Life
Computers	3-6 Years
Furniture and Fixtures	5 Years
Office Equipment	3-5 Years
Vehicles	5 Years

**NOTE-4B INTANGIBLE ASSETS**

Particulars	Gross Block at Cost				Amortisation				Net Block	
	As at 1st April, 2019	Additions/ Adjustments	Withdrawals/ Adjustments	As at 31st March, 2020	As at 1st April, 2019	Additions/ Adjustments	Withdrawals/ Adjustments	As at 31st March, 2020	As at 31st March, 2020	As at 31st March, 2019
Computer Software	-	1.33	-	1.33	-	0.10	-	0.10	1.23	-
	-	1.33	-	1.33	-	0.10	-	0.10	1.23	-
Previous Period	-	-	-	-	-	-	-	-	-	-

## Useful Life of Other Intangible Assets

Particulars	Useful Life
Computer Software	3 Years

**Notes forming Part of Financial Statements (contd.)**

	<u>As at</u> <u>31st March, 2020</u>	<u>₹ in Lakhs</u> <u>As at</u> <u>31st March, 2019</u>
<b>NOTE-5 NON CURRENT INVESTMENTS</b>		
<b>a Investments in Subsidiary Company - Quoted - carried at cost :</b>		
(i) 37,39,76,673 (31st March, 2019: 37,39,76,673 shares) fully paid Equity Shares of ₹ 10 each of Firstsource Solutions Limited	<b>47,169.71</b>	47,169.71
<b>b Investments in Subsidiary Companies -Unquoted - carried at cost:</b>		
(i) 60,56,65,322 (31st March, 2019: 50,48,47,125 shares) fully paid Equity Shares of ₹ 10 each of Guiltfree Industries Limited	<b>72,369.63</b>	60,108.12
(ii) 3,37,52,500 (31st March, 2019: 1,91,90,000 shares) fully paid Equity Shares of ₹ 10 each of Bowlopedia Restaurants India Limited	<b>3,375.47</b>	1,919.22
(iii) 26,25,20,000 (31st March, 2019: 26,25,20,000 shares) fully paid Equity Shares of ₹ 10 each of Quest Properties India Limited	<b>26,252.00</b>	26,252.00
(iv) 9,13,793 (31st March, 2019: NIL) fully paid Equity Shares of ₹ 10 each of Herbolab India Private Limited	<b>3,417.50</b>	-
(v) 246.40 Class A Units (31st March, 2019: 110.75) of face value of ₹ 1,00,000 each of RP-SG Ventures Fund-I	<b>246.40</b>	110.75
<b>c Investments in Compulsory Convertible Preference shares - Unquoted, carried at fair value through other comprehensive income:</b>		
(i) 1,660 (31st March, 2019: 1,660) Compulsory Convertible Preference Shares of ₹ 10 each and 10 (31st March, 2019: 10) Equity shares of ₹ 10 each of HW Wellness Solutions Pvt. Ltd.	<b>350.16</b>	350.16
(ii) 4,134 (31st March, 2019: NIL) Compulsory Convertible Preference Shares of Peel-Works Private Limited	<b>2,099.91</b>	-
	<b>155,280.78</b>	135,909.96
<b>Investment in quoted investments:</b>		
Aggregate Book value	<b>47,169.71</b>	47,169.71
Aggregate Market value	<b>102,656.60</b>	175,956.02
<b>Investment in unquoted investments:</b>		
Aggregate Book value	<b>108,111.07</b>	88,740.25
<b>NOTE-6 NON CURRENT LOANS</b>		
Unsecured, considered good		
a Security Deposits	<b>1.60</b>	1.60
b Loans to Employees	<b>48.14</b>	32.48
	<b>49.74</b>	34.08
<b>NOTE-7 OTHER NON CURRENT FINANCIAL ASSETS</b>		
a Share Application Money to Subsidiaries	-	6,023.35
	-	6,023.35
<b>NOTE-8 OTHER NON CURRENT ASSETS</b>		
a Capital Advances	<b>2,337.30</b>	2,337.30
	<b>2,337.30</b>	2,337.30

**Notes forming Part of Financial Statements (contd.)**

	As at 31st March, 2020	₹ in Lakhs As at 31st March, 2019
<b>NOTE-9 TRADE RECEIVABLES</b>		
Unsecured, considered good		
a Receivable from Related Parties (refer Note-29)	2,034.63	2,472.53
	<u>2,034.63</u>	<u>2,472.53</u>
Trade Receivables are non-interest bearing		
<b>NOTE-10 CASH AND CASH EQUIVALENTS</b>		
a Balances with banks		
- In current accounts	9,969.00	441.76
- Bank Deposits with original maturity upto 3 months	-	6,000.00
b Cheque in hand	270.00	-
c Cash on hand	1.59	-
	<u>10,240.59</u>	<u>6,441.76</u>
<b>NOTE-11 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENT</b>		
a Earmarked Balance with Banks (Fractional Equity Account)	3.52	5.84
	<u>3.52</u>	<u>5.84</u>
<b>NOTE-12 CURRENT LOANS</b>		
Unsecured considered good		
a Loans to employees	12.85	9.32
	<u>12.85</u>	<u>9.32</u>
<b>NOTE-13 OTHER CURRENT FINANCIAL ASSETS</b>		
Unsecured considered good		
a. Interest accrued on Bank Deposits	-	1.89
b. Others	1.87	-
	<u>1.87</u>	<u>1.89</u>
<b>NOTE-14 OTHER CURRENT ASSETS</b>		
a. Balance with Government Authorities	64.05	33.17
b. Advances to employees	10.00	7.89
c. Advances to suppliers	46.81	-
d. Prepaid Expenses	9.57	5.31
	<u>130.43</u>	<u>46.37</u>
<b>NOTE-15 EQUITY SHARE CAPITAL</b>		
a. <b>Authorised Share Capital</b> 125,00,00,000 (31st March, 2019: 125,00,00,000) Equity Shares of ₹ 10/- each	<u>125,000.00</u> <u>125,000.00</u>	<u>125,000.00</u> <u>125,000.00</u>
b. <b>Issued Capital</b> 2,65,11,409 (31st March, 2019: 2,65,11,409) Equity Shares of ₹ 10/- each	<u>2,651.14</u> <u>2,651.14</u>	<u>2,651.14</u> <u>2,651.14</u>
c. <b>Subscribed and paid up capital</b> 2,65,11,409 (31st March, 2019: 2,65,11,409) Equity Shares of ₹ 10/- each fully paid-up	<u>2,651.14</u> <u>2,651.14</u>	<u>2,651.14</u> <u>2,651.14</u>

**Notes forming Part of Financial Statements (contd.)**

## d. Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	No. of shares	Amount (₹ In Lakh)	No. of shares	Amount (₹ In Lakh)
Balance at the beginning of the year	26,511,409	2,651.14	-	-
Add: Shares issued and allotted during the year *	-	-	26,511,409	2,651.14
Closing Balance	26,511,409	2,651.14	26,511,409	2,651.14

\* Does not include shares issued and cancelled pursuant to the scheme of restructuring.

## e. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share fully paid up. Holders of equity shares are entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive the sale proceeds from remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion of the number of equity shares held by the shareholders.

Details of shareholders holding more than 5% shares in the Company	As at 31st March, 2020		As at 31st March, 2019	
	No. of shares	% of holding	No. of shares	% of holding
Rainbow Investments Limited (refer note 29)	11,759,326	44.36	11,759,326	44.36

## g. Equity shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

₹ in lakhs

	As at 31st March, 2020	As at 31st March, 2019
Equity Shares allotted pursuant to the scheme of restructuring	-	2,651.14

₹ in lakhs

	As at 31st March, 2020	As at 31st March, 2019
--	---------------------------	---------------------------

**NOTE-16 OTHER EQUITY**

a. Capital Reserve	141,993.82	141,993.82
b. Retained Earnings	24,281.38	6,850.41
	<b>166,275.20</b>	<b>148,844.23</b>

**Movement of Other Equity**

a. <b>Capital Reserve</b>		
As at beginning and end of the year	141,993.82	141,993.82
	<b>141,993.82</b>	<b>141,993.82</b>
b. <b>Retained Earnings</b>		
Surplus at the beginning of the period	6,850.41	351.92
Add : Profit for the period	17,429.02	6,577.78
Add: Items that will not be reclassified to Profit & Loss		
Remeasurements of the net defined benefit plan (Net of tax)	1.95	(79.29)
	<b>24,281.38</b>	<b>6,850.41</b>
	<b>166,275.20</b>	<b>148,844.23</b>

Capital Reserve represents the difference between assets and liabilities acquired pursuant to the scheme of restructuring, reduced by shares issued as per the scheme.

Retained Earnings represents profit earned by the Company, net of appropriation, if any.

	<u>As at</u> <u>31st March, 2020</u>	<u>₹ in Lakhs</u> <u>As at</u> <u>31st March, 2019</u>
<b>NOTE-17 NON CURRENT PROVISIONS</b>		
a Provision for employee benefits	869.00	713.17
	<u>869.00</u>	<u>713.17</u>
<b>NOTE-18 OTHER NON CURRENT LIABILITIES</b>		
a Financial Guarantee Obligation	141.47	37.50
	<u>141.47</u>	<u>37.50</u>
<b>NOTE-19 OTHER CURRENT FINANCIAL LIABILITIES</b>		
a. Payable to Employees	23.26	10.60
b. Fractional Equity Entitlement	3.52	5.84
c. Others	207.76	14.93
	<u>234.54</u>	<u>31.37</u>
<b>NOTE-20 OTHER CURRENT LIABILITIES</b>		
a. Statutory dues	391.11	1,209.75
b. Financial Guarantee Obligation	35.32	-
	<u>426.43</u>	<u>1,209.75</u>
<b>NOTE-21 CURRENT PROVISIONS</b>		
a Provision for employee benefits	256.79	265.73
	<u>256.79</u>	<u>265.73</u>
<b>NOTE-22 REVENUE FROM OPERATIONS</b>		
a Sale of services	6,390.00	6,260.00
	<u>6,390.00</u>	<u>6,260.00</u>

Entire Revenue is from contracts with customers in India

**Notes forming Part of Financial Statements (contd.)**

	<u>For the year ended 31st March, 2020</u>	<u>For the year ended 31st March, 2019</u>
<b>NOTE-23 OTHER INCOME</b>		
a. Interest Income	4.73	8.07
b. Dividend Income	16,828.95	5,609.65
c. Gain on sale/fair value of current investments (net)	158.10	572.85
d. Other Miscellaneous Income	24.03	-
	<u>17,015.81</u>	<u>6,190.57</u>
<b>NOTE-24 EMPLOYEE BENEFIT EXPENSE</b>		
a. Salaries, wages and bonus	2,240.06	1,351.59
b. Contribution to provident and other funds	279.62	192.75
c. Employees' welfare expenses	84.07	70.91
	<u>2,603.75</u>	<u>1,615.25</u>

**(i) Defined contribution plans**

The Company makes contributions for provident fund and family pension schemes (including for superannuation) towards retirement benefit plans for eligible employees. Under the said plan, the Company is required to contribute a specified percentage of the employees' salaries to fund the benefits. The fund has the form of trust and is governed by the Board of Trustees. During the period, based on applicable rates, the Company has contributed ₹ 201.53 lakhs (for the year ended 31st March 2019: ₹ 134.08 lakhs) on this account in the Statement of Profit and Loss.

Liabilities at the period end for gratuity, leave encashment and other retiral benefits including post-retirement medical benefits have been determined on the basis of actuarial valuation carried out by an independent actuary, based on the method prescribed in IND AS 19 - "Employee Benefits" of The Companies (Indian Accounting Standards) Rules, 2015.

**(ii) Defined benefit plans**

No additional liability has been recognised as interest rate distributed by PF trust during the year for FY 2018-19 is higher than the statutory rate announced by Employees Provident Fund Organization.

**(iii) The amounts recognised in the Balance Sheet and the movements in the total defined benefit obligation over the year are as follows:**

₹ in lakhs

	<u>For the year ended 31st March, 2020</u>	<u>For the year ended 31st March, 2019</u>
<b>Gratuity (Unfunded)</b>	<b>Present value of obligation</b>	<b>Present value of obligation</b>
<b>Opening Balance</b>	<b>604.80</b>	426.69
Add: Amount added pursuant to scheme of restructuring	-	-
Current service cost	<b>33.48</b>	27.43
Interest expense/(income)	<b>44.39</b>	31.24
<b>Total amount recognised in profit and loss</b>	<b>77.87</b>	58.67
<i>Remeasurements</i>		
(Gain)/loss from change in demographic assumptions	<b>(0.11)</b>	-
(Gain)/loss from change in financial assumptions	<b>35.85</b>	10.69
Experience (gains)/losses	<b>(42.33)</b>	108.75
<b>Total amount recognised in other comprehensive income</b>	<b>(6.59)</b>	119.44
Benefit payments	-	-
<b>Closing Balance</b>	<b>676.08</b>	604.80

₹ in lakhs

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>Leave Obligation (Unfunded)</b>	<b>Present value of obligation</b>	<b>Present value of obligation</b>
<b>Opening Balance</b>	<b>256.52</b>	185.57
Add: Amount added pursuant to scheme of restructuring	-	-
Current service cost	<b>24.77</b>	4.34
Interest expense/(income)	<b>18.45</b>	14.10
<i>Remeasurements</i>		
(Gain)/loss from change in demographic assumptions	<b>(0.07)</b>	-
(Gain)/loss from change in financial assumptions	<b>22.70</b>	6.35
Experience (gains)/losses	<b>(12.86)</b>	46.16
<b>Total amount recognised in profit and loss</b>	<b>52.99</b>	70.95
Benefit payments	<b>(10.34)</b>	-
<b>Closing Balance</b>	<b>299.17</b>	256.52

	Post retirement medical benefit		Pension	
	For the year ended 31st March, 2020	For the year ended 31st March, 2019	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>Opening balance</b>	<b>89.70</b>	89.70	<b>27.88</b>	19.83
Add: Amount added pursuant to scheme of restructuring	-	-	-	-
Current service cost	<b>6.67</b>	3.64	<b>3.48</b>	1.52
Interest expense/(income)	<b>6.59</b>	6.82	<b>2.05</b>	1.51
Past Service Cost	<b>1.79</b>	-	<b>8.39</b>	2.81
<b>Total amount recognised in profit and loss</b>	<b>15.05</b>	10.46	<b>13.92</b>	5.84
<i>Remeasurements</i>				
(Gain)/loss from change in demographic assumptions	<b>0.10</b>	-	<b>0.05</b>	-
(Gain)/loss from change in financial assumptions	<b>17.22</b>	4.13	<b>3.92</b>	0.93
Experience (gains)/losses	<b>(11.38)</b>	(14.59)	<b>(5.92)</b>	1.28
<b>Total amount recognised in other comprehensive income</b>	<b>5.94</b>	(10.46)	<b>(1.95)</b>	2.21
<b>Closing balance</b>	<b>110.69</b>	89.70	<b>39.85</b>	27.88

iv) The expected maturity analysis of undiscounted gratuity, leave, post-employment medical benefits & pension is as follows:

	1st year	Between 2-5 years	Between 6-10 years	More than 10 years	Total
<b>As at 31st March, 2020</b>					
Defined benefit obligation (gratuity)	<b>212.31</b>	<b>129.35</b>	<b>264.60</b>	<b>624.48</b>	<b>1,230.74</b>
Leave obligation	<b>51.73</b>	<b>46.04</b>	<b>104.68</b>	<b>467.48</b>	<b>669.93</b>
Post-employment medical benefits	<b>0.82</b>	<b>7.87</b>	<b>28.22</b>	<b>677.99</b>	<b>714.90</b>
Pension	<b>0.15</b>	<b>5.81</b>	<b>20.91</b>	<b>78.12</b>	<b>104.99</b>
<b>Total</b>	<b>265.01</b>	<b>189.07</b>	<b>418.41</b>	<b>1,848.07</b>	<b>2,720.56</b>
<b>As at 31st March, 2019</b>					
Defined benefit obligation (gratuity)	208.92	74.43	242.86	724.74	1,250.95
Leave obligation	58.80	27.51	88.06	497.15	671.52
Post-employment medical benefits	1.25	7.37	23.25	525.16	557.03
Pension	0.11	4.78	18.21	74.54	97.64
<b>Total</b>	<b>269.08</b>	<b>114.09</b>	<b>372.38</b>	<b>1,821.59</b>	<b>2,577.14</b>

₹ in lakhs

v) Sensitivity Analysis

	Gratuity		Post-employment medical benefits		Leave Obligation		Pension	
	As at 31st March 2020	As at 31st March 2019	As at 31st March 2020	As at 31st March 2019	As at 31st March 2020	As at 31st March 2019	As at 31st March 2020	As at 31st March 2019
DBO at 31st March with discount rate +1%	<b>633.91</b>	565.89	<b>90.23</b>	75.20	<b>272.49</b>	233.56	<b>35.23</b>	24.53
Corresponding service cost	<b>27.69</b>	24.95	<b>4.69</b>	2.96	<b>22.30</b>	15.17	<b>3.05</b>	1.33
DBO at 31st March with discount rate -1%	<b>725.06</b>	650.15	<b>137.51</b>	108.56	<b>330.67</b>	283.82	<b>45.32</b>	31.93
Corresponding service cost	<b>33.72</b>	30.38	<b>7.39</b>	4.53	<b>28.41</b>	20.09	<b>3.99</b>	1.75
DBO at 31st March with +1% salary escalation	<b>732.38</b>	650.19	<b>121.56</b>	97.58	<b>335.55</b>	284.02	-	-
Corresponding service cost	<b>34.23</b>	30.37	<b>6.50</b>	4.02	<b>28.92</b>	20.11	-	-
DBO at 31st March with -1% salary escalation	<b>627.67</b>	565.18	<b>100.64</b>	82.69	<b>268.48</b>	233.00	-	-
Corresponding service cost	<b>27.28</b>	24.91	<b>5.28</b>	3.29	<b>21.89</b>	15.12	-	-
DBO at 31st March with +50% withdrawal rate	<b>676.46</b>	605.19	<b>109.10</b>	88.87	<b>299.42</b>	256.93	-	-
Corresponding service cost	<b>30.48</b>	27.46	<b>5.77</b>	3.58	<b>25.11</b>	17.42	-	-
DBO at 31st March with -50% withdrawal rate	<b>675.73</b>	604.42	<b>111.74</b>	90.56	<b>298.93</b>	256.13	-	-
Corresponding service cost	<b>30.42</b>	27.39	<b>5.92</b>	3.68	<b>25.05</b>	17.33	-	-
DBO at 31st March with +10% mortality rate	<b>676.25</b>	604.98	<b>107.59</b>	87.69	<b>299.26</b>	256.69	<b>38.94</b>	27.56
Corresponding service cost	<b>30.45</b>	27.44	<b>5.69</b>	3.54	<b>25.09</b>	17.39	<b>3.40</b>	1.50
DBO at 31st March with -10% mortality rate	<b>675.94</b>	604.62	<b>113.44</b>	91.85	<b>299.09</b>	256.36	<b>40.81</b>	28.20
Corresponding service cost	<b>30.44</b>	27.42	<b>6.00</b>	3.73	<b>25.07</b>	17.36	<b>3.56</b>	1.54

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance Sheet.

vi) Actuarial assumptions

As at 31st March, 2020				
Particulars	Gratuity	Leave Obligation	Medical	Pension
Discount rate current period (%)	<b>6.50%</b>	<b>6.50%</b>	<b>6.50%</b>	<b>6.50%</b>
Mortality rate	Indian Assured Lives Mortality (2012-14) Ult. (IALM 2012-14)	Indian Assured Lives Mortality (2012-14) Ult. (IALM 2012-14)	Indian Assured Lives Mortality (2012-14) Ult. (IALM 2012-14)	Indian Assured Lives Mortality (2012-14) Ult. (IALM 2012-14)

As at 31st March, 2019				
Particulars	Gratuity	Leave Obligation	Medical	Pension
Discount rate current period (%)	7.34%	7.34%	7.34%	7.34%
Mortality rate	Indian Assured Lives Mortality (2006-08) ultimate	Indian Assured Lives Mortality (2006-08) ultimate	Before Separation-Indian Assured Lives Mortality (2006-08) ultimate & After separation - from service: LIC (1996-98) Ultimate rated down by 5 years	Before Separation-Indian Assured Lives Mortality (2006-08) ultimate & After separation - from service : LIC (1996-98) Ultimate rated down by 5 years

Expected Remaining Life	As at 31st March, 2020	As at 31st March, 2019
Employees Gratuity Fund	16.50	16.92
Executive Gratuity Fund	7.55	7.83
Leave Encashment	12.24	11.86
PRMB - Non Cov	20.80	16.31
PRMB - Cov	13.67	13.87
Pension	25.95	25.26

**vii) Risk exposure**

The Plans in India typically expose the Company to some risks, the most significant of which are detailed below:

**Discount Rate Risk :** Decrease in discount rate will increase the value of the liability.

**Demographic Risk :** In the valuation of the liability certain demographic (mortality and attrition rates) assumptions are made. The Company is exposed to this risk to the extent of actual experience eventually being worse compared to the assumptions thereby causing an increase in the scheme cost.

**Regulatory Risk :** New Act/Regulations may come up in future which could increase the liability significantly in case of Leave obligation, PRMB & Pension. Gratuity Benefit must comply with the requirements of the Payment of Gratuity Act, 1972 (as amended up-to-date). Also in case of interest rate guarantee Exempt Provident Fund must comply with the requirements of the Employees Provident Funds and Miscellaneous Provisions Act 1952 as amended up-to-date.

**Future Salary Increase Risk :** In case of gratuity & leave the scheme cost is sensitive to the assumed future salary escalation rates for all final salary defined benefit Schemes. If actual future salary escalations are higher than that assumed in the valuation actual Scheme cost and hence the value of the liability will be higher than that estimated. But PRMB & pension are not dependant on future salary levels.

**Pay-as-you-go Risk :** For unfunded schemes financial planing could be difficult as benefits payable will directly affect the revenue and this could be fluctuating. There may be an opportunity cost of better investment returns affecting adversely the cost of scheme.

**Liquidity Risk :** The risk arises from the short term asset and liability cash-flow mismatch thereby causing the company being unable to pay the benefits as they fall due in the short term.

**NOTE-25 DEPRECIATION AND AMORTISATION EXPENSES**

₹ in lakhs

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
a. Depreciation on Property, Plant & Equipment	6.56	-
b. Amortisation on Computer Software	0.10	-
	6.66	-

**NOTE-26 OTHER EXPENSES**

₹ in lakhs

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
a. Repairs & Maintenance - Others	19.06	26.48
b. Filing Fees	0.88	0.45
c. Auditor's Remuneration		
As Statutory Auditor	11.00	11.00
As Tax Auditor	2.00	2.00
d. Travelling and conveyance	107.59	35.34
e. Communication expenses	265.66	242.69
f. EDP & Computer Expenses	801.92	707.26
g. Call Centre Expenses	450.82	759.49
h. Courier Expenses	575.68	676.80
i. Printing & Stationery	523.68	670.88
j. Professional Fees	172.39	3.44
k. General Establishment Expenses	189.82	111.86
l. Corporate Social Responsibility activities Expenses (Refer Note 33)	22.47	-
m. Miscellaneous expenses	74.61	169.30
	3,217.58	3,416.99

**Notes forming Part of Financial Statements (contd.)**
**NOTE-27 Earnings per share:**

Computation of Earnings per share

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
A. Profit After Tax (₹ in Lakh)	17,429.02	6,577.78
B. Weighted Average no. of shares for Earnings per share	2,65,11,409	2,65,11,409
Basic and Diluted Earnings per share of ₹ 10/- [(A) / (B)] (₹)	65.74	24.81

**NOTE-28 Financial Instruments**

a) The carrying value and fair value of financial instruments by categories as at 31st March, 2020 and 31st March, 2019 are as follows:

₹ in lakhs

Financial assets and liabilities	As at 31st March, 2020				As at 31st March, 2019			
	Cost	Amortised Cost	FVTOCI	FVTPL	Cost	Amortised Cost	FVTOCI	FVTPL
Financial assets								
Investments								
- Equity instruments/Compulsory Convertible Preference Shares	152,830.71	-	2,450.07	-	135,559.80	-	350.16	-
Loans	-	62.59	-	-	-	43.40	-	-
Trade and other Receivables	-	2,034.63	-	-	-	2,472.53	-	-
Cash and cash equivalents	-	10,240.59	-	-	-	6,441.76	-	-
Bank balances other than cash and cash equivalent	-	3.52	-	-	-	5.84	-	-
Interest Accrued in Bank Deposit	-	-	-	-	-	1.89	-	-
Share application money to subsidiaries	-	-	-	-	-	6,023.35	-	-
Others	-	1.87	-	-	-	-	-	-
<b>Total financial assets</b>	<b>152,830.71</b>	<b>12,343.20</b>	<b>2,450.07</b>	<b>-</b>	<b>135,559.80</b>	<b>14,988.77</b>	<b>350.16</b>	<b>-</b>
Financial liabilities								
Trade Payables	-	397.28	-	-	-	10.84	-	-
Others	-	234.54	-	-	-	31.37	-	-
<b>Total financial Liabilities</b>	<b>-</b>	<b>631.82</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>42.21</b>	<b>-</b>	<b>-</b>

**b) Fair value hierarchy**

The table shown below analyses financial instruments carried at fair value, by valuation method.

₹ in lakhs

Financial assets and liabilities measured at fair value	Level 1	Level 2	Level 3	Total Fair Value	Total carrying amount
<b>As at 31 March, 2020</b>					
<b>Financial assets</b>					
Investment in equity instruments	-	-	2,450.07	2,450.07	2,450.07
<b>Total Financial Assets</b>	<b>-</b>	<b>-</b>	<b>2,450.07</b>	<b>2,450.07</b>	<b>2,450.07</b>
<b>As at 31 March, 2019</b>					
<b>Financial assets</b>					
Investment in equity instruments	-	-	350.16	350.16	350.16
<b>Total Financial Assets</b>	<b>-</b>	<b>-</b>	<b>350.16</b>	<b>350.16</b>	<b>350.16</b>

The different levels have been defined below:

Level 1 : financial instruments measured using quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price. The mutual funds are valued using the closing NAV.

Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 : inputs for the asset or liability that are not based on observable market data.

**c) The following methods and assumptions were used to estimate the fair values**

- The fair values of the mutual fund instruments and units of alternative investment fund are based on net asset value of units declared at the close of the reporting date.
- The carrying amount of cash and cash equivalents is considered to be the same as their fair values, due to their short term nature.
- Miscellaneous receivables/payables where carrying amount is reasonable approximation of fair value as settlement period cannot be reliably measured.

- iv. Considering the nature, risk profile and other qualitative factors of the financial instruments of the Company, the carrying amounts will be the reasonable approximation of the fair value.

**d) Financial Risk Management**

The business of the Company are exposed to a variety of financial risks, liquidity risks and credit risks which are dependent on the nature of activity. The Senior Management oversees the management of these risks and reviews and agrees policies for managing each of these risks.

**Liquidity Risk:**

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquid risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company does not have any loans from banks or others. Furthermore, the Company has sufficient quantities of liquid assets which are readily saleable. Hence the risk that the company may not be able to settle its financial liabilities as they become due does not exist.

**Credit Risk :**

Credit risk arise from the possibility that the counter party may not be able to settle their obligations. Financial instruments that are subject to such risk primarily consists of investments, trade receivables, bank deposits and other financial assets. Trade receivables of the company are due from related parties and the bank deposit are with highly rated scheduled banks. None of the financial assets of the Company are either impaired or past due.

**NOTE-29 Related Party for the year ended 31st March, 2020 and their Relationship**

**A. Parent- under de facto control as defined in Ind-AS 110**

Name
Rainbow Investments Limited

**B. Subsidiary / Associates**

Name	Relationship
Quest Properties India Limited	Subsidiary
Firstsource Solutions Limited (FSL)	Subsidiary
Bowlopedia Restaurants India Limited	Subsidiary
Guiltfree Industries Limited	Subsidiary
Herbolab India Pvt. Ltd.	Subsidiary (w.e.f. 02-06-2019)
Apricot Foods Private Limited	Step Down Subsidiary
Metromark Green Commodities Pvt. Ltd.	Step Down Subsidiary
MedAssist Holding, LLC	Step Down Subsidiary
Firstsource Group USA, Inc.	Step Down Subsidiary
Firstsource Solutions USA, LLC	Step Down Subsidiary
Firstsource Transaction Services, LLC	Step Down Subsidiary
Firstsource Business Process Services, LLC	Step Down Subsidiary
Firstsource Advantage, LLC	Step Down Subsidiary
Firstsource BPO Ireland Ltd.	Step Down Subsidiary
Firstsource Solutions UK Ltd.	Step Down Subsidiary
Firstsource Solutions S.A.	Step Down Subsidiary
Firstsource-Dialog Solutions Pvt. Ltd.	Step Down Subsidiary
One Advantage LLC	Step Down Subsidiary
Firstsource Process Management Services Limited	Step Down Subsidiary
Sourcepoint Inc. (Formerly ISGN Solutions Inc.)	Step Down Subsidiary
Sourcepoint Fulfillment Services Inc. (Formerly ISGN Fulfillment Services, Inc.)	Step Down Subsidiary
ISGN Fulfillment Agency, LLC	Step Down Subsidiary
RP - SG Ventures Advisory LLP	Step Down Subsidiary
RP - SG Unique Advisory LLP	Step Down Subsidiary
RP - SG Ventures Fund I	Entity on which Company exerts control in terms of Ind-AS
Nanobi Data and Analytics Private Limited	Associate of FSL

**C. Other Related Parties having transaction during the period****(i) Entities under common control**

Name
CESC Limited
Haldia Energy Limited
Dhariwal Infrastructure Limited
Kota Electricity Distribution Limited
Bikaner Electricity Supply Limited
Bharatpur Electricity Services Limited
Nodia Power Company Limited

**(ii) Key Management Personnel (KMP)**

Name	Relationship
Mr. Sanjiv Goenka	Chairman and Non-executive Director
Mr. Shashwat Goenka	Non-executive Director
Ms. Grace Koshie	Independent Director
Mr. K. Jairaj	Independent Director
Mr. Arjun Kumar	Independent Director
Mr. Suhail Sameer	Whole-time Director (till 13.02.2020)
Mr. Arvind Vats	Chief Financial Officer (w.e.f. 19.08.2019)
Mr. Sudip Kumar Ghosh	Company Secretary

**D. Details of transactions between the Company and the related parties and status of outstanding balances**

₹ in lakhs

	Nature of Transactions	Parent having Control in terms of Ind AS-110, Subsidiaries		Entities under common control		Directors & Key Managerial Persons		Total	
		For the year ended 31st March 2020	For the year ended 31st March 2019	For the year ended 31st March 2020	For the year ended 31st March 2019	For the year ended 31st March 2020	For the year ended 31st March 2019	For the year ended 31st March 2020	For the year ended 31st March 2019
1	Acquisition of Investment:	16,907.58	6,307.91	-	-	-	-	16,907.58	6,307.91
2	Refund of Advance made against Equity:	25.16	-	-	-	-	-	25.16	-
3	Advance made against Equity:	-	6,000.00	-	-	-	-	-	6,000.00
4	Equity Shares issued:	-	1,175.93	-	141.83	-	5.68	-	1,323.44
5	Expense incurred (Net of recovery) / Expenses reimbursed:	-	-	(385.66)	(4,810.32)	-	-	(385.66)	(4,810.32)
6	Income from sale/services:	-	-	6,390.00	6,260.00	-	-	6,390.00	6,260.00
7	Transfer of Employee Loan & Advances:	(12.31)	-	(15.43)	-	-	-	(27.74)	-
8	Remuneration of Key Managerial Personnel:								
	Short Term Employee Benefits	-	-	-	-	638.16	161.35	638.16	161.35
	Post Employment Benefits	-	-	-	-	37.46	14.59	37.46	14.59
9	Remuneration of Directors:								
	Sitting Fees	-	-	-	-	43.50	6.50	43.50	6.50
10	Income from Dividend:	16,828.95	5,609.65	-	-	-	-	16,828.95	5,609.65
	Outstanding Balance:								
1	Debit	-	6,023.35	2,034.63	2,472.53	-	-	2,034.63	8,495.88
2	Credit	-	-	-	-	-	-	-	-

Refer Note 32 relating to commitments (letter of comfort) provided to a bank towards borrowing obligations as at 31st March, 2020 in respect of Guiltfree Industries Limited amounting to ₹ 25000 Lakh (31st March, 2019: ₹ 15000 lakh)

Outstanding balances are unsecured and settlement occurs in cash

**NOTE-30 SEGMENT REPORTING**

The Company is engaged in the fields of Information Technology and allied services and does not operate in any other separate reportable segment. There are no reportable geographical segments, since all business is within India.

**NOTE-31**

No amount is payable to Micro and Small Enterprises as at 31st March, 2020 and 31st March, 2019. There is no interest paid or outstanding for the year ended 31st March, 2020 and 31st March, 2019 to Micro Enterprises and Small Enterprises.

**NOTE-32 CONTINGENT LIABILITY**

Commitment of the Company on account of letter of comfort towards borrowings of a subsidiary from bank, not provided for, amounts to ₹ 25000 Lakhs (as on 31st March, 2019 : ₹ 15000 Lakhs).

**NOTE-33 CORPORATE SOCIAL RESPONSIBILITY (CSR)**

In terms of the provisions of the Companies Act, 2013, the required Corporate Social Responsibility (CSR) spending for the year works out to ₹ 22.47 Lakh (31st March 2019: NIL). The said requirement of CSR spending was met by way of contribution to a trust set up for the said purpose.

**NOTE-34**

In assessing the recoverability of its assets including receivables, the Company has considered internal and external information upto the date of approval of these financial statements including economic forecasts. The Company has performed analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

**NOTE-35 INCOME TAX EXPENSE****a) i) Income tax recognised in profit or loss**

₹ in lakhs

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Current Tax	205.26	880.54
<b>Deferred tax expense</b>		
Deferred tax - (Income) / expense	(56.46)	(39.99)
<b>Total income tax expense</b>	<b>148.80</b>	<b>840.55</b>

**ii) Income tax recognised in Other Comprehensive Income (OCI)**

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>Current tax expense</b>		
Remeasurement of defined benefit plan	0.65	2.88
<b>Deferred tax expense</b>		
Deferred tax - (Income) / expense	-	(34.78)
<b>Total income tax expense relating to OCI items</b>	<b>0.65</b>	<b>(31.90)</b>

**b) Reconciliation of tax expense and accounting profit**

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>Accounting profit before tax after Comprehensive Income</b>	<b>17,580.42</b>	<b>7,307.14</b>
Tax using the Company's domestic tax rate (Current year 25.168%, previous year 34.944%)	4,424.64	2,553.41
Tax effect of amounts adjustable in calculating taxable income / expenses not considered for tax purpose	4,275.19	1,744.76
<b>Income Tax Expense</b>	<b>149.45</b>	<b>808.65</b>

**c) Deferred Tax Assets**

Particulars	As at 31st March, 2020	As at 31st March, 2019
Expenses to be claimed on payment basis	140.21	74.77
Excess of Tax Depreciation over book Depreciation	(8.98)	-
<b>Deferred Tax Assets</b>	<b>131.23</b>	<b>74.77</b>

The Company has exercised the option of availing the lower tax rate as per the tax regime announced under section 115BAA of the Income Tax Act, 1961. Accordingly, (a) the provision for current and deferred tax has been determined at the rate of 25.168% and (b) the deferred tax assets and deferred tax liabilities as on April 01, 2019 have been restated at the rate of 25.168%. The same does not have a significant impact on the tax expense for the year.

**NOTE-36**

The composite Scheme of Arrangement amongst the Company, CESC Limited (CESC) and eight other companies and their respective shareholders has been made effective from 1st October, 2017 except for the demerger of the Generation Undertaking of CESC into Haldia Energy Limited (HEL), a wholly owned subsidiary of CESC ("the said Demerger"). However, the said Demerger proposal has been withdrawn with effect from 14 November 2019 and HEL continues to be a wholly-owned subsidiary of CESC.

**NOTE-37**

Previous year figures have been regrouped/reclassified wherever necessary to correspond with current year classification/disclosure.

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For Batliboi, Purohit & Darbari  
Chartered Accountants  
Firm Registration Number - 303086E

CA Hemal Mehta  
Partner  
Membership No. 063404  
Place: Kolkata  
Date: 26 June, 2020

For and on behalf of Board of Directors

Chairman	Sanjiv Goenka	DIN : 00074796
Director	Shashwat Goenka	DIN : 03486121
Whole-time Director	Rajeev Ramesh Chand Khandelwal	DIN : 08763979
Company Secretary	Sudip Kumar Ghosh	
Chief Financial Officer	Arvind Vats	

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# **CONSOLIDATED FINANCIAL STATEMENTS**

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## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of **CESC Ventures Limited (Formerly RP-SG Business Process Services Limited)** (“the Parent Company”) and its subsidiaries, (the Parent Company and its subsidiaries together referred to as “the Group”) which include the Group’s share of profit in its associate, which comprise the Consolidated Balance Sheet as at 31st March 2020, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity 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, and based on the consideration of reports of other auditors on separate financial statements of subsidiaries and associate referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (‘Ind AS’), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2020, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor’s Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associate in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, 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 and other auditors in terms of their reports referred to in the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor’s Response
1.	<b>Revenue recognition and measurement in respect of un-invoiced amounts</b>	<b>This matter has been identified as KAM by the Component Auditors. Component Auditor have reported to us that they have performed these procedures:</b>
	The Group, in its contracts with customers, promises to transfer distinct services (‘performance obligations’) to its customers which may be rendered in the form of customer management, transaction processing (including revenue cycle management in the healthcare industry) and debt collection services. Revenue is recognised based on the pattern of benefits from the performance obligations to the customer in an amount that reflects the consideration received or expected to be received in exchange for the services (‘transaction price’). The agreed contractual terms for service deliveries that are based on unit-of-work, time and material or a specified contingency (such as recovery of dues or disbursement of loans) adjusted for rebates, volume discounts, incentives or penalties (‘variable consideration’). At each reporting date, revenue is accrued for work performed that may not have been invoiced. Identifying whether the Group’s performance have resulted in a billable service that is collectable where the service deliveries have not been acknowledged by customers as of the reporting date involves a fair amount of judgement.	<p>a) Component Auditor gained an understanding of the Group’s processes in collating the evidence supporting delivery of services for each disaggregated type of revenue. We also obtained an understanding of the design of key controls for quantifying units of services that would be invoiced and the application of appropriate prices for each of such services.</p> <p>b) Component Auditor tested the design and operating effectiveness of management’s key controls in collating the units of services delivered and in the application of accurate prices for each of such services for a sample of the un-invoiced revenue entries, which included testing of access and change management controls exercised in respect of related information systems.</p>

	<p>Recognition of revenue before acknowledgment of receipt of services by customer could lead to an over or understatement of revenue and profit, whether intentionally or in error.</p>	<p>c) Component Auditor have tested a sample of un-invoiced revenue entries with reference to the reports from the information system that record the inputs relating to the services delivered to confirm the units of services delivered and contractual rates for the application of appropriate price for each of services. We also tested the adjustments on account of volume discounts and committed service levels of performance. With regard to incentives, our tests were focused to ensure that accruals were restricted to only those items where contingencies were minimal.</p> <p>d) Component Auditor have performed substantive analytical procedures to evaluate the reasonableness of un-invoiced revenues recognised. Un-invoiced revenue from fixed fee based service contracts were not significant resulting in lower risk relating to cut off and accuracy. Therefore, they focused their attention on time and unit priced based service contracts in performing substantive analytical procedures. These procedures involved developing sufficiently precise expectations using a plausible and predictable relationship among appropriately disaggregated data.</p> <p>e) Component Auditor also extended their testing upto the date of approval of the consolidated financial statements by the Board of Directors of the Company to verify adjustments, if any, that may have been necessary upon receipt of approvals from customers for services delivered prior to the reporting date and / or collections against those.</p> <p>f) Component Auditor have reviewed the delivery and collection history of customers against whose contracts un-invoiced revenue is recognized.</p> <p>g) Component Auditor tested cut-offs for revenue recognized against un-invoiced amounts by matching the revenue accrual against accruals for corresponding cost.</p>
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<p>2.</p>	<p><b>Impairment of carrying amount of goodwill on consolidation</b></p> <p>As per the consolidated financial statements of Firstsource Solutions Limited, subsidiary company, the goodwill balance was ₹ 2,232.35 crores as at 31st March, 2020 which is allocated to Healthcare, Collection, Customer Management and Mortgage as cash generating units.</p> <p>The Group's evaluation of goodwill for impairment involves the comparison of the recoverable amount of each cash generating unit ('CGU') to its carrying value. The recoverable amount (determined to be value in use) of a CGU is the higher of its fair value less cost to sell and its value in use. The Group used the discounted cash flow model to determine the value in use, which requires management to make significant estimates and assumptions related to forecasts of future revenues, operating margins, discount rates and terminal growth rates. Changes in these assumptions could have a significant impact on either the recoverable amount, the amount of goodwill impairment charge, if any, or both.</p> <p>The recoverable amount of each reporting unit exceeds its carrying value as of the measurement date and, therefore, no impairment was recognized.</p> <p>Given the nature of the Group's operations, the method used to determine its value in use, and the difference between its value in use and carrying value, auditing management's judgements regarding forecasts of future revenue, operating margin and free cash flows and selection of the discount rate for each CGU involved subjective judgement.</p> <p>Refer to the Accounting policy para 2(q) and Note-7A to the Consolidated Financial Statements.</p>	<p><b>This matter has been identified as KAM by the Component Auditors of Firstsource Solutions Limited, the subsidiary Company. The following procedures have been performed by the Component Auditor as reported to us:</b></p> <p>Component Auditor's audit procedures related to forecasts of future revenue, operating margin and free cash flows and selection of the discount rate for the Group included the following, among others:</p> <ol style="list-style-type: none"> <li>a) Component Auditor tested the effectiveness of controls over the forecasts of future revenue, operating margin and free cash flows and the selection of the discount rate.</li> <li>b) Component Auditor evaluated management's ability to accurately forecast future revenues and operating margins by comparing actual results to management's historical forecasts.</li> <li>c) Component Auditor evaluated the reasonableness of management's revenue and operating margin forecasts by comparing the forecasts to historical revenues and operating margins.</li> <li>d) Component Auditor evaluated the impact of changes in management's forecasts from those provided for the year ended 31st March, 2019 to those provided for the year ended 31st March, 2020 (annual measurement date).</li> <li>e) With the assistance of Component Auditor's fair value specialists who has specialised skill and knowledge, Component Auditor evaluated the reasonableness of the valuation methodology and discount rate by testing the source information underlying the determination of the discount rate and the mathematical accuracy of the calculation for significant CGUs.</li> <li>f) Component Auditor performed through sensitivity analysis on the key assumptions to ascertain the extent of change in those assumptions that would be required for the goodwill to be impaired.</li> <li>g) Component Auditor procedures included evaluation of the impact of current economic conditions on account of COVID-19 pandemic on the assumptions used in the Group's last annual impairment assessment of fair value for the CGUs; and how those anticipated changes impacted the amount of value in use.</li> </ol>
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3	<p><b>Assessment of recoverability of Minimum Alternate Tax (MAT) credit for Special Economic Zone ('SEZ') units</b></p> <p>Under the provisions of the Income Tax Act, 1961, (the 'Income Tax Act') Minimum Alternate Tax ('MAT') is payable by companies where 18.5% (plus applicable surcharge and cess) of its 'book profit' defined under section 115JB of the Income Tax Act exceeds the income tax payable on the 'total taxable income' computed in accordance with the Income Tax Act. A credit equal to the excess of MAT paid on book profit over the normal income tax payable on the total taxable income is allowed as a credit ('MAT credit'). The MAT credit is allowed to be carried forward for a period of fifteen succeeding assessment years following the assessment year in which the MAT credit becomes allowable. MAT credit can be set off only in the year in which the Company is liable to pay normal income tax on the total taxable income to the extent such tax is in excess of MAT for that year. The subsidiary company has recognised deferred tax asset in respect of MAT credit to the extent of ₹ 214.37 crores.</p> <p>The Subsidiary Company's evaluation of the recoverability of deferred tax asset in respect of MAT credit requires Management to make significant estimates and assumptions related to forecasts of future taxable profits. Also, a significant portion of the Subsidiary Company's profits in the past have arisen from export of services from delivery centres set up in Special Economic Zones ('SEZs'). Export profits derived from SEZs are entitled to a 100% deduction in determining the total taxable income for the first five years. The deduction is reduced to 50% for the next ten years (subject to meeting certain additional conditions in the last five years).</p> <p>Given, the proportion of export profits and the tax benefits attached to export profits from SEZs, forecast of future total taxable income involves significant subjective judgement.</p>	<p><b>This matter has been identified as KAM by the Component Auditors. Component Auditor have reported to us that they have performed these procedures:</b></p> <p>Component Auditor obtained the projections compiled by the management and performed audit procedures related to forecasts of future taxable profits and operating margin:</p> <ol style="list-style-type: none"> <li>a) Component Auditor evaluated management's ability to accurately forecast future revenues, operating margins and taxable profits by comparing the actual results to management's historical forecast by delivery centres (including the ratio of deliveries from SEZs and Non-SEZ centres) to arrive at forecast tax liabilities.</li> <li>b) Component Auditor have reviewed the assumptions on use of SEZ delivery centres with government's policies on awarding licenses for SEZs and for withdrawing deductions / exemptions under the Income Tax Act.</li> <li>c) Component Auditor performed sensitivity analysis on the key assumptions to assess their impact on the Company's determination that the MAT was realisable to the extent of change in those assumptions that would impact any impairment to the MAT Credit.</li> <li>d) Component Auditor procedures included evaluation of the impact of current economic conditions on account of COVID -19 pandemic on the assumptions used in forecast of future tax liabilities and operating margin.</li> </ol>
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**Information Other than the Financial Statements and Auditor's Report Thereon**

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report and Management Discussion and Analysis Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries and associate audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries and associate is traced from their financial statements audited by the other auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Parent's Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its Associate in accordance with the Ind

AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and its associate are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and its associate are responsible for overseeing the financial reporting process of the Group and its associate.

**Auditor's Responsibility for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- 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 ability of the Group and its associate 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 consolidated 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 Group and its associate to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated 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 consolidated financial statements.

We communicate with those charged with governance of the Parent Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matters

(a) We did not audit the financial statements of Eight (8) subsidiaries, whose financial statements reflect total assets of ₹ 6059.74 crore as at 31st March, 2020, total revenues of ₹ 4551.84 crore and net cash inflows amounting to ₹ 205.06 crore for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 0.001 crore for the year ended 31st March, 2020, as considered in the consolidated financial statements, in respect of One (1) associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, and associate is based solely on the reports of the other auditors.

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

#### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of other auditors on the separate financial statements of the subsidiaries and

associate referred to in the Other Matters section above we report, to the extent applicable 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 of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Parent Company as on 31st March, 2020 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies and associate company incorporated in India, none of the directors of the Group companies and its associate company incorporated in India is disqualified as on 31st March, 2020 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent company, subsidiary companies and associate company incorporated in India. Our report

expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate;

ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company, its subsidiary company, associate company incorporated in India.

**For Batliboi, Purohit & Darbari**  
Chartered Accountants  
(Firm's Registration No.303086E)

CA Hemal Mehta  
(Partner)

(Membership No. 063404)

(UDIN: 20063404AAAADU7095)

Place: Kolkata

Date: 26 June, 2020

# Annexure “A” to the Independent Auditor’s Report

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



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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of **CESC Ventures Limited (Formerly RP-SG Business Process Services Limited)** (hereinafter referred to as “the Parent Company”) and its subsidiary companies and its associate company, which are companies incorporated in India, as of that date.

### **Management’s Responsibility for Internal Financial Controls**

The respective Board of Directors of the Parent Company, its subsidiary companies and its associate company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent Company, its subsidiary companies and its associate company, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over

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

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors of the subsidiary companies and associate company, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent Company, its subsidiary companies and its associate company, which are companies incorporated in India.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors referred to in the Other Matters paragraph below, the Parent Company, its subsidiary companies and its associate company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on “the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”.

### **Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to Eight (8) subsidiary companies and One (1) associate company, which are companies

incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For **Batliboi, Purohit & Darbari**  
Chartered Accountants  
(Firm's Registration No.303086E)

Place: Kolkata  
Date: 26 June, 2020

CA Hemal Mehta  
(Partner)  
(Membership No. 063404)  
(UDIN: 20063404AAAADU7095)

# Consolidated Balance Sheet as at 31st March, 2020



₹ in Crore

Particulars	Note No.	As at 31st March, 2020	As at 31st March, 2019
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, Plant and Equipment	5A	651.04	565.93
Capital work-in-progress		7.43	54.56
Right-of-use assets	5B	545.49	-
Investment Property	6	54.96	55.80
Goodwill	7A	2,393.89	2,195.31
Other Intangible Assets	7B	334.48	322.97
<b>Financial Assets</b>			
Investments	8	93.81	27.67
Loans	9	37.68	31.55
Others	10	40.78	42.01
Non-Current Tax Assets (Net)		103.98	104.57
Deferred Tax Assets (Net)	41	296.33	232.22
Other Non current Assets	11	230.78	249.30
	<b>(A)</b>	<b>4,790.65</b>	<b>3,881.89</b>
<b>Current Assets</b>			
Inventories	12	49.98	48.23
<b>Financial Assets</b>			
Investments	13	0.02	262.17
Trade receivables	14	598.64	437.18
Cash and cash equivalents	15	357.88	120.42
Bank balances other than cash and cash equivalents	16	3.87	18.47
Loans	17	2.00	1.70
Others	18	224.49	174.31
Other current Assets	19	203.47	164.76
	<b>(B)</b>	<b>1,440.35</b>	<b>1,227.24</b>
<b>TOTAL ASSETS</b>	<b>(A+B)</b>	<b>6,231.00</b>	<b>5,109.13</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	20	26.51	26.51
Other Equity	21	2,296.07	2,253.07
Total equity attributable to equity holders of the Company		2,322.58	2,279.58
Non-controlling interests	50	1,344.32	1,317.88
<b>Total equity</b>	<b>(C)</b>	<b>3,666.90</b>	<b>3,597.46</b>
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	22	329.65	270.28
Lease liabilities		556.28	-
Others	23	27.70	88.23
Provisions	24	22.14	17.33
Deferred Tax Liabilities (Net)	41	92.83	70.15
Other Non Current Liabilities	25	0.16	0.17
	<b>(D)</b>	<b>1,028.76</b>	<b>446.16</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	26	845.47	548.50
Trade Payables	27		
(a) Total outstanding dues to micro enterprises and small enterprises		9.40	4.08
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		193.54	180.75
Lease Liabilities		117.37	-
Others	28	246.99	193.17
Other current Liabilities	29	73.33	75.20
Provisions	30	43.30	41.55
Current Tax Liabilities (Net)		5.94	22.26
	<b>(E)</b>	<b>1,535.34</b>	<b>1,065.51</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>(C+D+E)</b>	<b>6,231.00</b>	<b>5,109.13</b>
Notes forming part of Consolidated Financial Statements	1- 53		

This is the Consolidated Balance Sheet referred to in our Report of even date.

For and on behalf of Board of Directors

For Batliboi, Purohit & Darbari  
Chartered Accountants  
Firm Registration Number - 303086E

CA Hemal Mehta  
Partner  
Membership No. 063404  
Place: Kolkata  
Date: 26 June, 2020

Chairman	Sanjiv Goenka	DIN : 00074796
Director	Shashwat Goenka	DIN : 03486121
Whole-time Director	Rajeev Ramesh Chand Khandewal	DIN : 08763979
Company Secretary	Sudip Kumar Ghosh	
Chief Financial Officer	Arvind Vats	

## Consolidated Statement of Profit and Loss for the year ended 31st March, 2020

₹ in Crore

Particulars	Note No.	Year ended 31st March, 2020	Year ended 31st March, 2019
Revenue from operations	32	4,578.42	4,369.85
Other income	33	34.77	22.72
<b>Total Income</b>		<b>4,613.19</b>	<b>4,392.57</b>
<b>Expenses</b>			
Cost of materials consumed	34	214.12	277.15
Changes in inventories of finished goods, stock-in-trade and work-in-progress	35	(5.31)	(5.52)
Employee benefit expenses	36	2,892.23	2,650.10
Finance costs	37	100.78	61.15
Depreciation and amortisation expenses	38	224.30	95.15
Other expenses	39	1,002.08	1,060.52
<b>Total expenses</b>		<b>4,428.20</b>	<b>4,138.55</b>
<b>Profit before share in profit of associate and tax</b>		<b>184.99</b>	<b>254.02</b>
Share in net profit of associate		*	*
<b>Profit before tax</b>		<b>184.99</b>	<b>254.02</b>
<b>Tax expense</b>			
Current tax (net)		68.26	47.33
Deferred tax - (credit) / charge		(30.41)	(27.83)
<b>Total Tax expenses</b>	41	<b>37.85</b>	<b>19.50</b>
<b>Profit after Tax (PAT)</b>		<b>147.14</b>	<b>234.52</b>
<b>Other comprehensive income (OCI)</b>			
<i>Items not to be reclassified to profit or loss</i>			
Remeasurement of the net defined benefit liability / asset		(1.28)	(2.73)
Income Tax on above		(0.08)	0.16
		(1.36)	(2.57)
<i>Items to be reclassified to profit or loss</i>			
Net changes in fair value on derivatives designated as cash flow hedges		(6.10)	58.59
Deferred tax - credit / (charge)		2.20	(8.77)
Exchange difference on translation of foreign operations		124.51	49.07
		120.61	98.89
<b>Total Other Comprehensive Income</b>		<b>119.25</b>	<b>96.32</b>
<b>Total Comprehensive Income for the year</b>		<b>266.39</b>	<b>330.84</b>
<b>Profit attributable to</b>			
Owners of the equity		(3.39)	64.17
Non-controlling interest		150.53	170.35
		147.14	234.52
<b>Other Comprehensive Income attributable to</b>			
Owners of the equity		64.38	51.90
Non-controlling interest		54.87	44.42
		119.25	96.32
<b>Total Comprehensive Income attributable to</b>			
Owners of the equity		60.99	116.07
Non-controlling interest		205.40	214.77
		266.39	330.84
<b>Earnings per equity share</b>	42		
Basic & Diluted (Face value of ₹ 10 per share)		(1.28)	24.20

\* Amounts are below the rounding off norm adopted  
Notes forming part of Consolidated Financial Statements

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This is the Consolidated Statement of Profit and Loss referred to in our Report of even date.

For and on behalf of Board of Directors

For Batliboi, Purohit & Darbari  
Chartered Accountants  
Firm Registration Number - 303086E

CA Hemal Mehta  
Partner  
Membership No. 063404  
Place: Kolkata  
Date: 26 June, 2020

Chairman	Sanjiv Goenka	DIN : 00074796
Director	Shashwat Goenka	DIN : 03486121
Whole-time Director	Rajeev Ramesh Chand Khandewal	DIN : 08763979
Company Secretary	Sudip Kumar Ghosh	
Chief Financial Officer	Arvind Vats	

## Consolidated Statement of Changes in Equity for the year ended 31st March, 2020

### A. Equity Share Capital

₹ in Crore

Particulars	Balance at the beginning of the reporting year	Changes in equity share capital during the year	Balance at the end of the reporting year
As at 31st March, 2020	26.51	-	26.51
As at 31st March, 2019	-	26.51	26.51

### B. Other Equity

₹ in Crore

Particulars	Other Equity (Refer Note 21)							
	Capital Reserve	Retained Earnings	Employee Stock Option Reserve	Effective portion of Cash Flow Hedges	Foreign Currency Translation Reserve	Special Economic zone re-investment Reserve	Other reserve	Total
Balance as at 1st April, 2019	1,420.51	548.03	6.62	23.67	252.59	-	1.65	2,253.07
Profit for the year	-	(3.39)	-	-	-	-	-	(3.39)
Other Comprehensive Income for the year	-	(0.62)	-	(2.11)	67.11	-	-	64.38
<b>Total Comprehensive Income for the year</b>	1,420.51	544.02	6.62	21.56	319.70	-	1.65	2,314.06
Consequent to change in group interest during the year	-	5.15	(0.03)	(0.09)	(1.00)	-	(0.01)	4.02
Adjustment pursuant to implementation of Ind-AS 116	-	(22.26)	-	-	-	-	-	(22.26)
Share based payments (net)	-	-	0.25	-	-	-	-	0.25
Transfer to Special Economic Zone Re-investment Reserve	-	(8.56)	-	-	-	8.56	-	-
Reversal of share option outstanding	-	0.38	(0.38)	-	-	-	-	-
<b>Balance as at 31st March, 2020</b>	<b>1,420.51</b>	<b>518.73</b>	<b>6.46</b>	<b>21.47</b>	<b>318.70</b>	<b>8.56</b>	<b>1.64</b>	<b>2,296.07</b>

₹ in Crore

Particulars	Other Equity (Refer Note 21)							
	Capital Reserve	Retained Earnings	Employee Stock Option Reserve	Effective portion of Cash Flow Hedges	Foreign Currency Translation Reserve	Special Economic zone re-investment Reserve	Other reserve	Total
Balance as at 1st April 2018	1,420.51	493.61	6.56	(3.31)	227.52	-	1.66	2,146.55
Profit for the year	-	64.17	-	-	-	-	-	64.17
Other Comprehensive Income for the year	-	(1.69)	-	26.96	26.63	-	-	51.90
<b>Total Comprehensive Income for the year</b>	1,420.51	556.09	6.56	23.65	254.15	-	1.66	2,262.62
Consequent to change in group interest during the year	-	3.38	(0.05)	0.02	(1.56)	-	(0.01)	1.78
Share based payments (net)	-	-	0.20	-	-	-	-	0.20
Share of tax on Dividend of Subsidiary	-	(11.53)	-	-	-	-	-	(11.53)
Reversal of share option outstanding	-	0.09	(0.09)	-	-	-	-	-
<b>Balance as at 31st March, 2019</b>	<b>1,420.51</b>	<b>548.03</b>	<b>6.62</b>	<b>23.67</b>	<b>252.59</b>	<b>-</b>	<b>1.65</b>	<b>2,253.07</b>

This is the Consolidated Statement of Changes in Equity referred to in our Report of even date.

For and on behalf of Board of Directors

For Batliboi, Purohit & Darbari  
Chartered Accountants  
Firm Registration Number - 303086E

CA Hemal Mehta  
Partner  
Membership No. 063404  
Place: Kolkata  
Date: 26 June, 2020

Chairman Sanjiv Goenka DIN : 00074796  
Director Shashwat Goenka DIN : 03486121  
Whole-time Director Rajeev Ramesh Chand Khandewal DIN : 08763979  
Company Secretary Sudip Kumar Ghosh  
Chief Financial Officer Arvind Vats

## Consolidated Cash Flow Statement for the year ended 31st March, 2020

₹ in Crore

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
<b>A. Cash flow from Operating Activities</b>		
Profit before Taxation	184.99	254.02
<b>Adjustments for :</b>		
Depreciation and amortisation expenses	224.30	95.15
Loss / (Profit) on sale / disposal of property plant and equipment (net)	0.83	1.42
Gain on derecognition of RoU Assets	(0.31)	-
Gain on sale/fair value of current investments (net)	(26.46)	(13.03)
Employee stock compensation expense	2.90	4.96
Allowances for doubtful debts/slow moving items/Advances/Security deposit	8.49	9.84
Bad debts / Advances written off	0.03	0.02
Finance Costs	100.78	61.15
Interest Income	(2.13)	(8.17)
Effect of Foreign Currency Transactions/Translation(net)	(40.43)	(26.75)
Other non-operating income	(0.70)	(0.70)
<b>Operating Profit before Working Capital changes</b>	<b>452.29</b>	<b>377.91</b>
<b>Adjustments for change in:</b>		
Trade and other receivables	(209.86)	11.44
Inventories	(7.34)	(12.28)
Trade and other payables	69.31	64.69
<b>Cash Generated from Operations</b>	<b>304.40</b>	<b>441.76</b>
Income Tax paid (net of refund)	57.64	83.86
<b>Net cash flow from Operating Activities</b>	<b>246.76</b>	<b>357.90</b>
<b>B. Cash flow from Investing Activities</b>		
Purchase of Property, Plant and Equipment, other intangible asset, capital work-in-progress including capital advances	(147.01)	(210.66)
Proceeds from Sale of Property, Plant and Equipment	0.38	0.87
Purchase of long term investments	(47.45)	(12.00)
Sale/(purchase) of Current/Non-current Investments (net)	273.22	(137.87)
Proceeds from redemption of Debentures	0.20	-
Interest received	2.52	8.78
Payment to shareholder of Subsidiary companies	-	(4.64)
Investment in Subsidiaries, Associates and Joint Ventures	(17.18)	-
Earmarked funds placed with banks	(0.99)	-
Fixed Deposit (Placed)/matured	12.65	72.87
<b>Net cash used in Investing Activities</b>	<b>76.34</b>	<b>(282.65)</b>
<b>C. Cash flow from Financing Activities</b>		
Proceeds from issuance of equity shares to non-controlling interest	7.67	14.24
Proceeds from non-current Borrowings	150.00	156.44
Repayment of non-current Borrowings	(79.76)	(328.37)
Net increase/(decrease) in Cash Credit facilities and other Current Borrowings	261.23	189.97
Repayment of Lease Obligation	(102.74)	-
Finance Costs paid	(99.21)	(65.06)
Purchase of Treasury Shares	(8.94)	-
Buy back of non-controlling interest in subsidiary	-	(0.60)
Dividends paid (including dividend tax)	(207.91)	(68.13)
<b>Net Cash flow from Financing Activities</b>	<b>(79.66)</b>	<b>(101.51)</b>
<b>Net Increase / (Decrease) in cash and cash equivalents</b>	<b>243.44</b>	<b>(26.26)</b>
<b>Cash and Cash equivalents - Opening Balance [Refer Note 15]</b>	<b>120.42</b>	<b>146.19</b>
<b>Cash and Cash equivalents - Acquired Pursuant to investment in subsidiary</b>	<b>0.11</b>	<b>-</b>
<b>Foreign exchange (gain)/loss on translating Cash and cash Equivalents</b>	<b>(6.09)</b>	<b>0.49</b>
<b>Cash and Cash equivalents - Closing Balance [Refer Note 15]</b>	<b>357.88</b>	<b>120.42</b>

Changes in liabilities arising from financing activities	INR crore	INR crore	INR crore	INR crore
Particulars	01-04-2019	Cash flows	Other	31-03-2020
Current borrowings	548.50	261.23	35.74	845.47
Non-Current borrowings (including Current Maturities)	303.72	70.24	(4.18)	369.78

Changes in liabilities arising from financing activities	INR crore	INR crore	INR crore	INR crore
Particulars	01-04-2018	Cash flows	Other	31-03-2019
Current borrowings	371.52	189.97	(12.99)	548.50
Non-Current borrowings (including Current Maturities)	478.38	(171.93)	(2.73)	303.72

This is the Consolidated Cash Flow Statement referred to in our Report of even date.

For and on behalf of Board of Directors

For Batliboi, Purohit & Darbari  
Chartered Accountants  
Firm Registration Number - 303086E

CA Hemal Mehta  
Partner  
Membership No. 063404  
Place: Kolkata  
Date: 26 June, 2020

Chairman Sanjiv Goenka DIN : 00074796  
Director Shashwat Goenka DIN : 03486121  
Whole-time Director Rajeev Ramesh Chand Khandewal DIN : 08763979  
Company Secretary Sudip Kumar Ghosh  
Chief Financial Officer Arvind Vats

**NOTE-1 Corporate Information**

CESC Ventures Limited (formerly RP-SG Business Process Services Limited) (the Group) is a Limited Company incorporated on 7th February, 2017 & domiciled in India. The registered office of the Company is located at CESC House, Chowringhee Square, Kolkata -700 001.

The Group owns, operate, invests & promotes business in the fields of Information Technology, Business Process Outsourcing, Property, Entertainment & Fast Moving Consumer Goods (FMCG).

**NOTE-2 Significant accounting policies**

This note provides a list of significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the periods presented, unless otherwise stated. The financial statements are for the group consisting of CESC Ventures Limited ('The Parent') & its subsidiaries and an associate company.

**(a) Basis of preparation**

- (i) These consolidated financial statements of CESC Ventures Limited for the year ended 31st March, 2020 have been prepared to comply in all material aspects with Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) under Section 133 of the Companies Act, 2013 and other provisions of the Companies Act, 2013. These financial statements were authorised for issue in accordance with a resolution of the Directors on 26th June, 2020.

**(ii) Historical cost convention**

**The financial statements have been prepared on a historical cost basis, except for the following:**

- a) Certain financial assets and liabilities (including derivative instruments) and contingent consideration that is measured at fair value;
- b) Share – based payments

**(b) Principles of consolidation and equity accounting**
**(i) Subsidiaries**

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss and balance sheet respectively.

**(ii) Associates**

Associate is an entity over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investment in the associate is accounted for using the equity method of accounting (see (iii) below), after initially being recognized at cost.

**(iii) Equity method**

Under the equity method of accounting, the investment is initially recognized at cost and adjusted thereafter to recognize the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividend received or receivable from associate is recognized as a reduction in the carrying amount of investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other long term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associate are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in paragraph 2(l) below.

**(iv) Changes in ownership interests**

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

**(c) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

**(d) Foreign currency translation**

**(i) Functional and presentation currency**

These consolidated financial statements are presented in Indian Rupees (INR) which is also the functional currency of the Company and its Indian subsidiaries whereas the functional currency of foreign subsidiaries and branch is the currency of their country of domicile.

**(ii) Transaction and balances**

Foreign currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in net profit in the statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

Transactional gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

**(iii) Foreign Operations**

The translation of financial statements of the foreign subsidiaries to the presentation currency is performed for assets and liabilities using the exchange rate in effect at the balance sheet date and for revenue, expense and cash flow items using the average exchange rate for the respective periods. The gains or losses resulting from such translation are included in foreign currency translation reserves under other components of equity.

When a subsidiary is disposed off in full, the relevant amount is transferred to net profit in the statement of profit and loss. However, when a change in the parent's ownership does not result in loss of control of a subsidiary, such changes are recorded through equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of

the foreign entity and translated at the exchange rate in effect at the balance sheet date.

**(e) Revenue from operations**

The Group recognizes revenue at fair value when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the group's activities as described below. The group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

**Recognizing revenue from major business activities**

**Process Outsourcing & IT Business:**

Revenue from contact centre and transaction processing services comprises fixed fee based service contracts. Revenue from fixed fee based service contracts is recognized on achievement of performance milestones specified in the customer contracts.

The group, in its contracts with customers, promises to transfer distinct services rendered either in the form of customer management, healthcare (transaction processing & revenue cycle management) or collection.

Each distinct service results in a simultaneous benefit to the corresponding customer. Also, the Group has an enforceable right to payment from the customer for the performance completed to date. Revenue from unit price based contract is measured by multiplying the units of output delivered with the agreed transaction price per unit while in the case of time and material based contract, revenue is the product of the efforts expended and the agreed transaction price per unit.

The group continually re-assesses the estimated discounts, rebates, price concessions, refunds, credits, incentives, performance bonuses etc. (variable consideration) against each performance obligation each reporting period and recognises changes to estimated variable consideration as changes to the transaction price (i.e. revenue) of the applicable performance obligations.

**FMCG Business:**

Revenue is recognised when a customer obtains control of the goods.

For certain contracts that permit the customer to return an item, revenue is currently recognised when a reasonable estimate of the returns can be made, provided that all other criteria for revenue recognition are met. If a reasonable estimate cannot be made, then revenue recognition is deferred until the return period lapses or a reasonable estimate of returns can be made.

A customer of the Group is a party that has contracted with the Group to obtain goods or services that are an output of the Group's ordinary activities in exchange for consideration. The core principle of recognizing revenue from contracts with customers is that the Group recognizes revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

At contract inception, the Group assesses the goods or services promised in a contract with a customer to identify as a performance obligation each promise to transfer to the customer either a good or service (or a bundle of goods or services) that is distinct; or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

The Group considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, indirect taxes). The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both. If there is variable consideration, the Group includes in the transaction price some or all of that amount of estimated variable consideration only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. In determining the transaction price, the Group adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed to by the parties to the contract (either explicitly or implicitly) provides the customer or the Group with a significant benefit of financing the transfer of goods or services to the customer.

**Property Business:**

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects

the consideration which the Group expects to receive in exchange for those products or services.

In respect of fixed-price contracts, the Group is contractually restricted from redirecting the properties to another customer and has an enforceable right to payment for work done. Revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract cost incurred determining the degree of completion of the performance obligation. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

Revenue from the rental income arising from let out of mall properties is recognised based on time elapsed mode and revenue is straight lined over the non-cancellable lease term.

Revenue is measured based on the transaction price, which is the consideration, adjusted for rental concessions and incentives, if any, as specified in the contract with the customer.

The Group presents revenues net of indirect taxes in its statement of Profit and loss.

**(f) Other Income**

For all instruments measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

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

**(g) Taxes**

Current tax represents the amount payable based on computation of tax as per prevailing taxation laws under the Income Tax Act, 1961. The current tax payable by Process Outsourcing Operations in India is income tax payable after taking credit for tax relief available for export operations in Special Economic Zones (SEZs). The current income tax expense for overseas subsidiaries has been computed based on the tax laws applicable to each subsidiary in the respective jurisdiction in which it operates.

Provision for deferred taxation is made using liability method on temporary difference arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred Tax Assets are recognized subject to the consideration of prudence and are periodically reviewed to reassess realization thereof. Deferred Tax Liability or Asset will give rise to actual tax payable or recoverable at the time of reversal thereof.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be recognised. Deferred income tax liabilities are recognised for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefit in the form of set-off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be recognised.

Current and Deferred tax relating to items recognised outside profit or loss, that is either in other comprehensive income (OCI) or in equity, is recognised along with the related items.

**(h) Leases**

**Finance Lease**

A lease is classified as a finance or an operating lease as applicable. Finance leases are capitalised along with the present value of the minimum lease payments at the lease's inception and disclosed as leased property. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. All

initial direct costs incurred are included in the cost of the asset.

#### **Operating Lease**

Effective 1 April 2019 (date of initial application), the Group has adopted the Indian Accounting Standard 116 on Leases ('Ind AS 116'), notified by the Ministry of Corporate Affairs, which replaces the existing lease standard Indian Accounting Standard 17 on Leases ('Ind AS 17').

The Group enters into contract as a lessee for assets taken on lease. The Group at the inception of a contract assesses whether the contract contains a lease by conveying the right to control the use of an identified asset for a period of time in exchange for consideration. A Right-of-use asset is recognised representing its right to use the underlying asset for the lease term at the lease commencement date except in case of short term leases with a term of twelve months or less and low value leases which are accounted as an operating expense on a straight line basis over the lease term. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred. Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the conditions required by the terms and conditions of the lease, a provision for costs are included in the related Right-of-use asset. The Right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The Right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease and if that rate cannot be readily determined the Group uses the incremental borrowing rate in the country of domicile of the leases. The lease payments shall include fixed payments, variable lease payments, where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. Obligation under finance lease are secured by way of hypothecation of underlying fixed assets taken on lease. Lease payments have been disclosed under cash flow from financing activities.

Certain lease arrangements includes the option to extend or terminate the lease before the end of the lease term. Right-of-use assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The lease liabilities are remeasured with a corresponding adjustment to the related Right-of-use asset if the Group changes its assessment whether it will exercise an extension or a termination option.

#### **(i) Business combinations**

##### **Other than under common control**

Business combinations have been accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations.

The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Group. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets.

Transaction costs that the Group incurs in connection with a business combination such as legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

##### **Under common control**

Business combinations involving entities or businesses under common control are accounted for using the pooling of interest method whereby the assets and liabilities of the combining entities/business are reflected at their carrying value and necessary adjustments, if any, have been given effect to as per the Scheme approved by the National Company Law Tribunal.

**(j) Cash and cash equivalents**

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalent includes cash, cheques and draft on hand, balances with banks which are unrestricted for withdrawal/usages and highly liquid financial investments that are readily convertible to known amount of cash which are subject to an insignificant risk of changes in value. Bank overdraft are shown within borrowing in current liabilities in the balance sheet.

**(k) Inventories**

Raw Materials, traded goods, packing materials and stores held for use in production or resale are stated at the lower of cost and net realisable value. Cost is calculated on weighted average basis and comprises expenditure incurred in the normal course of business in bringing such inventories to their location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated cost of sale. Obsolete, slow moving and defective inventories are identified at the time of physical verification of inventories and where necessary, adjustment is made for such items.

Inventories relating to real estate project development are reported under work in progress. Direct expenses incurred is inventorised, while other expenses incurred during the construction period are also inventorised to the extent it is directly attributable to completion of the project. Cost of land purchased and held for future development wherein revenue is still to be recognised are also included under inventories.

**(l) Financial asset**

The financial assets are classified in the following categories:

1. financial assets measured at amortised cost,
2. financial assets measured at fair value through profit and loss,
3. financial assets measured at fair value through other comprehensive income, and
4. equity Instruments

The classification of financial assets depends on the Company's business model for managing financial assets and the contractual terms of the cash flow.

**Initial Recognition:**

At initial recognition, the financial assets are measured at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

**Financial assets measured at amortised cost**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method. The losses arising from impairment are recognised in the Statement of Profit and Loss.

**Financial assets measured at fair value through profit and loss**

Financial instruments included within fair value through profit and loss category are measured initially as well as at each reporting period at fair value plus transaction costs as applicable. Fair value movements are recorded in statement of profit and loss.

Investments in units of mutual funds are accounted for at fair value and the changes in fair value are recognised in statement of Profit and Loss.

**Financial assets at fair value through other comprehensive income**

Financial instruments included within fair value through other comprehensive income category are measured initially as well as at each reporting period at fair value plus transaction costs as applicable. Fair value movements are recorded under other comprehensive income (OCI).

**Equity instruments**

Equity investments in scope of Ind AS 109 are measured at fair value.

At initial recognition, the Group makes an irrevocable election to present in other comprehensive income/ profit and loss subsequent changes in the fair value. If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI.

If the Group decides to classify an equity instrument at FVTPL, then all fair value changes on the instrument including dividends are recognised in the Statement of Profit and Loss.

**De-recognition of financial asset**

The Group de-recognises a financial asset when the contractual rights to the cash flows from the financial assets expire or it transfers the financial assets and such transfer qualifies for de-recognition under Ind AS 109. A financial liability (or a part of financial liability) is de-recognised from Group's balance sheet when obligation specified in the contract is discharged or cancelled or expired.

**Fair value of financial assets**

In determining the fair value of its financial instrument, the Group uses the methods and assumptions based on market conditions and risk existing at each reporting date. Methods of assessing fair value result in general approximation of value, and such value may never actually be realized. For all other financial instruments, the carrying amounts approximate the fair value due to short maturity of those instruments.

**Impairment of financial assets**

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables the simplified approach of expected lifetime losses has been recognised from initial recognition of the receivables as required by Ind AS 109 Financial Instruments.

Impairment loss allowance recognised /reversed during the year are charged/written back to Statement of Profit and Loss.

**(m) Derivatives and Hedging Activities**

The Company uses derivative financial instruments such as forward currency contracts, interest rate swaps to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are recognised at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

**Cash Flow Hedges**

The Group also designates certain foreign exchange forwards as hedge instruments in respect of foreign exchange risks. These hedges are accounted for as cash flow hedges.

The Group uses hedging instruments that are governed by the policies of the Group which provide written principles on the use of such financial derivatives consistent with the risk management strategy of the Group. The hedge instruments are designated and documented as hedges at the inception of the contract. The effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at inception and on an ongoing basis. The ineffective portion of designated hedges is recognized immediately in the statement of profit and loss.

The effective portion of change in the fair value of the designated hedging instrument is recognized in Other comprehensive income and accumulated under Cash flow hedge reserve.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or no longer qualifies for hedge accounting. Any gain or loss recognized in Other comprehensive income and accumulated in equity till that time remains and is recognized in statement of profit and loss when the forecasted transaction is no longer expected to occur; the cumulative gain or loss accumulated in statement of changes in equity is transferred to the statement of profit and loss.

**(n) Financial Liabilities**

Financial liabilities are measured at amortised cost using the effective interest rate method.

For trade and other payables maturing within one year from the balance sheet date, the carrying amount approximates fair value to short-term maturity of these instruments.

A financial liability (or a part of financial liability) is de-recognised from Group's balance sheet when obligation specified in the contract is discharged or cancelled or expired.

**(o) Property, plant and equipment**

Tangible assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase cost, borrowing cost, if capitalised, and other directly attributable cost of bringing the asset to its working condition for intended use. The cost also comprises of exchange difference arising on translation/settlement of long term foreign currency monetary items pertaining to acquisition of such depreciable assets. Any trade discount and rebate are deducted in arriving at the purchase price. Capital Work-in Progress is valued at cost. Subsequent acquisition of these assets, are stated at cost of acquisition together with any incidental expenses related to acquisition and appropriate borrowing costs. An impairment loss is recognized where applicable, when the carrying value of tangible assets of cash generating unit exceed its market value or value in use, whichever is higher.

Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The management believes that these estimated useful life are realistic and reflect fair approximation of the period over which the assets are likely to be used. These useful lives are different in some cases than those indicated in Schedule II of the Companies Act 2013, which are disclosed as below

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Useful Life of Tangible Assets	
Particulars	Useful Life
Building and Structures	60 years
Leasehold improvements	5 years or Lease term whichever is less
Plant & Equipment	2-25 years
Computers	3 years
Office Equipment	2-5 years
Furniture & Fixture	5-10 years
Vehicles	2-8 years

**(p) Investment properties**

Property that is held for long term rental yields or for capital appreciation or both, and that is not occupied by the group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

**(q) Goodwill**

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortized but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

**(r) Intangible assets**

Intangible assets comprising Computer Softwares, brands, trademarks and other intangibles expected to provide future enduring economic benefits are stated at cost of acquisition / implementation / development less accumulated amortisation. An impairment loss is recognized where applicable, when the carrying value of intangible assets of cash generating unit exceed its market value or value in use, whichever is higher.

Software purchased together with the related hardware is capitalized and depreciated at the rates applicable to related assets.

Software product development costs are expensed as incurred during the research phase until technological feasibility is established. Software development costs incurred subsequent to the achievement of technological feasibility are capitalized

and amortized over the estimated useful life of the products as determined by the management. This capitalization is done only if there is an intention and ability to complete the product, the product is likely to generate future economic benefits, adequate resources to complete the product are available and such expenses can be accurately measured. Such software development costs comprise expenditure that can be directly attributed, or allocated on a reasonable and consistent basis, to the development of the product.

Cost of intangible assets are amortised over its estimated useful life based on managements' external or internal assessment. Management believes that the useful lives so determined best represent the period over which the management expects to use these assets. The useful lives are as disclosed below

The useful life is reviewed at the end of each reporting period for any changes in the estimates of useful life and, accordingly, the asset is amortized over the remaining useful life.

Useful Life of Intangible Assets	
Particulars	Useful Life
Brand/ Trademarks	Infinite
Domain Name	3 Years
Process Knowhow	4 years
Distribution relationship	10 years
Customer contracts	3 years
Computer Software	2-6 years
Non-Compete fees	5 years

**(s) Employee Benefits**

Short- term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Contributions to Provident Fund are accounted for on accrual basis.

The Company, as per its schemes, extend employee benefits current and/or post retirement, which are accounted for on accrual basis and includes actuarial valuation as at the Balance Sheet date in respect of gratuity, leave encashment and certain other retiral benefits, to the extent applicable, made by independent actuary.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in Other Comprehensive Income in the period in which they occur.

Remeasurements are not reclassified to profit or loss in subsequent periods. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognizes the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- (i) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- (ii) Net interest expense or income

The current and non-current bifurcation has been done as per the Actuarial report.

**(t) Employee Stock Compensation cost**

The Group recognizes compensation expense relating to share-based payments in net profit using fair-value in accordance with Ind AS 102, Share-Based Payment. The estimated fair value of awards is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance multiple awards, with a corresponding increase to share options outstanding account.

**(u) Earnings per Share****(i) Basic earnings per share**

Basic earnings per share is calculated by dividing:

- a) The profit attributable to owners of the group
- b) by the weighted average number of equity shares issued during the financial year.

**(ii) Diluted earnings per share**

Diluted earnings per share adjusts the figures used in their determination of basic earnings per share to take into account:

- a) the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- b) the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**(v) Provisions and contingencies**

The Group creates a provision when there is present legal or constructive obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessment of the time value of money and risk specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

**(w) Finance Cost**

Finance Costs comprise interest expenses, applicable gain / loss on foreign currency borrowings in appropriate cases and other borrowing costs. Such Finance Costs attributable to acquisition and / or construction of qualifying assets are capitalized as a part of cost of such assets upto the date, where such assets are ready for their intended use. The balance finance costs is charged off to revenue. Finance costs in case of foreign currency borrowings is accounted for as appropriate, duly considering the impact of the contracts entered into for managing risks, therefore, interest expense arising from financial liabilities is accounted for in effective interest rate method.

**NOTE-3****Use of Estimates**

As required under the provisions of Ind AS for the preparation of Consolidated financial statements in conformity thereof, the management has made judgements, estimates and assumptions that affect the application of accounting policies, and the reported amount of assets, liabilities, income, expenses and disclosures. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the group and that are believed to be reasonable and prudent under the circumstances. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the estimate are revised and in any future period affected.

The areas involving critical estimates or judgements are:-

Impairment of Trade Receivables - Refer Note 2(l)

Estimates used in actuarial valuation - Refer Note 36

Estimates of useful life of tangible and intangible assets - Refer Note 2(o) and Note 2(r)

Recognition of DTA for carry forward of tax losses and MAT credit entitlement - Refer Note 41

Business combination under Ind AS 103 - Refer Note 2(i)

Estimated Fair Valuation of certain Investments - Note 2(l) & 47

Leases - Note 2(h)

Impairment of goodwill - Refer Note below

Goodwill is tested for impairment at each reporting period and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows & economic conditions. The recoverable amount of the cash generating units is determined based on higher of Value-in-Use and Fair value less cost to sale. The goodwill impairment test is performed at the level of the cash generating unit or groups of cash generating units which are benefitted from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purpose.

**NOTE-3A Estimation of uncertainties relating to the global health pandemic from COVID-19**

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues, goodwill and intangible assets and unquoted investment. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts and consensus estimates from market sources on the expected future performance of the Group. The Group has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered, net of provisions established.

**NOTE-3B New standards that are not yet effective**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

**NOTE-3C Changes in Accounting policies**

Effective 1 April 2019 (date of initial application), the Group has adopted the Indian Accounting Standard 116 on Leases ('Ind AS 116'), notified by the Ministry of Corporate Affairs, which replaces the existing lease standard Indian Accounting Standard 17 on Leases ('Ind AS 17'). The Group has applied the standard to all lease contracts existing on 1 April 2019 retrospectively with the cumulative effect of initially applying the standard recognised as an adjustment to Retained Earnings at the date of initial application. On transition for operating leases, the Group recognised a lease liability of ₹ 588.06 crore measured at the present value of the remaining lease payments and a Right-of-use asset of ₹ 477.56 crore at its carrying value, as if the standard had been applied since commencement of respective lease, discounted using the incremental borrowing rate as at 1 April 2019. The cumulative effect on transition adjusted in retained earnings and Non-Controlling Interest is ₹ 40.47 crore (net of deferred tax of ₹ 13.66 crore). On transition for finance leases, the Group has identified the carrying amount of the lease asset of ₹ 2.09 crore included in property, plant and equipment as the carrying amount of the Right-of-use asset and the liability of ₹ 0.92 crore and ₹ 0.91 crore accounted in Borrowings and Other Financial Liabilities (current) respectively as the lease liability under Ind AS 116. The Group has elected certain practical expedients on initial transition: (a) to apply Ind AS 116 to contracts that were previously identified as leases under Ind AS 17 on the date of initial application without any reassessment; (b) apply a single discount rate to a portfolio of leases with reasonably similar characteristics and in similar environment; (c) relied on its assessment whether leases are onerous applying Indian Accounting Standard 37 Provisions, Contingent Liabilities and Contingent Assets (Ind AS 37) immediately before the date of initial application as an alternate to performing an impairment review; (d) excluded initial direct costs from measurement of right-of-use asset at the date of initial application (e) elected not to apply the requirements of the standard to leases for which the lease term end within twelve months of the date of initial application and accounted for those as short term leases (f) used hindsight in determining the lease term if the contract contains options to extend or terminate the lease.

Several other amendments and interpretations apply for the first time in March 2020, but do not have an impact on the financial statements of the Group. The Group has not early adopted any standards or amendments that have been issued but are not yet effective.

**Notes forming Part of Consolidated Financial Statements (contd.)**
**NOTE-4 The subsidiaries and associates considered in the preparation of the Consolidated Financial Statements are:**

Sl. No.	Name of Subsidiaries and Associates	Country of Incorporation	Percentage of ownership interest As at 31st March, 2020	Percentage of ownership interest As at 31st March, 2019
1	Quest Properties India Limited (QPIL)	India	100.00	100.00
2	Metromark Green Commodities Private Limited (100% subsidiary of QPIL)	India	100.00	100.00
3	Guiltfree Industries Limited (GIL)	India	100.00	100.00
4	Apricot Foods Private Limited (70% subsidiary of GIL)	India	70.00	70.00
5	Bowlopedia Restaurants India Limited	India	100.00	100.00
6	Firstsource Solutions Limited (FSL)	India	53.90	54.12
7	Firstsource Group USA Inc. (FG US) (100% subsidiary of FSL)	USA	53.90	54.12
8	Firstsource BPO Ireland Limited (100% subsidiary of FSL)	Ireland	53.90	54.12
9	Firstsource Solutions UK Limited (FS UK) (100% subsidiary of FSL)	UK	53.90	54.12
10	Firstsource Process Management Services Limited (100% subsidiary of FSL)	India	53.90	54.12
11	Firstsource-Dialog Solutions Private Limited (74% subsidiary of FSL)	Sri Lanka	39.89	40.05
12	Firstsource Business Process Services LLC (FBPS) (100% subsidiary of FG US)	USA	53.90	54.12
13	Firstsource Solutions USA LLC (100% subsidiary of MH Inc.)	USA	53.90	54.12
14	Firstsource Advantage LLC (100% subsidiary of FBPS)	USA	53.90	54.12
15	Firstsource Transaction Services LLC (100% subsidiary of FS SA)	USA	53.90	54.12
16	Firstsource Solutions S.A. (FS SA) (99.98% subsidiary of FS UK)	Argentina	53.89	54.11
17	MedAssit Holding LLC (MH Inc.) (100% subsidiary of FG US)	USA	53.90	54.12
18	One Advantage LLC (100% subsidiary of FBPS)	USA	53.90	54.12
19	Sourcepoint Inc. (Formerly known as ISGN Solutions Inc.) (100% subsidiary of FG US)	USA	53.90	54.12
20	Sourcepoint Fulfillment Services Inc. (Formerly known as ISGN Fulfillment Services Inc.) (100% subsidiary of ISGN Solutions Inc.)	USA	53.90	54.12
21	ISGN Fulfillment Agency LLC (100% subsidiary of ISGN Fulfillment Services Inc.) (upto June 24, 2019)	USA	-	54.12
22	First Source Employee Benefit Trust	India	53.90	-
23	RP-SG Ventures Advisory LLP (100% subsidiary of QPIL)	India	100	100
24	RP-SG Unique Advisory LLP (100% subsidiary of QPIL)	India	100	100
25	RP-SG Ventures Fund I	India	100	100
26	Herbolab India Private Limited (w.e.f June 03, 2019)	India	64.63	-
27	Nanobi Data and Analytics Private Limited (21.79% associate of FSL)	India	11.75	11.79

NOTE-5A PROPERTY, PLANT AND EQUIPMENT										₹ in Crore			
PARTICULARS	GROSS BLOCK AT COST					DEPRECIATION/AMORTISATION					NET BLOCK		
	As at 1st April, 2019	Additions/ Adjustments on Acquisition	Additions/ Adjustments during the year	Foreign Exchange Translation Effect	Less: Withdrawals/ Adjustments	As at 31st March, 2020	As at 1st April, 2019	Additions/ Adjustments on Acquisition	Additions/ Adjustments during the year	Foreign Exchange Translation Effect	Less: Withdrawals/ Adjustments	As at 31st March, 2020	As at 31st March, 2019
Land													
Freehold	23.66	-	-	-	0.02	23.64	-	-	-	-	-	23.64	23.66
Leasehold	0.55	-	-	-	0.55	-	0.27	-	-	0.27	-	-	0.28
Buildings and Structures	342.25	1.34	11.76	-	-	355.35	23.87	0.22	6.11	-	-	325.15	318.38
Leasehold Improvements	162.72	0.15	38.33	9.23	20.28	190.15	126.15	0.04	15.75	7.08	16.26	57.39	36.57
Plant and Equipment	280.92	0.28	59.55	6.67	20.87	326.55	156.15	0.24	17.20	6.16	17.84	164.64	124.77
Computers	216.35	0.06	30.19	13.34	2.45	257.49	183.68	0.06	19.02	11.98	1.46	213.28	32.67
Furniture and Fixtures	72.94	0.12	6.72	4.31	2.04	82.05	63.85	0.09	4.00	3.97	1.96	12.10	9.09
Office Equipment	115.34	0.09	9.05	5.18	3.60	126.06	96.07	0.07	7.93	4.37	3.50	21.12	19.27
Vehicles	3.02	-	1.99	0.06	0.06	5.01	1.78	-	0.40	0.06	0.02	2.79	1.24
Previous period	1,135.84	-	109.38	15.06	42.53	1,217.75	620.43	-	57.21	14.38	40.20	651.82	565.93
	<b>1,217.75</b>	<b>2.04</b>	<b>157.59</b>	<b>38.79</b>	<b>49.87</b>	<b>1,366.30</b>	<b>651.82</b>	<b>0.72</b>	<b>70.41</b>	<b>33.62</b>	<b>41.31</b>	<b>715.26</b>	<b>565.93</b>

## NOTE - 5B RIGHT OF USE ASSETS

PARTICULARS	Gross Block			Accumulated Depreciation			Foreign exchange on translation	Net Carrying Value as at 31.03.2020
	As at 1st April, 2019	Additions during the year	Deletions during the year	As at 31st March, 2020	As at 1st April, 2019	Depreciation for the year		
Leasehold properties	408.79	173.74	(10.99)	571.54	-	108.05	106.97	482.90
Service equipment	10.29	1.67	(3.01)	8.95	-	4.60	4.60	5.31
Vehicles	-	1.35	-	1.35	-	0.30	0.30	1.05
Software	0.54	-	-	0.54	-	0.21	0.21	0.34
Leasehold Land	60.30	-	-	60.30	-	4.41	4.41	55.89
<b>Total</b>	<b>479.92</b>	<b>176.76</b>	<b>(14.00)</b>	<b>642.68</b>	<b>-</b>	<b>117.57</b>	<b>(1.08)</b>	<b>545.49</b>

## NOTE-6 INVESTMENT PROPERTY

PARTICULARS	GROSS BLOCK AT COST			DEPRECIATION				NET BLOCK	
	As at 1st April, 2019	Additions/ Adjustments on Acquisition	Additions/ Adjustments 31st March, 2020	As at 1st April, 2019	Additions/ Adjustments on Acquisition	Additions/ Adjustments 31st March, 2020	As at 31st March, 2020	As at 31st March, 2019	
Buildings and Structures	57.34	0.07	57.41	1.54	-	0.91	54.96	55.80	
Previous period	57.34	0.07	57.41	1.54	-	0.91	54.96	55.80	

The fair value has been derived using the market comparable rate of the surrounding area As at 31st March 2020 on that basis of a valuation carried out by an independent Government registered valuer, having appropriate qualifications and experience in the valuation of properties and who is not related with the group.

Details of the Group's investment property and information about the fair value hierarchy As at 31st March 2020 are as follows:

Particulars	Level of hierarchy for valuation	Fair value as at 31st March, 2020 (₹ in crore)	Fair value as at 31st March, 2019 (₹ in crore)
Building & Structures (Located in India)	Level 2	65.23	66.42

Direct operating expenses arising from investment property that did not generate rental income amounts to Rs. 0.77 Crore (for the year ended 31st March 2019: ₹ 0.79 Crore).

## NOTE-7A GOODWILL ON CONSOLIDATION

PARTICULARS	GROSS BLOCK AT COST/VALUATION		
	As at 1st April, 2019	Additions/Adjustments on Acquisition	As at 31st March, 2020
Process Outsourcing	2,045.17	-	2,232.35
FMCG	150.14	11.40	161.54
Previous period	2,195.31	11.40	2,393.89
	2,080.94	-	2,195.31

<b>NOTE-7B OTHER INTANGIBLE ASSETS</b>												
<b>NET BLOCK</b>	<b>AMORTISATION</b>											
	<b>As at 31st March, 2020</b>	<b>As at 31st March, 2020</b>	<b>Less: Withdrawals/ Adjustments</b>	<b>Foreign Exchange Translation Effect</b>	<b>Additions/ Adjustments</b>	<b>Additions/ Adjustments on Acquisition</b>	<b>As at 1st April, 2019</b>	<b>As at 31st March, 2020</b>	<b>Withdrawals/ Adjustments</b>	<b>Foreign Exchange Translation Effect</b>	<b>Additions/ Adjustments</b>	<b>As at 1st April, 2019</b>
<b>As at 31st March, 2019</b>	<b>GROSS BLOCK AT COST</b>											
<b>As at 31st March, 2020</b>	<b>As at 1st April, 2019</b>	<b>Additions/ Adjustments on Acquisition</b>	<b>Additions/ Adjustments</b>	<b>Foreign Exchange Translation Effect</b>	<b>Withdrawals/ Adjustments</b>	<b>As at 31st March, 2020</b>	<b>As at 1st April, 2019</b>	<b>Additions/ Adjustments on Acquisition</b>	<b>Additions/ Adjustments</b>	<b>Foreign Exchange Translation Effect</b>	<b>Withdrawals/ Adjustments</b>	<b>As at 1st April, 2019</b>
<b>PARTICULARS</b>	<b>As at 1st April, 2019</b>	<b>Additions/ Adjustments on Acquisition</b>	<b>Additions/ Adjustments</b>	<b>Foreign Exchange Translation Effect</b>	<b>Withdrawals/ Adjustments</b>	<b>As at 31st March, 2020</b>	<b>As at 1st April, 2019</b>	<b>Additions/ Adjustments on Acquisition</b>	<b>Additions/ Adjustments</b>	<b>Foreign Exchange Translation Effect</b>	<b>Withdrawals/ Adjustments</b>	<b>As at 1st April, 2019</b>
Brands/ Trademarks	237.15	27.66	0.01	-	-	264.82	-	0.04	-	-	-	-
Domain Name	0.67	-	-	-	-	0.67	0.67	-	-	-	-	-
Process Knowhow	4.89	-	-	0.16	-	5.05	4.89	-	-	0.16	-	-
Distribution Relationship	21.25	-	-	-	-	21.25	4.12	-	2.12	-	-	17.13
Customer Contracts	11.52	-	-	1.09	-	12.61	11.52	-	-	1.09	-	-
Computer Software	154.89	-	17.00	7.12	1.81	177.20	89.52	0.00	32.20	4.29	1.27	65.37
Non-Compete Fee	5.43	-	-	-	-	5.43	2.11	-	1.09	-	-	3.32
	<b>435.80</b>	<b>27.66</b>	<b>17.01</b>	<b>8.37</b>	<b>1.81</b>	<b>487.03</b>	<b>112.83</b>	<b>0.04</b>	<b>35.41</b>	<b>5.54</b>	<b>1.27</b>	<b>322.97</b>
Previous period	515.61	-	36.40	7.49	123.70	435.80	192.95	-	37.05	6.54	123.71	322.97

		₹ in Crore	
		As at 31st March, 2020	As at 31st March, 2019
<b>NOTE-8</b>	<b>NON CURRENT INVESTMENTS</b>		
a	<b>Investments carried at fair value through other comprehensive income</b>		
	<b>Investments in Compulsorily Convertible Preference Shares - Unquoted</b>		
	1,660 (31st March 2019: 1,660) Compulsory Convertible Preference Shares of ₹ 10/- each and 10 (31st March 2019: 10) equity shares of ₹ 10/- each of HW Wellness Solutions Pvt. Ltd.	3.50	3.50
	4,134 (31st March 2019: NIL) fully paid Compulsorily Convertible Preference Shares of Peel-Works Private Limited	21.00	-
b	<b>Investments carried at fair value through profit and loss</b>		
	<b>Investments in Equity Instruments - Unquoted</b>		
	143 (31st March 2019 : 143) Equity shares of The Souled Stores Private Limited	3.25	2.00
	<b>Investments in Compulsorily Convertible Preference Shares - Unquoted</b>		
	714 (31st March 2019 : 714) fully paid Compulsorily Convertible Preference Shares of The Souled Stores Private Limited	16.22	10.00
	6171 (31st March 2019 : Nil) fully paid Compulsorily Convertible Preference Shares of Pep Technologies Private Limited	18.35	-
	956 (31st March 2019 : Nil) fully paid Compulsorily Convertible Preference Shares of Reybhav Technologies Private Limited	2.28	-
	16461 (31st March 2019 : Nil) fully paid Compulsorily Convertible Preference Shares of Incnut Digital Private limited	16.99	-
c	<b>Investments in associate - Unquoted - carried at cost</b>		
	1,000 (31st March 2019 : 1,000) fully paid Equity Shares of ₹ 10/- each of Nanobi Data and Analytics Private Limited	0.01	0.01
	739,506 (31st March 2019 : 739,506) fully paid Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each of Nanobi Data and Analytics Private Limited	8.79	8.79
d	<b>Investments carried at amortised cost - Unquoted</b>		
	100,000 (31st March, 2019 : 100,000) fully paid Optionally Convertible Debentures of ₹ 100 each of Nanobi Data and Analytics Private Limited	0.80	1.00
	Philippines treasury bills*	2.62	2.37
		<b>93.81</b>	<b>27.67</b>
	*These Securities have been earmarked in favour of SEC, Philippines in compliance with Corporation code of philippines.		
	<b><u>Investment in unquoted investments:</u></b>		
	Aggregate Book value	<b>93.81</b>	27.67
<b>NOTE-9</b>	<b>NON CURRENT LOANS</b>		
	Unsecured considered good		
a	Security Deposit	37.15	31.09
b	Loans to employees	0.53	0.46
		<b>37.68</b>	<b>31.55</b>

		₹ in Crore	
		As at 31st March, 2020	As at 31st March, 2019
<b>NOTE-10</b>	<b>OTHER NON CURRENT FINANCIAL ASSETS</b>		
	Unsecured, considered good		
a	Lease Receivables	2.70	2.85
b	Foreign Currency Forward Contracts (net)	34.12	39.16
c	Bank deposit with more than 12 months maturity	3.96	-
d	Others*	*	*
		<b>40.78</b>	<b>42.01</b>
	* Amounts are below the rounding off norm adopted		
<b>NOTE-11</b>	<b>OTHER NON CURRENT ASSETS</b>		
a	Capital Advances	55.70	45.57
b	Deferred Contract cost	121.90	144.17
c	Unexpired Rebate	36.96	49.22
d	Prepaid Expenses	15.64	8.87
e	Others	0.58	1.47
		<b>230.78</b>	<b>249.30</b>
<b>NOTE-12</b>	<b>INVENTORIES</b>		
a	Raw Materials	15.61	24.33
b	Work-in-progress	26.40	17.00
c	Stores and Spares	0.91	0.73
d	Traded Goods	0.01	0.01
e	Finished Stock	9.00	12.23
f	Packing Materials	0.63	0.09
		<b>52.56</b>	<b>54.39</b>
	Less : Provision for obsolete stock of Raw Materials and Packing Materials	1.79	5.72
	Less : Provision for obsolete stock of Finished Goods	0.79	0.44
		<b>49.98</b>	<b>48.23</b>
<b>NOTE-13</b>	<b>CURRENT INVESTMENTS</b>		
a	Investments in Mutual funds carried at fair value through profit and loss (Quoted)	0.02	137.79
b	Investments in Mutual funds carried at fair value through profit and loss (Unquoted)	-	124.38
		<b>0.02</b>	<b>262.17</b>
	<b>Investment in quoted investments:</b>		
	Aggregate Book value	0.02	137.79
	Aggregate Market value	0.02	137.79
	<b>Investment in unquoted investments:</b>		
	Aggregate Book value	-	124.38

		₹ in Crore	
		As at 31st March, 2020	As at 31st March, 2019
<b>NOTE-14 TRADE RECEIVABLES</b>			
a	Secured, considered good	13.44	7.02
b	Unsecured, considered good	585.20	430.16
c	Credit Impaired	22.32	16.89
		<u>620.96</u>	<u>454.07</u>
Less : Allowances for credit impaired assets		22.32	16.89
		<u>598.64</u>	<u>437.18</u>
Trade receivables are non-interest bearing.			
<b>NOTE-15 CASH AND CASH EQUIVALENTS</b>			
a	Balances with banks		
	- In current accounts	339.74	65.64
	- Bank Deposits with original maturity upto 3 months	28.25	60.00
b	Cheques and drafts on hand	2.70	3.59
c	Cash on hand	0.13	0.14
		<u>370.82</u>	<u>129.37</u>
Less: Current account balance held in trust for customers in respect of certain subsidiaries		12.94	8.95
		<u>357.88</u>	<u>120.42</u>
<b>NOTE-16 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS</b>			
a	Restricted/Earmarked balances with Bank*	1.86	1.04
b	Bank Deposits with original maturity more than 3 months#	2.01	17.43
		<u>3.87</u>	<u>18.47</u>
*Represents balance in unpaid dividend account, Fractional equity account and Escrow account pledged as security for liabilities for ₹ 1.53 Crore, ₹ 0.03 Crore and ₹ 0.30 Crore respectively (31st March 2019 : ₹ 0.54 crore, ₹ 0.06 crore and ₹ 0.44 crore respectively).			
#Bank Deposits include ₹ 1.99 crore held against Escrow account and ₹ 0.02 crore lien against statutory registration.			
<b>NOTE-17 CURRENT LOANS</b>			
Unsecured, considered good			
a	Security Deposits	0.51	0.61
b	Loans to employees	1.49	1.09
		<u>2.00</u>	<u>1.70</u>

	₹ in Crore	
	As at 31st March, 2020	As at 31st March, 2019
<b>NOTE-18 OTHER CURRENT FINANCIAL ASSETS</b>		
Unsecured, considered good		
a Lease Receivables	1.54	1.73
b Interest accrued on Bank Deposits	0.29	1.05
c Foreign Currency Forward Contracts (net)	10.73	7.75
d Unbilled Revenues	197.41	155.95
e Claims Receivable	1.21	2.28
f Other Financial Assets	13.31	5.55
	<u>224.49</u>	<u>174.31</u>

**NOTE-19 OTHER CURRENT ASSETS**

a Advance for goods and services	1.46	1.45
b Balance With Government Authorities	89.43	66.21
c Deferred Contract Cost	23.24	25.30
d Prepaid Expenses	64.24	49.75
e Advances to employees	0.80	0.68
f Unexpired Rebate	13.90	10.56
g Others	10.40	10.81
	<u>203.47</u>	<u>164.76</u>

**NOTE-20 EQUITY SHARE CAPITAL**

a Authorised Share Capital 125,00,00,000 (31st March, 2019: 125,00,00,000) Equity Shares of ₹ 10/- each	1,250.00	1,250.00
b. Issued Capital 2,65,11,409 (31st March, 2019: 2,65,11,409) Equity Shares of ₹ 10/- each	26.51	26.51
c. Subscribed and paid up capital 2,65,11,409 (31st March, 2019: 2,65,11,409) Equity Shares of ₹ 10/- each fully paid up	26.51	26.51
d. Reconciliation of shares outstanding at the beginning and at the end of the reporting period		

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	No. of shares	Amount (₹ in Crore)	No. of shares	Amount (₹ in Crore)
Balance at the beginning of the year	2,65,11,409	26.51	-	-
Add: Shares issued and allotted during the year*	-	-	26,511,409	26.51
Closing Balance	2,65,11,409	26.51	26,511,409	26.51

\* Does not include shares issued and cancelled pursuant to the scheme of restructuring.

## e. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share fully paid up. Holders of equity

shares are entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive the sale proceeds from remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion of the number of equity shares held by the shareholders.

f. Details of shareholders holding more than 5% shares in the Company	As at 31st March, 2020		As at 31st March, 2019	
	Name of shareholder	No. of shares	% of holding	No. of shares
Rainbow Investments Limited (refer note 48)	1,17,59,326	44.36	1,17,59,326	44.36

g. Equity shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

	₹ in Crore	
	As at 31st March, 2020	As at 31st March, 2019
Equity Shares allotted pursuant to the scheme of restructuring	-	26.51

#### NOTE-21 OTHER EQUITY

<b>A</b>	a. Capital reserve	1,420.51	1,420.51
	b. Others		
	Effective portion of cash flow hedges	21.47	23.67
	Foreign Currency Translation Reserve	318.70	252.59
	Employee stock option reserve	6.46	6.62
	Retained Earnings	518.73	548.03
	Special economic Zone Re-investment Reserve	8.56	-
	Other reserve	1.64	1.65
		<u>2,296.07</u>	<u>2,253.07</u>
<b>B</b>	<b>Movement of Other Equity</b>		
i	Capital reserve	1,420.51	1,420.51
		<u>1,420.51</u>	<u>1,420.51</u>
ii	Effective portion of cash flow hedges	23.67	(3.31)
	Add / (Less) : Other Comprehensive Income	(2.11)	26.96
	Add / (Less) : Consequent to change in group interest	(0.09)	0.02
		<u>21.47</u>	<u>23.67</u>
iii	Foreign Currency Translation Reserve	252.59	227.52
	Add : Other Comprehensive Income	67.11	26.63
	Add : Consequent to change in group interest	(1.00)	(1.56)
		<u>318.70</u>	<u>252.59</u>
iv	Employee stock option reserve	6.62	6.56
	Add / (Less) : Consequent to change in group interest	(0.03)	(0.05)
	Add : Share based payments (net)	0.25	0.20
	Less : Share option outstanding liability (reversed)	(0.38)	(0.09)
		<u>6.46</u>	<u>6.62</u>
v	Special Economic Zone Re-investment Reserve	-	-
	Add : Transfer during the year from Retained Earnings	8.56	-
		<u>8.56</u>	<u>-</u>

	₹ in Crore	
	As at 31st March, 2020	As at 31st March, 2019
<b>NOTE-21 OTHER EQUITY (contd.)</b>		
vi Retained Earnings		
Surplus at the beginning of the period	548.03	493.61
Add/(Less): Profit/ (Loss) for the year	(3.39)	64.17
Add/ (Less): Share option outstanding liability (reversed)	0.38	0.09
Add/ (Less): Adjustment pursuant to implementation of Ind-AS 116	(22.26)	-
Add/ (Less): Special Economic Zone Re-investment Reserve	(8.56)	-
Add/ (Less): Consequent to change in group interest	5.15	3.38
Add/ (Less): Share of tax on Dividend of Subsidiary	-	(11.53)
Add: Other Comprehensive Income	(0.62)	(1.69)
	<b>518.73</b>	<b>548.03</b>
vii Other reserve	1.65	1.66
Less: Consequent to change in group interest	(0.01)	(0.01)
	<b>1.64</b>	<b>1.65</b>
	<b>2,296.07</b>	<b>2,253.07</b>

**C Nature and purpose of other equity****Capital Reserve**

It represents the difference between assets and liabilities acquired pursuant to the scheme of restructuring, reduced by shares issued as per the Scheme.

**Cash flow hedge reserve**

It represents the cumulative effective portion of gains or losses arising out of changes in fair value of designated portion of hedging instruments for cash flow hedges. The amounts recognized in this reserve are reclassified to profit or loss in accordance with Group policy.

**Foreign currency translation reserve**

It contains the accumulated balance of foreign exchange differences arising on monetary items that, in substance, form part of the Group's net investment in a foreign operation whose functional currency is other than Indian Rupees. Exchange differences accumulated in this Reserve are reclassified to profit or loss on disposal of the foreign operation.

**Employee stock option reserve**

It relates to stock options granted to employees under Employee Stock Option Scheme 2003.

**Special Economic Zone Re-investment Reserve**

This is restricted reserve created by one of the subsidiary for the tax exemption claimed for one of SEZ centre in Bangalore.

**Retained earnings**

It represents profit earned by the Group, net of appropriation, if any.

**Other reserve**

It is a restricted reserve arising as a result of merger in one of the subsidiary.

	₹ in Crore	
	As at 31st March, 2020	As at 31st March, 2019
<b>NOTE-22 NON CURRENT BORROWINGS</b>		
<b>A Secured at amortised Cost</b>		
Term Loans		
(i) Rupee Term loans - from banks	210.58	285.03
(ii) Rupee Term Loans - from financial institutions	150.00	-
(iii) Finance Lease obligations	-	1.83
	<u>360.58</u>	<u>286.86</u>
<b>B Unsecured</b>		
(i) Rupee Term loans - from banks	3.72	3.34
(ii) Rupee Term loans - from financial institutions	5.48	13.52
<b>Total</b>	<u>369.78</u>	<u>303.72</u>
Less : Current maturities of long term borrowings transferred to Other Current Financial Liabilities (refer Note 28)	<u>40.13</u>	<u>33.44</u>
	<u>329.65</u>	<u>270.28</u>

**C Nature of Security :**

- 1 Out of the Term Loan in (A) above, ₹ 113.34 crore (31st March 2019: ₹ 135.03 crore) in respect of one of the subsidiary, is secured by way of hypothecation with an exclusive charge on all movable PPEs, current assets, and scheduled receivables of the subsidiary with respect to their Mall project, both present & future, and also with equitable assignments of all rights under the Development Agreement.
- 2 Finance lease obligation amounting to ₹ NIL (31st March 2019: ₹ 1.83 crore) in (A) above, in respect of one of the subsidiary, is secured by way of hypothecation of underlying PPEs taken on lease.
- 3 Out of the Term Loan in (A) above, ₹ 97.24 crore (31st March 2019: ₹ 150.00 crore) in respect of one of the subsidiary, is secured by way of hypothecation with an exclusive first pari passu charge on the immoveable and movable PPEs of the subsidiary (both present and future) and second pari passu charge on current assets of the subsidiary (both present and future).
- 4 Out of the Term Loan in (A) above, ₹ 150.00 crore (31st March 2019: NIL) in respect of one of the subsidiary, is secured by way of hypothecation with an exclusive first pari passu charge on the immoveable and movable PPEs of the subsidiary (both present and future) and second pari passu charge on current assets of the subsidiary (both present and future).
5. Other disclosure
  - a. ₹ 40.13 crore (31st March 2019: ₹ 33.44 crore) is payable in next one year and the balance loan of ₹ 329.65 crore (31st March 2019: ₹ 270.28 crore) is payable between 1 to 10 years
  - b. Interest on Rupee Term Loan and Financial Institutions are based on spread over Lender's Benchmark rate and that of Foreign Currency Loan based on spread over LIBOR
  - c. Long term borrowings included above are repayable in periodic instalments over the maturity period of the respective loans

		₹ in Crore	
		As at 31st March, 2020	As at 31st March, 2019
<b>NOTE-23 OTHER NON CURRENT FINANCIAL LIABILITIES</b>			
a	Security Deposit against contracting service	27.70	29.49
b	Rent Payable- User Fee	-	55.33
c	Payable for acquisition of shares in subsidiary company *	-	3.41
		<b>27.70</b>	<b>88.23</b>
* Part of purchase consideration payable to the erstwhile shareholders of respective subsidiary company.			
<b>NOTE-24 NON CURRENT PROVISIONS</b>			
a	Provision for employee benefits	22.14	17.33
		<b>22.14</b>	<b>17.33</b>
<b>NOTE-25 OTHER NON CURRENT LIABILITIES</b>			
a	Unearned Rent	0.02	0.03
b	Others	0.14	0.14
		<b>0.16</b>	<b>0.17</b>
<b>NOTE-26 CURRENT BORROWINGS</b>			
<b>A Secured</b>			
	Loans repayable on demand from banks (Refer Note C)	10.91	9.51
<b>B Unsecured</b>			
i.	Loans repayable on demand from banks, Cash Credits and Overdrafts	834.14	538.99
ii.	Loans from others	0.42	-
		<b>845.47</b>	<b>548.50</b>
<b>C Nature of Security</b>			
(i)	The overdraft facilities in respect of one of the subsidiary amounting to ₹ Nil (31st March 2019: ₹ 5.85 crore) in (A) above, is secured by way of hypothecation with first pari passu charge on all current assets of the subsidiary (both present and future) and second pari passu charge on the moveable and immovable PPEs of the subsidiary (both present and future).		
(ii)	The Cash Credit facilities in respect of one of the subsidiary amounting to ₹ 10.91 crore (31st March 2019: ₹ 3.66 crore) in (A) above, is secured by way of hypothecation with first pari passu charge on all current assets of the subsidiary (both present and future).		
<b>NOTE-27 TRADE PAYABLES</b>			
a	Total outstanding dues to micro enterprises and small enterprises	9.40	4.08
b	Total outstanding dues of creditors other than micro enterprises and small enterprises	193.54	180.75
		<b>202.94</b>	<b>184.83</b>

The principal amount remaining unpaid to Micro and Small Enterprises, as defined in the Micro, Small & Medium Enterprises Development Act, 2006 as at 31st March 2020 is ₹ 9.40 crore (31st March 2019: ₹ 4.08 crore) on information available with the Company. There is no interest paid during the year/outstanding at the end of the year to Micro and Small Enterprises.

	₹ in Crore	
	As at 31st March, 2020	As at 31st March, 2019
<b>NOTE-28 OTHER CURRENT FINANCIAL LIABILITIES</b>		
a Current maturities of long-term debt	40.13	32.53
b Current maturities of finance lease obligations	-	0.91
c Interest accrued but not due on borrowings	1.24	1.37
d Book Overdraft	16.94	9.94
e Payable to employees	157.25	129.69
f Payable for acquisition of shares in subsidiary company**	2.58	-
g Others*	28.85	18.73
	246.99	193.17

\* Others include current portion of liabilities on capital account, security deposit and liabilities towards contractual obligations, etc.

\*\* Part of purchase consideration payable to the erstwhile shareholders of respective subsidiary company.

**NOTE-29 OTHER CURRENT LIABILITIES**

a Statutory dues	64.45	65.90
b Advance from Customers	8.73	6.72
c Other Payables	0.15	2.58
	73.33	75.20

**NOTE-30 CURRENT PROVISIONS**

a Provision for employee benefits	43.30	41.55
	43.30	41.55

**NOTE-31 CONTINGENT LIABILITIES AND COMMITMENTS**

- a Commitments of the Group on account of estimated amount of contracts remaining to be executed on capital account not provided for amounting to ₹ 91.00 crore (31st March, 2019: ₹ 65.99 crore)
- b Other money for which the Group is contingently liable :

Particulars	As at 31st March, 2020	As at 31st March, 2019
- Income Tax (refer Note below)	99.03	96.66
- Service tax demands under appeal	15.18	17.49
- Claim against the Group not acknowledged as debt	0.14	0.14
- Bank Guarantee	2.49	2.49
- Purchase Commitment towards Nanobi Data and Analytics Pvt Ltd	1.20	1.20
- Guarantees given to the Government of India, Customs and Central excise department in relation to duty securities.	1.00	1.00

**Notes :**

- i. Income Tax demands under appeal, pending in different forums, in respect of which the subsidiaries / associate do not expect any unfavourable outcome.
- ii. One of the subsidiaries has paid Tax under protest for various assessment years amounting to ₹ 11.04 crore (31st March, 2019 : ₹ 10.29 crore)

	₹ in Crore	
	Year ended 31st March, 2020	Year ended 31st March, 2019
<b>NOTE-32 REVENUE FROM OPERATIONS</b>		
a Sale of FMCG products	309.76	354.65
b Sale of services	4,114.39	3,855.67
c Mall operations	108.84	106.10
d Contracting Service	(4.38)	12.93
e Others	49.81	40.50
	<u>4,578.42</u>	<u>4,369.85</u>
The above revenue is from contract with customers in India except for sale of service in which ₹ 3,993.27 crore (for the year ended 31st March, 2019: ₹ 3,746.75 crore) is from customers outside India. Also Refer Note 45		
<b>NOTE-33 OTHER INCOME</b>		
a Interest Income	2.13	8.17
b Interest on Income Tax Refund	1.51	-
c Gain on sale/fair value of current investments (net)	26.46	13.03
d Profit on sale of property plant and equipment (net)	-	0.08
e Gain on Derecognition of RoU Assets	0.31	-
f Others	4.36	1.44
	<u>34.77</u>	<u>22.72</u>
<b>NOTE-34 COST OF MATERIALS CONSUMED</b>		
Opening Stock of Raw Material & Packing Material	18.70	18.12
Add : Purchases	209.87	277.73
Less : Closing stock of Raw Material & Packing Material	14.45	18.70
	<u>214.12</u>	<u>277.15</u>
<b>NOTE-35 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS</b>		
Stock at the beginning of the period :		
Finished Goods	11.79	10.56
Traded Goods	0.01	-
Work-in-progress	17.00	12.61
Total (A)	<u>28.80</u>	<u>23.17</u>
Add : Addition on acquisition of subsidiary	0.40	-
Add: Purchase of Traded Goods (B)	0.11	0.11
Less :Stock at the end of the period :		
Finished Goods	8.21	11.79
Traded Goods	0.01	0.01
Work-in-progress	26.40	17.00
Total (C)	<u>34.62</u>	<u>28.80</u>
(Increase)/ Decrease in stocks (A+B-C)	<u>(5.31)</u>	<u>(5.52)</u>

	₹ in Crore	
	Year ended 31st March, 2020	Year ended 31st March, 2019
<b>NOTE-36 EMPLOYEE BENEFIT EXPENSES</b>		
a. Salaries, wages and bonus	<b>2,663.16</b>	2,424.24
b. Contribution to provident and other funds	<b>114.64</b>	114.57
c. Employees' welfare expenses	<b>111.53</b>	106.33
d. Employee stock compensation expense	<b>2.90</b>	4.96
	<b>2,892.23</b>	2,650.10

(i) **Defined Contribution Plan**

The group make contribution for Provident Fund towards defined contribution retirement benefit plan for eligible employees. Under the plan, the company is required to contribute a specific percentage of the employees' salaries to fund the benefit. The Parent company also contributes for family pension schemes (including for superannuation).

During the period, based on applicable rates, the company has recognised ₹ 19.94 crore (previous period: ₹ 15.91 crore) on this account in the Statement of Profit and Loss.

(ii) **Defined Benefit Plans**

No additional liability has been recognised as interest rate distributed by PF trust during the year for FY 2018-19 is higher than the statutory rate announced by Employees Provident Fund Organization.

**Notes forming Part of Consolidated Financial Statements (contd.)**

(iii) **The amounts recognised in the Balance Sheet and the movements in the total defined benefit obligation over the period are as follows:**

₹ in Crore

Gratuity (Funded)	Year ended 31st March, 2020			Year ended 31st March, 2019		
	Present value of obligation	Fair value of plan assets	Total amount	Present value of obligation	Fair value of plan assets	Total amount
<b>Opening Balance</b>	<b>19.71</b>	<b>(5.13)</b>	<b>14.58</b>	15.39	(4.63)	10.76
Add : Amount added on acquisition	0.09	-	0.09	-	-	-
Current service cost	2.66	(0.01)	2.65	2.31	(0.05)	2.26
Interest expense/(income)	1.37	(0.25)	1.12	1.09	(0.25)	0.84
Past service cost	-	-	-	(0.01)	-	(0.01)
<b>Total amount recognised in profit or loss</b>	<b>4.03</b>	<b>(0.26)</b>	<b>3.77</b>	3.39	(0.30)	3.09
<i>Remeasurements</i>						
Return on plan assets, excluding amounts included in interest expense/(income)	-	0.05	0.05	-	0.05	0.05
(Gain)/loss from change in financial assumptions	(0.12)	-	(0.12)	0.12	(0.01)	0.11
Experience (gains)/losses	1.29	0.02	1.31	2.66	-	2.66
<b>Total amount recognised in other comprehensive income</b>	<b>1.17</b>	<b>0.07</b>	<b>1.24</b>	2.78	0.04	2.82
Employer contributions	-	(1.60)	(1.60)	-	(2.09)	(2.09)
Benefit payments	(2.54)	2.51	(0.03)	(1.85)	1.85	-
<b>Closing Balance</b>	<b>22.46</b>	<b>(4.41)</b>	<b>18.05</b>	19.71	(5.13)	14.58

Leave Obligation (Unfunded)	Year ended 31st March, 2020	Year ended 31st March, 2019
	Present value of obligation	
<b>Opening Balance</b>	<b>43.12</b>	32.58
Current service cost	3.03	9.81
Interest expense/(income)	0.25	0.16
<i>Remeasurements</i>		
(Gain)/loss from change in demographic assumptions	-	0.26
(Gain)/loss from change in financial assumptions	(0.51)	0.52
Experience (gains)/losses	0.72	-
<b>Total amount recognised in profit or loss</b>	<b>3.49</b>	10.75
Benefit payments	(0.72)	(0.21)
<b>Closing Balance</b>	<b>45.89</b>	43.12

₹ in Crore

	Post retirement medical benefit		Pension	
	Year ended 31st March, 2020	Year ended 31st March, 2019	Year ended 31st March, 2020	Year ended 31st March, 2019
<b>Opening Balance</b>	<b>0.90</b>	0.90	<b>0.28</b>	0.20
Add : Amount added pursuant to scheme of restructuring	-	-	-	0.02
Current service cost	<b>0.07</b>	0.04	<b>0.03</b>	0.02
Interest expense/ (income)	<b>0.06</b>	0.07	<b>0.02</b>	0.02
Past Service Cost	<b>0.02</b>	-	<b>0.08</b>	-
<b>Total amount recognised in profit or loss</b>	<b>0.15</b>	0.11	<b>0.13</b>	0.06
<i>Remeasurements</i>				
(Gain)/loss from change in financial assumptions	<b>0.17</b>	0.04	<b>0.04</b>	0.01
Experience (gains)/losses	<b>(0.11)</b>	(0.15)	<b>(0.06)</b>	0.01
<b>Total amount recognised in other comprehensive income</b>	<b>0.06</b>	(0.11)	<b>(0.02)</b>	0.02
<b>Closing Balance</b>	<b>1.11</b>	0.90	<b>0.39</b>	0.28

**(iv) Actuarial assumptions**

Year ended 31st March 2020				
Particulars	Gratuity	Leave obligation	Medical	Pension
Discount rate current year (%)	6.50% to 6.70%	6.50% to 6.70%	6.50%	6.50%
Mortality rate	Indian Assured Lives Mortality (2012-14) Ult. (IALM 2012-14)	Indian Assured Lives Mortality (2012-14) Ult. (IALM 2012-14)	Indian Assured Lives Mortality (2012-14) Ult. (IALM 2012-14)	Indian Assured Lives Mortality (2012-14) Ult. (IALM 2012-14)

Year ended 31st March 2019				
Particulars	Gratuity	Leave obligation	Medical	Pension
Discount rate current year (%)	7.34% to 7.71%	7.34% to 7.71%	7.34%	7.34%
Mortality rate	Indian Assured Lives Mortality (2006-08) ultimate	Indian Assured Lives Mortality (2006-08) ultimate	Before Separation-Indian Assured Lives Mortality (2006-08) ultimate & After separation- from service : LIC (1996-98) Ultimate rated down by 5 years	Before Separation-Indian Assured Lives Mortality (2006-08) ultimate & After separation- from service: LIC (1996-98) Ultimate rated down by 5 years

**(v) Risk exposure**

The Plans in India typically expose the Company to some risks, the most significant of which are detailed below:

**Discount Rate risk:** Decrease in discount rate will increase the value of the liability. However, this will partially offset by the increase in the value of plan assets.

**Demographic Risk:** In the valuation of the liability certain demographic (mortality and attrition rates) assumptions are made. The Company is exposed to this risk to the extent of actual experience eventually being worse compared to the assumptions thereby causing an increase in the scheme cost.

**Future Salary Increase Risk:** In case of gratuity & leave the scheme cost is sensitive to the assumed future salary escalation rates for all final salary defined benefit Schemes. If actual future salary escalations are higher than that assumed in the valuation actual Scheme cost and hence the value of the liability will be higher than that estimated. But PRMB & pension are not dependant on future salary levels.

**Regulatory Risk:** New Act/Regulations may come up in future which could increase the liability significantly in case of Leave obligation, PRMB & Pension. Gratuity Benefit must comply with the requirements of the Payment of Gratuity Act, 1972 (as amended up-to-date). Also in case of interest rate guarantee Exempt Provident Fund must comply with the requirements of the Employees Provident Funds and Miscellaneous Provisions Act 1952 as amended up-to-date.

**Pay-as-you-go Risk:** For unfunded schemes financial planning could be difficult as benefits payable will directly affect the revenue and this could be fluctuating. There may be an opportunity cost of better investment returns affecting adversely the cost of scheme.

**Liquidity Risk:** The risk arises from the short term asset and liability cash-flow mismatch thereby causing the company being unable to pay the benefits as they fall due in the short term.

	Year ended 31st March 2020	Year ended 31st March, 2019
<b>₹ in Crore</b>		
<b>NOTE-37 FINANCE COSTS</b>		
a. Interest expense	<b>57.20</b>	45.13
b. Other Borrowing Costs	<b>0.11</b>	20.88
c. Interest expense on leased liabilities	<b>43.47</b>	-
	<b>100.78</b>	66.01
Less: Allocated to property, plant and equipment*	-	4.86
	<b>100.78</b>	61.15
*Weighted Average Capitalisation rate used is 9.75%		

**NOTE-38 DEPRECIATION AND AMORTISATION EXPENSES**

a. Depreciation/Amortisation on property, plant and equipment	<b>70.41</b>	57.21
b. Depreciation on investment property	<b>0.91</b>	0.91
c. Depreciation on Right of use assets	<b>117.57</b>	-
c. Amortisation on intangible assets	<b>35.41</b>	37.05
	<b>224.30</b>	95.17
Less : Allocated to property, plant and equipment / capital work-in-progress	-	0.02
	<b>224.30</b>	95.15

	in Crore	
	Year ended 31st March 2020	Year ended 31st March, 2019
<b>NOTE-39 OTHER EXPENSES</b>		
a. Electricity Charges	36.42	41.86
b. Advertisement & Sales Promotion	167.76	176.92
c. Consumption of stores and spares	0.91	1.11
d. Repairs		
Building	1.77	1.92
Plant and Machinery	2.87	2.10
Others	58.47	62.76
	<u>63.11</u>	<u>66.78</u>
e. Insurance	15.16	14.58
f. Rent	45.40	136.02
g. Rates and taxes	26.72	24.08
h. Bad debts / Advances written off	0.03	0.02
i. Loss on sale / disposal of Property, Plant & Equipment (net)	0.83	1.50
j. Allowances for doubtful debts, deposits, slow moving items etc	6.17	1.90
k. Corporate social responsibility activities	4.76	4.10
l. Travelling and conveyance	97.08	63.31
m. Information & Communication	155.81	148.44
n. Computer Expenses	76.10	60.55
o. Legal & Professional	89.37	69.63
p. Printing & Stationery	12.23	13.12
q. Foreign exchange loss	-	2.76
r. Miscellaneous expenses	204.22	233.84
	<u>1,002.08</u>	<u>1,060.52</u>

₹ in Crore

## NOTE-40 Business Segments Information

	Process Outsourcing		FMCG		Property		Total	
	Year ended 31st March 2020	Year ended 31st March 2019	Year ended 31st March 2020	Year ended 31st March 2019	Year ended 31st March 2020	Year ended 31st March 2019	Year ended 31st March 2020	Year ended 31st March 2019
Segment Revenue	4,162.51	3,888.87	311.15	365.23	108.35	121.03	4,582.01	4,375.13
Intersegment Revenue	-	-	-	(3.35)	(3.59)	(1.93)	(3.59)	(5.28)
Total Segment Revenue	4,162.51	3,888.87	311.15	361.88	104.76	119.10	4,578.42	4,369.85
Segment Result Before Depreciation, Interest, Tax & OCI	645.05	574.43	(217.39)	(217.94)	82.41	53.83	510.07	410.32
Depreciation (including amortisation of Intangible assets)	185.27	74.43	22.72	9.04	16.31	11.68	224.30	95.15
Segment Result Before Interest, Tax and exceptional items	459.78	500.00	(240.11)	(226.98)	66.10	42.15	285.77	315.17
Less : Unallocated Finance cost							100.78	61.15
Add : Share in net Profit of associate							*	*
Profit before Taxation and Minority Interest							184.99	254.02
Provision for taxation including Deferred Tax							37.85	19.50
Profit after Taxation before Minority Interest							147.14	234.52
Other Comprehensive Income / (expense) (Net)							119.25	96.32
Segment Assets	4,432.05	3,443.59	817.03	662.15	581.59	509.00	5,830.67	4,614.74
Unallocated Assets							400.33	494.39
Total Assets							6,231.00	5,109.13
Segment Liabilities	919.80	350.72	146.61	98.74	183.67	95.89	1,250.08	545.35
Unallocated Liability							1,314.02	966.32
Total Liabilities							2,564.10	1,511.67

\* Amounts are below the rounding off norm adopted.

**Business Segments:**

The internal business segmentations and the activities encompassed therein are as follows:

Process Outsourcing : Business Process Outsourcing

FMCG : Consumer Goods

Property : Property Development

**Geographical Segments:**

Geographical segment is not significant for the CODM of the Group and does not review, hence no disclosure is given.

**Notes forming Part of Consolidated Financial Statements (contd.)**
**NOTE-41 Income Tax Expenses**
**i) Income tax recognised in profit or loss**

₹ in Crore

Tax expense	Year ended 31st March, 2020	Year ended 31st March, 2019
Current tax	68.26	47.33
Deferred tax (credit)/charge	(30.41)	(27.83)
<b>Total income tax expense</b>	<b>37.85</b>	<b>19.50</b>

**ii) Income tax recognised in OCI**

Tax expense	Year ended 31st March, 2020	Year ended 31st March, 2019
Current tax	0.08	(0.16)
Deferred tax (credit)/charge	(2.20)	8.77
<b>Total income tax expense</b>	<b>(2.12)</b>	<b>8.61</b>

The major components of net Deferred Tax Assets / (Liabilities) based on the timing difference as at 31st March, 2020 are as under :

**31st March, 2020**

₹ in Crore

Deferred Tax Liabilities	As at 31st March, 2019	Recognised through P&L	Recognised through OCI	Transition impact on adoption of Ind As 116	On Acquisition	Others*	As at 31st March, 2020
<b>Liabilities</b>							
Excess of tax depreciation over book depreciation	(296.74)	(12.27)	-	-	(7.48)	(18.56)	<b>(335.05)</b>
Re-measurement of Defined Benefit Plans	0.47	0.45	(0.08)	-	-	-	<b>0.84</b>
Lease Liabilities	-	1.17	-	4.39	-	0.45	<b>6.01</b>
Other Timing difference	(0.28)	-	-	-	-	-	<b>(0.28)</b>
<b>Total</b>	<b>(296.55)</b>	<b>(10.65)</b>	<b>(0.08)</b>	<b>4.39</b>	<b>(7.48)</b>	<b>(18.11)</b>	<b>(328.48)</b>

Deferred Tax Assets	As at 31st March, 2019	Recognised through P&L	Recognised through OCI	Transition impact on adoption of Ind As 116	On Acquisition	Others*	As at 31st March, 2020
Business loss and Unabsorbed depreciation	233.61	35.31	-	-	0.05	11.53	<b>280.50</b>
Cash Flow Hedges	(7.96)	-	2.20	-	-	-	<b>(5.76)</b>
Re-measurement of Defined Benefit Plans	3.11	0.51	-	-	-	-	<b>3.62</b>
Lease Liabilities	-	1.27	-	9.27	-	0.08	<b>10.62</b>
MAT Credit carried forward	206.13	-	-	-	-	8.24	<b>214.37</b>
Other Timing Differences	23.73	3.97	-	-	0.02	0.91	<b>28.63</b>
<b>Total</b>	<b>458.62</b>	<b>41.06</b>	<b>2.20</b>	<b>9.27</b>	<b>0.07</b>	<b>20.76</b>	<b>531.98</b>

<b>Net deferred tax assets / (liabilities)</b>	162.07	30.41	2.12	13.66	(7.41)	2.65	203.50
Disclosed as:							
Deferred tax assets	232.22						296.33
Deferred tax liabilities	70.15						92.83
	162.07						203.50

**Notes forming Part of Consolidated Financial Statements (contd.)**
**31st March, 2019**
**₹ in Crore**

<b>Deferred Tax Liabilities</b>	<b>As at 31st March, 2018</b>	<b>Recognised through P&amp;L</b>	<b>Recognised through OCI</b>	<b>Others*</b>	<b>As at 31st March, 2019</b>
<b>Liabilities</b>					
Excess of tax depreciation over book depreciation	(286.82)	1.49	-	(11.41)	(296.74)
Re-measurement of Defined Benefit Plans	(0.03)	0.50	-	-	0.47
Other timing difference	(0.22)	(0.06)	-	-	(0.28)
<b>Total</b>	<b>(287.07)</b>	<b>1.93</b>	<b>-</b>	<b>(11.41)</b>	<b>(296.55)</b>

<b>Deferred Tax Assets</b>	<b>As at 31st March 2018</b>	<b>Recognised through P&amp;L</b>	<b>Recognised through OCI</b>	<b>Others*</b>	<b>As at 31st March, 2019</b>
Business loss and Unabsorbed depreciation	208.04	15.78	-	9.79	233.61
Cash Flow Hedges	0.81	-	(8.77)	-	(7.96)
Re-measurement of Defined Benefit Plans	3.02	0.09	-	-	3.11
MAT Credit carried forward	177.84	-	-	28.29	206.13
Other Timing Differences	13.18	10.03	-	0.52	23.73
<b>Total</b>	<b>402.89</b>	<b>25.90</b>	<b>(8.77)</b>	<b>38.60</b>	<b>458.62</b>

<b>Net deferred tax assets / (liabilities)</b>	<b>115.82</b>	<b>27.83</b>	<b>(8.77)</b>	<b>27.19</b>	<b>162.07</b>
Disclosed as:					
Deferred tax assets	217.55				<b>232.22</b>
Deferred tax liabilities	101.73				<b>70.15</b>
	<b>115.82</b>				<b>162.07</b>

\* includes foreign exchange translation difference

₹ in Crore

**Reconciliation of tax expense and accounting profit**

Particulars	31st March, 2020	31st March, 2019
Accounting profit before tax after Comprehensive Income	177.61	358.95
Tax using the Company's domestic tax rate (Current year 34.944% and Previous Year 34.944%)	62.06	125.43
Income/expenses not considered for tax purpose	2.86	5.20
Effect of differential tax rate	(4.67)	(16.52)
Effect of change in tax rate	(0.01)	(12.61)
Incentive & deduction allowed under Income Tax	(43.24)	(43.92)
Impact of Tax losses utilised in excess of carrying value of corresponding deferred tax assets	(20.54)	(3.20)
Tax on Dividend Distributed by the Subsidiary	34.59	-
MAT Adjustments	4.68	(26.27)
<b>Total income tax expense</b>	<b>35.73</b>	<b>28.11</b>

**NOTE-42 Earnings per share:**

(i) Computation of Earnings per share

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
A. Profit After Tax attributable to the Owners of the equity (₹ in crore)	(3.39)	64.17
B. Weighted Average no. of shares	26,511,409	26,511,409
Basic and Diluted Earnings per share of ₹ 10 each [(A) / (B)](₹)	(1.28)	24.20

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
A. Profit After Tax for the year	147.14	234.52
B. Weighted Average no. of shares	26,511,409	26,511,409
Basic and Diluted Earnings per share of Rs 10 each [(A) / (B)] (₹)	55.50	88.46

**NOTE-43 Leases**

The break-up of current and non-current lease liabilities as of March 31, 2020 is as follows :

₹ in crore

Particulars	As at 31st March, 2020
Current lease liabilities	117.37
Non current lease liabilities	556.28
	673.65

The details regarding the contractual maturities of lease liabilities as of March 31, 2020 on an undiscounted basis are as follows :

Particulars	As at 31st March 2020
Not later than one year	158.44
Later than one year but not later than five years	394.28
Later than five years	340.00
	892.72

**NOTE-44 Employee Stock Option Plans**

One of the subsidiaries have following stock option plans:

**Employee stock option Scheme 2003 ('Scheme 2003')**

The Employee Stock Option Scheme 2003 ('the Scheme') approved by the Board of Directors and the members of the Subsidiary Company and administered by the Nomination and Remuneration Committee ('the Committee') is effective from October 11, 2003. The key terms and conditions included in the scheme are in line with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (as amended by SEBI (Share Based Employee Benefits), Regulation, 2014).

As per the Scheme, the Committee of the subsidiary issued stock options to the employees at an exercise price equal to the fair value on the date of grant and these options would vest in tranches over a period of four years as stated below and shall be exercised within a period of ten years from the date of the grant of the option:

Period within which options will vest unto the participant	% of options that will vest
End of 12 months from the date of grant of options	25
End of 18 months from the date of grant of options	12.5
End of 24 months from the date of grant of options	12.5
End of 30 months from the date of grant of options	12.5
End of 36 months from the date of grant of options	12.5
End of 42 months from the date of grant of options	12.5
End of 48 months from the date of grant of options	12.5

**Firstsource Solutions Limited Employee stock option Plan 2019 ('ESOP 2019')**

The Stock Option Plan 2019 of one of the subsidiary ('the Scheme') approved by the Board of Directors. Members of the Subsidiary approved the same on 2nd August 2019 and administered by the Nomination and Remuneration Committee ('the Committee'). The key terms and conditions included in the scheme are in line with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (as amended by SEBI (Share Based Employee Benefits), Regulation, 2014).

As per the Scheme, the Committee of the subsidiary issued stock options to the employees at an exercise price equal to nominal value of INR 10/- and these options would vest in tranches as stated below and shall be exercised within a period of ten years from the date of the grant of the option:

Period within which options will vest unto the participant	% of options that will vest
End of 12 months from the date of grant of options	25
End of 18 months from the date of grant of options	12.5
End of 24 months from the date of grant of options	12.5
End of 30 months from the date of grant of options	12.5
End of 36 months from the date of grant of options	12.5
End of 42 months from the date of grant of options	12.5
End of 48 months from the date of grant of options	12.5

As per the scheme, the Committee has also issued stock options to an identified employee at an exercise price equal to the nominal value of INR 10/- and these stock options would vest at the end of 24 months from the date of the respective grant of the options. Part of these options are subject to the Company's performance over a defined period.

**Notes forming Part of Consolidated Financial Statements (contd.)**

Employee Stock option activity under Scheme 2003 and Scheme 2019 are as follows

Description	Exercise Range	Shares arising out of options	Weighted Average period in months	Shares arising out of options	Weighted Average period in months
Outstanding at the beginning of the year	00.00 - 30.00	33,26,385	41.75	57,73,635	57.79
	30.01 - 60.00	6,507,746	87.58	97,51,177	88.18
	60.01 - 90.00	2,352,500	113.77	-	-
		<b>1,21,86,631</b>	-	<b>1,55,24,812</b>	-
Granted during the year	00.00 - 30.00	1,07,84,204		-	
	30.01 - 60.00	-		-	
	60.01 - 90.00	-		25,00,000	
		<b>1,07,84,204</b>		<b>25,00,000</b>	
Forfeited during the year	00.00 - 30.00	2,91,010		-	
	30.01 - 60.00	12,54,061		5,93,470	
	60.01 - 90.00	7,45,000		147,500	
		<b>22,90,071</b>		<b>7,40,970</b>	
Exercised during the year*	00.00 - 30.00	16,36,250		24,47,250	
	30.01 - 60.00	11,25,500		20,94,961	
	60.01 - 90.00	-		-	
		<b>27,61,750</b>		<b>45,42,211</b>	
Expired during the year	00.00 - 30.00	-		-	
	30.01 - 60.00	2,19,000		5,55,000	
	60.01 - 90.00	-		-	
		<b>2,19,000</b>		<b>5,55,000</b>	
Outstanding at the end of the year	00.00 - 30.00	1,21,83,329	111.21	3,326,385	41.75
	30.01 - 60.00	3,909,185	78.38	6,507,746	87.58
	60.01 - 90.00	1,607,500	101.57	2,352,500	113.77
		<b>1,77,00,014</b>		<b>1,21,86,631</b>	
Exercisable at the end of the year	00.00 - 30.00	13,99,125	39.25	3,326,385	41.75
	30.01 - 60.00	29,01,901	76.35	3,267,988	80.75
	60.01 - 90.00	6,02,825	101.57	-	-
		<b>49,03,851</b>		<b>65,94,373</b>	

\* The weighted average share price of these options was ₹ 27.87 and ₹ 31.27 for the year ended 31 March 2020 and 31 March 2019 respectively.

**Notes forming Part of Consolidated Financial Statements (contd.)**

The key assumptions used to estimate the fair value of options are:

Assumptions	Year ended 31st March, 2020	Year ended 31st March, 2019
Dividend yield	0% to 4%	0% to 3%
Expected life	2-7 years	5.5-7 years
Risk free interest rate	6.50% to 9.06%	6.50% to 9.06%
Volatility	0% to 75%	0% to 75%
Model used	Black & Scholes	Black & Scholes

The expense arises from equity settled share based payment transaction for the year amounting to ₹ 2.90 crore (31st March 2019 : 4.96 crore)

**NOTE-45**

In case of Process Outsourcing, Revenue in excess of invoicing are classified as contract assets (which is referred as unbilled revenues). Change in contracts assets are directly attributable to revenue recognised based on the accounting policy defined and the invoicing done during the year. Applying the practical expedient as given in Ind AS 115, the Group has not disclosed the remaining performance obligation related disclosures as the revenue recognised corresponds directly with the value to the customer of the Group's performance coupled to date.

**NOTE-46 Construction Contract**

One of the Subsidiary of the Company is implementing a residential project in Haldia. The project is being carried out in phases. The cumulative amount of project revenue upto the reporting period is ₹ 48.06 Crore (March 31, 2019 : ₹ 52.44 Crore) recognised as revenue under the percentage completion method based on stage of completion on cost-basis as a percentage of total cost techno-commercially assessed in the first phase of the project. Further information are provided as follows:

₹ in crore

Particulars	As at 31st March, 2020	As at 31st March, 2019
Cumulative project revenue recognized to date	48.06	52.44
Cumulative project cost incurred to date	44.28	49.09
Cumulative profit recognised to date	3.78	3.35
Amount of advances received to date	48.51	50.94
Amount of work in progress and value of inventory to date	22.81	13.44

**Notes forming Part of Consolidated Financial Statements (contd.)**
**NOTE-47 Financial Instruments**

a) The carrying value and fair value of financial instruments by categories As at 31st March, 2020 and 31st March, 2019 are as follows:

₹ in Crore

	As at 31st March 2020			As at 31st March 2019		
	Amortized cost	FVTOCI	FVTPL	Amortized cost	FVTOCI	FVTPL
<b>Financial assets</b>						
Investments						
- Equity instruments/ Compulsory Convertible Preference Shares	0.01	24.50	57.09	0.01	3.50	12.00
- Preference instruments	8.79	-	-	8.79	-	-
- Mutual funds	-	-	0.02	-	-	262.17
- Others	3.42	-	-	3.37	-	-
Trade Receivables	598.64	-	-	437.18	-	-
Loans	39.68	-	-	33.25	-	-
Cash and cash equivalents	357.88	-	-	120.42	-	-
Other Bank balances	7.83	-	-	18.47	-	-
Interest accrued on Bank Deposit	0.29	-	-	1.05	-	-
Derivative Asset	-	-	44.85	-	-	46.91
Receivable towards claims and services rendered	1.21	-	-	2.28	-	-
Unbilled Receivable	197.41	-	-	155.95	-	-
Lease Receivables	4.24	-	-	4.58	-	-
Others financial assets	13.31	-	-	5.55	-	-
<b>Total financial assets</b>	<b>1,232.71</b>	<b>24.50</b>	<b>101.96</b>	<b>790.90</b>	<b>3.50</b>	<b>321.08</b>
<b>Financial liabilities</b>						
Borrowings	1,215.25	-	-	851.31	-	-
Lease Liabilities	673.65	-	-	-	-	-
Trade Payables	202.94	-	-	184.83	-	-
Security Deposit	27.70	-	-	29.49	-	-
Rent Payable (User Fee)	-	-	-	55.33	-	-
Interest accrued	1.24	-	-	1.37	-	-
Others	205.62	-	-	162.68	-	-
<b>Total financial liabilities</b>	<b>2,326.40</b>	<b>-</b>	<b>-</b>	<b>1,285.01</b>	<b>-</b>	<b>-</b>

**Notes forming Part of Consolidated Financial Statements (contd.)**
**b) Fair value hierarchy**

The table shown below analyses financial instruments carried at fair value by valuation method.

₹ in Crore

Financial assets and liabilities measured at fair value	Level 1	Level 2	Level 3	Total fair value	Total carrying amount
<b>As at 31 March, 2020</b>					
<b>Financial assets</b>					
Investment in equity instruments	-	-	81.59	81.59	81.59
Investment in liquid mutual fund units	0.02	-	-	0.02	0.02
Derivative Assets	-	-	-	-	-
<b>Total financial assets</b>	<b>0.02</b>	<b>-</b>	<b>81.59</b>	<b>81.61</b>	<b>81.61</b>
<b>As at 31 March, 2019</b>					
<b>Financial assets</b>					
Investment in equity instruments	-	-	15.50	15.50	15.50
Investment in liquid mutual fund units	137.79	124.38	-	262.17	262.17
Derivative Assets	-	46.91	-	46.91	46.91
<b>Total financial assets</b>	<b>137.79</b>	<b>171.29</b>	<b>15.50</b>	<b>324.58</b>	<b>324.58</b>

The different levels have been defined below:

Level 1 : financial instruments measured using quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price. The mutual funds are valued using the closing NAV.

Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

Level 3 : inputs for the asset or liability that are not based on observable market data.

**c) The following methods and assumptions were used to estimate the fair values**

- The fair values of the mutual fund instruments are based on net asset value of units declared at the close of the reporting date.
- The carrying amounts of cash and cash equivalents are considered to be the same as their fair values, due to their short term nature.
- Miscellaneous receivables/payables where carrying amount is reasonable approximation of fair value as settlement period cannot be reliably measured.
- Considering the nature, risk profile and other qualitative factors of the financial instruments of the Group, the carrying amounts will be the reasonable approximation of the fair value.

**d) Financial risk management and Capital Management :**

The Group undertakes various businesses which are exposed to a variety of financial risks, market risks, credit risks and liquidity risks which are dependent on the nature of the respective businesses. The Senior Management oversees the management of these risks and reviews and agrees policies for managing each of these risks.

**Liquidity Risk :**

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquid risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Group has borrowed loans from banks, the maturity of same is disclosed in Note 22. Furthermore, the Group has sufficient

## Notes forming Part of Consolidated Financial Statements (contd.)

quantities of liquid assets which are readily saleable. Hence the risk that the Group may not be able to settle its financial liabilities as they become due does not exist.

### Credit Risk :

Credit risk arise from the possibility that the counter party may not be able to settle their obligations. Financial instruments that are subject to such risk primarily consists of investments, trade receivables, unbilled revenue, bank deposits and other financial assets.

The bank deposit are with highly rated scheduled banks. Credit risk has always been managed by the Group by continuously monitoring the credit worthiness of customers to which the Group grants credit terms in the normal course of business.

### Market Risk :

The Group operates internationally and a portion of business is transacted in several currencies and consequently the Group is exposed to foreign exchange risk through its services from India for contracts in the overseas geographies, primarily in the United States of America and United Kingdom, and purchase from overseas suppliers in foreign currencies. The Group holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

As on 31st March, 2020, certain subsidiaries have outstanding derivative financial instruments of USD 6.31 crore (31st March 2019: USD 18.23 crore), GBP 8.19 crore (31st March 2019: GBP 11.73 crore).

The following table analyses foreign currency risks:

₹ in Crore

Particulars	USD	GBP	PHP	Others*	Total
<b>As at 31st March 2020</b>					
Total financial assets	5.88	12.53	6.79	0.02	25.22
Total financial liabilities	-	-	17.58	-	17.58
<b>As at 31st March 2019</b>					
Total financial assets	8.07	12.54	0.88	0.04	21.53
Total financial liabilities	-	-	3.49	-	3.49

\* Others include LKR and EURO

5% appreciation / depreciation of the respective foreign currencies with respect to functional currency of the Parent and its subsidiaries would result in increase / decrease in the Group's profit before tax approximately ₹ 23.38 crore for the year ended 31 March 2020 (31 March 2019: ₹ 7.07 crore).

It is the policy of the Group to enter into forward foreign exchange contracts to cover foreign currency payments for known liabilities, all foreign currency loans and receipts, all of which covers approximately 40% to 50% of the exposure generated. The following table gives details in respect of outstanding foreign currency forward contracts:

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Foreign currency in crores	₹ in Crore	Foreign currency in crores	₹ in Crore
Forward contracts				
in USD	6.32	477.29	18.23	1,284.17
in GBP	8.19	812.26	11.73	1,155.93

The line-items in the balance sheet that include the above hedging instruments are "Other current financial assets" and "Other non-current financial liabilities".

The table below analyses the derivative financial instruments into relevant maturity grouping based on the remaining period as of the balance sheet date:

₹ in Crore

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Forward contracts in USD</b>		
Not later than one month	192.39	265.05
Later than one month and not later than three months	162.93	407.88
Later than three months	121.97	611.24
<b>Total</b>	<b>477.29</b>	<b>1,284.17</b>
<b>Forward contracts in GBP</b>		
Not later than one month	88.21	177.75
Later than one month and not later than three months	49.89	48.09
Later than three months	674.16	930.09
<b>Total</b>	<b>812.26</b>	<b>1,155.93</b>

The movement in Hedging Reserve, for derivatives designated as cash flow hedges is as follows:

Particulars	As at 31st March, 2020	As at 31st March, 2019
Balance of cash flow hedge reserve at the beginning of the year	23.67	(3.31)
Addition pursuant to scheme of restructuring	-	-
Changes in the fair value of effective portion of cash flow hedges	(3.63)	63.17
Deferred tax movement	2.20	(8.77)
(Gains)/Losses transferred to statement of profit and loss on occurrence of forecasted hedge transaction	(2.47)	(4.58)
Allocated to minority interest	1.70	(22.84)
<b>Balance of cash flow hedge reserve at the end of the year</b>	<b>21.47</b>	<b>23.67</b>

The following table summarises approximate gains / (loss) on the Group's other comprehensive income on account of appreciation / depreciation of underlying foreign currencies:

₹ in Crore

Particulars	31st March, 2020	31st March, 2019
5% Appreciation of the underlying foreign currencies	(41.87)	(89.31)
5% Depreciation of the underlying foreign currencies	34.00	76.81

#### Capital Management:

The Group's capital management objective is to maintain an optimal debt-equity structure so as to reduce the cost of capital, thereby enhancing returns to shareholders. The Group also has a policy of making judicious use of various available debt instruments within its overall working capital drawing limit.

**Notes forming Part of Consolidated Financial Statements (contd.)**
**NOTE-48 Related Party and their relationship**
**Related Party for the year ended 31st March 2020 and their Relationship**
**A. Parent-under de facto control**

Name	Relationship
Rainbow Investments Limited	Parent-under de facto control

**B. Associate**

Nanobi Data and Analytics Private Limited

**C. Other Related Parties having transaction during the period**
**(i) Entities under common control**

Name
CESC Limited
Haldia Energy Limited
Dhariwal Infrastructure Limited
Kota Electricity Distribution Limited
Bikaner Electricity Supply Limited
Bharatpur Electricity Services Limited
Noida Power Company Limited
Phillips Carbon Black Limited
Spencer's Retail Limited
Nature's Basket Limited
Saregama India Limited
Woodlands Multispeciality Hospital Limited
Kolkata Games and Sports Private Limited
Au Bon Pain Café India Limited
New Rising Promoters Private Limited
Accurate Commodeal Private Limited
Duncan Brother and Company Limited

**(ii) Key Management Personnel (KMP)**

Name	Relationship
Mr. Sanjiv Goenka	Chairman and Non-executive Director
Mr. Shashwat Goenka	Non-executive Director
Ms. Grace Koshie	Independent Director
Mr. K. Jairaj	Independent Director
Mr. Arjun Kumar	Independent Director
Mr. Arvind Vats	Chief Financial Officer (w.e.f. 19.08.2019)
Mr. Suhail Sameer	Whole-time Director (upto 13.02.2020)
Mr. Sudip Kumar Ghosh	Company Secretary

**Transactions during the Year Ended 31st March, 2020 with Related Parties**

₹ in crore

Sl No.	Nature of Transactions	Parent having Control in terms of Ind AS - 110, Subsidiaries, Joint Venture & Associate		Entities under common control		Key Management Personnel		Other Related Parties		Total	
		31st March 2020	31st March 2019	31st March 2020	31st March 2019	31st March 2020	31st March 2019	31st March 2020	31st March 2019	31st March 2020	31st March 2019
1	Equity Shares issued	-	11.76	-	1.42	-	0.01	-	-	-	13.19
2	Redemption of Debentures	0.20	-	-	-	-	-	-	-	0.20	-
3	Short Term Advance Made/(Received)	-	-	-	(3.12)	-	-	-	-	-	(3.12)
4	Transfer of Employee Balances	-	-	(0.16)	-	-	-	-	-	(0.16)	-
5	Purchase of Property, Plant & Equipment	-	-	0.01	0.17	-	-	-	-	0.01	0.17
6	Security Deposit Received / (Refunded)	-	-	0.01	0.01	-	-	-	-	0.01	0.01
7	Income from sale/services	-	-	71.77	70.58	-	-	-	-	71.77	70.58
8	Interest Income	0.10	0.12	-	-	-	-	-	-	0.10	0.12
9	Purchase of Goods	-	-	0.01	-	-	-	-	-	0.01	-
10	Expenses incurred / Expenses reimbursed	0.28	0.66	54.33	77.37	-	-	-	-	54.61	78.03
11	(Recovery of Expenses) / Expenses Receivable	-	-	(1.14)	(0.71)	-	-	-	-	(1.14)	(0.71)
12	Remuneration of Key Managerial Personnel:										
	Short Term Employee Benefits	-	-	-	-	6.38	1.61	6.38	1.61	6.38	1.61
	Post Employment Benefits	-	-	-	-	0.37	0.15	0.37	0.15	0.37	0.15
13	Sitting Fees to Directors	-	-	-	-	0.44	0.06	0.44	0.06	0.44	0.06
	Outstanding Balance:										
1	Debit	-	-	21.77	27.13	-	-	-	-	21.77	27.13
2	Credit	-	-	18.19	67.59	-	-	-	-	18.19	67.59

₹ in crore

**NOTE-49** Statement pursuant to requirement of Schedule III to the Companies Act 2013 relating to Company's interest in subsidiary companies / Associates for the period ended 31 March, 2020

Sl No.	Name of the Entities	Country of Incorporation	As at 31st March, 2020		For the year ended 31st March, 2020		For the year ended 31st March, 2020		As % of Consolidated Total Comprehensive Income	
			Net Assets	As % of Consolidated Net Assets	Profit	As % of Consolidated Profit/ (Loss)	Other Comprehensive Income	As % of Consolidated Other Comprehensive Income		
	<b>Parent</b>									
	CESC Ventures Limited (CVL)	India	1,689.26	72.73%	174.33	118.48%	(0.02)	(0.02%)	174.31	65.44%
	<b>Subsidiaries - Indian</b>									
1	Guilfree Industries Limited (GIL) (100% subsidiary of CVL)	India	352.20	15.16%	(162.22)	(110.24%)	0.30	0.25%	(161.92)	(60.78%)
2	Quest Properties India Limited (QPL) (100% subsidiary of CVL)	India	276.81	11.92%	17.48	11.88%	(0.06)	(0.05%)	17.41	6.54%
3	Metromark Green Commodities Private Limited (100% subsidiary of QPL)	India	1.96	0.08%	(0.11)	(0.07%)	-	0.00%	(0.11)	(0.04%)
4	RP-SG Ventures Advisory LLP (100% subsidiary of QPL)	India	(0.98)	(0.04%)	(0.72)	(0.49%)	-	0.00%	(0.72)	(0.27%)
5	RP-SG Unique Advisory LLP (100% subsidiary of QPL)	India	2.44	0.11%	(0.05)	(0.03%)	-	0.00%	(0.05)	(0.02%)
6	RP-SG Venture Fund I (100% subsidiary of QPL)	India	59.40	2.56%	13.84	9.40%	-	0.00%	13.84	5.19%
7	Firstsource Solutions Limited (FSL)	India	2,074.15	89.30%	182.02	123.70%	(4.05)	(3.40%)	177.96	66.81%
8	Firstsource Process Management Services Ltd. (100% subsidiary of FSL)	India	3.38	0.15%	0.11	0.08%	-	0.00%	0.11	0.04%
9	Bowlopedia Restaurants India Limited (100% subsidiary of CVL)	India	2.37	0.10%	(14.20)	(9.65%)	(0.02)	(0.02%)	(14.22)	(5.34%)
10	Apricot Foods Private Limited (70% subsidiary of GIL)	India	26.72	1.15%	(11.60)	(7.89%)	(0.04)	(0.03%)	(11.64)	(4.37%)
11	Herbolab India Private Limited (64.6 % subsidiary of CVL)	India	11.77	0.51%	(5.00)	(3.40%)	0.00	0.00%	(5.00)	(1.88%)
	<b>Subsidiaries - Foreign</b>									
12	Firstsource Group USA, Inc. (FG US) (100% subsidiary of FSL)	USA	2,142.27	92.24%	(60.76)	(41.30%)	144.15	120.87%	83.38	31.30%
13	Firstsource BPO Ireland Ltd. (100% subsidiary of FSL)	Ireland	1.84	0.08%	(0.15)	(0.10%)	0.12	0.10%	(0.04)	(0.01%)
14	Firstsource Solutions UK Ltd. (FS UK) (100% subsidiary of FSL)	UK	465.50	20.04%	3.73	2.53%	14.84	12.44%	18.57	6.97%
15	Firstsource-Dialog Solutions Pvt. Ltd. (74% subsidiary of FSL)	Sri Lanka	2.26	0.10%	(0.00)	(0.00%)	(0.00)	(0.00%)	(0.01)	(0.00%)
16	Sourcepoint Fulfillment Services Inc (Formerly known as ISGN Fulfillment Services, Inc.) (100% subsidiary of ISGN Solutions Inc.)	USA	(5.53)	(0.24%)	3.79	2.58%	(0.33)	(0.27%)	3.46	1.30%
17	Firstsource Business Process Services, LLC (FBPS) (100% subsidiary of FG US)	USA	263.43	11.34%	(0.00)	(0.00%)	22.67	19.01%	22.66	8.51%
18	Firstsource Advantage, LLC (100% subsidiary of FBPS)	USA	173.99	7.49%	43.02	29.24%	4.95	4.15%	47.96	18.01%
19	Firstsource Solutions S.A. (Argentina) (FS SA)(99.98% subsidiary of FS UK)	Argentina	-	0.00%	-	0.00%	-	0.00%	-	0.00%
20	Firstsource Transaction Services, LLC (100% subsidiary of FS SA)	USA	8.07	0.35%	(2.03)	(1.38%)	0.74	0.62%	(1.29)	(0.48%)
21	Firstsource Solution USA LLC (100% subsidiary of MH Inc)	USA	-	0.00%	-	0.00%	-	0.00%	-	0.00%
22	One Advantage LLC (100% subsidiary of FBPS)	USA	58.49	2.52%	32.22	21.90%	4.26	3.57%	36.48	13.69%
23	Medassist Holding LLC (MH Inc) (100% subsidiary of FG US)	USA	2,413.01	103.89%	178.44	121.27%	(67.02)	(56.20%)	111.42	41.83%
24	Sourcepoint INC (Formerly known as ISGN Solutions Inc.) (100% subsidiary of FG US)	USA	366.80	15.79%	(10.30)	(7.00%)	(1.27)	(1.06%)	(11.56)	(4.34%)
25	ISGN Fulfillment Agency LLC (100% subsidiary of ISGN Fulfillment Services Inc)	USA	-	0.00%	-	0.00%	-	0.00%	-	0.00%
	<b>Non Controlling interest</b>		(1,344.32)	(57.88%)	150.53	102.33%	54.87	46.02%	205.40	77.12%
	<b>Investment in Associates (Equity Method)</b>									
26	Nanobi Data and Analytics Private Limited	India	-	0.00%	-	0.00%	-	0.00%	-	0.00%
	<b>Adjustment</b>		(6,722.71)	(289.45%)	(385.21)	(261.81%)	(54.82)	(45.97%)	(440.03)	(165.18%)
	<b>Total</b>		2,322.58	100.00%	147.14	100.00%	119.25	100.00%	266.39	100.00%

**Note-50 Non-controlling interests**

₹ in Crore

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Balance at the beginning of the period	1,317.88	1,143.68
Addition pursuant to the business combination during the year	15.25	-
Share in Profit for the year	150.53	170.35
Share in other comprehensive income for the year	54.87	44.42
Adjustment pursuant to implementation of Ind-AS 116	(18.21)	-
Change due to movement in Other Equity*	(176.00)	(40.57)
Balance at the end of the period	1,344.32	1,317.88

\* Including dividend paid during the year

**NOTE-51 Summary Of Acquisition**

On June 03, 2019, CESC Ventures Limited acquired equity stake in Herbolab India Private Limited ("HIPL"), a Company engaged in the business of manufacturing, distribution, dealing and marketing of ayurvedic products.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

Purchase Consideration	₹ In Crore
Cash Paid	17.18
Deferred Consideration	2.00
	<u>19.18</u>

The assets and liabilities recognised as a result of the acquisition are as follows:

Non Current Assets	30.14
Current Assets	1.42
Liabilities	-1.06
Deferred Tax Liability	-7.47
	<u>23.03</u>
Less: Non Controlling Interest	-15.25
Add: Goodwill	11.40
	<u>19.18</u>

Post the initial acquisition, the Company has acquired 14.63% of additional stake in HIPL through subscription of fresh equity shares issued by HIPL for a total consideration of ₹ 15 crore.

**NOTE-52**

The composite Scheme of Arrangement amongst the Company, CESC Limited (CESC) and eight other companies and their respective shareholders has been made effective from 1st October, 2017 except for the demerger of the Generation Undertaking of CESC into Haldia Energy Limited (HEL), a wholly owned subsidiary of CESC ("the said Demerger"). However, the said Demerger proposal has been withdrawn with effect from 14 November 2019 and HEL continues to be a wholly-owned subsidiary of CESC.

**NOTE-53**

Previous period figures have been regrouped/reclassified wherever necessary to correspond with current period classification/ disclosure.

For Batliboi, Purohit & Darbari  
Chartered Accountants  
Firm Registration Number - 303086E

CA Hemal Mehta  
Partner  
Membership No. 063404  
Place: Kolkata  
Date: 26 June, 2020

For and on behalf of Board of Directors

Chairman	Sanjiv Goenka	DIN : 00074796
Director	Shashwat Goenka	DIN : 03486121
Whole-time Director	Rajeev Ramesh Chand Khandewal	DIN : 08763979
Company Secretary	Sudip Kumar Ghosh	
Chief Financial Officer	Arvind Vats	

**STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARY / ASSOCIATES / JOINT VENTURES**  
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Account) Rules, 2014)

₹ in crore

Sr. No.	Name of the Subsidiary	Reporting Period	Reporting Currency	Reporting Period	Share Capital	Other Equity / Reserve & Surplus	Total Assets	Total Liabilities (including share capital and other equity and reserves)	Investments (excluding investments in subsidiaries and associate)	Turnover (Total Income)*	Profit Before Taxation*	Provision for taxation	Profit after Taxation*	Proposed Dividend	% of shareholding
1	Quest Properties India Limited	2019-20	INR	April- March	262.52	14.29	584.52	584.52	51.24	104.85	28.71	11.24	17.47	-	100.00%
2	Metromark Green Commodities Pvt. Ltd	2019-20	INR	April- March	3.37	(1.41)	2.14	2.14	0.10	--	(0.11)	-	(0.11)	-	100.00%
3	Firstsource Solutions Limited	2019-20	INR	April- March	693.83	1,371.39	2,365.63	2,365.63	-	939.91	211.99	29.98	182.01	-	53.90%
4	Firstsource Group USA, Inc.	2019-20	USD	April- March	1.95	2,140.23	3,073.89	3,073.89	-	66.26	(33.15)	31.74	(64.89)	-	100.00%
5	MedAssist Holding, LLC**	2019-20	USD	April- March	-	2,413.01	2,647.96	2,647.96	-	780.37	191.47	-	191.47	-	100.00%
6	Firstsource Solutions USA, LLC	2019-20	USD	April- March	-	-	-	-	-	-	-	-	-	-	100.00%
7	Firstsource Transaction Services, LLC	2019-20	USD	April- March	-	8.07	208.39	208.39	-	522.21	(2.15)	-	(2.15)	-	100.00%
8	Firstsource Business Process Services, LLC	2019-20	USD	April- March	-	263.43	300.96	300.96	-	-	-	-	-	-	100.00%
9	Firstsource Advantage, LLC	2019-20	USD	April- March	0.08	173.92	260.91	260.91	-	470.87	45.99	-	45.99	-	100.00%
10	Firstsource BPO Ireland Ltd.	2019-20	Euro	April- March	-	1.84	1.98	1.98	-	0.08	(0.22)	(0.06)	(0.16)	-	100.00%
11	Firstsource Solutions UK Ltd.	2019-20	GBP	April- March	26.51	439.94	1,299.03	1,299.03	-	1,508.21	(0.90)	(5.34)	4.44	-	100.00%
12	Firstsource Solutions S.A.	2019-20		April- March	-	-	-	-	-	-	-	-	-	-	99.98%
13	Firstsource-Dialog Solutions Pvt. Ltd.	2019-20	LKR	April- March	0.18	2.08	2.29	2.29	-	0.06	(0.00)	-	(0.00)	-	74.00%
14	One Advantage LLC	2019-20	USD	April- March	-	58.49	91.02	91.02	-	118.71	34.41	-	34.41	-	100.00%

15	Firstsource Process Management Services Limited	2019-20	INR	April- March	1.05	2.33	3.45	3.45	0.18	0.15	0.04	0.11	-	100.00%
16	Sourcepoint Inc	2019-20	USD	April- March	0.56	365.62	615.89	615.89	644.23	(11.00)	-	(11.00)	-	100.00%
17	Sourcepoint Fulfillment Services Inc	2019-20	USD	April- March	3.03	(7.91)	28.84	28.84	56.97	4.12	-	4.12	-	100.00%
18	Guilfree Industries Limited	2019-20	INR	April- March	605.67	(253.47)	705.85	705.85	125.17	(219.22)	(57.00)	(162.22)	-	100.00%
19	Bowlopedia Restaurants India Limited	2019-20	INR	April- March	33.75	(31.38)	13.95	13.95	8.44	(14.20)	-	(14.20)	-	100.00%
20	Apricot Foods Private Limited	2019-20	INR	April- March	0.40	26.32	62.43	62.43	162.46	(15.40)	(3.80)	(11.60)	-	70.00%
21	Herbolab India Private Limited***	2019-20	INR	April- March	1.41	10.35	17.01	17.01	15.07	(6.87)	(1.88)	(4.99)	-	64.60%
22	RP - SG Ventures Advisory LLP	2019-20	INR	April- March	-	(0.98)	1.14	1.14	3.50	(0.72)	-	(0.72)	-	100.00%
23	RP SG Unique Advisory LLP	2019-20	INR	April- March	2.49	(0.07)	2.47	2.47	-	(0.04)	-	(0.04)	-	100.00%
24	RP-SG VENTURES FUND-I	2019-20	INR	April- March	49.28	10.12	59.46	59.46	-	13.84	-	13.84	-	100.00%

\*Turnover, Profit/(loss) before tax and Profit/(loss) after tax include intercompany dividend income within US Subsidiaries which is eliminated at consolidated financials, and has no impact on consolidated numbers.

\*\* Figures mentioned in MedAssist Holding LLC are consolidated figures of MedAssist Holding LLC and Firstsource Solutions USA LLC.

\*\*\* Subsidiary with effect from 3 June, 2019.

Dollar converted to Indian Rupees at the Exchange Rate, 1 USD - INR- 75.67

Pound converted to Indian Rupees at the Exchange Rate, 1 Pound - INR-93.50

Euro converted to Indian Rupees at the Exchange Rate, 1 Euro - INR-79.10

LKR converted to Indian Rupees at the Exchange Rate, 1 LKR-INR-40

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

None

For and on behalf of Board of Directors

Chairman	Sanjiv Goenka	DIN : 00074796
Director	Shashwat Goenka	DIN : 03486121
Whole-time Director	Rajeev Ramesh Chand Khandewal	DIN : 08763979
Company Secretary	Sudip Kumar Ghosh	
Chief Financial Officer	Arvind Vats	

Place: Kolkata  
Date: 26 June, 2020

**REGISTERED OFFICE**

CESC House

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